

Annual Report

2023
2024



TIMARU



DISTRICT COUNCIL

Te Kaunihera ā-Rohe
o Te Tihi o Maru

timaru.govt.nz

Published 31/10/24 by
Timaru District Council
2 King George Place
Timaru 7940
ISSN: 1172-8108

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From the Mayor and Chief Executive

Nau mai ki tā mātou tirohanga rāpototo o te tau 2023/24.

Welcome to the overview of the year 2023/24.

From the Mayor

2023/24 was one of the most challenging years our community had seen in recent times, as many of the long-term economic effects of COVID became apparent, and it provided a significant challenge for council to remain fiscally prudent while still delivering all the everyday services the community required.

I am pleased to present you this Annual report for 2023/24, which gives a clear and unvarnished view of the challenges we faced over the year, but also shows the unprecedented amount of work that was delivered across our infrastructure networks and community facilities.

This year wasn't only marked with a turbulent economy on a national and global level, but one of significant external political pressures. It was a year where local government was required to campaign hard to ensure there continued to be a local voice in how we deliver services such as water and stormwater in the face of significant pressure from Wellington.

I'm proud that Timaru took a leading role in the campaign to keep local ownership of our water assets and through the new legislation we're enabled to ensure we lead a reform that's suited to our local needs and local conditions, and all decision-making is made with our community at its heart. We now have a lot of work over the coming year to deliver a reform that meets our community's needs, but I've got absolute confidence in the ability of our council to deliver it.

A lot of public discussion this was focused on a few projects such as the Theatre Royal and museum project, the future of Aorangi Stadium and the water reforms. However, underneath the surface – and in many cases underneath the ground – council staff and contractors have just been getting on with the job of keeping our district moving.

Our roading team and its contractors resurfaced more than 85km of our sealed roads and renewed 11km of footpaths over the course of this year. They also installed new safety measures in some of our more challenging junctions, such as the new roundabout on the Grey Road – Church Street intersection that has been widely appreciated by road users.

Our community also cut the ribbon on the amazing new playground at Caroline Bay, CPlay, now one of the largest, most fun and most inclusive play spaces in the country. This was a great example of the power of community and council working together on a shared goal. The group of volunteers that drove this project, raised the money for it and led the design process made it easy to partner with council on the delivery of an amazing long-term asset for our community.

The need for us to work more efficiently with the resources we have is making us take a serious look at how we deliver our services and see if we can do it better. As part of these efforts, this year we took part of our parks service back to an in-house team. While this will hopefully be a more cost-effective and efficient approach, my aim is that the in-house team take more personal ownership of our parks estate than a contractor, and we'll get better value for our investment in the long term.

One of the biggest problems the Council faced this year was inflation. While consumers faced levels of inflation and interest rates not seen for many years, councils faced it to an even greater extent. We saw the inputs we use every day such as roading and bridge materials significantly rising in price at levels far higher than the consumer measures. Thankfully looking into the coming year, with a moderation in prices and a lowering of the interest rates we're seeing there will be less pressure on our budgets resulting from this.

In the middle year of each political term we undertake a significant amount of work in putting together a plan of what we need to do over the next decade. The LTP process was a great opportunity to talk to the community, find out the directions they want us to go then work with elected members on how we get there.

By all accounts this was one of the toughest Long-Term Plan processes we've seen. Along with most other councils we had to make some difficult choices to ensure we had enough income coming in to ensure we were able to provide our basic services. We then had to balance the core needs of the community alongside the things that make Timaru a great place to live.

Some of the decisions we made were difficult, the problem we faced was that councils going back some time simply weren't budgeting enough to replace our infrastructure when it came due. This proved challenging to council for two reasons, one is that we had to pay for the things that were needing replaced, as there was no depreciation to cover



them, and the other was that we had to start putting away an appropriate amount to cover our future needs. This is really the only way we can ensure a sustainable future for our district.

As a council we want to see Timaru District Thrive. The part we need to play is in the long-term provision of good quality infrastructure in as affordable a way as possible.

This was the year we needed the council to make some tough decisions to set us up for future success, and I'm pleased that we've taken the steps needed to put our community on a positive track.

Nigel Bowen.

Mayor of Timaru District.

From the Chief Executive

One of the benefits of coming into an organisation as a Chief Executive is the opportunity to take a fresh look at the place without any pre-conceived notions of how it should run.

With the organisation facing unprecedented increases in the cost of delivery of its most core and basic services, which it unfortunately had to pass onto the community with higher than average rates rises, it was important that we also had to ensure we were running as efficiently as we can.

One of the major changes was reducing our reliance on external contractors to undertake day-to-day jobs. Trusting and empowering staff to work at a higher level helps not only save cost to the ratepayers it also helps build a high performing and positive culture at the council.

