

Annual Report 2014/15



Timaru District Council Annual Report 2014/15

For the year ended 30 June 2015

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Mayor/Chief Executive's Welcome

Welcome to the 2014/15 Timaru District Council Annual Report

The last 12 months have been a time of consolidation for the District.

We saw the completion of some significant infrastructure and asset projects – the sort of work that uses a lot of your rates and goes on behind the scenes, but helps keep the Timaru District a great place to live. Some of the biggest infrastructure work included:

- Commissioning of the new \$17m Timaru Wastewater Treatment Plant to provide tertiary treatment of domestic sewage, which is then combined with the milliscreened industrial wastewater and discharged via the existing ocean outfall
- Extensions at Redruth Landfill with the construction of a new landfill cell for residual waste
- Ongoing upgrading of urban water supplies, including replacement of pipes, valves, hydrants and other water supply assets that have reached the end of their design life
- Progressing the Factory Road two-lane bridge project and construction of a roundabout at the Wai iti/Morgans/Barnes Streets intersection in Timaru to help improve traffic flow.

Our residents and visitors continue to enjoy the amenities the district offers. Some of the highlights provided by the Council included:

- Popular exhibitions with a local flavour at the Aigantighe Art Gallery and the Museum such as the *Timaru Herald 150 Years Journey Through Time*, and *Into Hell Itself: Local Experiences of Gallipoli 1915*
- Increasing numbers visiting CBay – the Caroline Bay Trust Aoraki Centre, with over 300,000 admissions during the year
- Construction of a new section of shared cycleway/walkway from Saltwater Creek to Jack's Point, south of Timaru
- Upgrades to public toilets including Geraldine Men's toilets, Timaru Botanic Gardens unisex facilities, Winchester toilets and facilities at Arundel and Rangitata Huts.

During the year, a major task was the preparation and completion of the Long Term Plan 2015-25. As part of this, we sought your views on the big issues facing the district over the next 10 years like roading funding, handling our heritage and culture, slicing the general rates pie, and securing our future water supplies. Thanks to those who made the effort to give us feedback. We really appreciated this and all of the points you made were considered by the Council.

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

Financial Performance

Financially, the Council has achieved a net surplus of \$8.7M compared to a forecast surplus of \$6.0M. The main reasons for this surplus are:

- Increased revenue from interest revenue due to increased investments held over the year resulting from delays in capital projects.
- Increases in revenue from unexpected donations (e.g. for the library and Botanic Gardens) and higher income for solid waste, water sales and contributions to projects.
- Lower finance costs due to timing of expenditure and reduced interest rates
- A decrease in the expected remaining life of the Redruth landfill,

meaning an increase in the required aftercare provision. Waste tonnes to the landfill have increased during the year due to the amount of commercial activity.

- Lower costs for depreciation due to delays in capital projects

Expenditure was below budget mainly due to reduced interest costs and depreciation expense required. Revenue was above budget mainly due to interest revenue, additional fees and contributions.

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

The Council's total liabilities are \$109.8M compared to forecast \$120.5M, while we look after \$849.7M of assets located throughout the district (Forecast: \$852.8M).

Final Words

Timaru District is going well. We have a strong and diverse economic base. Latest economic growth statistics indicate that the district continues to grow steadily. Much of this has been due to a strong rural economy. We are all aware that recent falls in dairy prices will have an effect locally, as will the 2014/15 summer drought and potential ongoing weather challenges due to El Nino. We will monitor the impact of these factors and will continue working together with you to keep our district prospering.

We sincerely thank those who have contributed to the achievements outlined in this report – the community, volunteers, elected members, Council staff, agencies we work with, and contractors. The district's success is a team effort and your efforts and commitment to our district is crucial.



Damon Odey
Mayor



Peter Nixon
Chief Executive



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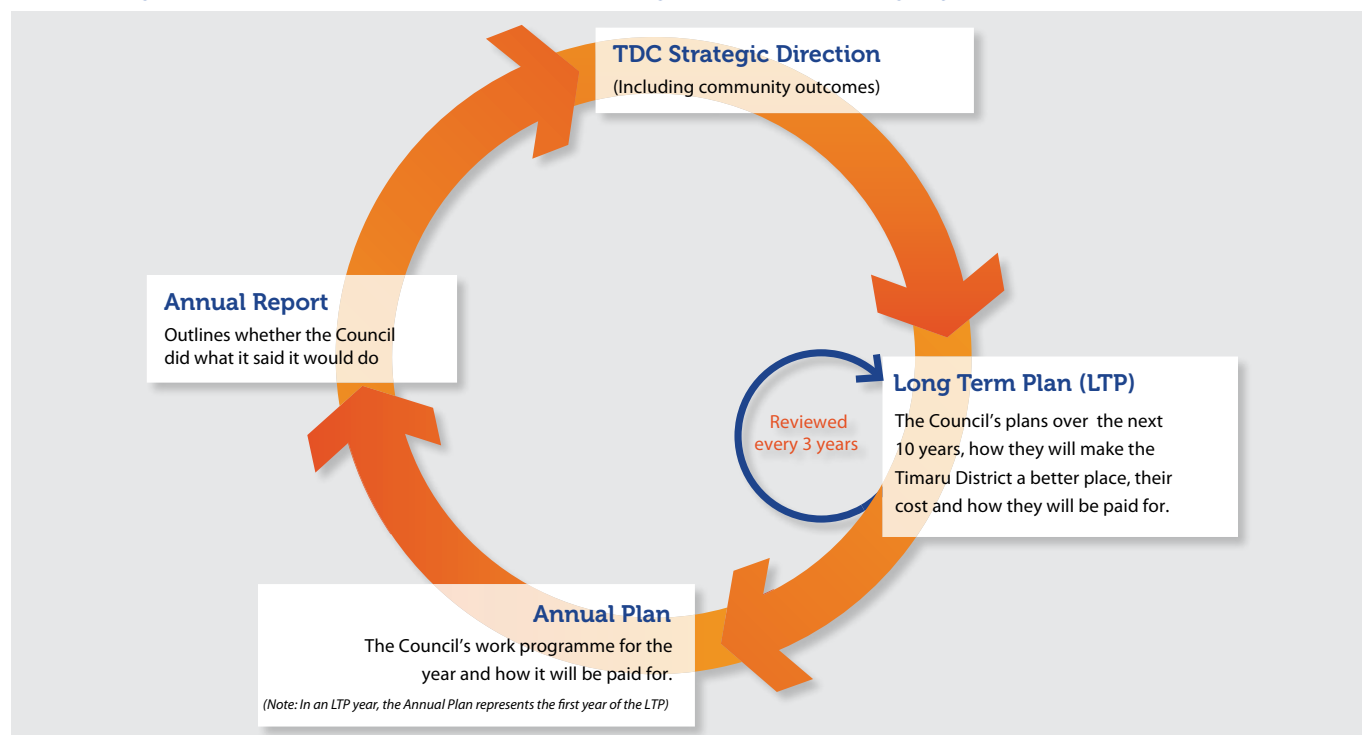


Overview

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2014/15 Annual Plan (or Year three of the 2012-22 Long Term Plan) as required by Section 98 of the Local Government Act 2002.

The diagram below shows our planning and reporting cycle:



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

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

Strategic Direction

Vision

Lifestyle – Economy – Identity – Leadership



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

Lifestyle

Fantastic, sustainable lifestyle second to none

We live in a pretty special place. We want to keep it that way. We want to make it even better for ourselves, our children, their children.

This means:

- We want to ensure our communities are well serviced with essential services
- We want to maintain a humming, vibrant mix of places to go and things to do
- We feel safe walking the streets and crime rates remain low
- Our families are strong and our children and youth are provided with great opportunities to learn and grow
- We care for and respect our elderly
- Our communities are thriving, exciting places to set down roots
- We have abundant recreational, sporting and leisure opportunities
- We care for, enhance and respect the natural environment

Identity

Strong and enviable reputation and identity

We want to forge and strengthen a reputation and identity that other districts may aspire to

This means:

- We are proud of our district - our environment, our lifestyle, our communities, our people, our success
- We build and own our identity
- Our residents are our strongest advocates - locally, nationally, internationally
- We respect and honour our heritage and individuality
- We value, encourage and celebrate cultural diversity
- We celebrate and sell our story

Economy

Thriving and innovative economy where opportunities abound

Our economy is essential to our future. We need it to grow innovatively and sustainably.

This means:

- We build on our economy's agricultural roots and support innovative, future focused industries
- Our industries and businesses produce high quality goods and services while valuing the environment from which their raw materials are sourced
- Our businesses are well supported and enabled to grow
- Our district has a variety of training and employment opportunities available
- Our standard of living grows continuously
- We have planned for and have balanced growth that keeps our businesses, population and youth local
- We maintain and build on our district's strong economic diversification
- Our district's opportunities attract people, skilled workers and families here to live, work and play
- New businesses choose Timaru District
- Our businesses and other agencies work together for maximum district benefit

Leadership

Inspiring, people-focused leadership

We want a district where we build on our strengths, minimise our weaknesses, challenge our threats and grasp our opportunities. This takes leadership.

This means:

- We lead to inspire and enable, and barriers are proactively reduced
- Our leaders help create the environment for the future to happen
- We inspire our district's future leaders
- We plan for the future to take advantage of its opportunities and recognise and address its challenges
- Our leaders make decisions that enable our community and economy to prosper

Community Outcomes

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



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

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

There are six community outcomes the Council have identified:

High quality infrastructure to meet community and business needs

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

Smart, diversified economic success and growth supported and enabled

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

Communities that are safe, vibrant and growing

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

People enjoying a high quality of life

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

A strong identity forged and promoted

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

A valued, healthy and accessible environment

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

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

Strategic Direction

Strategic Priorities

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



Investing in Community

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

Promote integrated, highly liveable communities

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

Support areas of economic and district strength

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

Ensure critical infrastructure meets future needs

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

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

Highlights of the year

Heritage Education programme continues to be popular

A growing number of local schools are using the Heritage Education Service. This programme, funded by the Ministry of Education provides over 30 curriculum linked programmes at the museum and in the field. Programmes range from science, social science, technology and the arts.

The service received high levels of teacher satisfaction with the programmes offered and a positive evaluation from the Ministry of Education.

This is a great way to introduce some of our younger residents to the treasures housed at our Museum. Topical exhibitions continue to be popular with residents and visitors.

These exhibitions included:

- Shaping South Canterbury – focusing on local engineering heritage
- 1914: South Canterbury on the Eve of War – a look at how our region reacted to the outbreak of war in 1914
- Into Hell Itself: Local Experiences of Gallipoli 1915 – focusing on experience local men had in the first major battle for New Zealand forces in the First World War
- Chosen Threads: Highlights of local women's fashion 1890-1990 – exhibiting garments selected from our stored collection to highlight the diversity and changes of local fashion through time
- Wild Suburbia: Life and Death in your Backyard – looking at the wildlife large and small that can be found in local gardens.



New roundabout at a busy Timaru intersection

A new roundabout was completed at the Wai-Iti/Morgans/Barnes Streets intersection in Timaru. This intersection is one of the busiest in Timaru and the roundabout is designed to improve traffic flows at peak times.

Upgrades to Public Toilets

Public toilets across the district are important to both residents and visitors for health and hygiene reasons as well as helping to create a good impression for visitors to the district. There have been a number of upgrades and new constructions during the year including the Cox Street – Geraldine Men's toilets, Timaru Botanic Gardens unisex facilities, Winchester toilets and facilities at Arundel and Rangitata Huts.



The Year in Review

Ongoing infrastructure development helps to progress residential development

Development of stormwater management infrastructure is continuing in the Gleniti area with the completion of a bund at Moutainview Road. This is part of the stormwater management provisions of the District Plan to help mitigate flooding in the area.

Completion of Timaru Wastewater Treatment Plant

The new \$17m Timaru Wastewater Treatment Plant has been commissioned. This has been a major project that has taken several years to bring to conclusion. It completes the \$62m sewerage strategy. The new plant provides tertiary treatment of domestic sewage, by the oxidation, maturation and wetland ponds, before combining with the milliscreened industrial wastewater and discharging via the existing ocean outfall.



A new addition to the District's walkway/cycleway

A new section of shared walkway/cycleway was constructed from Saltwater Creek to Jacks Point. This is an extension to the already popular track that extends from the top of Gleniti Road through Centennial Park, Saltwater Creek and a coastal section. With this new addition the Council is now maintaining 49 kms of off road walkways/cycleways throughout the district.



Joint Venture at Port pays dividends

Timaru District Holdings Ltd, which oversees the governance of the Council's shareholding in PrimePort Timaru, received a \$300,000 dividend this year.

The alliance with Port of Tauranga has resulted in a considerable growth in container traffic through PrimePort Timaru. As well as contributing to profits this has opened up new opportunities for exporters region wide. Trade in logs fertilisers and stock feed also increased significantly. The construction of the Holcim Storage facility is progressing and this along with upgrades to No2 Wharf will see a significant cement distribution trade operating from the port in the near future.

Highlights of the year

Timaru Botanical Gardens are 150 years old

On 15 September 2014 a ceremony was held to mark the Timaru Botanic Gardens 150 years as a reserve. A magnificent *Metrosideros* 'Maungapiko' was planted by the Mayor and ably assisted by others present on the day. This tree is a cross between the hardy Southern Rata and the spectacular Pohutukawa. The tree planting was supplemented with a brief verbal history of the Botanic Gardens presented by the Parks and Recreation Manager. The Botanic Gardens land was originally owned by the Canterbury Provincial Council as a temporary Reserve. Members of the public petitioned the Provincial Council and it became a permanent Reserve. The Gardens are a popular destination for both residents and visitors, with additions to plant collections continuing to add interest and variety.



Opportunities for Local Artists at Aigantighe Art Gallery

As well as hosting exhibitions by International and New Zealand artists during the year there has been a strong focus on local artists from throughout the district. Over 147 local artists exhibited work at the gallery during the year. There have been community requests for this to become an annual show.

The ever popular Artarama (Festival of South Canterbury Student Art) continues to attract high quality art works from local students with over 446 entries to this year's festival.

Some of the most popular exhibitions during the year included:

- Timaru Herald 150 Years Journey Though Time – coinciding with the newspapers 1st edition in 1864
- Here and Now – an exhibition involving the local artists
- Minkisi Art and Belief in West Africa
- Quick turnaround exhibitions held in the entrance gallery including regional artists Diana Peneamene, Wayne Patrick and Linda Bulland
- Hope and Connections – a touring exhibition by local artists Debbie Templeton Page and Cindy King.

Protecting our drinking water

Work has continued on upgrading urban water supplies. This included replacement of pipes, valves, hydrants and other water supply assets that have reached the end of their design life plus renewals generated as a result of maintenance to the water supply network.



The Year in Review

New addition to Redruth Landfill

Construction of a new landfill cell at Redruth has commenced. There have been some delays in the design phase due to adverse weather, however the project is now nearing completion. The new cell will be used for residual waste. Based on current rates of disposal it is expected that one new cell will last approximately 7 years. However with ongoing work to minimise waste it is likely that this will be extended.



Resource Recovery Park progress

The Resource Recovery Park project at the Redruth transfer station is underway with the design report now completed. This project is designed to improve drop-off facilities as well as ultimately help with ongoing reduction of waste to landfill.



Bridge upgrade is a key transport link

Progress is continuing on the two laning upgrade of the Factory Road Bridge enroute to the Clandeboye dairy factory. The bridge has become a key route for milk tankers travelling to the dairy factory and with high traffic volumes – particularly heavy vehicles, the upgrading was a safety issue. Piling work has been completed and construction of the bridge piers is underway.

Council owned flats given a face lift

Council completed the second year of a three year project to upgrade a number of its social housing units. The focus is on improving insulation, heating and upgrading bathroom and kitchen facilities.

The flat refurbishment at Pye Courts in Temuka has proved particularly successful in this previously hard to tenant complex, and the aim is now to progressively upgrade the remaining units.



New Long Term Plan prepared

As part of preparing the Long Term plan 2015-25 for the district the Council asked for community input – we asked the question Are we there yet? – inviting the community to give us their views on the big issues facing the district over the next 10 year – like roading funding, handling heritage and culture, slicing the general rates pie, securing our future water supplies. A record high of 292 submissions were received, with many submitters choosing to access information and providing feedback online.

These submissions formed part of the Council's deliberations and are reflected in the Long Term plan 2015-25 adopted by Council to guide Council services for the next 10 years.

The Year in Review

Performance at a glance



98.8%
of dogs in the district
were registered

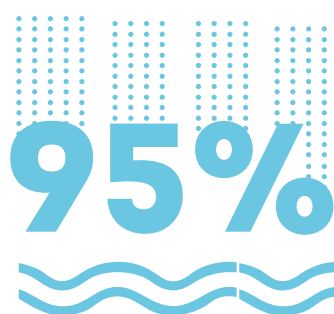
1,281

building consents
were issued.
Average processing
time: 12.5 days.

23,100

visitors to the Art Gallery

6.3% increase on the
previous year



of urgent concerns
reported to Council
regarding urban
water supplies
actioned within
one hour



11.6ha

of public parks per
1,000 population



97%

Occupancy of
Council social
housing units

78.56

kilometres
of road sealing
completed

19,037 tonnes

of material diverted from landfill via recycling,
composting and re-use

Accreditation

as a Building
Consent authority
was retained

77%

of residents were satisfied with
the maintenance of sealed roads
in the district

300

thousand
admissions to CBay

Day-to-day we...

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

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

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

Process and issue building and resource consents.

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

Manage 49Kkm of off road walking and cycling tracks.

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

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

Operate 4 swimming complexes across the district.

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

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

The Year in Review

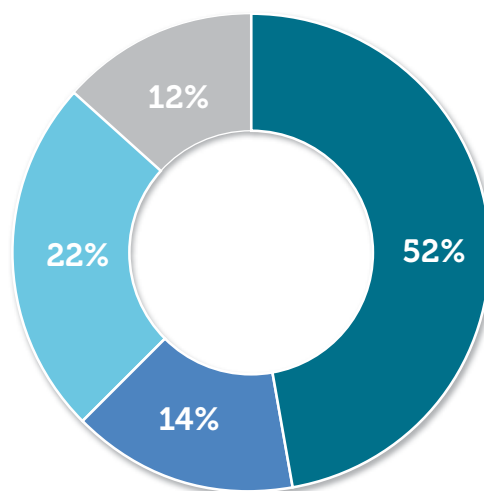
Measuring up

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

We have 147 performance measures that we report on across 9 groups of activities.

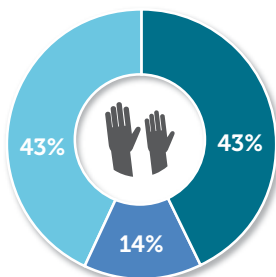
We achieved 77 of these, nearly achieved 20, and 18 were not achieved. 32 were not measured this year due to our community survey being undertaken every two years.

Overall Performance Summary

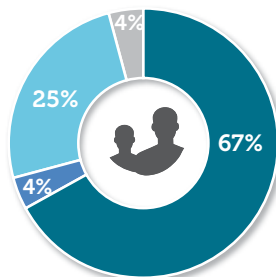


Performance Summary by Group of Activities

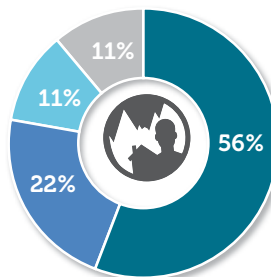
Democracy



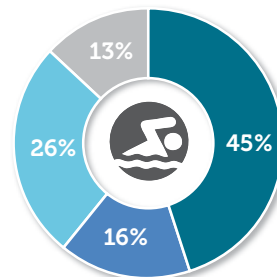
Community Support



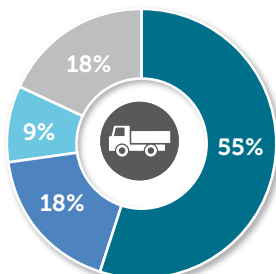
District Planning and Regulatory Services



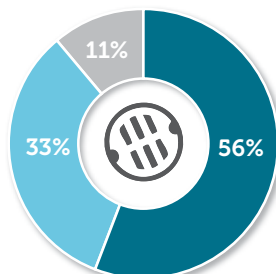
Recreation and Leisure



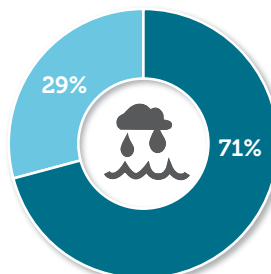
Roading and Footpaths



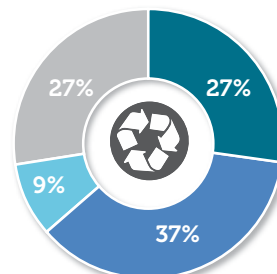
Sewer



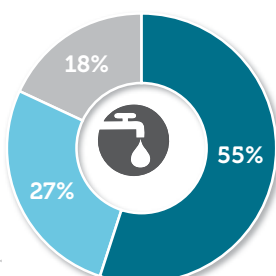
Stormwater



Waste Minimisation



Water Supply



The results show a high level view of performance.

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

The Year in Review

The Numbers

Expenditure

\$67.1M vs **\$68.6M**
ACTUAL BUDGETED

Borrowings

\$89.0M vs **\$102.3M**
ACTUAL BUDGETED

\$43.2M
Rates Revenue

\$33.1M
Other Income
e.g. fees, interest, dividends

\$32.4M
Reserve Funds

\$45.0M
Investments
in bank deposits and
bond securities

\$52.5M
Operating
Expenditure
to keep all our services and
facilities running day-to-day

\$20.2M
Capital
Expenditure

Full details of our financial performance
can be found in Sections 2 and 3 of the
full annual report.





Your Council, and Community Boards



Damon Odey

Mayor

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Richard Lyon

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Your Council, and Community Boards



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Jarrold Marsden (Deputy Chair)	03 693 7308	marsdeneng@gmail.com
Shaun Cleverley	03 693 9300	shaun@vlime.co.nz
Jan Finlayson	03 693 7297	janfinlayson@extra.co.nz
Chris Fisher	03 697 4840	rochelle.chris@extra.co.nz
McGregor Simpson	03 693 9696	margesimpson@clear.net.nz
Plus Geraldine Ward Councillor Kerry Stevens		

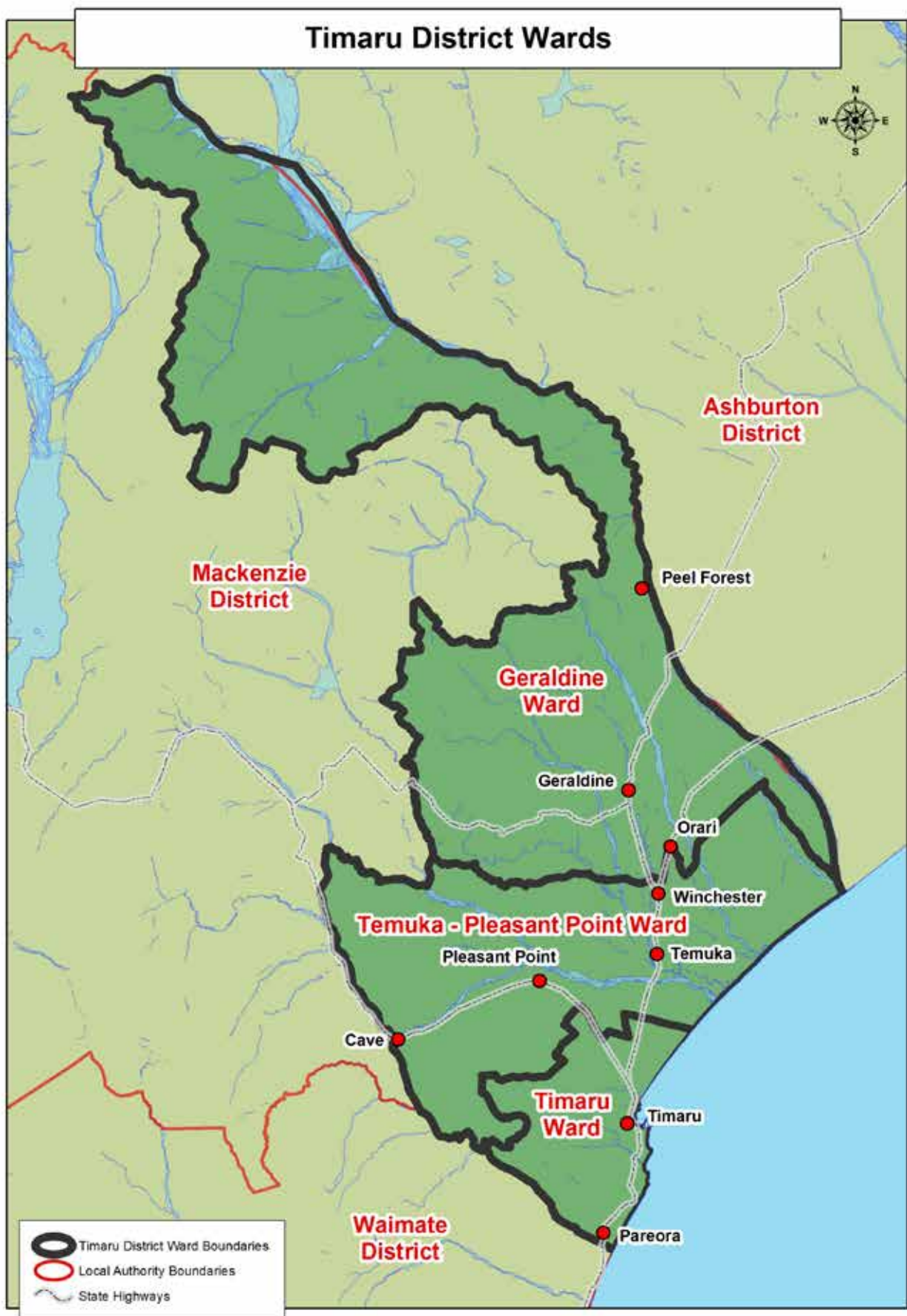
Pleasant Point Community Board

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

Temuka Community Board

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Noeline Clarke	03 615 8111	j.n.clarke@extra.co.nz
Lloyd McMillan	03 615 8231	mcmillan-clan@extra.co.nz
Charles Scarsbrook	03 615 9444	homemade@extra.co.nz
Alison Talbot	03 615 9189	steveali@extra.co.nz
Plus Pleasant Point-Temuka Ward Councillors Pat Mulvey (Chair) and Richard Lyon		

Timaru District Wards



About Timaru District

Geography & Climate

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

by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre.

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

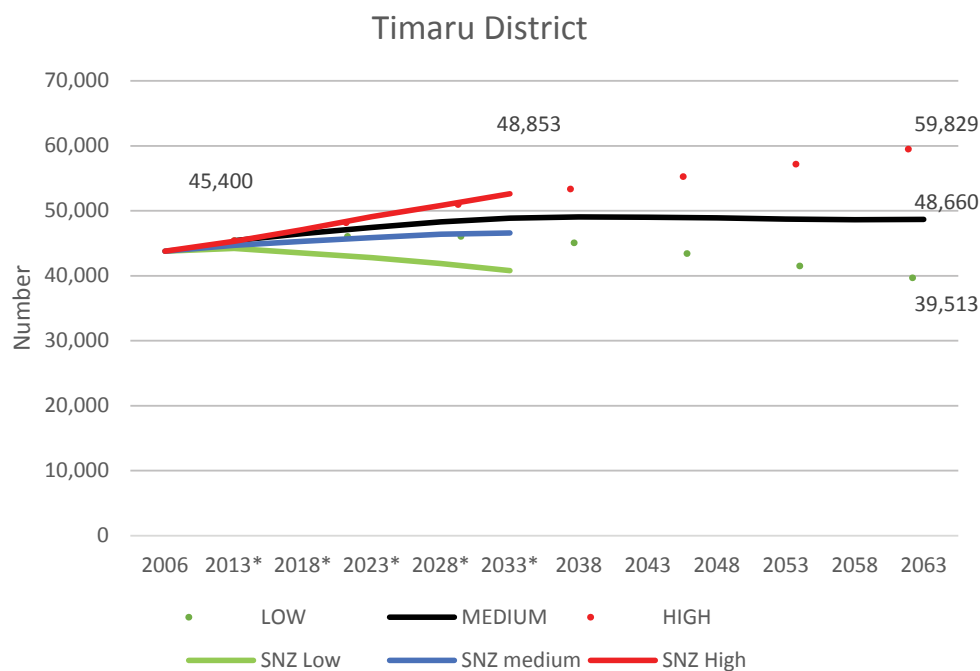
Demographics

The estimated resident population of the Timaru District as at June 2014 was 45,900. The 2013 Census population was 43,929.

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

The population of Timaru District is expected to age significantly in the future. Virtually all growth in future years is projected to be in age groups 65+, with the proportion of 65+ increasing from 20.1% in 2013 to 31% in 2033*.

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



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

About Timaru District

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

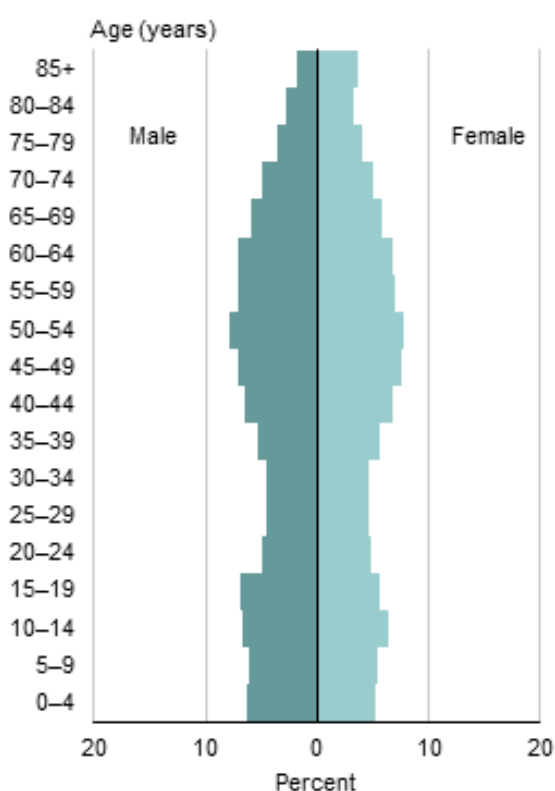
Cultural Diversity

Timaru District residents are:

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

Age-Sex Profile

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



Source: Statistics New Zealand

Household Composition

In Timaru District:

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

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

The medium scenario for the district's households project growth to 21,105 households in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015-25 LTP period. The increase in family households is for primarily couples without children (i.e. couples who do not yet have children, couples who do not/will not have children, couples whose children have left home). One-person households will increase, reflecting the structural ageing of the population.

Families

In Timaru District:

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

Work

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

Income

In Timaru District:

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

Economy

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

Employment in the district is strong, with the majority of people employed in manufacturing, health care and social assistance, retail trade, agriculture, forestry and fishing, and construction industries as at February 2014. As at February 2014, there were approximately 5,412 businesses operating in the district (2004: 4,736). The Agriculture, Forestry and Fishing industry sector accounts for around 23% of these businesses.

Visitors are a significant contributor to the district's economy, with the district providing a gateway to the central South Island. In a 2013 report from BERL, commissioned by Aoraki Business Development and Tourism, key performance indicators showed the local economy to be performing better than the national average across 5 of 7 indicators, as can be seen in the table.

Key Performance Indicators	Timaru District	New Zealand
% pa for 2013 year		
Residential population growth	0.7	0.8
GDP growth	3.4	2.7
GDP per capita growth	2.7	1.8
Employment growth	1.8	0.2
Labour productivity growth	1.9	2.7
Business units growth	1.3	0.7
Business size growth	0.5	-0.5

About Timaru District

Communities

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

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

Environment

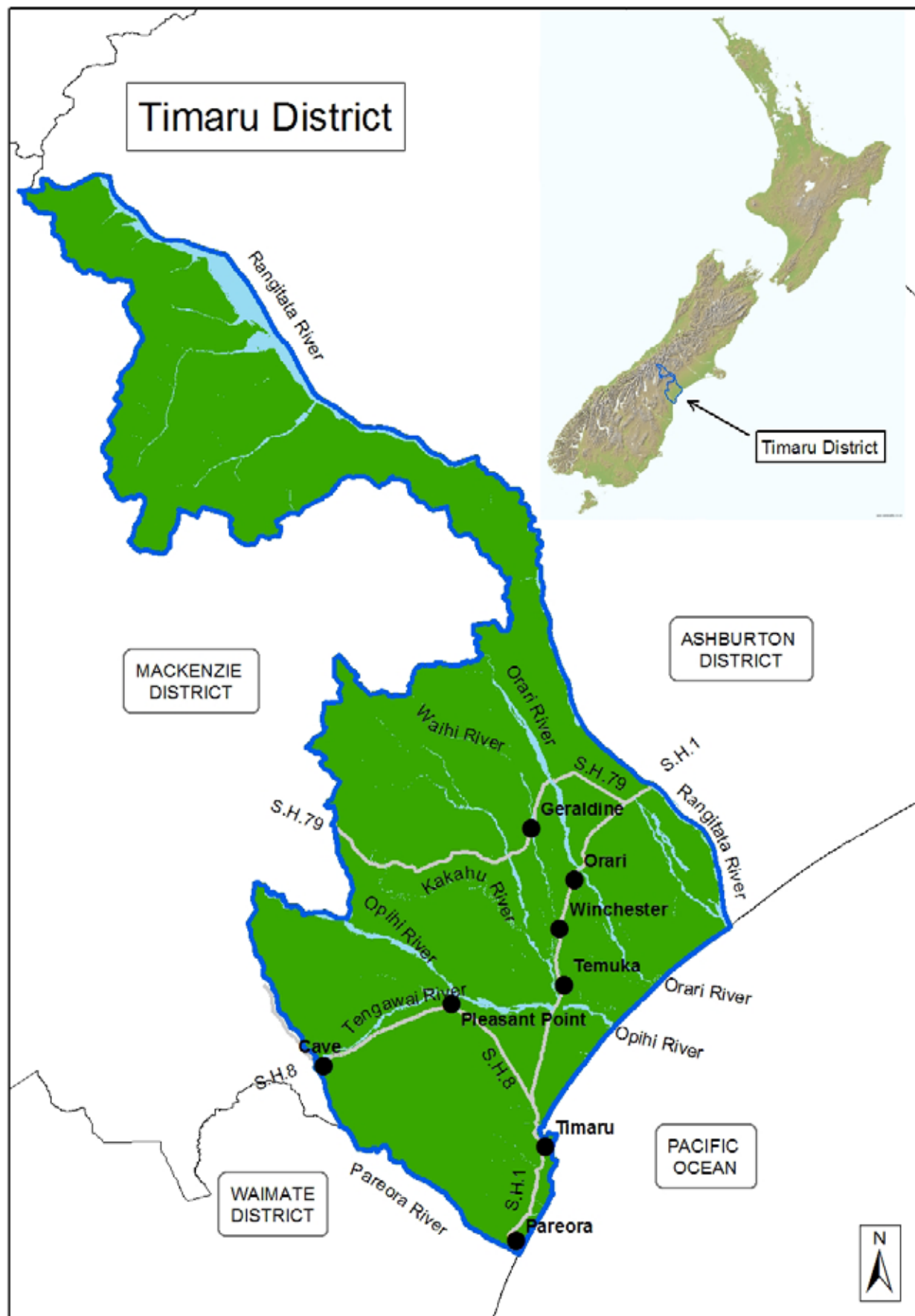
The diverse landscapes of the Timaru District include rolling downlands, tussock land, coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges.

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

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

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

About Timaru District



Statement of Compliance

Compliance


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

Responsibility

- 2 The Council and management of Timaru District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 3 The Council and management of Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 In the opinion of Council and management of Timaru District Council, the annual Financial Statements for the year ended 30 June 2015 fairly reflect the financial position and operations of Timaru District Council.



Damon Odey
Mayor
27 October 2015



Peter Nixon
Chief Executive
27 October 2015

Independent Auditor's Report

To the readers of Timaru District Council and group's annual report for the year ended 30 June 2015

The Auditor General is the auditor of Timaru District Council (the District Council) and group. The Auditor General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2015 on page 81;
 - the statement of comprehensive revenue and expense on page 79, statement of changes in equity on page 80 and statement of cash flows on pages 82 and 83 for the year ended 30 June 2015;
 - the funding impact statement of the District Council on page 84;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 76; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 87 to 127;
- the statement of service provision (referred to in the annual report as the Council's Activities Performance) of the District Council and the funding impact statements in relation to each group of activities of the District Council on pages 32 to 76; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 in notes 17 and 17a to the financial statements on pages 101 to 105, and the disclosure statement on pages 128 and 129.

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on pages 32 to 76;
 - council controlled organisations on pages 85 and 86;
 - reserve funds on pages 112 to 116;
 - each group of activities carried out by the District Council on pages 32 to 76;
 - remuneration paid to the elected members and certain employees of the District Council on page 120;
 - employee staffing levels and remuneration on page 121;
 - severance payments on page 126;
 - rating base units on page 94; and
 - insurance of assets on page 101;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Māori to contribute to the Council's decision making processes on page 131; and
- a statement of compliance signed by the mayor and chief executive of the District Council on page 27.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 79 to 83 and pages 87 to 127:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2015;
 - the results of their operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 84, present fairly, in all material respects, the

Audit Report

amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 76, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.
- the District Council's statement of service provision on pages 32 to 76:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 32 to 76, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan.
- the disclosures on pages 101 to 105 and pages 128 and 129 represent a complete list of the required disclosures and accurately reflect the information drawn from the District Council's audited information.

Compliance with the Other Requirements of schedule 10

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 27 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if

Audit Report

any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and Council's Activities Performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council and group's financial position, financial performance and cash flows;
 - present fairly their service performance, including achievements compared to forecast;
 - a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

In addition to this audit, which includes our report on the Other Requirements, we have audited the District Council's 2015 25 long-term plan and have been engaged to provide a limited assurance report to the District Council's debenture trustee. These audit and assurance engagements are compatible with those independence requirements.

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



Julian Tan
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand



Council Activities Performance

Council Activities – Summary

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

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

Council has nine groups of activities as outlined below:

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



Description

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

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

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

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

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

Key Achievements and Projects

During the year:

- The Council prepared and consulted on the Long Term Plan 2015-25 including new requirements such as an Infrastructure Strategy and a Consultation Document. 292 submissions were received, with many submitters accessing information and providing feedback online.
- Council Consulted on a draft Local Approved Products Policy (LAPP) including submissions and hearings. The final policy is expected to be implemented by December 2015.
- A Significance and Engagement policy was developed and following consultation was adopted by Council. This is designed to ensure that the community is able to have a say on significant issues in the district. It specifies the level and types of engagement that might be used.
- The future delivery of economic development services were reviewed by council.
- The Council responded to numerous proposed changes in legislation, including Building (Earthquake-prone buildings) Amendment Bill, Environmental Reporting Bill and various government policy announcements.
- The Council held civic events, including the Community Awards and citizenship ceremonies.
- The Council continued to maintain and promote sister city relationships
- The Council continued to communicate with the community on Council decisions, policy and activities through the Council Noticeboard in the Timaru Herald, the TDC website and various Council publications.
- The Council completed the 2013/14 Annual Report with a clear audit opinion.



Young Hero's acknowledged by Mayor

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution



Are we there yet? LTP consultation display at Timaru library



Performance

Level of Service statement	Measure/Target	Result
Make decisions in an open, transparent manner	≥ 90% main items of Council Business* held in open meetings	94% of main items of Council Business were held in open meetings. Reasons for excluding the public were to protect people's privacy, enable negotiations to take place, to maintain legal professional privilege and to protect commercially sensitive information.
	Satisfaction with influence on Council decision making. No survey 2014/15	No survey during 2014/15 as this is measured every 2 years. The 2013/14 survey results were: ■ 48% (2011: 40%) residents feel they have some or a large influence on Council decision-making. 38% believed they had a small influence and 12% believed they had no influence. In addition, 54% (2011: 53%) residents are satisfied with the way the Council involves the public in decision making. The next survey is due in 2015/16.
Advocate for the community	10 formal TDC submissions on issues made to agencies	We made 7 submissions to various agencies during the year, including the Rural Fire Service review, Ministry of Primary Industries on Priority Product Consultation, NZ Transport Agency on emergency works funding policy review, Regional Land Transport Plan 2015-25, National Consultation on recycling colours, Waste Data Framework consultation. The Council has further jointly submitted with a group of Southern Councils on the Buildings (Earthquake Prone Buildings) Amendment Bill developed in response to the reports of the Royal Commission on the Canterbury earthquakes.
Communicate with the community	Adequacy of Council published information. No survey 2014/15	No survey during 2014/15 as this is measured every 2 years. The 2013/14 survey results were: ■ 78% (2011: 70%) of residents believed information provided by Council was more than enough/enough. During the year council undertook major consultation with the community on the Long Term plan 2015-2025. A summary consultation document was widely available in print and digitally inviting community input into major decisions facing Council.
	Awareness of Council published information. No survey 2014/15	No survey during 2014/15 as this is measured every 2 years. The 2013/14 survey results were: ■ 72% (2011: 82%) of residents have seen or read information published by Council in the last 12 months.
Monitor the Council organisation	Clear audit opinion for Council Annual Report and audit	A clear (unmodified) audit opinion was received for the 2013/14 Annual Report.
Meet our statutory obligations	Statutory Local Government Act planning and accountability requirements are achieved.	Statutory requirements were met including preparation and adoption of the 2015-25 Long Term Plan and 2013/14 Annual Report.

Notes:

* This refers to the main business topics on the full Council agenda and existing four standing committees

Variations

There were no variances to the planned 2014/15 work programme.



Your Council

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	3,025	3,008	2,990	3,029
Targeted Rates (Other than a targeted rate for water supply)	17	3	17	4
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	6	2	6	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	3,048	3,013	3,013	3,033
Applications of operating funding				
Payments to staff and suppliers	1,165	1,126	1,057	1,026
Finance costs				
Internal charges and overheads applied	1,940	1,929	1,921	1,965
Other operating funding applications				
Total applications of operating funding (B)	3,105	3,055	2,978	2,991
Surplus (deficit) of operating funding (A - B)	(57)	(42)	35	42
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	0	0	0	0
Application of capital funding				
Capital expenditure	0	0	0	0
- to meet additional demand				
- to improve the level of service				
- to replace existing assets				
Increase (decrease) in reserves	(57)	(42)	35	42
Increase (decrease) of investments				
Total applications of capital funding (D)	(57)	(42)	35	42
Surplus (deficit) of capital funding (C - D)	57	42	(35)	(42)
Funding balance ((A - B) + (C - D))	0	0	0	0

Community Support

Description

Community Support includes the following activities provided by the Council:

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

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

Some of these activities, such as cemeteries and public toilets are necessary to ensure healthy communities, others provide support in times of adversity (e.g. Emergency Management) while others are provided to assist vulnerable people in our communities (e.g. Social Housing).



Emergency Management Civil Defence exercise

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution



New Winchester public toilet



Richard Pearse Airport, Timaru

Community Support

Key Achievements and Projects

During the year:

- The Cox Street Geraldine men's toilets have been upgraded with urinal sensors installed to ensure regular flushing occurs. Repainting has also been completed.
- Following a fire at the Lower Botanic Gardens Toilet the complex was redesigned, with a new unisex accessible facility which is family friendly, easy clean and modern looking.
- New toilets at Winchester were opened in June 2015. This is a modern, functional, waterless, self-contained toilet and a great improvement to the older long drop toilet that was there. This will be an ongoing programme until all long drop toilets have been replaced.
- Upgrading and replacement work on public toilets is underway at Arundel and Rangitata Huts. These are both high use areas over the summer/autumn.
- The airport maintained Civil Aviation Authority (CAA) accreditation, without a formal audit being required due to previous consistent compliance.
- A new roof, including insulation, was completed on the Timaru airport terminal building. New heating/cooling systems were installed to improve passenger comfort.
- Air NZ has advised that larger aircraft will be servicing Timaru from March 2016. This may require alterations/upgrading of the terminal building to handle increased passenger numbers and car parking expansion.
- A flat refurbishment at Pye Courts was finished except for the sunroom area. This has been a successful project and the aim is to progressively upgrade the remaining bedsits in the complex.
- Nine Council owned flats have been redecorated including significant bathroom and kitchen upgrades.
- A South Canterbury Welfare Forum was hosted to discuss changes in responsible agencies during a welfare response.
- The Emergency Management Team assisted the Fire Service and Police by activating a Civil Defence Centre for people evacuated from their homes as a result of a chemical fire in Timaru. Approximately 100 people were assisted.
- I pads were rolled out to the Civil Defence Welfare and Area HQ teams.
- The Grants and Loans Policies were significantly reviewed in November 2014 and will be replaced with the Donations and Loans Policy from 1 July 2015. There is no reference to annual grants in the new policy. A new Donations and Loans subcommittee has been set up to consider applications under the Donations and Loans policy. The subcommittee will meet twice a year and make recommendations to the Community Development committee.
- The Project Turnaround team exceeded its requirements under the Ministry of Justice contract while achieving a budgeted surplus.



Aoraki Development Business and Tourism (ADBT) is a Council Controlled Organisation that is concerned with economic development and district promotions. Some of the work progressed or completed during the year included:

- Managed a range of support tools for local businesses, including Training Courses, Business Resources, and Business Mentoring. There were over 299 attendees at 21 courses run during the year. ADBT supported over 243 businesses during the year with aspects such as start up planning, strategic planning, business structure, taxation and marketing advice.
- Assisted with over 20 district events such as the Young Farmers Competition, and numerous district and regional sporting events.
- Continued to enhance the availability of quality information about the district through the www.southcanterbury.org.nz website, newsletters and brochures.
- Led a Digital Strategy for the district as a flow on from the very successful response to the 2013/14 Gigatown national competition.
- Further expansion of the Free Wi-fi areas within the district. Public Wi-fi is available for visitors and locals and is funded and maintained by Aoraki Development Business & Tourism in partnership with local IT company and internet retail provider Vetta Technologies Ltd.
- Led and facilitated business leadership forums including:
 - Agribusiness Workforce Strategy (Canterbury wide)
 - Canterbury Digital Strategy
 - South Canterbury Workforce Strategy
 - Go Geraldine Workshop (Visitor Strategy)
- Prepared for and hosted 4 successful visits of cruise ships during the year.
- Managed and enhanced visitor information services across the district. Visitor nights for the year ended March 2015 rose 21% with most of the increase coming from domestic guest nights.
- Sought funding for District initiatives and growth, and assisted district businesses to achieve growth through a variety of means.
- Achieved a 74% very satisfied response from businesses using ADBT services, with 72% of respondents reporting between \$2K-\$75K added value as a result of the support provided.
- Distributed \$55,848 of funding resources to 69 businesses across the district.

Community Support

Performance

Level of Service statement	Measure/Target	Result
Community facilities are well maintained, clean and safe	<p>≥ 80% satisfaction with the airport</p> <p>Public Toilets user satisfaction - No survey in 2014/15</p>	<p>No survey during 2014/15 (2013/14: 93.2% of airport users surveyed were satisfied with the airport facilities)</p> <p>No survey during 2014/15 as this is measured every two years.</p> <p>The 2013/14 survey results were:</p> <ul style="list-style-type: none"> ■ 58% of residents were very/fairly satisfied with public toilets ■ 69% of users were very/fairly satisfied with public toilets <p>Only a small number of complaints were received regarding cleaning standards. It is expected that with the upgrade of facilities this year, the 2015/16 survey will see higher user satisfaction.</p>
	Cemeteries - user satisfaction - No survey in 2014/15	<p>No survey during 2014/15 as this is measured every two years</p> <p>The 2013/14 survey results were:</p> <ul style="list-style-type: none"> ■ 78% of residents were very/fairly satisfied with cemeteries ■ 91% of visitors were very/fairly satisfied with cemeteries. <p>The Temuka Cemetery extension has provided aesthetic improvements as well as a further 3000 burial sites.</p>
	Complaints about Public Toilet cleaning standards* ≤ 3 year average	There were 4 complaints (2013/14: 8) about cleaning standards during the year. Cleaning standards seem to be more consistent with several compliments received.
	Cemeteries contract compliance - ≤ 10 non-complying items with cemeteries contract	There were no non-complying items identified during the year.
	Airport Civil Aviation Authority accreditation maintained	The Airport continues to be CAA accredited. The next CAA Audit is scheduled for March 2016.
Plan for future provision of community facilities to meet community needs and expectations	<p>Future Development Plans for Main District Cemeteries:</p> <p>Temuka Cemetery development plan progresses</p>	The Temuka Cemetery extension was completed last financial year. Currently there is no funding allocated for redevelopment of any other cemeteries in the district.
	≥ 98% occupancy rate of Social Housing units	<p>97% occupancy was maintained. Occupancy levels have remained consistent this year. Demand is still high. There has been some turnover of units after long term tenancies and this has provided the opportunity for some refurbishment work to be done.</p> <p>The pilot unit at Pye Courts, Temuka – a modernized bedsit unit - has been well received and will be tenanted on completion.</p>
Ensure social housing units remains tenanted	≥ 87% Tenant Satisfaction Levels	While there has been no formal survey this year tenant satisfaction with units and service request work has remained at levels consistent with previous years (2013/14: 100%).
Maintain excellent customer service	100% of urgent Social Housing requests responded to within 24 hours	100% of urgent requests were actioned within 24 hours.
Provide accessible, accurate cemetery records	100% cemetery records updated within one month	100% records updated within one month and usually within one week.

Community Support

Level of Service statement	Measure/Target	Result
Communities are educated and informed about emergency management	No survey in 2014/15	<p>The 2013/14 survey results were:</p> <ul style="list-style-type: none"> Food: 90% (<i>Canterbury average: 88%</i>) Water: 52% (<i>63%</i>) Cooking Facilities: 92% (<i>88%</i>) <p>The survey measures whether people consider they are prepared for a disaster by asking if they have enough food, water and/or cooking facilities for at least 3 days. It is undertaken by the Canterbury CDEM Group Office.</p> <p>The next survey is due in August/September 2015.</p>
Emergency responders and volunteers are suitably trained, equipped and ready	<p>Civil Defence and Rural Fire training programme</p> <p>Rural Fire volunteers trained to entry level standards</p>	<p>Civil Defence volunteer training continued during the year.</p> <p>There has been a major focus on planning for the Annual Civil Defence exercise to be held in August 2015.</p> <p>All Rural Fire members, including 9 new recruits have been trained in Unit Standard 3285 <i>Entry on to the fire ground</i>. This is now a requirement prior to being allowed on the ground in the event of a fire.</p>
	Registered and trained volunteers increase	While Registered and Trained volunteer numbers are dropping due to resignations, retirements and relocations, many more volunteers are involved in local Community Response arrangements.
Equipment is maintained and upgraded as required to maintain emergency response	Regular testing of Emergency Management plant and equipment to defined schedules - 100% compliance with equipment testing regimes	<p>95% of testing of sirens and radios was undertaken. Full testing was not possible due to sirens at the Library and the Wharf being temporarily out of commission.</p> <p>Options are being considered for a new site for the Wharf siren once the Holcim cement plant has been completed. The Timaru Library siren will be recommissioned once the roof leak has been fixed.</p>
Develop and maintain critical networks with partner agencies	Emergency Management and Safer Communities partnership	<p>Critical emergency management networks and relationships were developed and maintained with a number of agencies and community groups across the district and regionally. This included attending community outreach events.</p> <p>Safer Communities Stakeholder partnerships are as strong as ever.</p> <p>Partnerships include government and non-government agencies such as NZ Police, Community and Public Health, South Canterbury District Health Board emergency department and Presbyterian Support Services, Fale o Pasifika Aoraki, CYF, Women's Refuge, Te Rito, Strengthening Families, Plunket, YMCA, and Bridge Programme Salvation Army, including regular meetings to keep pace with changing trends.</p>
Provide support to individuals and groups	<p>Community funding schemes managed in accordance with Council policy:</p> <ul style="list-style-type: none"> Planned funding rounds held Individual and group accountability forms returned 	<p>Council grants and funding schemes were managed in accordance with Council policy. During the year:</p> <ul style="list-style-type: none"> 4 General Grants funding rounds were held 2 Youth Entertainment funding rounds were held 4 Creative NZ funding rounds held 89% of accountability forms were returned (2013/14: 86%). <p>Of budgeted funding:</p> <ul style="list-style-type: none"> 64% (2013/14: 58%) of General Grant funding (grants under \$10,000) was allocated 100% of facility development funding (grants over \$10,000) from the Community Development Fund were allocated to the Victoria Trust and St Vincent de Paul Society (Annual budget: \$30,000) 100% of Youth Entertainment funding was allocated A \$200,000 Community Development Loan was advanced to the SC Drama League 94% (2013/14: 92%) of Creative NZ funding was allocated
	3 FTE subsidised labour positions provided annually	Three full time equivalent positions (FTEs) were provided through the subsidised labour scheme, Taskforce Green. They were involved in planting and weed control projects

Community Support

Level of Service statement	Measure/Target	Result
	Youth workers achieve Ministry of Social Development contract conditions	The Council was unsuccessful in regaining this contract when it came up for renewal in 2013/14. The Council's involvement with this contract has now ceased.
Respond to existing and new crime trends with community sanctioned initiative	Provide Safer Communities and Project Turnaround work programme as per contract requirements	The Safer Communities continual monitoring and assessing/acting on issues (eg: zero-tolerance to graffiti), in conjunction with stakeholders, is working very effectively. This has contributed to a largely incident free community during the year. Project Turnaround has well-exceeded its restorative justice contractual obligations with the Ministry of Justice and finished the year with a substantial surplus.
Contribute to the economic development of the Timaru District	Aoraki Development Business and Tourism (ADBT) CCO reporting quarterly to Council	Aoraki Development Business and Tourism have provided quarterly reports to Council.

Notes:

*A complaint represents when a cleaning standard is not being met, not when a request for cleaning is made. Vandalism and anti-social use of toilets can occur between cleaning, the effects of which result in a request to clean.

Variations

- Social Housing - Refurbishments – The insulation and bathroom upgrade project is 93% completed. Only those with skillion roofed flats are still to be insulated (more expensive). Increased costs for shower conversions mean that all of the programmed conversions will not be completed this financial year.



Conversion of Pye Courts social housing bedsit unit

Community Support

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	2,424	2,302	2,377	2,398
Targeted Rates (Other than a targeted rate for water supply)	164	177	163	180
Subsidies and grants for operating purposes	217	180	217	270
Fees, charges and targeted rates for water supply	1,448	1,433	1,461	1,550
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	24	19	24	18
Total operating funding (A)	4,277	4,111	4,242	4,416
Applications of operating funding				
Payments to staff and suppliers	3,331	3,225	3,320	3,311
Finance costs	159	86	152	234
Internal charges and overheads applied	347	405	344	428
Other operating funding applications				
Total applications of operating funding (B)	3,837	3,716	3,816	3,973
Surplus (deficit) of operating funding (A - B)	440	395	426	443
Sources of capital funding				
Subsidies and grants for capital expenditure	0	4	43	105
Development and financial contributions				
Increase (decrease) in debt	(144)	172	37	(61)
Gross proceeds from sale of assets		(7)		0
Lump sum contributions				
Total sources of capital funding (C)	(144)	169	80	44
Application of capital funding				
Capital expenditure				
- to meet additional demand	59	87	110	52
- to improve the level of service	113	316	66	310
- to replace existing assets	40	40	117	200
Increase (decrease) in reserves	84	121	213	(75)
Increase (decrease) of investments				
Total applications of capital funding (D)	296	564	506	487
Surplus (deficit) of capital funding (C - D)	(440)	(395)	(426)	(443)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		1,570		1,779
Additions		293		174
Repayments		(84)		(72)
Closing Balance		1,779		1,881
Interest		64		82

Financial Variations - Explanation

2014/15 Actual compared to budget (per LTP) and 2013/14 Actual compared to budget (per LTP)

Additional capital expenditure was incurred in upgrading Social Housing Units, as approved by Council as part of the 2013/14 Annual Plan.