While this saw a significant reduction in costs, staff have also taken up the challenge of looking at smaller ways that they can do things more efficiently. This included things such as looking at all the software and subscription services we use across the council, the use of more energy efficient IT hardware, moves to internal provision of certain parks contracts, health and safety provision and legal support.

While none of these things individually makes a significant difference, they add up into something significant, and they also mark a shift in people's thinking about how we purchase or supply our goods and services and how we can do things better and more efficiently. I've been really impressed with the creative ideas coming from staff on this project and the real willingness by people to challenge the status quo.

In the years ahead we'll be working on delivering the commitments we made to the community through the Long-Term Plan process. While hopefully some of the cost pressures are beginning to subside as the global financial outlook improves, the council will still need to work hard to ensure we can deliver this in a sustainable way.

In order to do this, there are two major areas which will be a major focus for me in the year ahead. The first is how we plan the future delivery of water and wastewater through the government's 'Local Water Done Well' reform programme. This needs to deliver on the high standards expected by consumers, but in a way that's affordable to industry and consumers.

The other is taking a detailed look at the methods we use to raise revenue through rates and the fees we charge for services. The aim of this is looking how we charge rates to ensure that the balance is spread more equitably amongst the different sector of our community, as well as this we also need to look at how we charge for 'user pays' services to ensure they reflect the benefit they provide to the individual.

If we get these two foundational pieces of work done successfully, we'll put the council on a significantly more sustainable footing going ahead.

It's going to be a major undertaking to deliver on all this on top of the day to day business of keeping the district running, but thankfully behind me I have a talented and committed staff that are well up to the challenge.

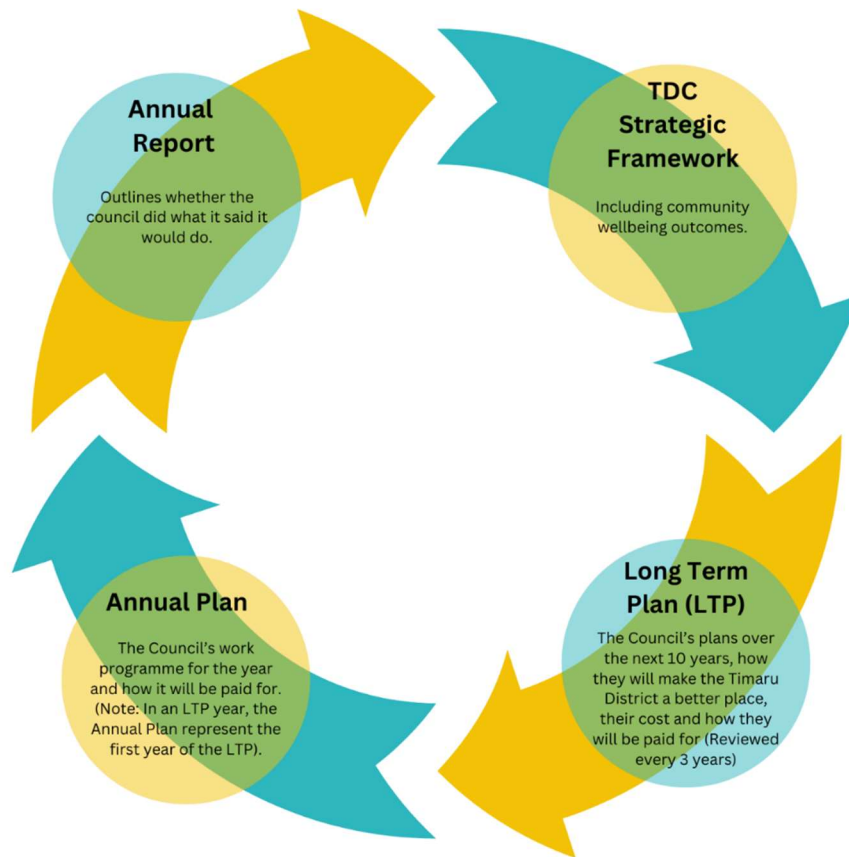
Nigel Trainor,

Chief Executive, Timaru District Council.

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2023/24 Annual Plan (Year Three of the 2021-31 Long Term Plan).

The diagram below shows our planning and reporting cycle.



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

GOVERNANCE AND STRATEGY

COMMUNITY SUPPORT

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

ENVIRONMENTAL SERVICES

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

RECREATION AND LEISURE

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

ROADING AND FOOTPATHS

STORMWATER

WASTE MINIMISATION

SEWER

WATER SUPPLY

CORPORATE ACTIVITIES

Our Strategic Direction

Vision

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

Our Values and Role

Inclusive Leadership

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

Cultural Caretakers

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

Transition Navigators

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

Connected citizens

GOALS:

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

FOCUS AREAS:

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

Enhanced Lifestyle

GOALS:

Enhanced Lifestyle focuses on providing a healthy community environment, that enables affordable access to the range of facilities, opportunities and resources we need to thrive.