District Planning and Regulatory Services

Description

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

- Building Control
- District Planning
- Environmental Health

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

Building Control

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

District Planning

The District Planning Activity is primarily concerned with managing how land is used and how subdivision is undertaken in the district. The key tool for managing this is the Timaru District Plan. This outlines the district's resource management

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

Environmental Health

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

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

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

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

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution



District Planning and Regulatory Services

Key Achievements and Projects

During the year the Building Control Unit:

- Passed an IANZ special assessment in September 2014, with two minor corrective actions that have been satisfied. The Building Unit's accreditation has been retained until the next audit in February 2016.
- Achieved excellent performance in processing Building Consents and Code Compliance Certificates. Results were:

		2014/15	2013/14
	Processed	Compliance with legislative timeframes	Result
Building Consents	1,281	98%	1,347 (96%)
Code Compliance Certificates (CCC)	1,278	99%	1,411 (95%)

- Conducted a customer survey - results indicate 90.33% of respondents are satisfied customers compared with 45.71% in the previous year. With the electronic consenting coming into play in 2015-2016, this is expected to improve even further.
- Rolled out electronic onsite inspections to building inspectors during April and May 2015.

During the year the District Planning Unit:

- Processed 238 resource consents, 100% of these were within statutory timeframes (2013/14: 252 at 98%).
- Processed or managed plan changes during the year including:
 - A large private plan change at Brookfield Road which is due to become operative.
 - Plan Change 14 (Washdyke Industrial) which is now operative.
- Approved consents for district developments including:
 - A new building on Heaton Street accommodating two medical centres, a pharmacy and dispensary and commercial offices.
 - A 23 allotment residential subdivision on Mahoneys Hill.
 - A 16 allotment residential subdivision off Old North Road.
 - A 2,043^m2 commercial development on the corner of Theodosia and Elizabeth Streets including retail space, food outlets and commercial offices.
 - Consents for numerous industrial activities at Washdyke.
- Commenced the District Plan Review - the initial consultation process and the Growth Strategy Issues and Options report have been completed.

During the year the Animal Control Unit:

- Responded to animal control complaints, undertook patrols and impounded wandering dogs. There were 2,039 (2013/14: 2,213) service requests (complaints) relating to dogs, mostly about lost, found, barking or wandering dogs.
- Received 209 (2013/14: 195) complaints regarding dog attacks on people or animals. There were no prosecutions (2013/14: 0) requiring resolution by the courts but 117 (2013/14: 102) infringement notices were issued.
- Saw the opening of the District's first Dog Park in Leckie Street, Timaru is now open with new fencing, water supply and tracks. Agility equipment is soon to arrive.

During the year, the Environmental Health Unit:

- Was restructured - with health services being contracted out to Food and Health Standards (2006) Ltd.
- Oversaw the implementation of the Local Approved Products Policy and the Food Act 2014.
- Participated in the District Licensing Committee for Timaru, Waimate and Mackenzie Districts with 2 hearings having taken place in the Mackenzie District.
- Audited 84% of food premises on a food control plan. All of these were compliant.
- Visited and inspected 190 premises registered under the Health Regulations 1966 and inspected 133 of the 248 Licensed Liquor premises.
- Met targets for responding to all service requests (complaints) with 1,346 environmental health service requests:
 - 982 related to noise
 - 259 related to food premises
 - 60 related to Bylaw investigations
 - 41 related to other health investigations
 - 2 related to liquor

All service requests are acknowledged via telephone/email and relevant appointments are made for investigation.



Local Approved Products Policy (LAPP) 2014



Submissions



District Planning and Regulatory Services

Performance

Level of Service statement	Measure/Target	Result
Perform statutory functions as a regulator under key legislation	Retain accreditation as a Building Consent Authority	An IANZ special assessment was carried out in September 2014 with two minor corrective actions that have been satisfied. The Building Unit accreditation has been retained until the next audit due in February 2016.
	Retain accreditation as a Food Registration Authority	Accreditation is not currently a requirement of food safety legislation, but is to be implemented through the regulations for the Food Act 2014. Proposed regulations for the Food Act 2014 highlight that Local Authorities will require a Quality Management System to be implemented by March 2016.
Deliver timely, efficient processing of consents and related requirements	100% Building Consent Processing within statutory timeframes of 20 working days and average building consents processing time is reducing	98% (2013/14: 96%) of the 1281 Building Consents were granted & issued within the 20 working day statutory timeframe. Reasons for consents not being processed within statutory timeframes were due to a combination of study time required for staff training and an external contractor's poor performance. The average processing time was 12.5 days (2013/14: 12.00 days).
	100% Resource Consent Processing within statutory timeframes of 20 working days (non-notified) or 70 working days (notified) and average resource consents processing time is reducing	100% of the 238 resource consents were processed within the 20 day statutory timeframe (non-notified) and 70 working days (notified). This is the first known time that full compliance has been achieved. Average processing time was 15.7 days (2013/14: 14.75 days).
Provide useful, timely and consistent advice and education on building, planning and regulatory enquiries	≥ 74% Customer Satisfaction levels with building and regulatory services	The Building Unit conducted a satisfaction survey from October to December 2014 – Over 300 surveys were sent out to consent applicants and other randomly selected customers with only 31 responses. 90.33% satisfaction was reported. (2013/14: 45.71%). The District Planning Unit has a 100% customer satisfaction result, however only 6 respondents have completed the survey to date. The next Council wide community survey is scheduled for 2015/16.
Maintain an up-to-date and responsive regulatory policy environment	Policy Review Programme	There were no policies targeted for review during 2014/15. However, work was completed on: <ul style="list-style-type: none"> ■ Earthquake - Prone, Dangerous and Insanitary Buildings Policy (EQPB). The Council was part of a combined submission with a group of southern Councils regarding the proposed new policy. The review process has been completed and we are now awaiting the final parliamentary decision. ■ Local Approved Products Policy (LAPP) – Completed development and consultation on the LAPP, a policy that Council's may develop under the Psychoactive Substances Act 2013, which covers where retail outlets for psychoactive substances (legal highs) can be located. ■ Local Alcohol Policy (LAP) - The joint Local Alcohol Policy has been developed to provisional stage. Appellants to the policy agreed to a minor change to element 3.2.2 relating to the proximity of premises in a "Business Zone" to sensitive sites. Councils have adopted the amended policy and it is currently in a final period of consultation (for appellants only). It is hoped to have the LAP implemented by Christmas 2015, providing there are no further appeals.
Register known dogs	≥ 95% known dogs registered	98.8% of known dogs were registered. Of the 8,952 known dogs, 77 are unregistered (2013/14: 93.2%)

District Planning and Regulatory Services

Level of Service statement	Measure/Target	Result
Ensure public buildings, building work, swimming pools, food and liquor premises inspected are safe and comply with rules	100% Code Compliance Certificates processed within statutory timeframes of 20 working days	99% of 1278 (2013/14: 95%) Code Compliance Certificates were granted and issued within the statutory 20 day timeframe. The reason for not achieving the target was due to a misfiling error.
	Food premises compliance with regulations: <ul style="list-style-type: none"> 90% of premises on food control plans have undergone a food safety site audit. 90% of premises not on food control plans are compliant 	84% (2013/14: 80%) of food premises on a Food Control Plan were audited and compliant. This covers Mackenzie, Waimate and Timaru districts. Audits of premises not on a Food Control Plan did not meet the target due to ongoing staff changes. Results are unavailable.
	Premises selling or supplying liquor comply with the rules: <ul style="list-style-type: none"> 95% of liquor establishments monitored annually are compliant 	56% of liquor establishments were monitored and found to be compliant. The number of licensing inspections able to be carried out was less than required due to staffing levels.
	Public buildings comply with public building regulations: ¹ <ul style="list-style-type: none"> 100% of non-compliant public buildings identified by the audit have had corrective action taken 	24 out of the targeted 37 buildings have been audited this financial year with 100% compliance. The targeted number of audits is determined by how many final inspections on public buildings are carried out through the building consent process.
	Swimming Pools comply with swimming pool regulations: ² <ul style="list-style-type: none"> 100% of non-compliant swimming pools identified by the audit have had corrective action taken 	72 of the targeted 91 swimming pools have been audited this financial year. 70% of the audited pools were compliant at the time of inspection. Corrective actions are followed up in all instances until compliance is achieved. Follow up inspections to achieve compliance have been the priority rather than auditing 10% of the Council's pool register.
	Investigate and respond to public complaints	<p><i>Routine Complaints</i> All routine complaints received were responded to within 20 working days</p> <p><i>Urgent Complaints</i> All Urgent complaints received were responded to within 5 working days</p> <p><i>Emergency Complaints**</i> All emergency complaints received were responded to within 2 hours.</p>
	≥ 95% resource consents issued with conditions monitored during the year comply with conditions	100% of resource consents monitored complied with the conditions of the consent Most resource consents issued during the period will not be given effect to (started) until months after the decision was made. Typically, developments will not comply with conditions of consents at the first monitoring visit. The main reason for this is normally that the development has not been completed by that stage.
¹ Measured from an audit of 5% of public buildings conducted during the year. Buildings non-compliant are followed up by the Building Unit to ensure compliance is achieved. Please note this audit percentage was incorrectly included in the Long Term Plan at 10%. ² Measured from an audit of 10% of swimming pools conducted during the year. Swimming Pools non-compliant are followed up by the Building Unit to ensure compliance is achieved. Please note this audit percentage was incorrectly included in the Long Term Plan at 5%. * Response refers to contact with the complainant, not necessarily resolution of the issue **Emergency complaints refer to situations where physical danger exists to people		

District Planning and Regulatory Services

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	266	166	264	254
Targeted Rates (Other than a targeted rate for water supply)	795	566	751	810
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,485	3,105	2,485	3,109
Internal charges and overheads recovered	58	58	58	8
Local authorities fuel tax, fines, infringement fees, and other receipts	31	59	31	26
Total operating funding (A)	3,635	3,954	3,589	4,207
Applications of operating funding				
Payments to staff and suppliers	2,713	3,021	2,673	3,155
Finance costs				
Internal charges and overheads applied	923	999	916	997
Other operating funding applications				
Total applications of operating funding (B)	3,636	4,020	3,589	4,152
Surplus (deficit) of operating funding (A - B)	(1)	(66)	0	55
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	0	0	0	0
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	3	4	3	58
- to replace existing assets	3	4	3	14
Increase (decrease) in reserves	(7)	(74)	(6)	(17)
Increase (decrease) of investments				
Total applications of capital funding (D)	(1)	(66)	0	55
Surplus (deficit) of capital funding (C - D)	1	66	0	(55)
Funding balance ((A - B) + (C - D))	0	0	0	0

Financial Variations - Explanation

2014/15 Actual compared to budget (per LTP)

Fees and charges increased from budget due to large increases in the number of building consents processed. In addition, fees and charges have increased due to changes in legislation relating to Liquor Licences. This has also contributed to the increase in costs to complete the required work. These increases were not quantified in the LTP.

Recreation and Leisure

Description

Recreation and Leisure includes the following activities:

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

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

Cultural and Learning Facilities

Aigantighe Art Gallery

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

South Canterbury Museum

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

Timaru District Libraries

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

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

Halls and Theatres

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

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

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

Parks, Recreation and Swimming Pools

Parks and Recreation

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

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

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

Swimming Pools

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

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

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Recreation and Leisure

Key Achievements and Projects

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

- Mounted a range of popular exhibitions, including:
 - Timaru Herald 150 Years Journey Through Time exhibition to coincide with the newspapers 1st edition in 1864.
 - Here and Now - an exhibition involving the local artist community with 45 participants submitting work. There have been community requests to make this an annual show.
 - Minkisi Art and Belief in West Africa.
 - Quick turn around exhibitions held in the entrance gallery including regional artists Diana Peneamene, Wayne Patrick and Linda Bullard.
 - Hope and Connections - a touring exhibition by local artists Debbie Templeton Page and Cindy King.
- Acquired 16 new New Zealand works including 5 from South Canterbury artists.
- Was gifted a number of works including sculptures, mixed media fibre and a pastel work.
- Continued refurbishment work with a verandah upgrade, office roof replacement, repainting of the main gallery and UV installation on the windows.
- Hosted 24 schools with a total of 1963 students visiting the gallery.

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

- Mounted 5 topical exhibitions during the year, including:
 - Shaping South Canterbury – aspects of local engineering heritage from around the South Canterbury region.
 - 1914: South Canterbury on the Eve of War – a look at how our region reacted to the outbreak of war in 1914.
 - Chosen Threads: Highlights of local women's fashion 1890-1990 – 13 garments selected from our stored collection to highlight the diversity and changes of local fashion through time.
 - Wild Suburbia: Life and Death in your Backyard – a look at the wildlife large and small that can be found living in local gardens.
 - Into Hell Itself: Local Experiences of Gallipoli 1915 – A detailed look at the experience local men had in the first major battle for New Zealand forces in the First World War.
- Continued to experience high uptake of the Museum's Heritage Education Service, both onsite and offsite, exceeding the Ministry of Education targets. The service received high levels of teacher satisfaction with the programmes offered and a positive evaluation from the Ministry of Education.
- Assisted numerous researchers, historians, authors, and members of the public about a variety of topics.
- Continued to add to the Museum's collections of specimens, artefacts, documents and images – 173 acquisitions during the current financial year.
- Carried out ongoing improvements to the care and organisation of our collections.
- Sought community feedback on options for redevelopment of the Museum. Options under consideration include extending or rebuilding the current building or building a new facility elsewhere to house exhibitions.

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

- Issued approximately 600,000 books and other materials.
- Spent around \$300,000 on new books, DVDs, CDs, talking books, newspapers, magazines and other materials to keep the collections up to date.

- Introduced a new text message/SMS alert service for library users allowing borrowers to opt to receive reminders and notices via text message instead of email or paper notices.
- Received Lottery funding to allow digitisation of the Temuka Leader newspaper (1878–1932) under the Papers Past Newspaper Digitisation Collaborative Programme. This will make it available to the local community and globally on the Papers Past website.
- Supported and hosted a wide range of groups and events:
 - Book discussion groups, U3A meetings
 - Displays –including 5000 Poppies project commemorating WW1, 2015 International IMPACP Dublin Literary Award, new book displays
 - Author visits
 - Preschool and school visits
 - School holiday programmes
 - Read Around Aotearoa NZ- Summer programme
 - NZ Poetry Day Children's and Teens' Poetry Writing
 - Summer Reading Challenge for children.
- Provided 16 Aotearoa Peoples Network Kaharoa (APNK) computers with more than 90,000 individual sessions during the year.

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

- Made good progress with the building of a new shared walking/ cycling track at Jacks Point.
- Marked the Timaru Botanic Gardens 150 years as a Reserve on 15 September 2014 with a tree planting ceremony.
- Completed upgrading to the Temuka Holiday Park including resealing internal roads and installing a log burner in the camp house. New lessees have worked hard improving the holiday park which has resulted in increased use of the facilities.
- Received the NZ Plant Conservation Network's Local Authority Award for plant conservation.
- Enhanced walkways and plantings on the banks of Taumatakahu Te Aitarakihi streams.
- Completed installation of playground equipment at Temuka Domain, Cornwall Street, Lindsay Street and Mulcahy Park in Timaru and Talbot Street in Geraldine.
- Purchased land for esplanade reserves at Winchester Hanging Rock Road, Old North Road, Claremont Road and Templer Street Geraldine.

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

- Welcomed over 300,000 visitors through the doors, achieving a slight surplus against budget for the year.
- Provided 23,000 individual Learn To Swim lessons.
- Continued schools SwimSafe programme with subsidised lessons for years 3-6.
- Increased the number of aqua fitness classes due to public demand.
- Hosted several regional swim meets.
- Achieved Pool Safe accreditation for all four district pools.

During the year **Halls and Theatres**:

- Upgraded district facilities (Halls and Theatres) including:
 - Installation of a new oven at Caroline Bay Hall
 - New carpet and curtains at Caroline Bay Lounge
- Masonry strengthening of the Theatre Royal wall.

Recreation and Leisure

Performance

Level of Service statement	Measure/Target	Result
Provide a high quality visitor or user experience at district facilities	User satisfaction. No survey in 2014/15	No survey in 2014/15. The 2013/14 survey results were: <i>Art Gallery:</i> 96% of visitors were very/fairly satisfied with the Art Gallery <i>Libraries:</i> 97% of users were very/fairly satisfied with Libraries <i>Museum:</i> 98% of visitors were very/fairly satisfied with the Museum <i>Parks and Recreation:</i> 91% of users were very/fairly satisfied with Parks <i>Swimming Pools:</i> 84% of users were very/fairly satisfied with Swimming Pools The Art Gallery introduced a public suggestion box inviting suggestions for improvements.
	Theatre Royal Usage ≥ three year average	There were 81 show days, compared against a three year average of 85 days.
	Visitors and User levels - on and off-site: ■ Art Gallery: ≥ 36,000 ■ Libraries: ≥ 620,000 ■ Museum: Onsite: ≥ 25,000 Offsite: Funding dependent	<ul style="list-style-type: none"> ■ <i>Art Gallery:</i> There were 23,100 visitors to the art gallery (2013/14: 21,632). This includes 4036 outreach visits to school and community groups. ■ <i>Library:</i> A new door counter was installed at the Timaru Library in April 2014. There were 445,145 on site visitors during the 12 month period from 1 April 2014. This baseline data will be used to set future targets. ■ <i>Museum:</i> There were 17,356 visitors to the museum (2013/14: 19,261). There were 3,630 (2013/14: 4,054) off-site users of the museum, mainly school classes.
	Library issues - ≥ three year average Aotearoa People's Network Kaharoa (APNK) usage - ≥ 86,500 sessions	<p>There were 614,158 issues during the year against a three year average of 706,405. Lower issues is a continuing trend and probably due to a combination of the following:</p> <ul style="list-style-type: none"> ■ Changing use patterns which shows increasing use of the libraries digital resources ■ Improvements to library services through changes to computer systems such as users being informed on issue whether or not they have borrowed a book previously. <p>Similar patterns are being experienced in other similar libraries.</p> <ul style="list-style-type: none"> ■ There were 92,945 APNK sessions (2013/14: 103,880)



Recreation and Leisure

Level of Service statement	Measure/Target	Result
Provide regular and varied exhibitions and community programmes	Exhibition schedules and holiday programmes: <ul style="list-style-type: none"> ■ Art Gallery: 23 ■ Museum: 3 4 Holiday programmes at all facilities.	<p><i>Art Gallery:</i> 19 exhibitions were held during the year</p> <p><i>Museum:</i> 5 exhibitions were held during the year</p> <p>4 holiday programmes were held at the art gallery, museum and library during the year. The programmes continue to be well patronised.</p>
	<ul style="list-style-type: none"> ■ 20,000 Learn to Swim lessons ■ 200 Aqua Fitness classes provided annually 	<ul style="list-style-type: none"> ■ 23,000 CBay learn to swim lessons delivered. This does not include the schools Swim4Life programme which delivered another 15000 lessons ■ Target exceeded with the number of classes increasing to 6 per week in response to customer demand
Provide high quality, well-presented and maintained facilities and services	Satisfaction with facilities and services. No survey in 2014/15	<p>No survey in 2014/15. The 2013/14 survey results were:</p> <ul style="list-style-type: none"> ■ <i>Art Gallery:</i> 72% of residents were very/fairly satisfied with the Art Gallery ■ <i>Libraries:</i> 91% of residents were very/fairly satisfied with Libraries ■ <i>Museum:</i> 78% of residents were very/fairly satisfied with the Museum ■ <i>Parks and Recreation:</i> 90% of residents were very/fairly satisfied with Parks ■ <i>Swimming Pools:</i> 72% of residents were very/fairly satisfied with Swimming Pools <p>Facilities provided a range of exhibitions and services during the year and specific services as detailed in the Key Achievements and Projects section.</p>
	100% maintenance and capital work programmes achieved within budget and timeframe	<ul style="list-style-type: none"> ■ <i>Art Gallery</i> – Capital and maintenance work included verandah refurbishment, roof repairs and repainting in the main gallery area. ■ <i>Libraries</i> – Projects are on target, and included ongoing purchase of books and materials, and preparation for replacement of security systems at all district libraries. ■ <i>Museum</i> - Capital and maintenance work included planning for the upgrading of exhibition areas including the mezzanine floor and the replacement of flooring. Replacement equipment and furniture has been purchased. ■ <i>Theatre Royal/Halls</i> – Planned maintenance was completed including carpet renewal and new oven installation at the Caroline Bay lounge and ongoing renewal of Theatre Royal internal lighting. The replacement of seating at the Theatre Royal has been deferred to 2016/17. ■ <i>Parks</i> - Majority of planned work was completed. Delays in some projects is summarised under Variations. ■ <i>Swimming Pools</i> – Maintenance budget for CBay Outdoor Pool was overspent due to the extra costs incurred in getting the pool operational for summer
	95% compliance with sportsfields grass lengths contract standards	There was 95% compliance with contract conditions for grass lengths
Expand library, museum and art gallery collections and keep up-to date	≥ 4 library stock turnover	Stock turnover was 3.36 (2013/14: 3.07). This is close to the average of 4.4 expected for Level 2 libraries. The turnover has been impacted by the deselection project and ongoing collection refreshment.
	<ul style="list-style-type: none"> ■ Art gallery acquisitions within budget ■ 150+ new museum acquisitions 	<ul style="list-style-type: none"> ■ <i>Art Gallery</i> – 16 acquisitions have been achieved within budget. ■ <i>Museum</i> - There were 173 new museum acquisitions during the year
Ensure facilities and programmes are safe and meet legislative and audit standard requirements	Building WOF, fire regulations and licence requirements are current	Building Warrant of Fitness, fire regulations and licence requirements are current for all facilities.

Recreation and Leisure

Level of Service statement	Measure/Target	Result
	No closures of playground equipment due to safety risks*	There was 1 item of playground equipment closed for 2 days until it was repaired.
	PoolSafe certification - All pools remain PoolSafe certified at three yearly reviews and annual spot audits are clear	All TDC pools are certified PoolSafe through to April 2016.
Preserve historical items and art works to established standards	Cataloguing of collections progressed	<i>Art Gallery</i> - 3 new acquisitions have been catalogued and 3 art works were photographed for reproduction. <i>Museum</i> - 708 items have been catalogued during the year. This is a lower rate than previous years due to the time demands of the education and exhibition programmes currently underway.
	95% collections held in acceptable storage conditions	<i>Art Gallery</i> - 95% of collections are held in acceptable temperature and humidity conditions. <i>Museum</i> - 95% of collections are held in acceptable temperature and humidity conditions
Promote South Canterbury art, history and creativity	Annual history and arts exhibitions with a local focus	<i>Art Gallery</i> - There has been a focus on regional artists during the year with quick turnover exhibitions held in the gallery entrance. A total of 147 local artists exhibiting work, including Clay Works (South Canterbury Pottery Group), South Canterbury Arts Society, and Plunket Art Exhibition. In addition the annual Artarama! (Festival of South Canterbury Student Art) has continued to attract high quality art works from local students with 446 entries this year. <i>Museum</i> - There were 5 exhibitions with a local focus covering topics including World War 1, Highlights of Local Women's Fashion, and Wildlife in Local Gardens. There were 25 events or programmes that included school holiday activities, open days, exhibition openings and guest lectures.
Develop facilities to meet future community demand	12 parks hectares per 1,000 district residents**	11.6ha of publicly available parks hectares per 1,000 population is available in the district. There have been no additions during this financial year.
	5 playgrounds per 1,000 children under 15	2013/14 5.3 playgrounds per 1,000 children under 15 years.
	Future Development Plans for Cultural and Learning Facilities	Options for progressing the Cultural Hub continue to be investigated. During the year there was a focus on regular communication between the Museum, Library and Art Gallery to avoid exhibition clashes and stream line educational activities as well as pooling resources and support across the 3 facilities.
	Future Development Plans for Cultural and Learning Facilities - Commence investigation of options	<i>Libraries</i> - the deselection and changes to spaces within the libraries has allowed for freeing up spaces for community use. <i>Museum</i> - The feasibility study for future museum development has been completed.

* Other than for routine maintenance, vandalism or catastrophic events

** Target was incorrectly included in the Long Term Plan as 14 hectares per 1,000 district residents. It should have read 12.

Page 51 Photo summary (from top clockwise):

- Librarians with Eniwa art
- Opening of Aigantighe art gallery South Canterbury Art Awards exhibition
- Swim meet at CBAY
- Student presentation from Museum educators on World War One
- Library book sale following major stock weedout
- Student visiting World War One exhibition at South Canterbury Museum
- New Jacks Point walk/cycleway

Recreation and Leisure

Variations

- **Art Gallery – Lighting upgrade** – Upgrading of lighting in the main house is due to commence once installation prices have been finalised.
- **Art Gallery – Equipment/Furniture** – Purchases have been delayed and will now be completed in the 2015/16 financial year.
- **Museum – Replacement of Heating/ Dehumidifiers** – Not started as has not been needed this financial year
- **Museum – Flooring replacement** – planning is underway and construction has been carried forward to 2015/16.
- **Museum – Lift control board** – replacement was required due to complete failure of the board installed in 2000. This was unbudgeted and funded from depreciation.
- **Libraries – Purchase of Books and Materials** – The collection renewal process is underway which includes withdrawing no longer needed stock (e.g. out-of-date or worn), and replacing with more recently published material. \$317,000 has been spent on new stock during the year. This process will be ongoing for the next two years, with any unspent funds targeted towards the renewal project.
- **Libraries – Security System upgrade** – Requests for Proposals are underway and this part of the process is expected to be completed by June 2016.
- **Parks and Recreation – Sports courts and cycletracks** – Resurfacing of the Caledonian cycle track is on hold indefinitely until a contribution is received from cycling.
- **Swimming Pools – Geraldine Pool renewals** – Pool covers have been purchased and other refurbishment work is underway.
- **Swimming Pools – Pleasant Point Pool renewals** – Pool cleaners have been purchased, shade sails and heating work is underway
- **Swimming Pools – Caroline Bay Trust Aoraki Centre** – additional car parking – deferred until 2015/16 financial year.
- **Theatre Royal seating replacement** – research into seat models is underway. The project has been deferred to 2016/17.



Recreation and Leisure

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	8,624	8,516	8,621	8,821
Targeted Rates (Other than a targeted rate for water supply)	1,883	1,894	1,888	1,983
Subsidies and grants for operating purposes	6	91	6	88
Fees, charges and targeted rates for water supply	2,916	3,181	3,026	3,108
Internal charges and overheads recovered	268	196	268	196
Local authorities fuel tax, fines, infringement fees, and other receipts	29	43	27	144
Total operating funding (A)	13,726	13,921	13,836	14,340
Applications of operating funding				
Payments to staff and suppliers	8,965	9,453	8,866	9,775
Finance costs	1,113	829	1,069	890
Internal charges and overheads applied	1,148	1,167	1,142	1,288
Other operating funding applications				
Total applications of operating funding (B)	11,226	11,449	11,077	11,953
Surplus (deficit) of operating funding (A - B)	2,500	2,472	2,759	2,387
Sources of capital funding				
Subsidies and grants for capital expenditure	500	367	500	336
Development and financial contributions				
Increase (decrease) in debt	(505)	(109)	(716)	(153)
Gross proceeds from sale of assets	0	(110)	0	0
Lump sum contributions	0	75	0	0
Total sources of capital funding (C)	(5)	223	(216)	183
Application of capital funding				
Capital expenditure				
- to meet additional demand	249	389	66	95
- to improve the level of service	313	211	533	400
- to replace existing assets	1,071	1,112	1,474	855
Increase (decrease) in reserves	862	983	470	1,220
Increase (decrease) of investments				
Total applications of capital funding (D)	2,495	2,695	2,543	2,570
Surplus (deficit) of capital funding (C - D)	(2,500)	(2,472)	(2,759)	(2,387)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		68		65
Additions		0		0
Repayments		(3)		(2)
Closing Balance		65		63
Interest		3		3

Financial Variations - Explanation

2013/14 actual compared to budget (per Long Term Plan)

Additional revenue was received from forestry due to plantations being affected by winds.

Roading and Footpaths

Description

Roading and Footpaths includes the following activities provided by Council:

- Roding and Footpaths
- Cycleways and Walkways

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

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

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

Funding for the management and maintenance of the roading and footpaths network is provided from rates, loans, and user charges together with financial assistance received from central government through the New Zealand Transport Agency (NZTA). The NZTA is also responsible for the State Highway network.

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

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

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



Factory Road bridge widening construction – bridge peirs ready for new deck



Preparation work for the Wai iti/Morgans/Barnes Street roundabout

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Roading and Footpaths

Key Achievements and Projects

During the year:

- Progress is continuing on the two laning of the Factory Road bridge with the completion of piling work and construction of bridge piers underway. The bridge is a key freight link between Clandeboye Dairy Factory and Temuka.
- A new roundabout at the Wai-iti/Morgans/Barnes Streets intersection was completed.
- The downward trend in road crashes on Timaru District Council roads continued with a total of 231 (6 fatal, 62 injury and 163 non-injury) crashes. This is less than the average of the past three years.
- Collaboration with Waimate, Mackenzie and Ashburton Districts continues to make good progress towards a generic road maintenance contract.
- NZTA financial assistance for both road renewals and maintenance for the period 1 July 2015 to 30 June 2018 was confirmed to be significantly less than submitted and funded in the Council's Long Term Plan.
- Tendering of road maintenance, road resurfacing and footpath resurfacing contracts has the potential for significant changes in the contracting industry in Timaru.
- Roading, footpaths and transport related projects completed included:
 - Kerb and channel renewal at Kiwi Drive, Domain Avenue, Alexander Street and Matilda Street in Timaru, King Street in Temuka and McDonald Street in Geraldine.
 - Ongoing replacement of damaged, stolen or vandalised road signage that has reached the end of its useful life.
 - Renewal of road metal on a number of unsealed roads throughout the district.
 - Renewal of a number of footpaths in Timaru, Temuka, Geraldine and rural townships.
 - Construction of new footpaths in Guise and Murray Streets, parts of Richard Pearse Drive in Temuka, Kumara Terrace, Rimu Street in Pleasant Point and Darby and parts of Cox Street in Geraldine.
 - Road pavement rehabilitation on Earl Road, Orari Station Road, Rise Road and part of Badham Road.
 - Seal extensions on King Street South in Temuka, part of Orari Back Road and McNair Road.
 - Construction of the Wisely Road Bridge replacement was partially completed.
 - 78.56 km of chipseal and hot mix resealing across the district
 - Other smaller projects included relocation of some bus shelters and replacement of Geraldine Christmas decorations.



New Wai iti/Morgans/Barnes Street roundabout



Roading and Footpaths

Performance

Level of Service statement	Measure/Target	Result
Plan for and provide a cost effective roading network	Actual operating cost of Roding and Footpaths within budget	The total Roding and Footpaths operating expenditure to 30 June 2015 is 99% of budget.
Roads provide for comfortable and efficient travel	Timaru journey times on key transport routes are maintained at 2005 +10% levels	<ul style="list-style-type: none"> The measured combined morning peak time on key routes in June 2015 was 90.4 minutes (2014: 89.6). In 2005 it was 87.6. The measured combined evening peak time on key routes in June 2015 was 92.0 minutes (2014: 91.8). In 2005 it was 87.8. <p>Both results were marginally higher than the previous year but we still met the target.</p>
	Road Roughness Rating: Arterial roads rating: ≤ 80* Other roads* rating: ≤ 90	<p>Road roughness surveys are completed every two years. The last survey was undertaken in May 2014. Results were:</p> <ul style="list-style-type: none"> Arterial Roads - average roughness rating was 60.3 Other Roads - average roughness rating was 83.4
	≤ 10 complaints about renewals and maintenance effect on travel times	No complaints were received.
	75% residents are satisfied with maintenance of sealed roads 75% residents are satisfied with maintenance of unsealed roads	<ul style="list-style-type: none"> Survey results for period July 2014 to June 2015 show 77% (2013/14: 76%) of sealed road residents users believe the roads are fit for purpose and well maintained. Survey results for period July 2014 to June 2015 show 68% (2012/13: 71%) of unsealed road residents users believe the roads are fit for purpose and well maintained. <p>The principal reason for increased dissatisfaction for unsealed roads was perceived insufficient grading and poor road surface.</p> <p>A summary of the 2014/15 key roading projects is included under the Key Achievements and Projects section, with the long term strategy for road maintenance detailed in the Transport Activity Management Plan.</p>
Bridges are accessible to road users and contribute to efficient travel	50% of bridges are two-way	Of 289 bridges, 52% (151) are two lane.
	98% of bridges are not weight restricted	Of 288 bridges, 5 have weight restrictions. 98% of bridges are not weight restricted.
Footpaths are safe and well maintained	80% residents are satisfied with overall footpath provision	<p>Survey results for period July 2014 to June 2015 show 73% satisfaction (2013/14: 68%) with the maintenance of footpaths.</p> <p>While there has been an increase in satisfaction, results are still below target. The dissatisfaction predominately relates to uneven surfaces due to tree roots.</p>
	Resurface a minimum of 6km** footpaths annually	For the period July 2014 - June 2015, 5km of footpaths were resurfaced. This is less than the target. However the full budget was spent, indicating increases in costs. Budgets have been increased for 2015/16 onwards.
Traffic signals, road signage and marking provide clear guidance	95% residents are satisfied that road signage and marking is helpful and effective	Survey results for period July 2014 to June 2015 show 98% (2013/14: 98%) satisfaction with road signage.
Street and amenity lighting enables safe and efficient movement	95% residents are satisfied that there is sufficient street lighting in urban areas	<p>Survey results for period July 2014 to June 2015 show 92% (2012/13: 93%) of residents are satisfied with street lighting.</p> <p>Results are slightly below target. However, all street lighting currently meets the minimum NZ standards.</p>

Roading and Footpaths

Level of Service statement	Measure/Target	Result
Road safety initiatives improve road safety and awareness	85% residents are satisfied with the overall safety level of roads	Survey results for period July 2014 to June 2015 show 88% satisfaction (2013/14: 86%) with the overall safety of roads.
	40% residents are aware of road safety programmes or advertisements	Survey results for period July 2014 to June 2015 show that 31% (2013/14: 36%) of residents were aware of road safety initiatives. The Road Safety activity is focused on driver behaviour. Initiatives involve a significant amount of advertising and promotional material. Reduced funding from NZTA over the last two years has meant a reduction in road safety advertising material. Alternative advertising mediums such as social media are now being used.
Carparking is available and cost effective	90% residents are satisfied with the availability of carparking provision	Survey results for period July 2014 to June 2015 show 79% satisfaction (2013/14: 75%) with the availability of car parking. Recent trends show a decrease in satisfaction. Reasons for this are perceived lack of parking in the Timaru CBD, inadequate number of special car parks for elderly, disabled and those with young children.
	Timaru Parking activity is self-funding and parking fees reviewed annually	Parking fees were reviewed in conjunction with the 2015/2025 Long Term Plan and some charges were increased. Parking remains a self-funding activity.
Deliver and plan for a more sustainable transport network	99% users are satisfied with the quality of public transport services (ECan survey)	Survey results for 2015 are not yet available.
	1 school travel plan completed or reviewed annually	Plans for Bluestone Primary, Highfield Primary and Pleasant Point/St Joseph's Primary schools were completed. Support for implementation is continuing.
	Use of Active/Public Transport modes: ■ 80% residents regularly walk ■ 30% residents regularly cycle ■ 15% residents use public transport	Survey results for period July 2014 to June 2015 show: 90% of residents regularly walk (2013/14: 90%) 25% of residents regularly cycle (2013/14: 25%) 11.5% of residents use public transport (2013/14: 17%)

*Data collected from RAMM database. The lower the number, the smoother the road.

** The LTP included a target of 16km per year. This was incorrect and should have read 6km per year.

Variations

- Structural Bridge Renewals - Construction of Wisely Road bridge replacement is nearing completion. Hall Road bridge has been deferred due to resource consent issues.
- Central Business District (CBD) Renewals - The first stage to reduce the slipperiness of tiles was delayed due to water restrictions as extensive water blasting was required for cleaning. Further refresh initiatives are planned for 2016.
- Kerb and Channel renewals - Design for the extension of the kerb and channel in Martin and Doncaster Streets in Washdyke is underway, however road stormwater runoff treatment is proving a challenging issue.
- New Streetlighting - There have been no streetlight renewal projects undertaken. This was planned in conjunction with undergrounding of powerlines, however due to a new Council policy ceasing financial contributions to undergrounding there has been no new undergrounding during the year.
- Identity signage replacement - Planned replacement of Welcome to Timaru and Geraldine signage has been deferred to 2015/16.
- Washdyke Network Improvements - Construction of the upgrading of Meadows Road is underway and progressing. Work was not completed as planned due to poor weather.

Roading and Footpaths

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	543	398	551	438
Targeted Rates (Other than a targeted rate for water supply)	7,654	7,790	7,878	8,231
Subsidies and grants for operating purposes	2,783	3,532	2,801	3,064
Fees, charges and targeted rates for water supply	1,014	1,031	1,014	1,007
Internal charges and overheads recovered	1,487	1,528	1,484	1,594
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	13,481	14,279	13,728	14,334
Applications of operating funding				
Payments to staff and suppliers	6,897	7,598	6,936	7,399
Finance costs	758	541	856	624
Internal charges and overheads applied	2,107	2,156	2,099	2,224
Other operating funding applications				
Total applications of operating funding (B)	9,762	10,295	9,891	10,247
Surplus (deficit) of operating funding (A - B)	3,719	3,984	3,837	4,087
Sources of capital funding				
Subsidies and grants for capital expenditure	4,816	4,544	4,900	5,621
Development and financial contributions				
Increase (decrease) in debt	811	888	1,763	2,096
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	91	0	205
Total sources of capital funding (C)	5,627	5,523	6,663	7,922
Application of capital funding				
Capital expenditure				
- to meet additional demand	4	183	54	35
- to improve the level of service	3,857	3,311	4,189	5,065
- to replace existing assets	6,340	6,521	7,059	6,596
Increase (decrease) in reserves	(855)	(508)	(802)	313
Increase (decrease) of investments				
Total applications of capital funding (D)	9,346	9,507	10,500	12,009
Surplus (deficit) of capital funding (C - D)	(3,719)	(3,984)	(3,837)	(4,087)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		99		93
Additions		0		0
Repayments		(6)		(6)
Closing Balance		93		87
Interest		4		4

Financial Variations - Explanation

2014/15 actual compared to 2013/14 actual

Capital expenditure to improve the level of service has increased due to expenditure on the Factory Road bridge upgrade.

Description

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

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

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

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

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

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

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

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

Key Achievements and Projects

During the year:

- The long term Wastewater Treatment and Disposal Strategy was completed. This significant achievement was acknowledged at a Mayoral function on the 23rd April 2015.
- The Timaru Wastewater Treatment Plant construction was completed and has been commissioned. This has been a major project that has taken several years to bring to conclusion.
- Other projects completed during the year include the:
 - Russell Square sewermain renewal.
 - Mahoneys Hill sewermain extension.
 - Meadows Road sewermain extension.
 - Station Road sewermain renewal.
 - Installation of an inflow meter in the Temuka scheme.
 - Commissioning of the refurbished Queen Street Pump station.
 - Construction of the North Mole Pump station rising main to the Industrial Main Trunk sewer.



New Wastewater Treatment Plant oxidation ponds



Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions*	<p><i>Aorangi Road Wastewater Treatment Plant:</i></p> <p>Council has 6 consents to construct and operate the new ponds and 2 to discharge to the ocean. Of these CRC071875, CRC071876, CRC101831 and CRC101832 require an annual report be submitted to Environment Canterbury. Compliance has been achieved although yet to be confirmed by Environment Canterbury.</p> <p><i>Inland Towns Oxidation Ponds:</i></p> <p>Full compliance was achieved with all Environment Canterbury monitored conditions related to the Geraldine ponds – Consent to trim trees (CRC020625); Geraldine ponds seepage tests (CRC090765); and Temuka ponds operations (CRC090766).</p> <p>There was non-compliance with:</p> <ul style="list-style-type: none"> Pleasant Point Ponds consent CRC090769 - In July 2014 the freeboard was less than the required 250mm. Treated sewage was discharged into the Opihi River to prevent overtopping and scouring of the embankments. An abatement notice was issued by Environment Canterbury. Significant maintenance has been completed within the reticulation since to reduce the high pond inflows. Geraldine Ponds consent CRC090763 - there were 4 odour complaints within a 2 week period. The problem arose after strong winds disturbed the sludge. Environment Canterbury issued a minor non-compliance for odour during this event. <p><i>Water takes for sewer operations:</i></p> <p>Geraldine Ponds CRC122463 - There was non-compliance in that the annual volume 10,067m³ exceeded the consented amount of 8,030m³. This is recorded in the logbook and has been reported to Environment Canterbury. Mitigation has been completed with jets replaced on the screen to reduce demand.</p>
Provide sewer services that meet community demands	User Satisfaction. No survey in 2014/15	<p>No survey in 2014/15.</p> <p>The 2013/14 survey results were:</p> <ul style="list-style-type: none"> 94% of users were very/fairly satisfied with sewerage system where a service was provided. 83% of residents were very/fairly satisfied with sewerage system, with 14% unable to comment. <p>Any questions or complaints from users are followed up by staff.</p>
Minimise wastewater odour from the sewer services system	≤ 15 complaints related to odour from the sewage treatment plant or sewer network	<p>Achieved with a total of 12 complaints received</p> <ul style="list-style-type: none"> Temuka ponds – 4 Geraldine ponds – 4 Pleasant Point ponds – 2 Timaru reticulation - 2
Deliver affordable sewer services	User Satisfaction value for money. No survey in 2014/15	<p>No survey in 2014/15</p> <p>The 2013/14 survey results were:</p> <ul style="list-style-type: none"> 87% of receivers of a sewerage service provided by Council think it is good value for money.
	Actual operating cost of combined sewer services within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the revised budgeted total operating expenditure for sewer services was \$1,946,100 and the actual expenditure was \$1,876,000.
Maintain excellent customer service	85% of service requests are responded to within required timeframes	<p>Achieved. 92% (2013/14: 93%) of service requests were responded to within the required timeframes during the year.</p> <p>Any questions or complaints from users are followed up by staff.</p>
Minimise unplanned interruption to sewer services	≤ 15 recorded dry weather overflows from the sewer network	Achieved. 6 dry weather overflows due to silt build up in the mains.

Level of Service statement	Measure/Target	Result
	Recorded wastewater overflow incidents during a rain event from the sewer network - Analyse reported sewer overflows incidents in rain event and report results	Achieved. Analysis shows 1 overflow reported due to a wet weather event in March 2015.
*Excluding minor non-compliances as reported by Environment Canterbury		

Variations

- **Bio Filters/Trunk Main Ventilation** – Delayed to enable completion of separation of wastewater and subsequent determination of ventilation issues. Completion is expected by June 2016.
- **Pump Replacements** – Renewals of pumps in the sewer network is ongoing. There will be some carry over of funding into 2015/16.
- **Sewer capital projects** underway include:
 - **Domain Ave Temuka sewermain** – In progress but delayed. Completion is expected in 2015/16.
 - **Canada Street sewermain rehabilitation** - In progress but delayed. Completion is expected in 2015/16.
 - **Pleasant Point Rising Main Renewal** – Not proceeding. The reticulation network should be able to accommodate the catchment design discharge; however the reticulation has high infiltration issues and upgrading the rising main will increase the risk of the pond overflowing. An Infiltration and Inflow programme to manage and reduce infiltration issues has commenced. Some manhole renewals and rehabilitations have been completed which show a reduction in infiltration to the network.



Wastewater Treatment Team Leader Peter Ng observes some work on the pump stations at the new Wastewater Treatment Plant in Timaru

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	7,100	5,795	7,100	6,852
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,200	2,638	2,500	2,515
Internal charges and overheads recovered	0	1	0	2
Local authorities fuel tax, fines, infringement fees, and other receipts	0	5	0	4
Total operating funding (A)	9,300	8,439	9,600	9,373
Applications of operating funding				
Payments to staff and suppliers	1,587	1,336	1,671	1,709
Finance costs	3,891	2,851	3,879	3,184
Internal charges and overheads applied	1,221	1,270	1,216	1,384
Other operating funding applications				
Total applications of operating funding (B)	6,699	5,457	6,766	6,277
Surplus (deficit) of operating funding (A - B)	2,601	2,982	2,834	3,096
Sources of capital funding				
Subsidies and grants for capital expenditure	30	54	30	326
Development and financial contributions				
Increase (decrease) in debt	1,784	6,809	(1,253)	(4,516)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions				
Total sources of capital funding (C)	1,814	6,863	(1,223)	(4,190)
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	4,035	8,064	0	1,559
- to replace existing assets	1,681	2,199	1,447	897
Increase (decrease) in reserves	(1,301)	(418)	164	(3,550)
Increase (decrease) of investments				
Total applications of capital funding (D)	4,415	9,845	1,611	(1,094)
Surplus (deficit) of capital funding (C - D)	(2,601)	(2,982)	(2,834)	(3,096)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		2,460		2,131
Additions		0		2,000
Repayments		(329)		(236)
Closing Balance		2,131		3,895
Interest		96		95

Financial Variations - Explanation

2014/15 actual compared to budget (per Long Term Plan) and 2013/14 actual

Waste Water Treatment Plant upgrade now complete, but delays to the project in previous years have caused variances in budget for targeted rates, debt and reserves. Finance costs are also below budget due to the delay.

Stormwater

Description

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

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

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

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

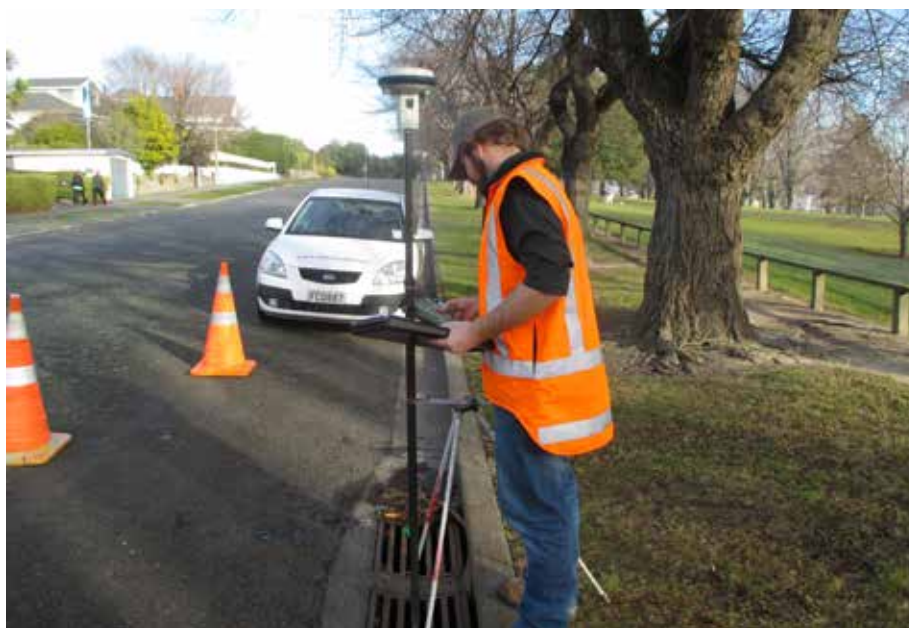
Stormwater schemes in residential areas are designed to cope with a 1 in 5-year return rainfall event (i.e. the event has a 20% chance of occurring in any one year). In industrial and commercial zones they are designed to cope with a 1 in 10 year return rainfall event (i.e. the event has a 10% chance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

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

Key Achievements and Projects

During the year:

- Work has continued on surveying stormwater manholes for hydraulic model building purposes. This will improve and update the information the Council uses for stormwater management.
- Stormwater renewals were completed in Alexandra Street Timaru and a new manhole, pipe and sump were installed in Cox Street Geraldine, improving stormwater management in these areas.
- The Morgans Road rain garden has been completed. This is designed to assist with stormwater management.
- The Gleniti C1 bund construction project was completed. The bund will allow short term storage of stormwater and is directly related to ongoing development in the Gleniti area.
- Rural Stormwater upgrading has continued including renewal of rural culverts, sump and soakpits.



Stormwater network surveying

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Deliver stormwater services according to required environmental standards	Compliance with Resource Consent conditions*	Achieved. 1 inspection was not carried out but a later inspection found no evidence of erosion or scouring. Environment Canterbury inspected a bund construction and advised it was compliant.
Provide stormwater services that meet community demands	User Satisfaction. No survey in 2014/15	No survey in 2014/15. The 2013/14 survey results were: <ul style="list-style-type: none"> 81% of residents were very/fairly satisfied with stormwater services 93% of users were very/fairly satisfied with stormwater services where a service was provided.
Deliver affordable stormwater services	Actual operating cost of combined stormwater services within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for stormwater services was \$379,000 and the actual expenditure was \$225,000.
Maintain excellent customer service	85% of service requests are responded to within required timeframe	Achieved. 96% of service requests were responded to within required timeframes (2013/14 91%)
Minimise network failure of stormwater services	Analyse reported flooding due to insufficient capacity in public stormwater network during a rain event in: <ul style="list-style-type: none"> Residential zone (for <5yr event) Commercial/Industrial zone (for <10yr event) 	Achieved. A total of 6 complaints were received, all relating to private property flooding. All of these were analysed and resolved. Only 1 complaint was related to insufficient capacity of the stormwater network which had been programmed to be renewed (soakpit renewal).

*Excluding minor non-compliances as reported by Environment Canterbury

Variations

- Geraldine Stormwater upgrades** - Hislop and Huffey Streets stormwater pipe upgrades have been deferred for further investigation. Expected completion is 2017/18.
- Temuka Stormwater upgrades** - Fraser/King Streets stormwater pipe upgrade has been deferred for further investigation. Expected completion is 2017/18.
- Timaru Stormwater upgrades** - The Caroline Bay stormwater flood mitigation project is at the investigation stage. The Te Aitakihi project is deferred for further investigation.



Gleniti stormwater bund

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	1,372	1,381	1,375	1,266
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	1,372	1,381	1,375	1,266
Applications of operating funding				
Payments to staff and suppliers	376	532	373	201
Finance costs	53	24	53	26
Internal charges and overheads applied	134	160	133	173
Other operating funding applications				
Total applications of operating funding (B)	563	716	559	400
Surplus (deficit) of operating funding (A - B)	809	665	816	866
Sources of capital funding				
Subsidies and grants for capital expenditure	0	57	0	17
Development and financial contributions				
Increase (decrease) in debt	71	(40)	(42)	(27)
Gross proceeds from sale of assets				
Lump sum contributions	20	(46)	20	126
Total sources of capital funding (C)	91	(29)	(22)	116
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	255	(85)	0	0
- to replace existing assets	530	407	399	554
Increase (decrease) in reserves	115	314	395	428
Increase (decrease) of investments				
Total applications of capital funding (D)	900	636	794	982
Surplus (deficit) of capital funding (C - D)	(809)	(665)	(816)	(866)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		608		568
Additions		11		25
Repayments		(51)		(52)
Closing Balance		568		541
Interest		24		26

Financial Variations - Explanation

2014/15 actual compared to budget (per Long Term Plan) and 2013/14 actual

Operational expenditure is reduced due to costs incurred relating to Washdyke Creek in 2013/14 being in the budget as capital. This asset is owned by Environment Canterbury. Operational costs are also down on both budget and 2013/14 due to the lack of significant rainfall events.

Waste Minimisation

Description

Waste Minimisation includes the following activities provided by Council:

- Compost, Recycling and Refuse

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

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

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

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

Under the Waste Minimisation Act 2008, Councils must complete

a Waste Management and Minimisation Plan every six years that assesses the provision of existing services and provides options for the delivery of future services.

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



TDC Waste Minimisation Advisor Briony Woodnorth viewing recycled flattened cardboard collection.



Redruth landfill new cell development

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Waste Minimisation

Key Achievements and Projects

During the year:

- Diversion from landfill via recycling, composting and re- use was 19,037 tonnes, 4% under the combined target figure. Net figures are used which exclude contamination sent to landfill as waste.
- Construction of a new landfill cell at Redruth commenced. There have been some delays in the design phase, and due to adverse weather. Construction is scheduled for completion in September 2015.
- The Resource Recovery Park project at the Redruth transfer station is underway with the design report now completed. This will improve drop-off facilities for the public as well and ultimately help with ongoing reduction of waste to landfill.
- Options for utilising organic waste currently going to landfill have been investigated as part of the continual drive to reduce waste to landfill.
- A new Cloth Nappy programme was launched across the district.
- A number of submissions were made during the reporting period including Ministry for the Environment Product Consultation, Recycling Colours Consultation and Waste Data framework consultation.



Redruth landfill new cell development

Waste Minimisation

Performance

Level of Service statement	Measure/Target	Result
Solid Waste facilities are adequate and available to the community	User Satisfaction. No survey in 2014/15	No survey in 2014/15. The 2013/14 survey results were: <ul style="list-style-type: none"> 90% of residents were very/fairly satisfied with kerbside rubbish and recycling services 89% of transfer station users were very/fairly satisfied with the service.
Provide regular kerbside collection services to enable separation of waste	≤ 554 missed kerbside bins annually	1,047 bins were missed on collection routes (688 missed in 2013/14), as notified by householders. While this is an increase on the previous year, missed bins are still less than 1% of total bins collected. A key reason for missed bins is continual changes in drivers. Other reasons for missed bins include bins being obscured by obstacles, householders failing to have their bins out on time and some reporting of bins as missed before the collection truck has visited the street.
No adverse effects from the operation of solid waste facilities	Compliance with resource consent conditions*	There was full compliance with resource consent conditions. There were minor non-compliances during the year, which were resolved.
Solid Waste is diverted from the landfill	<ul style="list-style-type: none"> Recycling - 5,700 gross tonnes processed at Materials Recycling Facility (MRF) Organic - 15,300 gross tonnes processed at composting facility Reuse and other recycling - 387 gross tonnes received with Crow's Nest to comprise ≥40% 	<p>The following tonnages were processed during 2014/15:</p> <ul style="list-style-type: none"> Recycling - 5,410 tonnes (2013/14: 5,316 tonnes) Organic - 13,054 tonnes (2013/14: 14,672 tonnes) Reuse - 573 tonnes (2013/14: 457 tonnes) <p>The figures show gross tonnages received at the respective facility (including kerbside/transfer station and commercial). Organic waste processing is 13% under target due to the dry season. Reuse/recycling includes timber diverted for pyrolysis due to start in 2015/16. It also includes tyre and bumper bars sent for recycling and increased "escrap" processing</p>
Promote and educate about waste minimisation	25 events supported 52 businesses supported	<ul style="list-style-type: none"> 23 zero waste events were supported during the year (2013/14: 26) 26 businesses were supported during the year (2013/14: 55) <p>Results are under target this year due in part to staff being diverted to other duties and less opportunities for events.</p>
Public Information and education ensures waste is sorted appropriately	<ul style="list-style-type: none"> Recorded contamination at Materials Recycling Facility (MRF) 25% of gross tonnes Recorded contamination at compost facility 0.8% 	<p>Recorded contamination at MRF was 29% of gross tonnes (2013/14: 30%). This exceeded the target due to large amounts of glass contamination.</p> <p>Recorded contamination at the compost facility was 0.2% of gross tonnes (2013/14: 0.4%).</p>
	Kerbside waste to landfill per red bin pickup - 11.1kg per red bin pickup	Kerbside waste to landfill per red bin was 12.9kg per red bin (2013/14: 11.7kg). This slightly exceeded the target due in part to more people now using larger red bins (2010 7%, 2014 9%)

*Excluding minor non-compliances as reported by Environment Canterbury

Waste Minimisation

Variations

- Redruth Landfill Stage 3 Development – The cell 3.4 build is underway. Delays in the design phase and adverse weather has affected the build. This is scheduled for completion September 2015.
- Landfill Gas System – Due to delays in supply of specialised materials the system will now be completed by June 2016.