This Community Wellbeing Outcome seeks to enhance lifestyle and strengthen equity within our community.

FOCUS AREAS:

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

Sustainable Environment

GOALS:

At the heart of our sustainable environment is the practice of kaitiakitanga. It is our role to be guardians of our natural environment.

This Community Wellbeing Outcome seeks to encourage the regeneration of our environment and foster a culture of sustainability.

FOCUS AREAS:

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

Diverse Economy

GOALS:

Enabling the conditions for a diverse and prosperous economy that creates local, national and international opportunity for a thriving community.

This Community Wellbeing Outcome seeks to build on our unique local strengths to create a prosperity now and for future generations.

FOCUS AREAS:

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

Resilient Infrastructure

GOALS:

Investing in the future through well-conceived and planned projects that support the growth and wellbeing of the community and the environment.

This Community Wellbeing Outcome considers the critical transitions we are facing creating a sustainable platform for future generations.

FOCUS AREAS:

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

Working with manawhenua

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

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

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

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

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

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

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

Your Councillors and Community Boards

MAYOR



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COUNCILLORS



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Geraldine Community Board

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Janene Adams (Deputy Chair)	022 614 1590	janene.adams@timdc.govt.nz
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Wayne O'Donnell	027 221 1467	wayne.O'Donnell@timdc.govt.nz
Rosie Woods	027 222 7663	rosie.woods@timdc.govt.nz

Vacancy

Plus Geraldine Ward Councillor Gavin Oliver

Pleasant Point Community Board

	Phone	Email
Raewyn Hessel (Chairperson)	027 385 5857	raewyn.hessel@timdc.govt.nz
Ross Munro (Deputy Chair)	021 433 940	ross.munro@timdc.govt.nz
Michael Thomas	021 718 311	michael.thomas@timdc.govt.nz
Kathy Wilkins	021 260 3933	kathy.wilkins@timdc.govt.nz
Anna Lyon	027 560 6883	anna.lyon@timdc.govt.nz

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

Temuka Community Board

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Charles Scarsbrook (Chair)	027 615 5500	charles.scarsbrook@timdc.govt.nz
Ali Talbot (Deputy Chair)	027 205 7604	ali.talbot@timdc.govt.nz
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Gaye Broker	027 244 7157	gaye.broker@timdc.govt.nz
Nicola Nimo	021 662 942	nicola.nimo@timdc.govt.nz

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

Timaru District Profile

Arowhenua as Manawhenua of Timaru District

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

Geography and climate

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

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

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

Demographics

Timaru District's population as of the 2023 Census was 47,547, with an average growth rate over the last 5 years of 0.5%. Population projections, based on a medium growth scenario, project the district's population to increase to 49,700 by 2033, reaching 51,600 in 2053 (+0.2% average annual increase). In recent years the 'natural' population increase has been negative, with the number of deaths exceeding births. This reflects the age makeup of the district's population.

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

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

Our Communities

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

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

Our Economy

In 2023, GDP in the Timaru District was provisionally -1.3% for the year to June 2024. The decline is greater than the NZ national figure of -0.2%. These figures highlight that the economy in our district is weaker, along with the rest of the nation, and a direct consequence of households tightening their belts with retail trade activity, construction, manufacturing and the primary sector all facing with challenging environments.

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

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

This provides an array of employment opportunities across all sectors from trades and manufacturing to the professional, service and primary sectors. The Timaru District prides itself on having one of the lowest unemployment rates in New Zealand, and in 2023/24 the District had unemployment rate of 3.7%, lower than the national rate of 4.2%.

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

Our Environment

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

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

Limestone outcrops and volcanic sediment add to the diversity of the landforms.

Statement of Compliance

Compliance

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

Responsibility

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

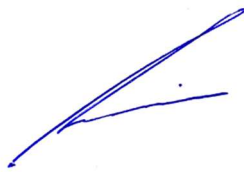
In the opinion of the Council and management of the Timaru District Council. The annual Financial Statements and the Statement of Council Activities for the year ended 30 June 2024 fairly reflect the financial position and operations of the Timaru District Council and the group.