Waste Minimisation

Timaru District Council: Funding impact statement for 2014/15

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	5,652	4,826	5,748	6,922
Subsidies and grants for operating purposes	130	139	130	157
Fees, charges and targeted rates for water supply	2,042	2,296	2,040	2,539
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	7,824	7,261	7,918	9,618
Applications of operating funding				
Payments to staff and suppliers	6,215	5,975	6,224	6,044
Finance costs	373	298	408	306
Internal charges and overheads applied	363	364	360	371
Other operating funding applications				
Total applications of operating funding (B)	6,951	6,637	6,992	6,721
Surplus (deficit) of operating funding (A - B)	873	624	926	2,897
Sources of capital funding				
Subsidies and grants for capital expenditure		7		0
Development and financial contributions				
Increase (decrease) in debt	474	392	955	(971)
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	474	399	955	(971)
Application of capital funding				
Capital expenditure				
- to meet additional demand	294	28	1,464	1,461
- to improve the level of service	849	533	332	97
- to replace existing assets	38	111	53	119
Increase (decrease) in reserves	166	351	32	249
Increase (decrease) of investments				
Total applications of capital funding (D)	1,347	1,023	1,881	1,926
Surplus (deficit) of capital funding (C - D)	(873)	(624)	(926)	(2,897)
Funding balance ((A - B) + (C - D))	0	0	0	0

Financial Variations - Explanation

2014/15 actual compared to budget (per Long Term Plan) and 2013/14 actual

Fees and charges have increased due to improved economic conditions in the Timaru District, as well as a contractor reverting to using the Redruth facility after several years of taking waste out of the district. Capital expenditure to meet additional demand has increased due to the start of work on constructing Cell 3.4 at Redruth, as budgeted.

Water Supply

Description

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

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

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

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

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

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

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

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

Key Achievements and Projects

During the year:

- The water services realignment was completed at the Wai-iti Road, Morgans Road and Barnes Street intersection as part of the roundabout construction.
- Watermain renewals have been completed at Kennedy Street in Geraldine and Hally Terrace in Temuka as part of ongoing upgrading of infrastructure.
- Small AC main renewals in Timaru have been completed at Waimataitai Street and Spring Road. Work is underway on Mountainview Road.
- Te Moana Water Supply minor renewals are in progress and are expected to be completed by July 2015.
- Work is underway on watermain renewals in Oxford Street Timaru and Richard Pearse Drive in Temuka.
- Pipe condition sampling of urban watermains has been completed. This provides information to assist with planning for ongoing maintenance and renewal of the network.
- Due to drought conditions during the year restrictions were required on all water schemes. Significant efforts were made to reduce the impact on residents via modifications to pump configurations and to investigate re establishing a raw water flow from an abandoned spring source in Temuka.
- Water Safety Plans for the Winchester Water Supply and St Andrews Water Supply were submitted to the Drinking Water Assessor as part of the requirements under the 2007 amendments to the Health Act.
- The Rural Water Scheme Tank Inspection continues with each scheme revisited every 3 years. In December 2014, inspection was completed in part of the Downlands and Te Moana schemes to ensure that water tanks are compliant and resolve any operational and performance issues.



Pareora River water intake

Contributions to Community Outcomes

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

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

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Manage and monitor water supplies under the conditions of water resource consents and to achieve positive environmental outcomes	Compliance with Resource Consent conditions*	<p>Achieved (excluding minor non-compliance)</p> <p>Compliance was achieved for 16 consents to take water, 13 consents to discharge water and 12 consents to allow work in rivers. Minor non-compliance was reported for 3 consents as follows:</p> <ul style="list-style-type: none"> Consent CRC011399 – on 21 days more than 5% of the flow recordings exceeded the consented flow rate by 5%. Worst day 75% of the readings exceeded 215l/s by up to 8%. No action taken. The river levels were high. Consent CRC011992 – non-compliance with the condition that there shall be no discharge to land or water where cattle or deer have uncontrolled access to water races. Action has been taken in that nearly all races are now fenced. Consent CRC140054 – non-compliance was reported and required action has been taken. This related to a modification that has been made to the Rangitata Orari Intake. Preparations to apply for a variation to the consent are underway.
Provide water supply services that meet community demand	Water supply pressure provided at service connection – At least 95% urban scheme service connections have a normal minimum operating pressure of $\geq 200\text{kPa}$	Achieved. This is measured every 5 years as part of the process of recalibrating the water supply models. The last recalibration shows that at least 95% of connections in Timaru, Temuka, Geraldine, Pleasant Point, Winchester and Orari have a normal minimum operating pressure of 200kPa.
	User Satisfaction. No survey in 2014/15	<p>No survey in 2014/15. The 2013/14 survey results were:</p> <ul style="list-style-type: none"> 86% of residents were very/fairly satisfied with water supply. 91% of users were very/fairly satisfied with water supply where a service was provided.
Provide safe drinking water	Compliance with NZ Drinking Water Standards – Bacterial and chemical compliance – All schemes	<p>All schemes achieved chemical compliance.</p> <p>Bacterial compliance was not achieved in the following:</p> <p>Treatment Plant:</p> <ul style="list-style-type: none"> Downlands Waitohi – e-coli detected on one occasion Downlands Springbrook Peel Forest Rangitata Huts Winchester <p>Changing from DWSNZ 2000 to DWSNZ 2005 starting in 2015 resulted in the non-compliance for Springbrook, Peel Forest, Rangitata Huts and Winchester which were compliant with DWSNZ 2000 for e-coli.</p> <p>Reticulation:</p> <p>All schemes were compliant except:</p> <p>Pareora Pipeline – It is known that e-coli is present. Consumers are supplied from the Pareora pipeline before the water enters Claremont Water Treatment Plant. Consumers are advised to treat their own water.</p>
	Compliance with NZ Drinking Water Standards – Protozoal compliance –	<p>Protozoal compliance was not achieved in the following:</p> <ul style="list-style-type: none"> Timaru – There were a number of short term non-compliance periods following start up and for longer periods when the water was very cold. The water requires a higher Ct (contact time) when cold, however the Ct does not account for the ozone in the water after it leaves the treatment plant, which is more significant in cold water. Springbrook and Winchester – There is currently no treatment process for Springbrook and Winchester. There is work planned to develop treatment processes for these schemes to meet Drinking Water Standards.
	<ul style="list-style-type: none"> Downlands – Pareora and Springbrook Orari Pleasant Point Seadown Temuka Geraldine Timaru Winchester 	

Water Supply

Level of Service statement	Measure/Target	Result
Provide water with an acceptable taste, odour and appearance	Complaints received about water appearance, taste and smell - <1% of connected properties	Achieved. There were 25 complaints (2013/14: 25) received during the year - <1% of connected properties. Of these 7 complaints related to private issues within the boundary of the owners property - so beyond Council responsibility.
Maintain excellent customer service	≥85% of service requests are responded to within required timeframes	Achieved. 95 % (2013/14: 94%) of service requests were responded to within the required timeframes during the year.
Deliver affordable water supply services	User Satisfaction. No survey in 2014/15	No survey in 2014/15. The 2013/14 survey results were: ■ 86% of receivers of a piped water supply provided by Council think it is good value for money.
	Operating cost of combined water supplies within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for water supplies (including all of Downlands and the Rangitata Orari water race scheme) was \$3,792,100 and the actual expenditure was \$3,456,000.
Minimise unplanned interruption to water supply services	No unplanned outages to urban schemes ≥ than 8 hours	Achieved. There were no unplanned outages to urban schemes ≥ than 8 hours

Variations

- **Urban Water Supplies Fixed Plant and Equipment** – The Geraldine booster pump has been delayed as part of the Geraldine Area Wide Water Supply project. The Winchester improvement through a connection of the Temuka trunk main to the Winchester treatment plant has been delayed based on a decision pending on the location of the new Temuka reservoir.
- **Urban Water Supplies Timaru Reservoir Cover** – The project has not been started and is delayed until 2016/17, as concept detail is yet to be finalised.
- **Other Water Supplies – Te Moana Network capacity** – This project has been deferred to 2015/16, starting with the Geraldine Area Wide Water Strategy Stage 1 Implementation.
- **Other Water Supplies – Te Moana Leak Detection, Network Analysis and Metering** – This project has been deferred to 2015/16.
- **Downlands Water Supply – Renewals and Te Ngawai Trunk Main Upgrade** – Preliminary design for these projects is underway. The trunk main renewal will commence once the treatment plant location is confirmed.
- **Downlands Water Supply – Reservoir Cover** – The project is yet to be started as it was decided the initial focus would be on replacing the Springbrook reservoir roof.
- **Canada Street Watermain Renewal** – This project has been deferred as the pipe sample has shown it is in reasonably good condition and not needing renewal.



Rangitata-Orari stockwater races

Water Supply

Timaru District Council: Funding impact statement for 2014/15 - Water Supply

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	4,269	4,253	4,545	4,751
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	1,505	1,641	1,520	1,567
Internal charges and overheads recovered	54	49	54	48
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	2
Total operating funding (A)	5,828	5,943	6,119	6,368
Applications of operating funding				
Payments to staff and suppliers	2,902	2,657	2,761	2,943
Finance costs	376	214	428	250
Internal charges and overheads applied	869	885	864	951
Other operating funding applications				
Total applications of operating funding (B)	4,147	3,756	4,053	4,144
Surplus (deficit) of operating funding (A - B)	1,681	2,187	2,066	2,224
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt	1,654	(153)	(168)	(142)
Gross proceeds from sale of assets				
Lump sum contributions	9	31	9	77
Total sources of capital funding (C)	1,663	(122)	(159)	(65)
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,975	96	400	0
- to replace existing assets	1,774	1,400	2,239	801
Increase (decrease) in reserves	(405)	569	(732)	1,358
Increase (decrease) of investments				
Total applications of capital funding (D)	3,344	2,065	1,907	2,159
Surplus (deficit) of capital funding (C - D)	(1,681)	(2,187)	(2,066)	(2,224)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		2,372		2,309
Additions		90		15
Repayments		(153)		(157)
Closing Balance		2,309		2,167
Interest		96		105

Financial Variations - Explanation

2014/15 actual compared to budget (per Long Term Plan) and 2013/14 actual

Delays in the timing of capital projects have caused reduction in the level of expenditure for replacement of current assets and consequently the increase in debt has also been delayed. The drought situation in the district has caused these delays.

Water Supply

Timaru District Council: Funding impact statement for 2014/15 - Downlands Water Supply

	2013/14 Long-term plan (\$000)	2013/14 Actual (\$000)	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	984	930	1,107	1,081
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	80	82	40	117
Total operating funding (A)	1,064	1,012	1,147	1,198
Applications of operating funding				
Payments to staff and suppliers	404	344	404	295
Finance costs	57	0	172	0
Internal charges and overheads applied	118	112	117	112
Other operating funding applications				
Total applications of operating funding (B)	579	456	693	407
Surplus (deficit) of operating funding (A - B)	485	556	454	791
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt	1,640	0	1,640	0
Gross proceeds from sale of assets				
Lump sum contributions	8	(36)	418	11
Total sources of capital funding (C)	1,648	(36)	2,058	11
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	4	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	3,049	265	3,094	181
Increase (decrease) in reserves	(916)	251	(582)	621
Increase (decrease) of investments				
Total applications of capital funding (D)	2,133	520	2,512	802
Surplus (deficit) of capital funding (C - D)	(485)	(556)	(454)	(791)
Funding balance ((A - B) + (C - D))	0	0	0	0

Financial Variations - Explanation

2014/15 actual compared to budget (per LTP)

Delays in the timing of major capital projects have caused variance on capital expenditure and consequently the increase in debt has also been delayed.



Financial Performance and Council Controlled Organisations

Section Overview

This section outlines the financial results of Council activities for 2014/15. It includes:

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

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2015

	Note	Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
REVENUE						
Rates, excluding targeted water supply rates	3	43,247	42,568	41,556	43,018	41,209
Fees, charges and targeted rates for water supply	4	16,207	15,985	16,052	16,289	21,868
Development and financial contributions		59	20	32	32	32
Subsidies and grants	5	9,041	9,184	8,356	9,041	8,356
Finance Revenue	6	3,183	2,468	2,451	2,294	1,635
Other Revenue	7	4,577	4,401	3,711	9,433	7,136
Other gains/(losses)	8	(526)	-	2,086	113	2,480
TOTAL REVENUE	2	75,788	74,626	74,244	80,220	82,716
EXPENDITURE						
Personnel costs	9	14,863	15,190	13,826	15,728	16,510
Operating costs	10	32,375	31,947	30,022	31,795	32,940
Finance costs	6	5,290	6,264	4,773	6,263	5,540
Depreciation and amortisation	17, 17a, 18	14,481	15,240	14,359	14,959	14,837
TOTAL OPERATING EXPENDITURE	2	67,009	68,641	62,980	68,745	69,827
OPERATING SURPLUS / (DEFICIT) BEFORE TAX		8,779	5,985	11,264	11,475	12,889
Share of associate surplus/(deficit)	21	-	-	-	5,203	3,214
Library collection debit Revaluation Reserve balance (expensed)/written back	27	(106)	-	(107)	(106)	(107)
SURPLUS / (DEFICIT) BEFORE TAX		8,673	5,985	11,157	16,572	15,996
Income Tax expense	11	-	-	-	(105)	(292)
SURPLUS / (DEFICIT) AFTER TAX		8,673	5,985	11,157	16,467	15,704
<i>Surplus/(deficit) attributable to:</i>						
Timaru District Council		8,673	5,985	11,157	16,467	15,627
Non-controlling interest		-	-	-	-	-
OTHER COMPREHENSIVE REVENUE						
Operating land revaluations		-	-	-	-	-
Financial instrument hedging		-	-	-	-	-
Income tax relating to financial instrument hedging		-	-	-	-	-
TOTAL OTHER COMPREHENSIVE REVENUE		-	-	-	-	-
TOTAL COMPREHENSIVE REVENUE		8,673	5,985	11,157	16,467	15,704
<i>Total comprehensive revenue attributable to:</i>						
Timaru District Council		8,673	5,985	11,157	16,467	15,627
Non-controlling interest		-	-	-	-	-

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

for the year ended 30 June 2015

	Group 2015			Group 2014		
	Group 2015 \$000	Minority Interests \$000	Total \$000	Group 2014 \$000	Minority Interests \$000	Total \$000
Total comprehensive revenue	16,467	0	16,467	15,627	77	15,704
Total revenue and expense	16,467	0	16,467	15,627	77	15,704
Capital Gain	-	-	-	2	-	2
Transaction with owners	-	-	-	2	-	2
Recognition/(derecognition) of subsidiary	1,894	-	1,894	18	(17,736)	(17,718)
Equity at the beginning of year	796,402	-	796,402	780,755	17,659	798,414
Equity at end of year	814,763	0	814,763	796,402	0	796,402
				Council	Council	Council
				Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Total comprehensive revenue				8,673	5,985	11,157
Total recognised revenue/(expense) for the year to 30 June				8,673	5,985	11,157
Equity at the beginning of year				731,284	726,380	720,127
Equity at end of year				739,957	732,365	731,284

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

Statement of Financial Position

for the year ended 30 June 2015

	Note	Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
ASSETS						
Current assets						
Cash and cash equivalents	12	27,706	23,069	16,736	30,388	19,203
Trade and other receivables	13	8,403	7,048	7,261	9,000	8,089
Inventories	14	87	62	79	97	85
Other financial assets	15	13,928	5,919	22,458	16,378	23,958
Total current assets		50,124	36,098	46,534	55,863	51,335
Non-current assets						
Property, Plant and equipment	17	767,625	783,848	761,997	769,095	762,065
Intangible assets	18	1,497	1,718	1,572	1,497	1,572
Forestry	19	671	930	604	671	604
Investment Property	20	1,713	1,490	1,624	25,797	24,095
Investments in associates	21	-	-	-	82,836	77,633
Investment in CCOs and other similar entities	15	23,658	23,398	23,658	218	218
Other financial assets	15	4,445	5,343	5,885	4,586	5,916
Deferred tax	11	-	-	-	160	265
Total non-current assets		799,609	816,727	795,340	884,860	872,368
Total Assets		849,733	852,825	841,874	940,723	923,703
LIABILITIES						
Current liabilities						
Trade and other payables	23	10,629	9,062	8,971	9,982	8,599
Employee benefit liabilities	24	1,779	1,614	1,614	1,779	1,614
Borrowings	26	5,000	22,958	10,000	5,000	10,000
Derivative financial instruments	16	585	464	464	728	477
Total current liabilities		17,993	34,098	21,049	17,489	20,690
Non-current liabilities						
Provisions	25	5,701	5,575	4,029	5,701	4,029
Employee benefit liabilities	24	382	399	399	382	399
Borrowings	26	84,045	79,337	84,062	100,145	101,062
Derivative financial instruments	16	1,655	1,051	1,051	2,243	1,121
Deferred tax liability	11	-	-	-	-	-
Total non-current liabilities		91,783	86,362	89,541	108,471	106,611
Total liabilities		109,776	120,460	110,590	125,960	127,301
Net assets		739,957	732,365	731,284	814,763	796,402
EQUITY						
Retained earnings	27	707,548	707,241	699,458	782,194	764,576
Other reserves	27	32,409	25,124	31,826	32,569	31,826
Total Equity		739,957	732,365	731,284	814,763	796,402

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

Statement of Cashflows

for the year ended 30 June 2015

		Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES	Note					
Cash was provided from						
Rates		43,426	43,018	42,020	43,197	41,718
Other Revenue		27,366	26,862	24,598	31,187	32,941
Interest		3,005	2,468	2,411	2,084	1,597
Dividends		2,241	2,238	2,058	4,059	3,558
		76,038	74,586	71,087	80,527	79,814
Cash was disbursed to						
Suppliers & Employees		(44,530)	(47,074)	(43,402)	(45,979)	(48,963)
Interest Paid		(5,402)	(6,264)	(4,709)	(6,177)	(5,400)
Redeemable Preference Share dividends		-	-	-	-	(192)
Income Tax Expense		-	-	-	(4)	(51)
Net GST Movement		(5)	-	157	(43)	181
		(49,937)	(53,338)	(47,954)	(52,203)	(54,425)
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	28	26,101	21,248	23,133	28,324	25,389
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from						
Sale of Fixed Assets and intangibles		69	45	1,890	69	26,044
Mortgage/Loan Repayments		77	220	115	72	110
Sale of Investments		22,458	19,265	6,611	22,458	15,015
		22,604	19,530	8,616	22,599	41,169
Cash was disbursed to						
Purchase of Fixed Assets and intangibles		(20,113)	(34,756)	(26,145)	(20,457)	(48,980)
Mortgage/Loan Advances		(200)	(215)	(18)	(200)	(18)
Purchase of Investments		(12,405)	(15,985)	(18,126)	(13,503)	(18,707)
		(32,718)	(50,956)	(44,289)	(34,160)	(67,705)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(10,114)	(31,426)	(35,673)	(11,561)	(26,536)
CASHFLOWS FROM FINANCING ACTIVITIES						
Cash was provided from						
Debt Issues		5,000	20,568	26,000	5,000	45,000
Redeemable Preference Shares Issued		-	-	-	-	-
Shares Issued		-	-	-	-	-
		5,000	20,568	26,000	5,000	45,000
Cash was disbursed to						
Debt Repayment		(10,017)	(11,874)	(17,869)	(10,917)	(28,869)
Redeemable Preference Shares Repaid		-	-	-	-	(10,000)
Share buy back		-	-	-	-	(2,715)
Dividend Paid		-	-	-	-	(3,595)
		(10,017)	(11,874)	(17,869)	(10,917)	(45,179)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(5,017)	8,694	8,131	(5,917)	(179)

Statement of Cashflows

for the year ended 30 June 2015

		Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
NET INCREASE/(DECREASE) IN CASH HELD		10,970	(1,484)	(4,409)	10,846	(1,326)
Opening Cash Balance 1 July		16,736	30,472	21,145	19,542	24,192
Less cash removed on partial sale of subsidiary		-	-	-	-	(3,663)
		27,706	28,988	16,736	30,388	19,203
REPRESENTED BY						
Cash & cash equivalents	12	27,706	28,988	16,736	30,388	19,203
		27,706	28,988	16,736	30,388	19,203

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

Funding Impact Statement

for the year ended 30 June 2015

Timaru District Council: Funding impact statement for 2014/15 (whole of council)

	2013/14 Annual Plan (\$000)	2013/14 Actual (\$000)	2014/15 Annual Plan (\$000)	2014/15 Actual (\$000)
Sources Of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	12,084	11,661	12,824	11,963
Targeted Rates (other than a targeted rate for water supply)	29,687	27,614	30,773	32,082
Subsidies and grants for operating purposes	2,914	3,942	3,199	3,579
Fees charges and targeted rates for water supply	14,782	16,434	16,270	16,599
Local authorities fuel tax, fines, infringement fees and other receipts	5,435	5,528	5,601	6,529
	64,902	65,179	68,666	70,752
Total Operating Funding (A)				
Applications Of Operating Funding				
Payments to staff and suppliers	44,644	44,492	46,889	45,726
Finance costs	6,709	5,101	6,682	5,772
Other operating funding applications	-	-	-	-
Total Applications Of Operating Funding (B)	51,353	49,593	53,571	51,498
Surplus/(Deficit) Of Operating Funding (A - B)	13,549	15,586	15,095	19,254
Sources Of Capital Funding				
Subsidies and grants for capital expenditure	6,422	5,034	6,769	6,404
Development and financial contributions	20	32	53	59
Increase/(decrease) in debt	10,718	8,201	8,699	(5,463)
Gross proceeds from the sale of assets	49	1,534	45	50
Lump sum contributions	-	-	-	-
Other dedicated capital funding	187	115	-	419
Total Sources Of Capital Funding (C)	17,396	14,916	15,566	1,469
Applications Of Capital Funding				
Capital expenditure				
- to meet additional demand	2,530	704	4,969	1,642
- to improve the level of service	16,100	12,516	8,179	7,720
- to replace existing assets	18,544	12,643	21,609	10,781
Increase/(decrease) in reserves	(6,229)	4,586	(4,096)	1
Increase/(decrease) of investments	-	53	-	579
Total Applications Of Capital Funding (D)	30,945	30,502	30,661	20,723
Surplus/(Deficit) Of Capital Funding (C - D)	(13,549)	(15,586)	(15,095)	(19,254)
Funding Balance ((A - B) + (C - D))	-	-	-	-

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

Statement of Financial Involvement in Council Controlled Organisations

Timaru District Council has control over the following entities:

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

It has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$22.2M on normal commercial terms (2014: \$22.2M).

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

	Dividends 2015 \$000	Interest 2015 \$000	Total 2015 \$000
Subsidiaries			
Timaru District Holdings Limited	2,193	1,112	3,305
Aoraki Development Business and Tourism Ltd.	0	0	0
	<u>2,193</u>	<u>1,112</u>	<u>3,305</u>
Associates			
Alpine Energy Limited	0	0	0
PrimePort Timaru Limited	0	0	0
Total	<u>2,193</u>	<u>1,112</u>	<u>3,305</u>

Timaru District Holdings Limited (TDHL) and subsidiaries

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

Mission Statement:

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

Nature and Scope of Activities

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

Performance Measures and Targets:

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

Performance targets (Parent)	2014/15 Target	2014/15 Actual
Net profit after tax to shareholders funds	10.52%	9.78%
Net assets per fully paid share	\$34.97	\$51.05
Earnings per fully paid share	\$3.68	\$4.99
Dividend per fully paid share	\$2.19	\$2.19
Shareholders funds to total assets	47.12%	55.85%

Statement of Financial Involvement in Council Controlled Organisations

Aoraki Development and Promotions Limited (trading as Aoraki Development Business and Tourism (ADBT))



Aoraki Development Business and Tourism (ADBT) is a Council Controlled Organisation focused on regional economic development and tourism promotion. It is 100% controlled by the Timaru District Council.

Vision:

The Aoraki region is the place of choice to live, work, play and invest.

Mission:

To facilitate and support smart, sustainable economic development.

Objectives and Strategies:

- Effectively support existing businesses
- Provide an effective information hub for the District. (Business and Visitor)
- Facilitate & develop strategic partnerships to maximise District benefit
- Showcase and promote the District
- Attract, facilitate and support new businesses and initiatives for quantifiable benefit
- Facilitate forward planning for growth

A summary of some of the achievements against the objectives and strategies listed in the Statement of Corporate Intent 2014/15 is included below:

- Managed a range of support tools for local businesses, including Training Courses, Business Resources, and Business Mentoring. There were over 299 attendees at 21 courses run during the year. ADBT supported over 243 businesses during the year with aspects such as start up planning, strategic planning, business structure, taxation and marketing advice, strategic planning, business structure, taxation and marketing advice.
- Assisted with over 20 district events such as the Young Farmers

Competition, and numerous district and regional sporting events.

- Continued to enhance the availability of quality information about the district through the www.southcanterbury.org.nz website, newsletters and brochures.
- Led a Digital Strategy for the district as a flow on from the very successful response to the 2013/14 Gigatown national competition.
- Further expansion of the Free Wi-Fi areas within the district. Public Wi-Fi is available for visitors and locals and is funded and maintained by Aoraki Development Business & Tourism in partnership with local IT company and internet retail provider Vetta Technologies Ltd.
- Lead and facilitated business leadership forums including:
 - Agribusiness Workforce Strategy (Canterbury wide)
 - Canterbury Digital Strategy
 - South Canterbury Workforce Strategy
 - Go Geraldine Workshop (Visitor Strategy)
- Prepared for and hosted 4 successful visits of cruise ships during the year.
- Managed and enhanced visitor information services across the district. Visitor nights for the year ended March 2015 rose 21% with most of the increase coming from domestic guest nights.
- Sought funding for District initiatives and growth, and assisted district businesses to achieve growth through a variety of means.
- Achieved a 74% very satisfied response from businesses using ADBT services, with 72% of respondents reporting between \$2K-\$75K added value as a result of the support provided.
- Distributed \$55,848 of funding resources to 69 businesses across the district.

Full details can be found in the ADBT report against the Statement of Intent 2014/15.

Aorangi Stadium Trust

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

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

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

Performance:

- **Target:** Significant maintenance projects are completed on time and on budget
- **Result:** Some projects, including floor covering renewals were deferred until 2015/16 as the assets remained in a reasonable condition.
- **Target:** Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis to ensure the facility is operating to the satisfaction of both parties.
- **Result:** Regular discussions occur between the Council staff trustees the Council Recreation Facilities staff.

Notes To The Financial Statements

1. Statement of Accounting Policies for the year ended 30 June 2015

REPORTING ENTITY

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

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

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

The financial statements of the Council and group are for the year ended 30 June 2015. The financial statements were authorised for issue by the Council on 27 October 2015.

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA: sections 98, 100, 101, 111 and Schedule 10 which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

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

These financial statements are the first financial statements prepared in accordance with the new PBE Accounting Standards. There are no material adjustments arising on transition to the new accounting standards.

PRESENTATION CURRENCY AND ROUNDING

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

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was

updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

BASIS OF CONSOLIDATION

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

Subsidiaries

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

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

Associates

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

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

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

Joint Ventures

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

Notes To The Financial Statements

activity.

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

REVENUE

Revenue is measured at fair value.

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

Rates Revenue

The following policies for rates have been applied:

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

Vested Assets

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

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

New Zealand Transport Agency roading subsidies

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

Interest

Interest revenue is recognised using the effective interest method.

Dividends

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

Agency Revenue

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

BORROWING COSTS

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

FOREIGN CURRENCY TRANSACTIONS

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

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

INCOME TAX

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

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

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

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

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

LEASES

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

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

CASH AND CASH EQUIVALENTS

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

Notes To The Financial Statements

cash management.

TRADE AND OTHER RECEIVABLES

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

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

INVENTORIES

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

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

INVESTMENTS

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

Term Deposits

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

Investments in debt and quoted equity securities

Investments in debt and quoted equity securities are financial instruments classified as held for trading and are measured at

fair value at balance sheet date. Any resultant gains or losses are recognised in the surplus or deficit for the period.

Investment in Subsidiaries

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

Community loans

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

Other – Investments (Unquoted equity investments)

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

NON CURRENT ASSETS HELD FOR SALE

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

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

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

PROPERTY, PLANT & EQUIPMENT- VALUATION

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

- Operational assets –
 - Council related Land
 - Council Buildings and Building Improvements
 - Airport Improvements
 - Parks and Pools Plant and Equipment
 - Plant and Equipment, including Motor Vehicles
 - Furniture and Office Equipment
 - Library Books
 - Art Works
- Infrastructure assets –
 - Sewer, stormwater, water
 - Roads, bridges and lighting
 - Land under roads

Infrastructure assets are the fixed utility systems owned by the Council.
- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the

Notes To The Financial Statements

community and cannot be disposed of because of legal or other restrictions.

Council Land

Land, other than airport land, has been stated at its deemed cost, which is fair value as valued by I Fairbrother ANZIV of QV Valuations as at 1 July 2005.

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

Acquisitions subsequent to 1 July 2005 are at cost.

Council Buildings and Building improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

Airport improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

Parks and Pools plant and equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

Plant and Equipment (including motor vehicles)

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

Furniture and Office Equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

Library books

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2014 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

Art Works

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

Acquisitions subsequent to 1 July 2005 are at cost.

Sewer, Stormwater, Water

Sewer, stormwater and water assets, are stated at their deemed

cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

Roads, Bridges and Lighting

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

Acquisitions subsequent to 1 July 2005 are at cost.

Land under Roads

Land under roads has been stated at their deemed cost which is at an average of adjacent "undeveloped land value" valued as at 1 July 2005 by Maunsell Limited.

Acquisitions subsequent to 1 July 2005 are at cost.

Heritage Assets

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

Acquisitions subsequent to 1 July 2005 are at cost.

PROPERTY, PLANT & EQUIPMENT - DEPRECIATION

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

Depreciation has been provided at the following rates.

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

CAPITAL WORK IN PROGRESS

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

Notes To The Financial Statements

INTANGIBLE ASSETS

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

Costs associated with developing or maintaining software programmes are recognised as an expense when incurred. Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

IMPAIRMENT

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

FORESTRY ASSETS

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

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

LANDFILL ASSETS

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

INVESTMENT PROPERTY

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

LOANS

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

EMPLOYEE ENTITLEMENTS

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. Provision is made in respect of the Council's liability for annual leave, long service leave, retirement gratuities and sick leave. Council accrued retiring gratuities and accrued long service leave are calculated based on an actuarial valuation using current rates of pay taking into

account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Annual leave entitlements have been calculated on an actual entitlement basis at current rates of pay. Sick leave entitlements are measured as the amount of unused entitlement accumulated at balance sheet date that the Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods. Obligations for contributions to Kiwisaver and superannuation schemes are recognised as an expense in the surplus or deficit when incurred. All employer superannuation contributions are made to defined contribution schemes.

PROVISION FOR LANDFILL POST CLOSURE COSTS

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

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

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

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

EQUITY & RESERVES

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

- Retained Earnings
- Restricted reserves
 - Special funds

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

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

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

GOODS & SERVICES TAX

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

The net amount of GST paid to, or received from the Inland

Notes To The Financial Statements

Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

STATEMENT OF CASHFLOWS

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

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

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

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

COST ALLOCATION

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

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

Indirect costs are those costs which can not be identified in an economically feasible manner, with a significant activity. Indirect costs are allocated to significant activities based on the services provided.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Notes To The Financial Statements

for the year ended 30 June 2015

2. Summary Revenue and Expenditure for Group of Activities

	Council		
	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Revenue			
Rates	43,247	42,568	41,556
Corporate Support	6,401	6,567	8,420
Democracy	-	3	2
Community Support	1,942	1,809	1,629
District Planning and Regulatory Services	3,136	3,170	3,164
Recreation and Leisure	3,662	3,774	3,379
Roading and Footpaths	9,897	10,097	9,385
Waste Minimisation	2,696	2,363	2,232
Sewer	2,888	2,530	2,705
Stormwater	146	50	(65)
Water Supply	1,773	1,695	1,837
Total Revenue	75,788	74,626	74,244
Expenditure			
Corporate Support	2,396	2,510	2,225
Democracy	2,993	3,195	3,057
Community Support	4,379	4,366	4,131
District Planning and Regulatory Services	4,148	4,304	3,965
Recreation and Leisure	13,795	14,339	13,635
Roading and Footpaths	13,441	13,656	13,422
Waste Minimisation	8,846	7,794	6,569
Sewer	9,000	9,708	8,022
Stormwater	1,241	1,406	1,551
Water Supply	6,770	7,363	6,403
Total Expenditure	67,009	68,641	62,980

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

3. Rates, excluding Targeted Water Supply Rates

	Council	
	Actual 2015 \$000	Actual 2014 \$000
General rates	21,996	20,928
Targeted rates attributable to activities		
Water, excluding water supply rates	5,827	5,332
Sewerage	6,852	6,449
Solid Waste	5,390	5,624
Community Works and Services	2,687	2,709
Rates Penalties	495	514
Total revenue from rates, excluding targeted water supply rates	43,247	41,556

Notes To The Financial Statements

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2015 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	Actual 2015 \$000	Actual 2014 \$000
Rates, excluding targeted water supply rates	43,247	41,556
Targeted water supply rates	1,559	1,620
	44,806	43,176

Ratings base

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

	Council	
	Actual 2015 \$000	Actual 2014 \$000
Number of rating units at end of preceding year	22,528	22,462

	Council	
	Actual 2015 \$000	Actual 2014 \$000
Total capital value of rating units at end of preceding year	9,934,014	9,799,982
Total land value of rating units at end of preceding year	4,798,420	4,783,588

4. Fees, Charges and Targeted Rates for Water Supply

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Targeted Rates for Water Supply	1,559	1,620	1,559	1,620
Trade Waste	2,335	2,414	2,335	2,414
Landfill Use	2,186	1,942	2,186	1,942
Consent Fees	2,299	2,302	2,299	2,302
Social Housing Rent	1,070	1,015	1,070	1,015
Parking Fees	911	940	911	940
Swimming Pool Admission Fees	843	822	843	822
Port Operations	-	-	-	5,691
Other Fees and Charges	5,004	4,997	5,086	5,122
Total Fees, Charges and Targeted Rates for Water Supply	16,207	16,052	16,289	21,868

5. Subsidies and Grants

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
New Zealand Transport Rooding subsidies	8,486	7,879	8,486	7,879
Other subsidies and grants	555	477	555	477
Total Subsidies and Grants	9,041	8,356	9,041	8,356

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

Notes To The Financial Statements

6. Finance Revenue and Finance Costs

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Finance revenue				
Interest Revenue				
Term deposits	1,673	632	1,896	750
Related party loans	1,112	934	-	-
Community loans	8	11	8	11
Investments in debt securities	390	874	390	874
Total Finance Revenue	3,183	2,451	2,294	1,635
Finance Costs				
Interest expense				
Interest expense on borrowings	5,290	4,773	6,263	5,540
Total Finance Costs	5,290	4,773	6,263	5,540

7. Other Revenue

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Rental revenue from investment properties	147	125	1,995	1,885
Petrol tax	487	479	487	479
Dividend Revenue	2,241	2,138	4,137	3,638
Vested assets	53	340	53	340
Other	1,649	629	2,761	794
Total Other Revenue	4,577	3,711	9,433	7,136

8. Other gains/(losses)

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Gain/(loss) on changes in fair value of forestry assets (note 19)	96	(113)	96	(113)
Gain/(loss) on disposal of property, plant & equipment	14	1,192	14	1,192
Gain on changes in fair value of investment property (note 20)	89	134	1,377	528
Gain/(Loss) on changes in fair value of derivative financial instruments	(725)	873	(1,374)	873
Total gains/(losses)	(526)	2,086	113	2,480

9. Personnel costs

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Salaries and wages	14,321	13,776	15,186	16,965
Defined contribution plan employer contributions	394	368	394	368
Increase/(decrease) in employee benefit liabilities	148	(318)	148	(823)
Total personnel costs	14,863	13,826	15,728	16,510

Employer contributions to defined contributions plans include contributions to Kiwisaver.

Notes To The Financial Statements

10. Other expenses

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Expenses include:				
Fees to principal auditor				
Audit fees for financial statement audit	119	117	136	134
Audit fees for Long Term Plan audit	79	4	79	4
Fees to other auditors	-	-	7	7
Donations	-	-	3	3
Impairment of receivables (note 13)	(6)	(1)	(17)	(12)
Bad debts written off	11	18	11	18
Rates Remissions	158	138	158	138
Minimum lease payments under operating leases	235	151	962	878
Direct expenses from investment property generating revenue	6	5	270	269
Other operating expenses	31,773	29,590	30,186	31,501
Total other expenses	32,375	30,022	31,795	32,940

11. Tax

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Surplus/(deficit) before tax	8,779	11,157	11,475	15,996
Tax at 28% (2013: 28%)	2,458	3,124	3,213	4,799
Adjustments to current tax	(2,458)	(3,124)	(3,108)	(5,091)
Tax expense/(benefit)	-	-	105	(292)
Comprising of:				
Current tax	-	-	0	333
Deferred tax	-	-	105	(41)
Prior period adjustment	-	-	-	0
	-	-	105	292
Deferred tax benefit/(liability)				
Opening balance	-	-	265	1,513
Temporary differences				
Long Term assets	-	-	-	-
Prior period adjustment - Long Term assets	-	-	-	-
Employee entitlements	-	-	-	-
Others	-	-	(105)	(1,248)
Closing balance	-	-	160	265
Future tax benefit/(deferred taxation) is represented by:				
Long term assets	-	-	-	-
Employee entitlements	-	-	-	-
Tax losses	-	-	160	265
Others	-	-	-	-
	-	-	160	265

During the year, Timaru District Council made subvention payments to Timaru District Holdings Limited of \$934,114 (2014: \$893,891). As at 30 June 2015, subvention payments of \$1,112,349 (2014: \$934,114) to Timaru District Holdings Limited, are payable by Timaru District Council.

The Council's subsidiaries have imputation credits of \$9,806,000 (2014: \$9,099,000) which can be used to impute dividend payments to the Council.

Notes To The Financial Statements

12. Cash and cash equivalents

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Cash at bank and in hand	58	96	307	584
Short term deposits maturing 3 months or less from date of acquisition	27,648	16,640	30,081	18,619
Total cash and cash equivalents	27,706	16,736	30,388	19,203

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$9,000,000 (2014: \$6,100,000).

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Cash at bank and in hand	58	96	307	584
Short term deposits maturing 3 months or less from date of acquisition	27,648	16,640	30,081	18,619
	27,706	16,736	30,388	19,203

13. Debtors and other receivables

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Rates receivables	1,565	1,766	1,565	1,766
Other receivables	4,939	4,451	6,613	6,200
Related party receivables (note 30)	1,112	934	-	-
less provision for impairment of receivables	(72)	(78)	(72)	(78)
	7,544	7,073	8,106	7,888
Prepayments	859	188	894	201
Total receivables	8,403	7,261	9,000	8,089
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	5,900	5,248	4,788	4,314
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,644	1,825	3,318	3,574
	7,544	7,073	8,106	7,888

Fair value

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

Impairment

As at 30 June 2015 and 2014, all overdue receivables have been assessed for impairment and appropriate provisions applied. Timaru District Council does not hold collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

Notes To The Financial Statements

value of future payments if the impact of discounting is material.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$58,466 (2014: \$175,039).

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

	2015			2014		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	5,717	-	5,717	5,083	-	5,083
Past due 1 - 60 days	229	(5)	224	161	(8)	153
Past due 61 - 120 days	29	(4)	25	29	(4)	25
Past due > 120 days	76	(26)	50	112	(32)	80
Total	6,051	(35)	6,016	5,385	(44)	5,341
Group						
Not past due	6,279	-	6,279	5,754	-	5,754
Past due 1 - 60 days	229	(5)	224	181	(8)	173
Past due 61 - 120 days	29	(4)	25	152	(4)	148
Past due > 120 days	76	(26)	50	113	(32)	81
Total	6,613	(35)	6,578	6,200	(44)	6,156

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

	2015			2014		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	1,317	-	1,317	1,486	-	1,486
Past due 1 year	145	-	145	164	-	164
Past due 2 years	45	-	45	51	-	51
Past due 3 years	16	(7)	9	18	(7)	11
Past due > 3 years	42	(30)	12	47	(27)	20
Total	1,565	(37)	1,528	1,766	(34)	1,732

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
As at 1 July	78	79	78	90
Additional provisions made/(released) during the year	(17)	(19)	(17)	(30)
Receivables written off during year	11	18	11	18
At 30 June	72	78	72	78

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

Notes To The Financial Statements

14. Inventories

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Pool shop inventories	56	46	56	46
Other	31	33	41	38
Total Inventories	87	79	97	84

The carrying amount of inventories pledged as security for liabilities is \$nil (2014: \$nil).

15. Other financial assets

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current portion				
Short term deposits	12,305	20,304	14,755	21,804
Community loans	79	83	79	83
Investments in debt securities	1,544	2,071	1,544	2,071
Total Current Portion	13,928	22,458	16,378	23,958
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in NZ Local Government Insurance Corp. Limited	218	218	218	218
Investment in TDHL Ltd	1,000	1,000	-	-
Investment in ADAP Ltd	260	260	-	-
Loans to related parties (note 31)	22,180	22,180	-	-
Total investments in CCOs and similar entities	23,658	23,658	218	218
<i>Investments in other entities</i>				
Unlisted share in Levels Plain Irrigation Co	50	51	50	51
Unlisted shares in Greenfield's Co-operative Society Limited	1	1	1	1
Investment in Hunter Downs Irrigation	-	-	141	31
Community loans	161	113	161	113
Investments in LGFA	816	816	816	816
Investments in debt securities	3,417	4,904	3,417	4,904
Total investment in other entities	4,445	5,885	4,586	5,916
Total Non-Current Portion	28,103	29,543	4,804	6,134

Fair Value

Short term deposits

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

Community loans

The fair value of community loans is \$240,000 (2014: \$196,000). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2014: 10.0%).

The face value of community loans is \$433,609 (2014: \$292,115).

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

Notes To The Financial Statements

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
At 1 July	196	241	196	241
Amount of new loans granted during the year	200	18	200	18
Fair value adjustment on initial recognition	(97)	27	(97)	27
Loans repaid during the year (principal and interest)	(62)	(93)	(62)	(93)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	3	3	3	3
At 30 June	240	196	240	196

Investments in debt securities

The fair value of investments in debt securities is \$4,961,080 (2014: \$6,974,486). Fair value has been determined based on current market values using yields of between 3.38% and 5.03% (2014: 3.93% and 5.94%).

Loans to related parties

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

Impairment

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

16. Derivative Financial Instruments

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current liability portion				
Interest rate swaps	585	464	728	477
	585	464	728	477
Non -current liability portion				
Interest rate swaps	1,655	1,051	2,243	1,121
	1,655	1,051	2,243	1,121

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2015 were \$46,900,000 (2014: \$38,900,000). Maturity dates range from March 2016 to June 2021.

At 30 June 2015, the interest rates for interest rate swaps vary from 3.56% to 6.82% (2014: 3.56% to 6.83%).

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

Notes To The Financial Statements

17. Property, plant and equipment

Insurance on Assets

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

Water, Waste Water and Storm Water

These activities have a total asset value for insurance purposes of \$666,602,907.

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

Roading, Bridges and Footpath Assets

These activities have a total book value of \$404,138,000.

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

Art Works

The Council has a total asset value for insurance purposes of \$6,350,000, which is made up as follows: \$5,350,000 for Council owned art, \$500,000 for temporary loaned works and \$500,000 for artworks in transit.

Land, Buildings, Plant & Equipment

These assets have a total value for insurance purposes of \$115,549,289., which is made up of buildings & improvements, runways & other airport improvements, furniture & equipment, heritage and library collections and plant & equipment.

Vehicles

This activity has a total asset value for insurance purposes of \$1,467,505. All vehicles are insured for replacement value.

The council has a disaster recovery fund which provides for some self insurance of approximately \$1,900,000 and also holds depreciation funds which may be used in the event of a disaster.

Work in progress

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

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
Roading network	3,521	895
Water system	201	81
Drainage system	-	112
Sewerage system	38	26,531
Buildings and improvements	2,308	1,166
Plant and Equipment	30	27
	6,098	28,812

Notes To The Financial Statements

2015	Cost/ Revaluation 1 July 2014	Accum depn and impairment charges 1 July 2014	Carrying amount 1 July 2014	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluation's	Cost/ Revaluation 30 June 15	Accum depn and impairment charges 30 June 15	Carrying amount 30 June 15
Council restricted assets												
Land	24,349	-	24,349	-	-	-	-	-	-	24,349	-	24,349
Buildings and improvements	8,211	(3,078)	5,133	113	-	-	-	(345)	-	8,194	(3,293)	4,901
Total restricted assets	32,560	(3,078)	29,482	113	-	-	-	(345)	-	32,543	(3,293)	29,250
Council operational assets												
Land	12,170	-	12,170	189	-	(6)	-	-	-	12,353	-	12,353
Buildings and improvements	79,998	(11,448)	68,550	1,346	-	(12)	-	(1,546)	-	81,427	(13,089)	68,338
Runways & other airport impts	3,157	(875)	2,282	-	-	-	-	(91)	-	3,157	(966)	2,191
Furniture and equipment	6,917	(3,776)	3,141	336	-	-	-	(384)	-	7,636	(4,543)	3,093
Art Works	2,440	-	2,440	11	-	-	-	-	-	2,451	-	2,451
Heritage assets	1,541	(196)	1,345	-	-	-	-	(30)	-	1,541	(226)	1,315
Library collections	3,160	(1,370)	1,790	319	-	-	-	(189)	(106)	3,373	(1,559)	1,814
Plant and equipment	27,506	(10,268)	17,238	6,931	-	(37)	-	(1,438)	-	34,243	(11,549)	22,694
Work in progress	1,024	-	1,024	1,314	-	-	-	-	-	2,338	-	2,338
Total operational assets	137,913	(27,933)	109,980	10,446	-	(55)	-	(3,678)	(106)	148,519	(31,932)	116,587
Council infrastructural assets												
Land and buildings	30,118	(3,464)	26,654	12,376	-	-	-	(487)	-	42,494	(3,951)	38,543
Sewerage system treatment	12,531	(2,352)	10,179	6,518	-	-	-	(377)	-	19,049	(2,729)	16,320
Sewerage system reticulation	69,858	(13,111)	56,747	4,013	44	-	-	(1,818)	-	73,916	(14,930)	58,986
Water system treatment	10,088	(2,103)	7,985	128	-	-	-	(265)	-	10,216	(2,368)	7,848
Water system reticulation	68,524	(14,341)	54,183	758	7	-	-	(1,722)	-	69,289	(16,063)	53,226
Stormwater network	41,621	(7,111)	34,510	637	2	-	-	(838)	-	42,260	(7,949)	34,311
Roads and footpaths	228,747	(45,623)	183,124	8,547	-	-	-	(3,717)	-	237,322	(49,368)	187,954
Bridges	54,340	(6,816)	47,524	388	-	-	-	(780)	-	54,728	(7,596)	47,132
Land under roads	171,806	-	171,806	1	-	-	-	-	-	171,807	-	171,807
Lighting	2,697	(1,013)	1,684	47	-	-	-	(150)	-	2,744	(1,163)	1,581
Landfill - post closure costs	590	(239)	351	-	-	-	-	(31)	-	590	(270)	320
Work in progress	27,788	-	27,788	(24,028)	-	-	-	-	-	3,760	-	3,760
Total infrastructural assets	718,708	(96,173)	622,535	9,385	53	-	-	(10,185)	-	728,175	(106,387)	621,788
Total Timaru District Council property, plant and equipment	889,181	(127,184)	761,997	19,944	53	(55)	-	(14,208)	(106)	909,237	(141,612)	767,625
Subsidiaries property, plant and equipment												
Buildings	-	-	-	-	1,573	-	-	(166)	-	4,143	(2,736)	1,407
Furniture and equipment	147	(79)	68	23	-	(3)	-	(25)	-	165	(102)	63
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	147	(79)	68	23	1,573	(3)	-	(191)	-	4,308	(2,838)	1,470
Total group property, plant and equipment	889,328	(127,263)	762,065	19,967	1,626	(58)	-	(14,399)	(106)	913,545	(144,450)	769,095

Notes To The Financial Statements

2014	Cost/ Revaluation 1 July 2013	Accum depn and impairment charges 1 July 2013	Carrying amount 1 July 2013	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluation's	Cost/ Revaluation 30 June 14	Accum depn and impairment charges 30 June 14	Carrying amount 30 June 14
Council restricted assets												
Land	24,349	-	24,349	-	-	-	-	-	-	24,349	-	24,349
Buildings and improvements	8,341	(2,863)	5,478	-	-	-	-	(345)	-	8,211	(3,078)	5,133
Total restricted assets	32,690	(2,863)	29,827	-	-	-	-	(345)	-	32,560	(3,078)	29,482
Council operational assets												
Land	12,205	-	12,205	18	-	(53)	-	-	-	12,170	-	12,170
Buildings and improvements	78,966	(9,885)	69,081	1,462	-	(383)	-	(1,610)	-	79,998	(11,448)	68,550
Runways & other airport impts	3,157	(776)	2,381	-	-	-	-	(99)	-	3,157	(875)	2,282
Furniture and equipment	6,594	(3,404)	3,190	346	-	(2)	-	(393)	-	6,917	(3,776)	3,141
Art Works	2,432	-	2,432	8	-	-	-	-	-	2,440	-	2,440
Heritage assets	1,541	(168)	1,373	-	-	-	-	(28)	-	1,541	(196)	1,345
Library collections	2,948	(1,048)	1,900	319	-	-	-	(322)	(107)	3,160	(1,370)	1,790
Plant and equipment	26,435	(9,148)	17,287	1,459	-	(168)	-	(1,340)	-	27,506	(10,268)	17,238
Work in progress	1,024	-	1,024	-	-	-	-	-	-	1,024	-	1,024
Total operational assets	135,302	(24,429)	110,873	3,612	-	(606)	-	(3,792)	(107)	137,913	(27,933)	109,980
Council infrastructural assets												
Land and buildings	29,992	(3,040)	26,952	126	-	-	-	(424)	-	30,118	(3,464)	26,654
Sewerage system treatment	12,301	(2,024)	10,277	230	-	-	-	(328)	-	12,531	(2,352)	10,179
Sewerage system reticulation	68,543	(11,255)	57,288	1,276	7	-	-	(1,824)	-	69,858	(13,111)	56,747
Water system treatment	9,815	(1,850)	7,965	273	-	-	-	(253)	-	10,088	(2,103)	7,985
Water system reticulation	66,561	(12,546)	54,015	1,851	71	(40)	-	(1,714)	-	68,524	(14,341)	54,183
Stormwater network	41,362	(6,279)	35,083	235	76	(52)	-	(832)	-	41,621	(7,111)	34,510
Roads and footpaths	219,411	(42,032)	177,379	9,176	160	-	-	(3,591)	-	228,747	(45,623)	183,124
Bridges	54,243	(6,038)	48,205	97	-	-	-	(778)	-	54,340	(6,816)	47,524
Land under roads	171,500	-	171,500	306	-	-	-	-	-	171,806	-	171,806
Lighting	2,628	(867)	1,761	43	26	-	-	(146)	-	2,697	(1,013)	1,684
Landfill - post closure costs	590	(208)	382	-	-	-	-	(31)	-	590	(239)	351
Work in progress	19,306	-	19,306	8,482	-	-	-	-	-	27,788	-	27,788
Total infrastructural assets	696,252	(86,139)	610,113	22,095	340	(92)	-	(9,921)	-	718,708	(96,173)	622,535
Total Timaru District Council property, plant and equipment	864,244	(113,431)	750,813	25,707	340	(698)	-	(14,058)	(107)	889,181	(127,184)	761,997
Subsidiaries property, plant and equipment												
Land	16,402	-	16,402	-	-	(16,402)	-	-	-	-	-	-
Buildings	3,222	(1,528)	1,694	-	-	(1,694)	-	-	-	-	-	-
Improvements to land	733	(496)	237	-	-	(237)	-	-	-	-	-	-
Wharves	7,191	(4,924)	2,267	-	-	(2,267)	-	-	-	-	-	-
Breakwater/Channel	5,147	(299)	4,848	-	-	(4,848)	-	-	-	-	-	-
Plant and equipment	34,534	(26,922)	7,612	-	-	(7,612)	-	-	-	-	-	-

Notes To The Financial Statements

2014	Cost/ Revaluation 1 July 2013	Accum depn and impairment charges 1 July 2013	Carrying amount 1 July 2013	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluations	Cost/ Revaluation 30 June 14	Accum depn and impairment charges 30 June 14	Carrying amount 30 June 14
Furniture and equipment	112	(63)	49	40		(3)	-	(18)	-	147	(79)	68
Work in progress	646	-	646	(646)		-	-	-	-	-	-	-
Total subsidiaries	67987	(34,232)	33,755	(606)	-	(33,063)	-	(18)	-	147	(79)	68
Total group property, plant and equipment	932,231	(147,663)	784,568	25,101	340	(33,761)	-	(14,076)	(107)	889,328	(127,263)	762,065

Notes To The Financial Statements

17a. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2015 \$000	Actual 2014 \$000
Corporate Support	831	831
Democracy	2	3
Community Support	407	414
District Planning and Regulatory Services	3	3
Recreation and Leisure	2,162	2,325
Roading and Footpaths	4,786	4,655
Waste Minimisation	452	426
Sewer	2,724	2,618
Stormwater	841	835
Water Supply	2,273	2,249
	14,481	14,359

18. Intangible assets

	Council and Group		Council and Group
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2014			
Cost	3,236	89	3,325
Accumulated amortisation and impairment	(1,753)	-	(1,753)
Opening carrying amount	1,483	89	1,572
Year ended 30 June 2015			
Additions	163	35	198
Disposals	-	-	-
Amortisation charge	(273)	-	(273)
Amortisation reversed on disposals	-	-	-
Movement for the year	(110)	35	-75
Balance as at 30 June 2015			
Cost	3,399	124	3,523
Accumulated amortisation and impairment	(2,026)	-	(2,026)
Closing carrying amount	1,373	124	1,497
Balance as at 1 July 2013			
Cost	3,086	84	3,170
Accumulated amortisation and impairment	(1,452)	-	(1,452)
Opening carrying amount	1,634	84	1,718
Year ended 30 June 2014			
Additions	150	5	155
Disposals	-	-	-
Amortisation charge	(301)	-	(301)
Amortisation reversed on disposals	-	-	-
Movement for the year	(151)	5	-146
Balance as at 30 June 2014			
Cost	3,236	89	3,325
Accumulated amortisation and impairment	(1,753)	-	(1,753)
Closing carrying amount	1,483	89	1,572

Notes To The Financial Statements

Carbon credits

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

19. Forestry assets

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Balance as at 1 July	604	930	604	930
Increases due to purchases		-		-
Gains/(losses) arising from changes in fair value	96	(113)	96	(113)
Decreases due to harvest	(29)	(213)	(29)	(213)
Balance as at 30 June	671	604	671	604

Timaru District Council owns 190.1 hectares of Radiata, Douglas fir, Macrocarpa, Corsican and Contorta Pine forest, which is at varying stages of maturity ranging from 1 to 65 years.