Nigel Bowen

Mayor

31 October 2024



Nigel Trainor

Chief Executive

31 October 2024

Independent Auditor's Report

To the readers of Timaru District Council's annual report for the year ended 30 June 2024

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

We are also required to report on:

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

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

We completed our work on 31 October 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 97 to 101 and pages 104 to 175:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 102, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were

- applied as compared to the information included in the District Council's annual plan; and
- the statement of council activities on pages 30 to 91:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
 - the statement about capital expenditure for each group of activities on pages 36, 43, 49, 57, 65, 70, 74, 79, 87, 90, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Councils long-term plan; and
 - the funding impact statement for each group of activities on pages 36, 43, 49, 57, 65, 70, 74, 79, 87, 90, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 176 to 179, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below, and we draw attention to the uncertainty over the value of the investments in associates. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

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

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

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

Emphasis of matter - uncertainty over the value of investments in associates

Without modifying our opinion, we draw attention to note 15 on page 139, which outlines an uncertainty over the value of the Group's investments in associates. Alpine Energy Limited (one of the Group's associates) identified an error in the information it provided to the Commerce Commission for regulating prices. The Commerce Commission is considering the appropriate course of action, the outcome of which is currently unknown. As a result, this matter has not been taken into account in the impairment assessment of the Group's investments in associates.

Responsibilities of the Council for the audited information

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

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

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

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

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

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

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

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

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

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

audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 7, 9 to 11, 19 to 29, 95 to 96, 103 and 180 to 188, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of

Ethics for Assurance Practitioners (including International Independence Standards)
(New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of auditing the District Council's 2024 – 2034 long-term plan and performed a limited assurance engagement related to the District Council's Debenture Trust Deed, which are compatible with those independence requirements.

Other than these engagements we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink, appearing to read 'R. Tomlinson', with a circular mark to the left.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

The year in review

2023
2024

Financial Overview



Total Expenditure

\$139.3M

(Compared with budget of \$122.8M)

Rates Revenue Levied

\$72.8M

(Compared with budget of \$72.3M)

Total Council Net Assets

\$1.772B

(2022/23: \$1.773B)

Reserve Funds

\$1B

(2022/23: \$989M)

Expenditure and Revenue

Overall operating expenditure was \$16.47M higher than budget. The major items in this unfavourable variance were:

- Depreciation was \$5.5m higher than budget largely as a result of the prior year's water asset revaluations which increased total fixed assets by \$55.9m and increases the depreciation required in future years.
- Finance costs were \$3.3m higher than budget due to the increase in interest rates over the financial year.
- Professional and consulting fees were \$656k above budget largely attributable to planning consultancy costs \$338k above budget, and Corporate Planning costs \$318k above budget, as a result of providing support for vacant positions in addition to specialist advice.
- Road maintenance costs were \$429k under budget largely due to decrease in CBD Maintenance costs by \$841k, Roothing Emergency costs by \$784k offset by an increase in Sealed Road Maintenance costs of \$412k, and Green Areas Maintenance by \$488k.
- Water and Stormwater costs were \$6.7m over budget largely due to Drainage & Water other expenses above budget by \$2.3m, as a result of an increase in Urban Water and Te Moana reticulation costs, due to cost escalations and an increase in the Internal Charges, largely relating to costs on-charged from Corporate activities to other Council activities. Depreciation was \$1.2m above budget as a result of the prior year water asset revaluation, which increased total fixed assets by \$55.91m and therefore increased depreciation required in future years.
- Waste minimisation expenses were \$3.6m over budget due to lower than budgeted carbon credits, waste site maintenance and landfill contractor's costs.
- Other gains/(losses) are overall \$3.7m above budget, arising from unbudgeted losses from plant and equipment disposals and changes in fair value of derivative financial instruments. These losses were offset by fair value gains on forestry and investments.

Overall actual revenue was \$9.15M above budget. The major items in this favourable variance are:

- Rates revenue was higher than budgeted by \$467k, due to growth in the District and additional water by meter income received.
- Fees and charges were \$2.0m below budget, which is largely attributed to Waste Minimisation fees as a result of lower tonnes received than budgeted. Building consent fees were under budget as a result of changing market conditions within the construction industry. Theatre Royal user fees were below budget as result of project construction delay.
- Subsidies and grants were \$11.3m below budget largely a result of the delay in Theatre Royal project completion – grants are budgeted on a completion basis. Better Off funding for Parks, Aorangi Stadium and Aigantighe Art Gallery were deferred to 2024/25 for drawing down due to delays on the respective projects.
- Finance revenue was above budget by \$2.9m due to increases in interest rates received on Council's cash reserves and deposits. Financial contributions of \$739k received relating to sewer, stormwater and water supplies were unbudgeted.
- Vested assets of \$16.6m from residential developments and Aorangi Stadium vested in Council during the year, which were unbudgeted.
- Other revenue was above budget by \$625k and included donations of \$653k received towards construction of the CPlay project, which was previously held in Trust.

Capital expenditure

During 2023/24 capital expenditure on Council’s infrastructure, facilities and services totalled \$58m. This capital work provides numerous employment opportunities for our local workforce, while keeping our facilities and infrastructure fit-for-purpose.