The District Forester employed by Ashburton District Council has valued the forestry assets as at 30 June 2015. A pre-tax discount rate of 8% has been used in discounting the present value of expected cash flows.

Financial risk management strategies

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

20. Investment property

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Balance as at 1 July	1,624	1,490	24,095	26,788
Additions from acquisitions		-	325	-
Derecognition of subsidiary	-	-	-	(3,221)
Disposals	-	-	-	-
Fair value gains/(losses) on valuation (note 8)	89	134	1,377	528
Balance as at 30 June	1,713	1,624	25,797	24,095

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2015 by Ian Fairbrother ANZIV SPINZ of Telfer Young. All investment properties are valued based on open market evidence.

Investment property held by Timaru District Holdings Limited was independently valued as at 30 June for the 2015 financial year by GR Sellers FNZIV, FNZPI, a registered valuer with Colliers International. The valuation is based on fair value.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cashflow methods. These methods are based on assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2014: Nil)

Notes To The Financial Statements

21. Investments in associates

PrimePort Timaru Ltd

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

	Group	
	Actual 2015 \$000	Actual 2014 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	20,707	-
Fair value at time of recognition	-	19,611
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	1,986	1,096
Share of dividend	(300)	-
Balance as at 30 June	22,393	20,707

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

	Actual 2015 \$000	Actual 2014 \$000
Assets	55,350	44,323
Liabilities	9,806	2,152
Revenue	15,366	16,087
Total Comprehensive Revenue	3,973	2,458
Group's interest	50.00%	50.00%

Alpine Energy Limited

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

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

An independent valuation of the Shares in Alpine Energy Limited was undertaken by Deloitte as at 31 March 2015. This valuation assessed the value of 100% of the shares in Alpine Energy Limited to be in the range of \$355 million to \$365 million as at 31 March 2015. Based on this valuation, Deloitte also provided a Fair Value of a 47.5% shareholding in Alpine Energy Limited as at 31 March 2015 to Timaru District Holdings Limited which was \$171 million

	Group	
	Actual 2015 \$000	Actual 2014 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	56,926	54,808
New investments during the year	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	7,306	5,710
Share of dividend	(3,789)	(3,592)
Balance as at 30 June	60,443	56,926

Notes To The Financial Statements

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

	Group	
	Actual March 2015 \$000	Actual March 2014 \$000
Assets	202,062	189,985
Liabilities	78,566	73,894
Revenue	63,749	53,590
Total Comprehensive Revenue	15,380	12,021
Group's interest	47.50%	47.50%

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

22. Joint Venture

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

	Council and Group	
	Actual March 2015 \$000	Actual March 2014 \$000
Current assets	3,354	2,886
Non-current assets	11,604	11,808
Current liabilities	105	259
Non-current liabilities	-	-
Revenue	1,209	1,052
Expenses	791	827

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

23. Trade and other payables

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Trade creditors and accruals	7,363	6,235	7,608	6,594
Amounts due to related parties (note 31)	1,112	934	-	-
Contract retentions	837	528	837	528
Deposits and bonds	364	267	364	267
Revenue in advance	279	221	480	396
Accrued interest expense	674	786	693	814
Total trade and other payables	10,629	8,971	9,982	8,599

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

Notes To The Financial Statements

24. Employee benefit liabilities

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Accrued salaries and wages	165	136	165	136
Annual leave	1,041	987	1,041	987
Long service leave	107	104	107	104
Sick leave	-	-	-	-
Retiring gratuities	848	786	848	786
Total employee benefits	2,161	2,013	2,161	2,013
Comprising:				
Current	1,779	1,614	1,779	1,614
Non-current	382	399	382	399
Total employee benefits	2,161	2,013	2,161	2,013

25. Landfill aftercare provision

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balance	4,029	4,525	4,029	4,525
Increase/(decrease) due to discount rate changes and assessment of liability	1,541	(643)	1,541	(643)
Discount unwinding	131	147	131	147
Closing balance	5,701	4,029	5,701	4,029

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

The remaining capacity of the site is 752,763 tonnes (refuse, clean fill and cover).

The estimated remaining useful life is 30 years.

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

The cash outflows for the landfill and post-closure costs are expected to occur in one to thirty years time (or between 2015 and 2044).

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.99% (2014: 4.04%).

26. Borrowings

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current				
Secured loans	-	-	-	-
Bonds Issued	5,000	10,000	5,000	10,000
Total current borrowings	5,000	10,000	5,000	10,000
Non-current				
Secured loans	-	-	16,100	17,000
Bonds Issued	33,000	33,000	33,000	33,000
LGFA Debt	51,045	51,062	51,045	51,062
Total non-current borrowings	84,045	84,062	100,145	101,062

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

Notes To The Financial Statements

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

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

Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is \$250,000 (2014: \$250,000). There are no restrictions on the use of this facility.

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

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

Internal borrowings

Information about internal borrowings is provided on pages 31 to 76 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values of non-current borrowings

Council	Carrying Amount		Fair Value	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Bonds	33,000	33,000	33,000	33,000
LGFA Debt	51,045	51,062	51,045	51,062
	84,045	84,062	84,045	84,062

Group	Carrying Amount		Fair Value	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Secured loans	16,100	17,000	16,100	17,000
Bonds	33,000	33,000	33,000	33,000
LGFA Debt	51,045	51,062	51,045	51,062
	100,145	101,062	100,145	101,062

The fair values are based on borrowing rates ranging from 3.76% to 6.72% (2014: 3.39 to 6.72%).

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

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

Notes To The Financial Statements

27. Equity

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Retained earnings				
As at 1 July	699,458	692,330	764,576	742,960
Surplus/(deficit) for the year	8,673	11,157	16,467	15,627
Adjustment on recognition of subsidiary	-	-	1,779	-
Transfer from Revaluation Reserve	-	-	-	10,016
Capital Gains	-	-	-	2
Transfers to:				
Special Funds	(16,682)	(17,914)	(16,737)	(17,914)
Transfers from:				
Special Funds	16,099	13,885	16,109	13,885
As at 30 June	707,548	699,458	782,194	764,576
Special funds				
As at 1 July	31,826	27,797	31,826	27,797
Interest	841	670	841	670
Transfers from:				
Retained earnings	15,841	17,244	16,011	17,244
Transfers to:				
Retained earnings	(16,099)	(13,885)	(16,109)	(13,885)
As at 30 June	32,409	31,826	32,569	31,826
Asset revaluation reserves				
As at 1 July	-	-	-	10,194
Revaluation gains/(losses)	(106)	(107)	(106)	(89)
Revaluation reserve written off	106	107	106	(10,105)
As at 30 June	-	-	-	-
Asset revaluation reserves consist of:				
Library books	-	-	-	-
Port operational land	-	-	-	-
Total	-	-	-	-
Fair value through equity reserve				
As at 1 July	-	-	-	(196)
Valuation gains/(losses) taken to equity	-	-	-	196
Transfers to statement of financial performance on disposal	-	-	-	-
As at 30 June	-	-	-	0
Total Other Reserves	32,409	31,826	32,569	31,826
Non-controlling interest				
Balance as at 1 July	-	-	-	17,659
Share of Surplus/(deficit)	-	-	-	77
Decognition of subsidiary	-	-	-	(17,736)
Balance as at 30 June	-	-	-	-

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

Notes To The Financial Statements

Name of Fund	Activity	Purpose	2015			2014		
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000
								Balance 30 June \$000
Aquatic Centre contributions	Parks, Recreation and Swimming Pools	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	351	10	180	181	16	290
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	108	4	-	112	3	108
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	484	20	-	504	16	484
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	407	37	30	414	35	407
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	294	31	200	125	53	294
Contingency Fund	All of Council	For emergency purposes as determined by Council.	464	18	-	482	15	464
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.	5,157	7,501	4,701	7,957	7,614	5,714
Depreciation Fund – Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	54	5	-	59	4	54
Depreciation Fund - Geraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Geraldine funded depreciable assets and for the repayment of loans associated with such assets. (excludes water related assets).	98	59	38	119	57	68
Depreciation Fund – Orari / Waikato Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	-	-	1	-	1
Depreciation Fund – Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	212	8	-	220	7	212

Notes To The Financial Statements

Name of Fund	Activity	Purpose	2015			2014			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Depreciation Fund – Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	3	6	-	9	6	3	3
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	105	51	33	123	51	70	105
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	500	81	2	579	80	57	500
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	2,739	2,921	5,739	-79	2,761	3,420	2,739
Depreciation Fund – Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	72	112	15	169	109	70	72
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	106	116	95	127	111	111	106
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	2,647	965	892	2,720	939	1,216	2,647
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	4,753	1,835	964	5,624	1,779	1,507	4,753
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	241	242	166	317	234	223	241
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	-	-	265	-	-	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	1,920	227	-	2,147	113	-	1,920
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	611	24	-	635	20	-	611

Notes To The Financial Statements

Name of Fund	Activity	Purpose	2015			2014				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	28	1	1	28	29	1	2	28
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	2,501	791	181	3,111	2,137	622	258	2,501
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	83	11	-	94	118	3	38	83
Economic Development Fund	Economic Development and District Promotions, Community Funding and Governance and Leadership	For economic development support.	269	15	36	248	255	14	-	269
Election Expenses Fund	Governance and Leadership	To provide for meeting election expenses.	12	41	-	53	55	47	90	12
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	396	23	-	419	102	294	-	396
Forestry Development Fund	Parks, Recreation and Swimming Pools	To provide funding for the development of forests within the District.	505	19	66	458	308	197	-	505
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	-	-	2	2	-	-	2
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	21	30	31	20	18	31	28	21
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.	1,832	746	2,261	317	1,451	877	496	1,832

Notes To The Financial Statements

Name of Fund	Activity	Purpose	2015			2014				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	-	-	1	1	1	1	1
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	21	-	2	19	22	1	2	21
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	214	8	-	222	206	8	-	214
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	156	6	3	159	164	5	13	156
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	3	2	-	5	2	1	-	3
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	667	272	-	939	592	75	-	667
Mayor's Welfare Fund	Governance and Leadership	Help out the needy as determined by the Mayor.	16	1	1	16	16	1	1	16
McCarthy Bequest - Library	Cultural and Learning Facilities	For general purposes at the Timaru Public Library	-	44	18	26	-	-	-	-
McCarthy Bequest - Parks	Parks, Recreation and Swimming Pools	For general purposes at the Timaru gardens	-	44	-	44	-	-	-	-
Museum Acquisition Fund/Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	9	-	-	9	8	1	-	9
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	580	22	15	587	675	22	117	580

Notes To The Financial Statements

Name of Fund	Activity	Purpose	2015			2014		
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000
Parking Improvement (Tu) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	560	18	217	361	19	19
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	652	39	141	550	1,564	-
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	68	3	-	71	2	-
Reserves Development (Tu) Fund	Parks, Recreation and Swimming Pools	For the planting of trees and general development of reserves owned by the District Council within Timaru.	10	1	-	11	-	-
Reserves from Subdivisions/ Development Levy	Parks, Recreation and Swimming Pools	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	93	60	45	108	33	30
Safer Community Funds	Safer Communities	For Safer Communities projects.	230	106	26	310	7	15
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	-	-	-	-	-	-
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	1,009	72	-	1,081	76	-
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	278	33	-	311	14	-
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.	18	1	-	19	0	-
Total Restricted Reserves			31,826	16,682	16,099	32,409	17,939	13,910
						27,797		31,826

Notes To The Financial Statements

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Surplus/(deficit) after tax	8,673	11,157	16,467	15,704
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(5,203)	(3,214)
Depreciation and amortisation	14,481	14,359	14,672	14,837
Dredging amortised	-	-	-	319
Vested assets	(53)	(340)	(53)	(340)
(Gains)/losses in fair value of biological assets	(96)	113	(96)	113
(Gains)/losses in fair value of investment property	(89)	(134)	(1,377)	(528)
Increase/(decrease) in deferred taxation	-	-	105	(41)
(Gains)/losses in fair value of derivatives	725	(873)	725	(873)
(Gains)/losses in fair value of debt instruments	(57)	187	(57)	187
Movement in provision	1,672	-	1,672	-
Other	186	30	183	30
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	(14)	(1,192)	(11)	(1,192)
(Gains)/losses on disposal of shares	-	-	-	558
Add/(less) movements in working capital items:				
Accounts receivable	(952)	(213)	(1,125)	(978)
Inventories	(8)	(17)	(12)	146
Accounts payable	1,633	56	2,434	661
Net cash inflow/(outflow) from operating activities	26,101	23,133	28,324	25,389

29. Capital commitments and operating leases

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Capital commitments				
Roading network	1,825	6,606	1,825	6,606
Water system	550	87	550	87
Sewerage system	425	1,130	425	1,130
Buildings and improvements	762	196	762	2,483
	3,562	8,019	3,562	10,306

Refer to note 20 for capital commitments for investment properties.

Operating leases as lessee

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Not later than one year	114	145	114	145
Later than one year and not later than five years	64	155	64	155
Later than five years	-	-	-	-
Total non-cancellable operating leases	178	300	178	300

The total minimum future sublease payments expected to be received under non-cancelable subleases at balance date is \$nil (2014: \$nil).

Notes To The Financial Statements

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

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

Operating leases as lessor

Timaru District Council leases its investment property under operating leases. These leases have a non-cancellable term of between 1 year and 16 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Not later than one year	79	75	1,259	1,259
Later than one year and not later than five years	286	244	5,962	4,091
Later than five years	521	529	6,596	7,438
Total non-cancellable operating leases	886	848	13,817	12,788

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

30. Contingencies

Contingent Liabilities

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Building Act Claims	-	-	-	-
Housing NZ social housing advance	1,100	1,100	1,100	1,100
Other legal proceedings	-	-	-	-
	1,100	1,100	1,100	1,100

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect of the issuing of building consents and inspection work done. At the date of this report, matters that have been brought to the Council's attention, indicate potential liabilities of \$nil (2014: \$nil).

RiskPool provides public liability and professional indemnity insurance to its members. The Council was a member of RiskPool until 30/6/2015. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the "leaky buildings" issue.

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2015 (2014: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Timaru District Council has 18,550,000 shares in Timaru District Holdings Limited at an issue price of \$1.35 each which have been paid to \$185.50 (2014: \$185.50). This uncalled capital is security for the Letter of Credit facility of \$25m with ANZ Bank for the credit facilities with Timaru District Holdings Limited.

Local Government Funding Agency

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2015, NZLGFA had borrowings totalling \$5.0 billion (2014: \$3.7 billion).

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

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

Notes To The Financial Statements

Joint Venture contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply Joint Venture (2014: \$nil).

Share of associates' contingent liabilities

Timaru District Council's share of contingent liabilities of PrimePort Timaru Limited and Alpine Energy Limited, incurred jointly with other investors, is \$nil (2014: \$nil).

Contingent assets

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

31. Related party transactions

During the year to 30 June 2015, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited, Alpine Energy Limited and Te Ana Whakairo Limited), subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Aoraki Development and Promotions Limited), joint venture (Downlands Water Supply) and associated organisations (South Canterbury Rural Fire District and Canterbury Economic Development Company Limited).

The following transactions were carried out with related parties

	Actual 2015 \$000	Actual 2014 \$000
Timaru District Holdings Limited		
Rates paid to Timaru District Council	265	109
Interest paid to Timaru District Council	1,112	934
Services provided by Timaru District Council	102	91
Services provided to Timaru District Council	1,113	934
Loans payable to Timaru District Council	22,180	22,180
Accounts payable to Timaru District Council	1,122	953
Accounts receivable from Timaru District Council	1,112	934
Dividends paid to Timaru District Council	2,193	2,093
The loan payable to Timaru District Council is secured by a debenture over the company's assets.		
PrimePort Timaru Limited		
Rates paid to Timaru District Council	99	238
Services provided by Timaru District Council	15	23
Services provided to Timaru District Council	51	7
Aoraki Development and Promotions Limited		
Services provided by Timaru District Council	19	24
Services provided to Timaru District Council	729	734
Accounts payable to Timaru District Council	10	15
Downlands Water Supply		
Services provided by Timaru District Council	220	193
Services provided to Timaru District Council	3	-
Rates collected by Timaru District Council	1,128	991
Accounts payable to Timaru District Council	16	38
Accounts receivable from Timaru District Council	276	195
Alpine Energy Limited		
Rates paid to Timaru District Council	81	77
Services provided by Timaru District Council	29	41
Services provided to Timaru District Council	308	445
Accounts payable to Timaru District Council	1	2
Accounts receivable from Timaru District Council	17	30
Te Ana Whakairo Limited	7	5
Services provided by Timaru District Council		

Notes To The Financial Statements

	Actual 2015 \$000	Actual 2014 \$000
South Canterbury Rural Fire District		
Services provided by Timaru District Council	43	33
Services provided to Timaru District Council	200	142
Accounts payable to Timaru District Council	5	5
Canterbury Economic Development Company Limited		
Services provided by Timaru District Council	-	2
Services provided to Timaru District Council	1	3

Key Management Personnel

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

During the year, Timaru District Council purchased goods and services from Parr & Co Limited, an organisation in which the Mayor is a Director. The transactions amounted to \$27,847 (2014: \$35,111). The balance outstanding as at 30 June 2015 is \$1,096 (2014: \$72).

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

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2014: \$nil).

Key management personnel compensation

	Actual 2015 \$000	Actual 2014 \$000
Salaries and other short term employment benefits	1,472	1,384
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,472	1,384

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

32. Remuneration

Elected representatives

	Total remuneration			
	Council		Group	
	2015	2014	2015	2014
Mayor Annear	-	28,884	-	34,791
Mayor/Councillor Odey	103,723	80,698	135,137	96,862
Councillor Coughlan	-	8,346	-	8,346
Councillor Kennedy	-	8,346	-	8,346
Councillor Lyon	44,055	40,438	62,001	53,259
Councillor Mulvey	39,219	40,819	39,219	40,819
Councillor Earnshaw	32,768	31,014	50,714	43,835
Councillor Fraser	-	11,139	-	11,139
Councillor Stevens	42,395	34,305	42,395	34,305
Councillor Taylor	-	8,346	-	8,346
Councillor Tierney	38,956	39,739	38,956	39,739
Councillor Brien	32,768	21,818	32,768	21,818
Councillor Burt	32,768	21,818	37,768	21,818
Councillor Jack	32,768	21,818	32,768	21,818
Councillor Wills	38,956	25,201	38,956	25,201
Chief Executive	295,000	277,853	295,000	277,853

Notes To The Financial Statements

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

	Council	
	2015	2014
<\$60,000	225	217
\$60,000 - \$79,999	42	35
\$80,000 - \$99,999	16	18
\$100,000 - \$139,999	9	7
\$140,000 - \$219,999	6	6
\$280,000 - \$299,999	1	1
	299	284

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 175 (2014: 178) full-time employees, with the balance of staff representing 48 (2014: 43) full-time equivalent employees. A full-time employee is determined on the basis of working a 37.5 or 40-hour working week.

33. Capital Management

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

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

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

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

Timaru District Council has the following Council created reserves

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

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

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

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

34. Events after balance sheet date

There are no significant events subsequent to balance sheet date.

Notes To The Financial Statements

35. Financial instruments

Financial Instrument Categories

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
FINANCIAL ASSETS				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument assets	-	-	-	-
Other financial assets:				
- Investments in debt securities	4,961	6,975	4,961	6,975
<i>Total fair value through surplus or deficit</i>	<i>4,961</i>	<i>6,975</i>	<i>4,961</i>	<i>6,975</i>
Loans and receivables				
Cash and cash equivalents	27,706	16,736	30,388	19,203
Trade and other receivables	8,403	7,261	9,000	8,089
Other financial assets:				
- Term deposits	12,305	20,304	14,755	21,804
- Community loans	240	196	240	196
- Loans to related parties	22,180	22,180	-	-
<i>Total loans and receivables</i>	<i>70,834</i>	<i>66,677</i>	<i>54,383</i>	<i>49,292</i>
Fair value through other comprehensive revenue				
Other financial assets:				
- Unlisted shares	269	270	269	270
FINANCIAL LIABILITIES				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument liabilities	2,240	1,515	2,971	1,598
Financial liabilities at amortised cost				
Trade and other payables	10,629	8,971	9,982	8,599
Borrowings:				
- Secured loans	-	-	16,100	17,000
- Bonds	89,045	94,062	89,045	94,062
- Redeemable Preference Shares	-	-	-	-
<i>Total financial liabilities at amortised cost</i>	<i>99,674</i>	<i>103,033</i>	<i>115,127</i>	<i>119,661</i>

Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with NZ IFRS 13 - Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

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

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

Notes To The Financial Statements

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

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 June 2015 - Council				
Financial assets				
Investments in debt securities	4,961	-	4,961	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	2,240	-	2,240	-
30 June 2015 - Group				
Financial assets				
Investments in debt securities	4,961	-	4,961	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	2,971	-	2,971	-
30 June 2014 - Council				
Financial assets				
Investments in debt securities	6,975	-	6,975	-
Shares	270	-	-	270
Financial liabilities				
Derivatives	1,515	-	1,515	-
30 June 2014 - Group				
Financial assets				
Investments in debt securities	6,975	-	6,975	-
Shares	270	-	-	270
Financial liabilities				
Derivatives	1,598	-	1,598	-

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

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

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

	2015 \$000	2014 \$000
Balance as at 1 July	270	270
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue	-	-
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance as at 30 June	270	270

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

Notes To The Financial Statements

Financial Instruments risks

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

Market risk

Currency risk

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

Interest rate risk

Fair value interest rate risk

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

Cash flow interest rate risk

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

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

Credit risk

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

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

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Cash at bank and term deposits	40,011	37,040	45,143	41,007
Trade and other receivables	8,403	7,261	9,000	8,089
Community loans	240	196	240	196
Related party loans	22,180	22,180	-	-
Investments in debt securities	4,961	6,975	4,961	6,975
Total credit risk	75,795	73,652	59,344	56,267

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 \$250,000 (2014: \$250,000). There are no restrictions on the use of this facility.

Notes To The Financial Statements

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2015					
Trade and other payables	10,629	10,629	-	-	-
Bonds	89,045	5,000	18,000	35,000	31,045
Total	99,674	15,629	18,000	35,000	31,045
Group 2015					
Trade and other payables	9,982	9,982	-	-	-
Secured loans	16,100	-	16,100	-	-
Bonds	89,045	5,000	18,000	35,000	31,045
Total	115,127	14,982	34,100	35,000	31,045
Council 2014					
Trade and other payables	8,971	8,971	-	-	-
Bonds	94,062	10,000	5,000	38,000	41,062
Total	103,033	18,971	5,000	38,000	41,062
Group 2014					
Trade and other payables	8,599	8,599	-	-	-
Secured loans	17,000	-	-	8,500	8,500
Bonds	94,062	10,000	5,000	38,000	41,062
Total	119,661	18,599	5,000	46,500	49,562

Contractual maturity analysis of derivative financial instruments

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

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2015	5,000	14,000	4,000	20,900
Council 2014	-	5,000	22,000	11,900
Group 2015	5,000	14,000	7,000	29,400
Group 2014	-	5,000	25,000	20,400

Notes To The Financial Statements

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.

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2015				
Cash and cash equivalents	27,706	27,706	-	-
Trade and other receivables	8,403	8,403	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	269	-	-	269
Other financial assets:				
- term deposits	12,305	12,305	-	-
- community loans	240	79	107	54
- investment in debt securities	4,961	1,546	3,415	-
Total	76,064	50,039	3,522	22,503
Group 2015				
Cash and cash equivalents	30,388	30,388	-	-
Trade and other receivables	9,000	9,000	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	14,755	14,755	-	-
- community loans	240	79	107	54
- investment in debt securities	4,961	1,546	3,415	-
Total	59,614	55,768	3,522	324
Council 2014				
Cash and cash equivalents	16,736	16,736	-	-
Trade and other receivables	7,261	7,261	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	20,304	20,304	-	-
- community loans	196	83	77	36
- investment in debt securities	6,975	2,071	4,904	-
Total	73,922	46,455	4,981	22,486
Group 2014				
Cash and cash equivalents	19,203	19,203	-	-
Trade and other receivables	8,089	8,089	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	21,804	21,804	-	-
- community loans	196	83	77	36
- investment in debt securities	6,975	2,071	4,904	-
Total	56,537	51,250	4,981	306

36. Severance payments

During the year, there were no (2014: one) severance payment made to employees (2014: \$24,978)

Notes To The Financial Statements

37. Explanation of major variances against budget

Timaru District Council made a net surplus of \$8.673 million (budgeted surplus of \$5.985 million)

Revenue and expenditure	\$000
2014/2015 Annual Plan surplus	5,985
Increases/(Reductions)	
Other gains (on fair value of derivatives)	(725)
Other increases in revenue	1,887
Landfill aftercare provision increase	(1,672)
Depreciation	759
Finance costs	974
Other decreases in expenditure	1,465
	2,688
2014/2015 Annual Report surplus	8,673

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

- Unrealised loss on interest rate swaps of \$725,000, which is not budgeted due to inherent difficulties in forecasting market conditions.
- Volumes of waste processed by the landfill increased, mainly due to a contractor reverting to using the Redruth facility after several years of taking waste out of the district. This resulted in waste minimisation revenue exceeding budget by \$333,000. Contributions towards capital projects were also in excess of budget by \$386,000 for the year.
- There has been a reduction in the landfill aftercare provision of \$1,672,000 due to interest rate changes and increased usage as above resulting in reduction of estimated remaining useful life.
- Actual costs for depreciation were lower than forecast by \$759,000, mainly due to delays in significant capital projects.
- Finance costs were lower than budget by \$974,000 due to timing of expenditure on projects meaning that loans were not needed until later than expected, as well as ongoing reduced interest rates.

Statement of financial position

Due to delays in the timing of capital expenditure projects, partially offset by reduced depreciation, fixed assets are below budgeted level.

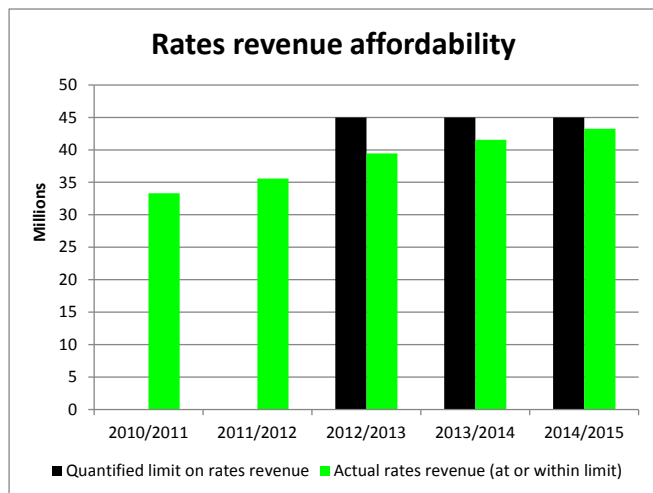
As a result of the delays in capital expenditure, borrowings are also slightly less than budgeted, as some of these projects are being funded by borrowings. Some loan funding has been drawn down for delayed capital expenditure, which has resulted in increases in short-term investments.