Most of the expenditure was spent on our roading network and footpaths (41%); water supply, wastewater and stormwater infrastructure (30%); as well as some of our recreation and leisure facilities (23%); with the balance across our community support (1%); waste minimisation (0.5%); and corporate support (4.2%).

Capital achievements

2023/24 was another challenging year with supply chain issues, however the infrastructure projects in roading, waste and water progressed well reaching 100%, 95%, and 60% of their planned programme respectively. The planned capital expenditure target was \$82.2m, however this included \$11.4m on the Theatre Royal and Heritage Facility, \$5m on the south Stafford Street carpark, \$9m on the Claremont Water Treatment Plant and \$2.4m on the Aorangi Stadium projects, all of which were not progressed as projected.

Major projects in the infrastructure services include:

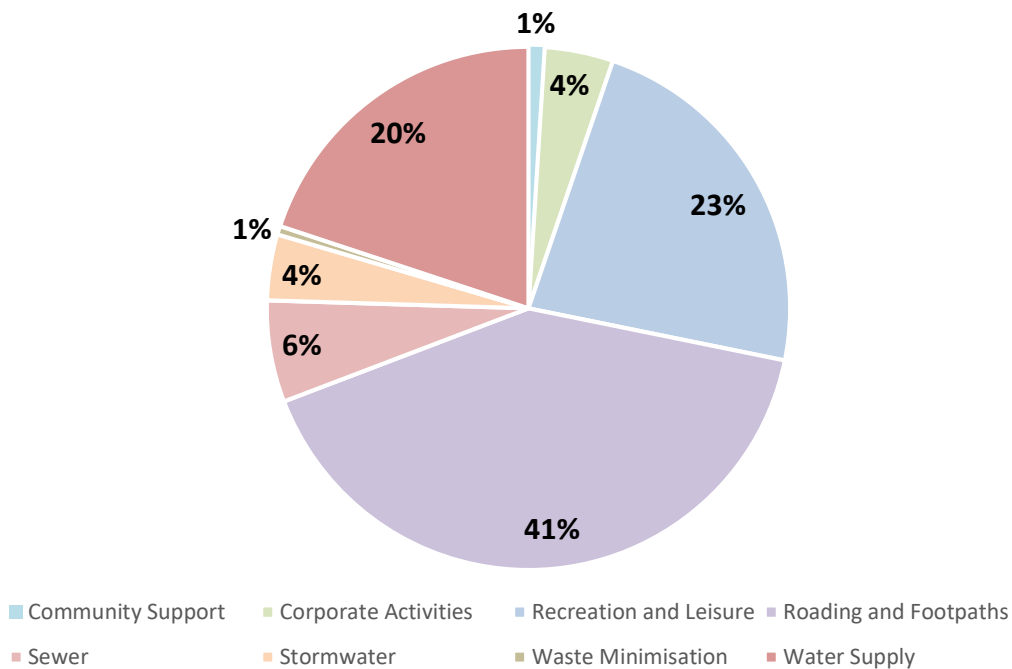
- Geraldine siphon
- Transport Choices
- Timaru Airport
- House Gallery Earthquake Strengthening
- Temuka Domain Development
- CityHub
- Public Transportation Infrastructure
- Road Improvement works
- Reseals
- Bridges & Culverts
- New car park South end of Timaru
- Te Ana Wai Water treatment plant
- Roothing Rehabilitations WC214
- Claremont Water Treatment

Ongoing planning for major community projects includes:

- Aorangi Stadium renewal/ refurbishment
- Theatre Royal and Heritage Facility

Capital spend by activity

Capital Expenditure by Group of Activities



Operational achievements

2023/24 also posed some challenges to our operational work, however, despite this we achieved some positive outcomes for our community across a number of Council activities.

Major operational achievements include:

- The Council's Building Control team were successful in retaining their accreditation following assessment by International Accreditation New Zealand (IANZ) in February 2024, with favourable feedback from the lead assessor mentioning the team are demonstrating 'best practice' in 3 of the functions performed – which is rarely achieved.
- The Botanic Gardens and Trevor Griffiths Rose Garden successfully retained their 'Garden of National Significance' 5-star rating from the New Zealand Gardens Trust.
- There were 15,548 aircraft movements at Timaru Airport, with scheduled Air New Zealand flights making up 1,162 of that total, a 4.43% increase on 2022/23.
- In Emergency Management this year, we refreshed our 'Are You Ready?' guide, providing updated and practical information to help residents prepare for various emergencies. The guide includes essential tips on creating emergency plans, assembling emergency kits, and understanding local hazards. We encouraged everyone to make a plan and be prepared for any emergencies that could happen in our district.
- Council currently has 236 Social Housing properties throughout the district in Pareora, Pleasant Point, Timaru, Temuka and Geraldine. Occupancy is 96% with 8 units currently being renovated to Healthy Homes Standards. These 8 properties are expected to be occupied as soon as the renovations are complete, as we have more than 25 people currently on the waitlist.
- Our welcoming communities team held various events during Welcoming Week and Winterfest which had excellent community engagement, while also securing a \$30k funding grant through MBIE's 'Meaningful Refugee Participation Fund'.



Challenges

Government Reforms

The change in Government in October 2023 resulted in amendments to many reforms that were already in progress, such as Water Services Delivery (formerly Three Waters) and Resource Management reforms. A degree of uncertainty surrounding the new Government's delivery plans in these key areas is ongoing.

Economic uncertainty

While inflation is beginning to subside, continuing rising costs and resource and supply chain limitations all contribute to higher uncertainty for Council's programmes, projects and service delivery.

Vertical Infrastructure

A number of our key community assets are reaching the end of their useful life and are in need of refurbishment or replacement. With increased costs to undertake this work, there is a need to balance community expectation and affordability for our ratepayers.

Levels of Service

Ongoing inflationary pressures are creating challenges in maintaining current levels of service across many of the services provided by Council. This has resulted in a number of tough conversations on what is achievable within current budget constraints heading into the 2024-34 Long Term Plan cycle; This is particularly felt in the roading and footpath activity due to priority changes with the new Government and therefore the funding allocations received from NZ Transport Agency Waka Kotahi.

Climate Change

Oversight – how our climate change response is governed

A Climate Change Response Policy was developed in 2023 and formally adopted by Council in February 2024 and is available on the Council website.

The Policy was set by the Environmental Services Committee, and management priorities by the Group Manager Environmental Services. The intention is that risk identification, policy development and action progress will be reported to committee twice a year by the Climate Change Lead Advisor.

Measures of Council impacts include an annual greenhouse gas emissions inventory, that consideration of climate change impacts will be included in procurement policy, annual and long-term plans, Proposed District Plan, and specific local 'dynamic adaptation to hazard' projects involving community engagement.

As part of the Long-Term Plan 2024-2034 process, multiple community inputs re-affirmed their interest in climate response as a priority for the Council, which has resulted in budget commitment to enlarging the advisory staff team from one to two full-time positions in 2024.

Strategy – where action should be focused

A strategy process with a District-wide brief began in 2022, with independent facilitation and public engagement, but this externally led process is currently paused. Formation of an independent trust or similar body with a wider focus than Council operations, as proposed by the public Climate Strategy activity, is not being progressed currently, with Council indicating that it wanted to get its "own house in order" before going wider.

Strategy progress reports have however contributed usefully to the development of the in-house policy this year.

Scenarios of climate related risks and hazards likely to affect the District (adapted from projections already available at national and regional level) and clarification of the scope and scale of the Council's role in community climate change response are being developed.

The expected climate change trends for our District, although difficult to quantify in advance, are:

- More frequent summer and early autumn drought periods.
- Heavier winter rainfall events, with more energetic storms but less frequent snow.
- Increasing frequency and scale of river flood risks.
- Reduced number of winter frost nights, but less predictability.
- More frequent high temperature days during summer, although less extreme on the coast than inland.
- Accelerating coastal erosion and inundation.

Risk management - Adaptation actions undertaken

In 2023-24 the Council's capital asset management decisions reflected emerging vulnerabilities and uncertainties, with an emerging climate-precautionary approach. As part of the response to increasing challenges, Council is actively planning for required investment, including:

1. Roads.

Council has completed mapping of critical roads for priority attention during emergency events. and has been managing the higher risk stormwater sumps on roads in known flood prone areas. These now get increased service from our street sweepers, as well as increased sump cleans and checks prior to heavy rain.

Council is also continuously looking at ways in which to improve the resilience of the road network.

2. Adapting waste management.

As part of the review of closed landfills (see Notes 26 and 27) the impact of climate change on these is identified.

Greenhouse gas impact of Council operations.

Council has published an independently verified baseline assessment of carbon dioxide, methane, nitrous oxide and other greenhouse gas emissions by Council based on 2022-23 data, and data analysis is being undertaken based on the 2023-24 data, with technical support from Toitū Envirocare.

The highest-impact 2023 annual greenhouse gas emissions have been identified as follows:

Source of emission	Tonnes CO2 equivalent (aids comparison of different gases' impact)
Methane gas from landfill at Redruth, based on tonnes landfilled in year	9,307
Methane and Nitrous Oxide from District-wide wastewater treatment, based on water volume processed	3,199
CO2e attributed to contracts, mostly infrastructure-related, for build and maintenance, plus purchases (from spend as a proxy, so has limited accuracy)	14,126
CO2 Emissions from composting green waste (this composting avoids methane production in landfill)	2,741
CO2 and N2O from fuel in vehicle fleet and staff commuting (excluding airflights & car hire, at an additional 23 tonnes)	1,331
Generation & transmission of electricity, for use in all TDC facilities inc. streetlighting, office activity, water pumping, etc	751

Some of the landfill gas emissions are attributable to waste from Mackenzie and Waimate District Councils. Wastewater includes industrial wastes from trade sewers as well as domestic sewage from District population centres. The emission impacts of rural home and business waste treatment in septic tanks and private effluent systems is not included.