Disclosure Statement

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

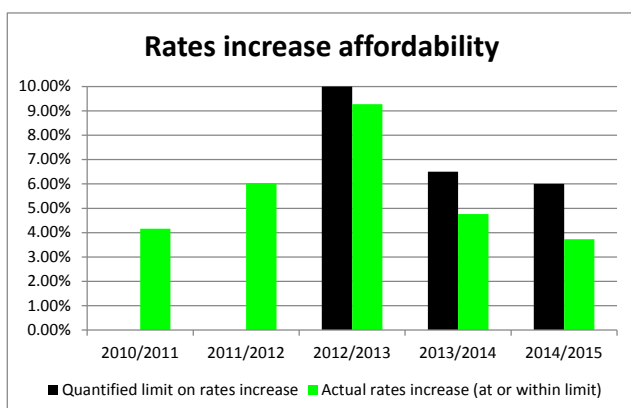
1. Rates (revenue) affordability benchmark

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



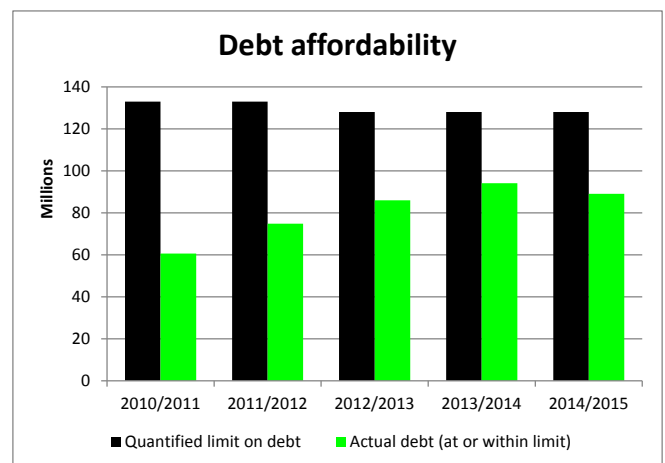
2. Rates (increase) affordability benchmark

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



3. Debt affordability benchmark

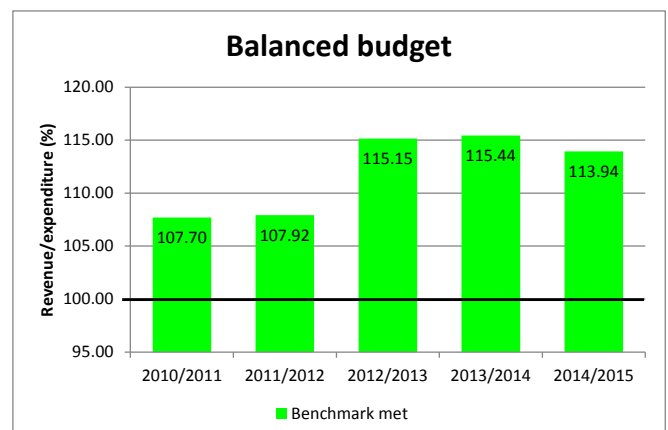
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$128 million (from 2012/2013). The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



4. Balanced budget benchmark

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

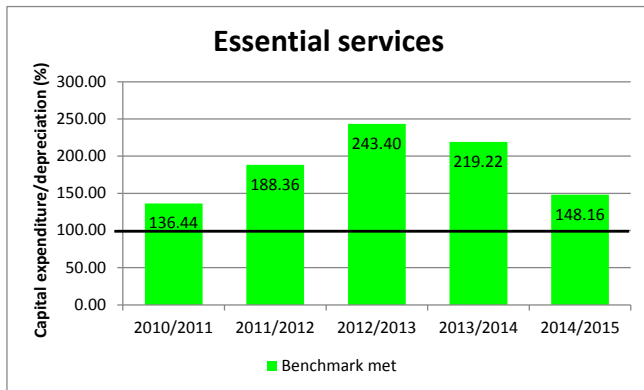
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Disclosure Statement

5. Essential services benchmark

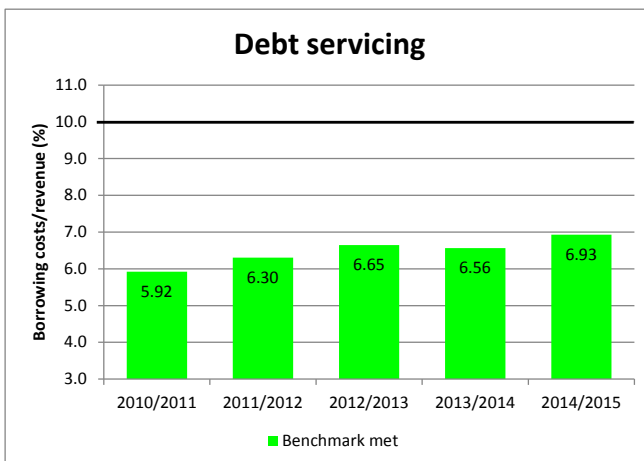
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



6. Debt servicing benchmark

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

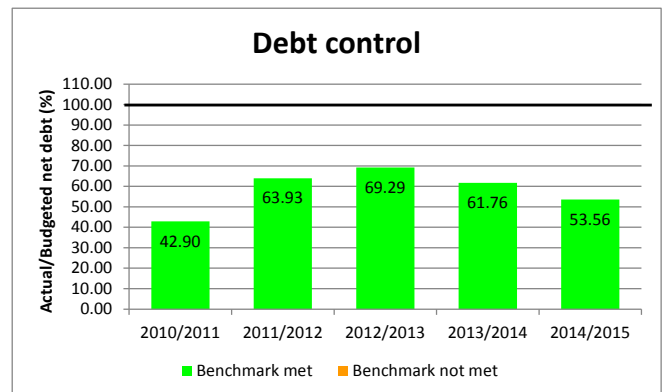
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



7. Debt control benchmark

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

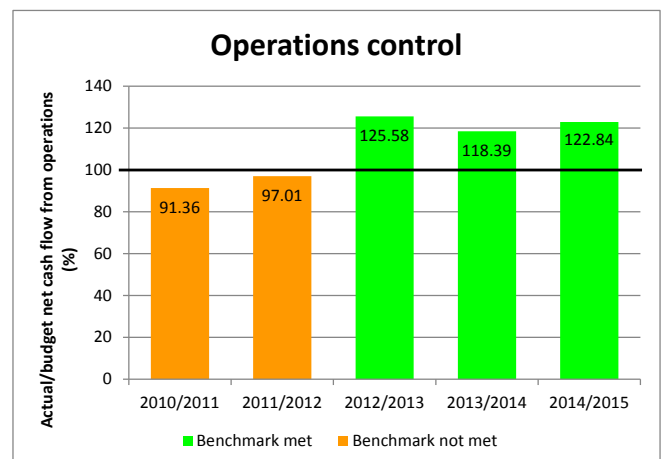
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



8. Operations control benchmark

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

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



Equal Employment Opportunities Policy

The Timaru District Council is committed to the principles of Equal Employment Opportunities (EEO) by providing employment opportunities for all employees and applicants on the basis of merit, without regard for race, colour, religion, sex, or age. It is committed to provide a workplace free of discrimination. We will continue to promote and develop the skills of staff throughout the organisation and will ensure our recruitment programme recruits the best person for each vacancy.

Performance Measures

- To provide a wide range of training opportunities which is in addition to any required professional training/technical training.
- To maintain awareness amongst staff of EEO principles and their implementation in, and importance to, the Timaru District Council.

Achievement

- The Learning and Development Committee's objective is to identify, organise and provide corporate training and development needs for the Timaru District Council staff. We continue to promote training by reviewing staff member's requests for training from performance reviews.
- Corporate training has been provided for all staff on a number of subjects. Training in customer service has been a major focus for all staff. The programme is called COSI (Customer Focus / One Team, Successful with Integrity). The aim is to ensure a set of values in keeping with excellent customer service are organisational wide.
- Supervisors have been provided with additional leadership and organisational training to ensure supervisory staff are equipped with the skills to enhance their leadership and organisational skills in all areas including EEO.
- In every appointment made the principles of EEO have applied.
- In each appointed position the successful applicant has been the person best suited for the position.
- A workplace survey is conducted annually to obtain staff views on the Council as an employer. Responses are used to achieve continuing improvements.

Health and Safety Policy

The Health and Safety Policy provides for a commitment by the organisation to ensuring staff are protected from accidental damage.

We have an active Health and Safety Committee which meets monthly. The Committee's guidance and the cooperation of staff has ensured the renewal of our tertiary level in Workplace Safety Practices Certificate.

2014/15 Corporate Objectives

- Objective:** To ensure consistent and timely compliance with Health and Safety policies across the organization at the ACC tertiary level.
Outcome: This was implemented as per the agreed annual Health and Safety programme culminating in our retention of tertiary status in the ACC Workplace Safety Practices Certificate audit undertaken in June 2015.
- Objective:** To maintain a comprehensive Health and Safety Induction programme for new employees.
Outcome: Induction of all new employees is undertaken to cover both Health and Safety and Civil Defence functions within 3 months of starting. Lists of new employees are obtained from Human Resources Unit for each period. Health and Safety induction is also undertaken on first day for all new employees at a Unit level and is site specific to their area of work.
- Objective:** Provide all staff with at least three education or training opportunities during the period.
Outcome: Opportunities are provided on a regular basis as part of the Health & Safety programme, Unit training requirements, and Worksafe Week. The annual appraisal / performance review process also allows all staff to identify any specific training requirements they may have.
- Objective:** To achieve zero serious harm accidents and reduce the level of other accidents in the 2014/15 year compared to the 2013/14 year.
Outcome: This was achieved.
- Objective:** To review the effectiveness of current Worksafe Week programme and to reassess staff training requirements relating to Health and Safety matters.
Outcome: A review of Worksafe Week was undertaken by the Health & Safety committee and management team. It was decided to reduce the number of speakers and topics to replace with a single topic that provided more in depth coverage and would encourage greater staff participation.
- Objective:** To undertake a corporate wide review of workstation setups and ergonomics.
Outcome: The opportunity for individual review of all workstations was offered to staff and this work was undertaken by a qualified occupational therapist during February / March 2015. Over 90 workstations were assessed during this process.
- Objective:** To improve reporting of training and other Health and Safety related records to the Human Resources Manager.
Outcome: Considerable effort was made to encourage staff to provide H&S records across the board to the Human Resources Unit. There has been a general improvement over this period in the level of reporting.
- Objective:** To investigate options for an improved Health and Safety culture within the organization and to increase staff awareness of and participation in this.
Outcome: Worksafe Week 2015 held in February focused on a "Positive Workplace" theme and was delivered by Malcolm Eadie of Progressive Solutions.Biz with support from shark attack survivor Vaughn Hill. Excellent staff participation in these presentations was achieved. There was also "Fear Free"

assessment undertaken in the Customer Service area resulting in improved safety and staff awareness of these issues at this location, as well as some constructive general comments about the civic building safety in general.

2014/15 Health and Safety Committee Objectives

- Objective:** To hold at least 11 meetings annually with all minutes, agendas, hazard register and accident statistics circulated seven days before each meeting to all committee members.
Outcome: This was achieved.
- Objective:** To ensure a relevant Health and Safety article is included in the staff newsletter every month and to otherwise promote Health and safety through recognition of excellence, posters and awareness campaigns.
Outcome: This has been met and has been supplemented with general emails to all staff on Health and Safety related issues, including requirements to be involved in Unit reviews and opportunities to contribute to corporate objectives.
- Objective:** To review "Intranet" options to better promote staff interface with Health and Safety.
Outcome: This has been raised with IT staff and discussions have begun on how this may best be implemented once budgets allow.
- Objective:** To review the "Montie" training system and promote those titles most relevant to staff and organizational needs.
Outcome: Our subscription to the Montie training system has been renewed for a further 12 month period and we have investigated options for making this resource more readily accessible to staff. The training system is frequently promoted to staff.
- Objective:** To require all Council Units to review a minimum of 3 Montie Titles relevant to their core business with staff at each Unit Plan review.
Outcome: This is actively promoted to all Unit managers at the 6 monthly Unit plan reviews and is beginning to be utilized by some Units as evidenced by comment at a recent staff forum.
- Objective:** To arrange a quarterly site visit for Health and Safety committee members to Council facilities or project sites to increase their knowledge on Health and Safety issues at these locations.
Outcome: This has been undertaken with site visits over the past 12 months to the Factory Road Bridge rebuild site, South Canterbury Museum and the newly constructed Jacks Point walkway.

Opportunities for Maori to Contribute to Council Decision Making Processes

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

Council has traditionally had a good relationship with local Maori, and values the cultural heritage and character of the people as vitally important to the district.

Sir Mark Solomon spoke of the close relationship at a Mayoral Forum in May 2015, when speaking about the Te Ana Rock Art Centre he said "Timaru District Council and Ngai Tahu continue their close relationship founded on the protection of our art."

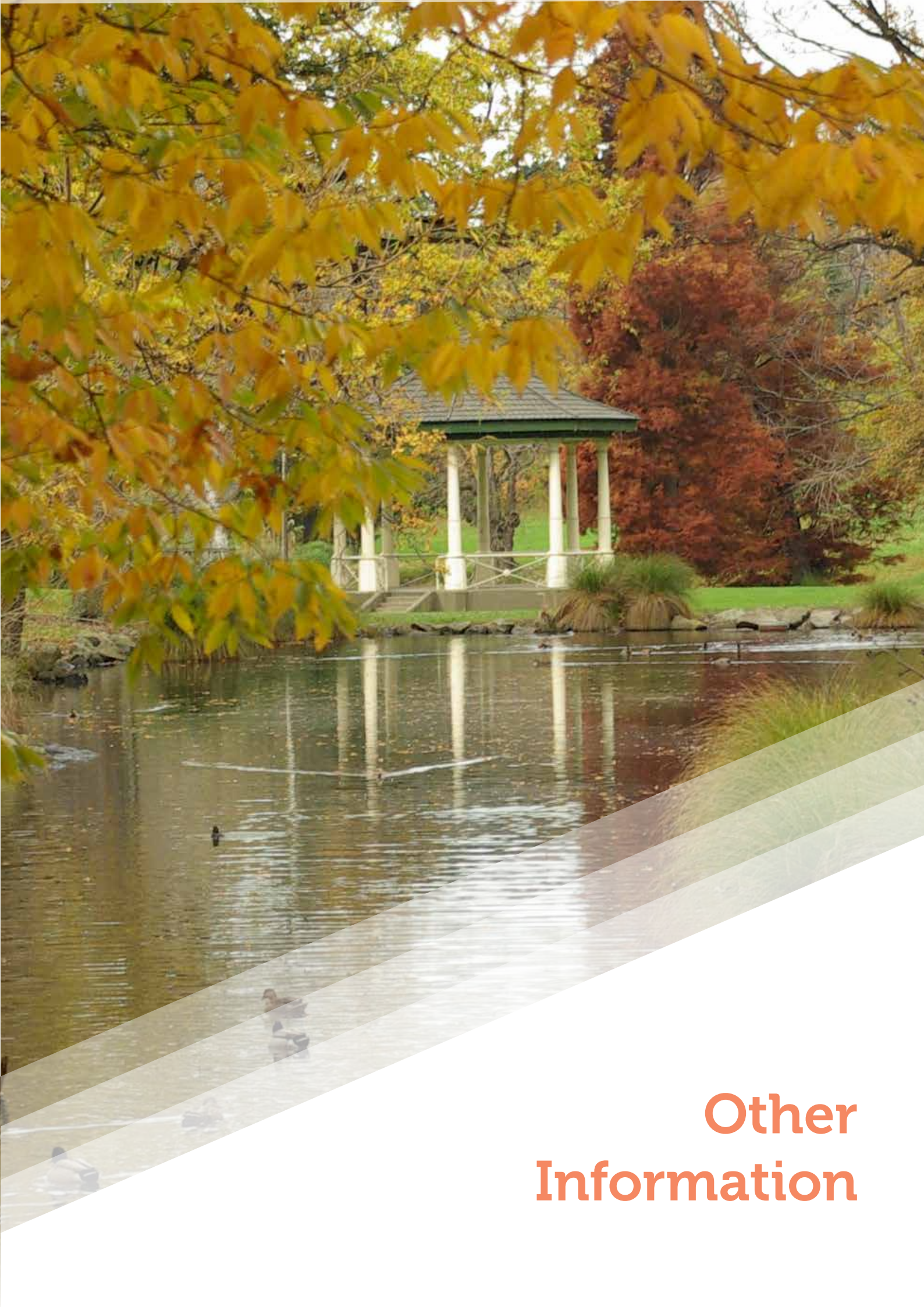
Council is finalising the details of a Memorandum of Understanding together with Te Runanga O Arowhenua. This document will help to crystallise the relationship to ensure that all parties have a framework to work together collaboratively and to advance the interests of the role, in terms of cultural, economic, environmental and other perspectives. This should be signed early in the 2015/16 financial year.

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

- A member of the Tangata Whenua is to be appointed as a full voting member on Council's Resource Planning and Regulation Committee
- There is Maori representation on the Safer Communities Committee and Local Arts Assessment Committee
- Council staff directly consult and liaise with Maori where decisions involve and are relevant to Maori
- Council's senior management team will meet with local Maori on an as required basis to maintain a good working relationship

Council hopes to build and develop its relationship with local Maori to ensure their continued involvement with the decision-making process.





**Other
Information**

Directory

Postal Address:

Timaru District Council,
PO Box 522,
Timaru 7940

Location

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

Temuka Service Centre:

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

Geraldine Service Centre:

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

Bankers:

Bank of New Zealand,
247 Stafford Street,
Timaru 7910

Auditors:

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

Solicitors:

Gresson Dorman and Co,
12 The Terrace,
PO Box 244,
Timaru 7940

Coat of Arms and Logo

Coat of Arms



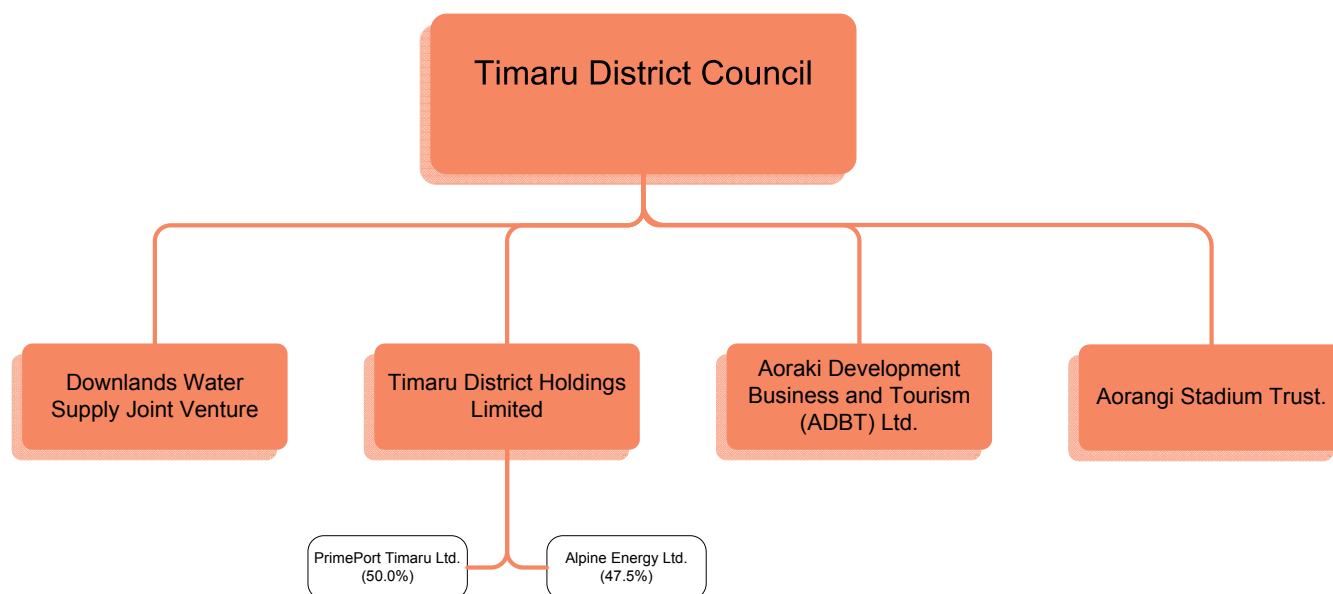
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building,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

Logo

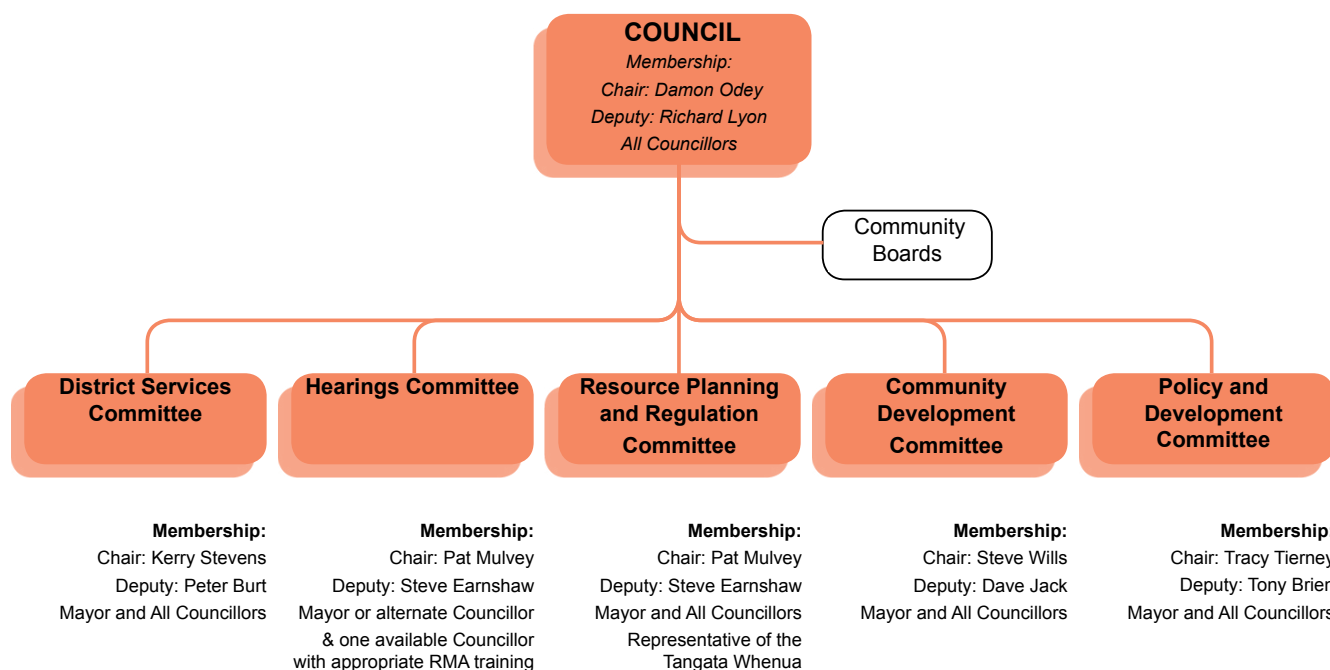


The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs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

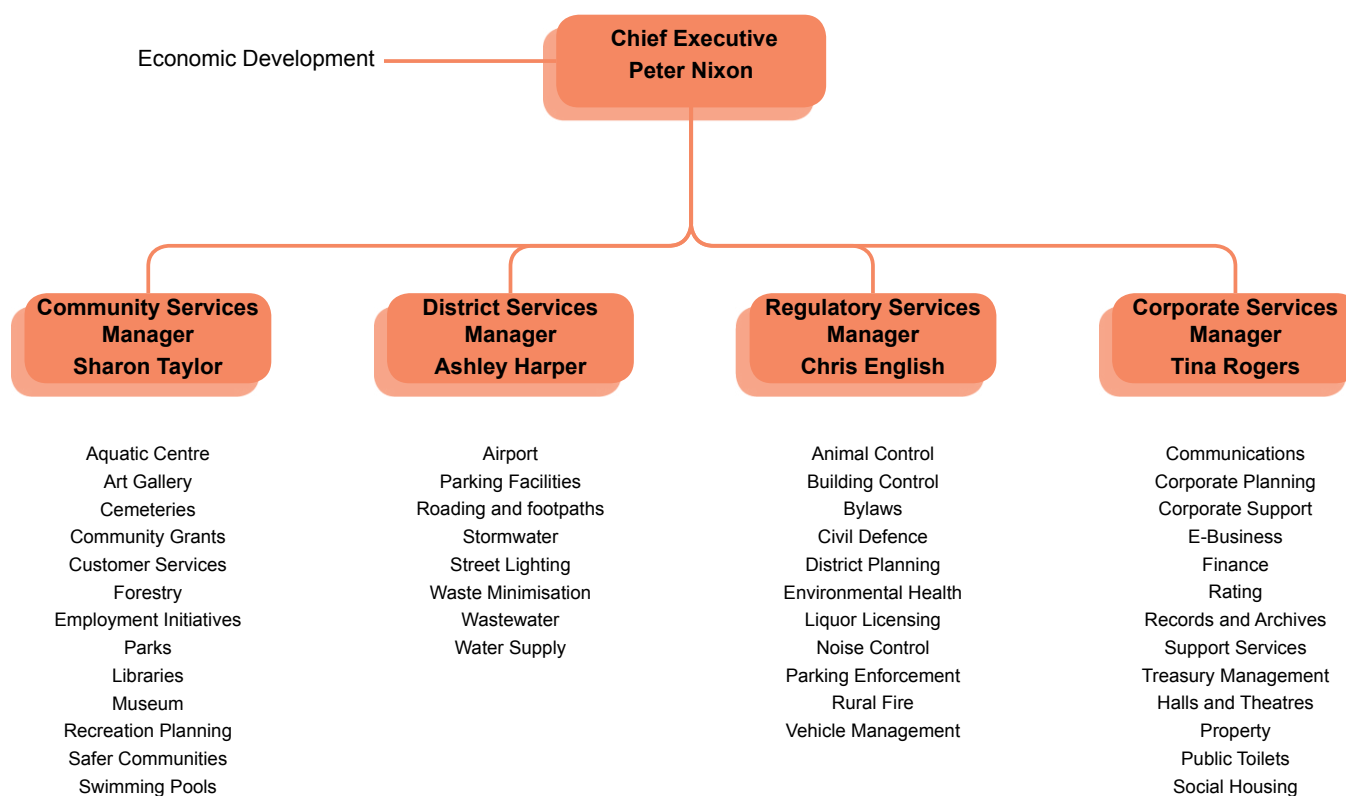
Group Organisation Structure



Council Committees



Council Management



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.

Annual Report

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

Asset

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

Activity/Asset Management Plan

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

Borrowing

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

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

Community Outcomes

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

Consultation Document

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

Council Controlled Organisations

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

Financial Strategy

Guides Council's financial direction, including information around

revenue, expenditure, rating, debt and investments. It is required under Section 101A of the Local Government Act.

Financial Year

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

General Rate

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

Group of Activities

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

Infrastructure Strategy

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

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

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

Long Term Plan (LTP)

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

Operating Expenditure

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

Operating Revenue

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

Operating Surplus/(Deficit)

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

Performance Measure

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

Rates

Funds collected by the Council from levies on property. These are

Glossary

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, sewer and waste minimisation.

Transfer to/from Reserves

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

User Charges

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

Working Capital

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





Timaru District Council

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