Council controls land with exotic and native forest, which absorb carbon dioxide with an estimated rate of 3,235 tonnes CO2 sequestered in 2022-23. This offsets the carbon emissions from Council's vehicle fleet and electricity use.

Estimates of greenhouse gas emissions across the whole of Timaru District (from Environment Canterbury based on 2021 data) from all sources including transport, manufacturing, farming and households shows that Council's operational emissions are under 2% of the total of the district's population and businesses.

Proposals for reducing the Council's operational carbon emissions will be included in the 2024 climate change response plan.

Mitigation of emissions

The reduction of emissions is increasingly included within Council operations, including:

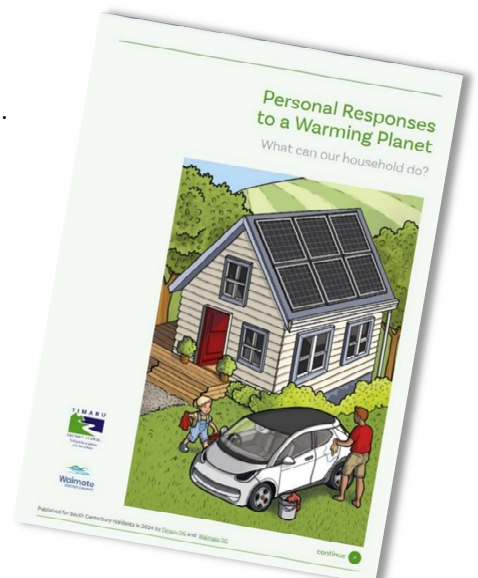
Waste: In 2023-24 The Council's Waste Management team arranged for the installation of a gas flare to manage the landfill gas emissions at Redruth Landfill with the following benefits:

- Environmental: manage the gases generated, burning the captured methane, (generated over several years by organic materials' decay without oxygen within the sealed landfill), and converting it to carbon dioxide and water with significantly less impact.
- Economic: potentially reducing the liability for emissions and the cost of carbon credits (see Note 19).

Roads: Council has been an early adopter of bitumen emulsion for road seals, which is both safer for workers and less polluting than the previously used 'cutback bitumen'. Council manages 1,000km of sealed roads and reseals on average between 40 and 70 km of road per year. Bitumen emulsion substantially reduces the amount of carbon emission per kilometre.

Office computers: Recently updated computer monitors consume less than one watt per hour when on standby overnight, and replacement of 90 desktop units by laptop computers in 2023-24 has made them four times more energy efficient in use, with the associated carbon emissions from users reduced proportionately.

Community engagement: In June 2024 an illustrated guide for households was published by TDC on how to both adapt to changing climate and to mitigate everyday emissions. It is available in several formats: in print, as a PDF download and as searchable webpages



Contributing to the wellbeing of our community

Council's role in the community is much broader than simply providing services. Our role also encompasses promoting the wellbeing of residents through shaping places and services to meet the needs of our community.

We are able to do this more effectively when we work in partnership with the community and draw on the wealth of talent, understanding and enthusiasm we have in the Timaru District.

The decisions Council makes about the services and facilities are made to enhance the quality of life of all Timaru district residents.

Some examples of how Council services and work contribute to community wellbeing include:

Social Wellbeing

- Social Housing occupancy - 96%
- Dog Control education sessions - 13
- Over \$160k of funding was approved for grant applications ranging from Christmas Parades to venue hire fee assistance.

Cultural wellbeing

- Cemeteries - Bylaw amendment to better enable diverse burial needs
- Welcoming Communities – Welcoming Week Event
- Museum collection items are now available online for public viewing – 22,700
- Art Gallery – 75 exhibitions hosted

Economic Wellbeing

- Average building consent processing time - 10.8 days
- 12 Cruise ships with approximately 18,000 passengers on board stopped in Timaru over the Cruise Ship season
- Regional Apprenticeship Initiative financially supported 21 additional trade apprentices throughout the District

Environmental Wellbeing

- Compliance with stormwater and wastewater consents - 100%
- Green waste diverted from landfill - 19,668 tonnes
- More than 76km of off-road walking and biking tracks – and growing



Statement of Council Activities

This and the following pages of the Annual Report constitute part of the Council Activities.

Governance and Strategy – Pages 33-37

Community Support – Pages 38-44

Environmental Services – Pages 45-50

Recreation and Leisure – Pages 51-58

Roading and Footpaths – Pages 60-66

Sewer– Pages 67-71

Stormwater – Pages 72-75

Waste Minimisation – Pages 76-80

Water Supply – Pages 81-88

Corporate Activities – Pages 89-91

“The Council activities and service performance information comply with New Zealand generally accepted accounting practice (NZGAAP)”.

Statement of Council Activities

This section describes the work and performance of the Council's Groups of Activities for the 2023/24 year.

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

Council has 10 groups of activities as outlined below including the Corporate Activities group that provides support across the organisation.

- **Governance and Strategy**
 - Democracy services
 - Engagement and consultation
 - Corporate planning and performance monitoring
- **Community Support**
 - Emergency Management
 - Economic Development
 - Airport
 - Community Funding
 - Community Facilities (includes public toilets, cemeteries)
 - Climate Change and Sustainability
 - Social Housing
 - Safer Communities
- **Environmental Services**
 - Building Control
 - District Planning
 - Environmental Compliance (includes environmental health, animal control, parking enforcement)
- **Recreation and Leisure**
 - Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Southern Trust Events Centre)
 - Cultural and Learning Facilities (includes Aigantighe art gallery, halls, Theatre Royal, libraries, museum)
 - Parks (includes parks, fishing huts, motor camps, forestry)
- **Roading and Footpaths**
 - Street lighting.
 - Parking
 - Cycleways and walkways
- **Waste Minimisation**
 - Landfill and Recycling
 - Kerbside collection
- **Sewer**
 - Domestic and commercial wastewater collection and treatment
 - Trade waste collection and treatment
- **Stormwater**
 - Stormwater treatment and management
- **Water Supply**
 - Urban water treatment, supply and maintenance
 - Rural water treatment, supply and maintenance
- **Corporate Activities**
 - Financial services
 - Information technology
 - Customer Services
 - Communications
 - People and capability

How we measure our service performance

Key Performance Indicators (KPIs) for the year 1 July 2023 – 30 June 2024 were set in the Long Term Plan 2021-31.

They provide an overview of Council's performance on key projects and initiatives, and progress towards our outcomes.

We have 113 performance measures with targets that we report on across 9 groups of activities, as although we have 10 groups of activities, we do not have any performance targets for Corporate Activities set out in LTP 2021-31. We achieved 66.4% of the targets (75 measures), nearly achieved 4.4% (5 measures), and 27.4% (31 measures) were not achieved. Two water supply measures (1.8%) were not measured in 2023/24 due to Drinking Water Standards measures for protozoal and bacterial compliance being replaced.

Under the Local Government Act 2002 for the 2023/24 financial year we are required to provide standard performance measures so that the community may compare the level of service provided in relation to the following groups of activities:

- Water Supply
- Sewer
- Stormwater
- Roothing and Footpaths

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

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

To measure the quality of our outputs we use a number of residents surveys gain insight on community perceptions of our services. For activities other than Roothing and Footpaths, results are based on survey data undertaken on a biennial basis by Key Research Limited.

The statistical validity of the survey is determined by using the following methodology:

- A robust survey conducted online using a combination of email (by way of the ratepayers database held at TDC) invitations and a publicly accessible link (93% email invites and 7% public link). The analytical sample totals n=474 residents across the Timaru District Council and the data was collected between 28 September and 17 October 2023.
- The study in 2023 was conducted via an online only methodology to create greater cost efficiencies in the survey process. Previous surveys had been conducted using a telephone interview methodology.
- Data collection was managed to quota targets by age, ward and ethnicity, and post data collection, the sample has been weighted so it is aligned with known population distributions as contained in the Census 2018.
- At an aggregate level the sample has an expected 95% confidence interval (margin of error) of +/- 4.47%. All statistical significance testing has used a 95% confidence interval unless otherwise stated.
- Results exclude 'don't know' responses unless otherwise specified.
- All results are reported in whole numbers, and this may result in a rounding difference of one percentage point in some instances.

Land Transport results are based on a Key Research survey of 400 residents over FY2023-24 undertaken on a monthly basis via phone. The survey is managed to demographic quota targets to align with the population mix of the community.

- A total of 400 telephone interviews were conducted throughout the year with residents of Timaru District (approximately 33 interviews per month).
- Quotas and weighting were applied to the data to ensure the sample was representative of Timaru District's population.
- When satisfaction is mentioned, it refers to the percentage of residents who provided a rating of 6 to 10 out of 10 on the satisfaction rating scale.

- Due to rounding, percentages may add to plus or minus 1% over or under totals.
- Significant differences across demographic groups were tested by comparing the percentage 'satisfied' (i.e., provided a rating of 6 to 10; excluding 'don't know' responses) across the groups.
- Significant differences were tested across the following groups: age, ward, gender and rural/urban.

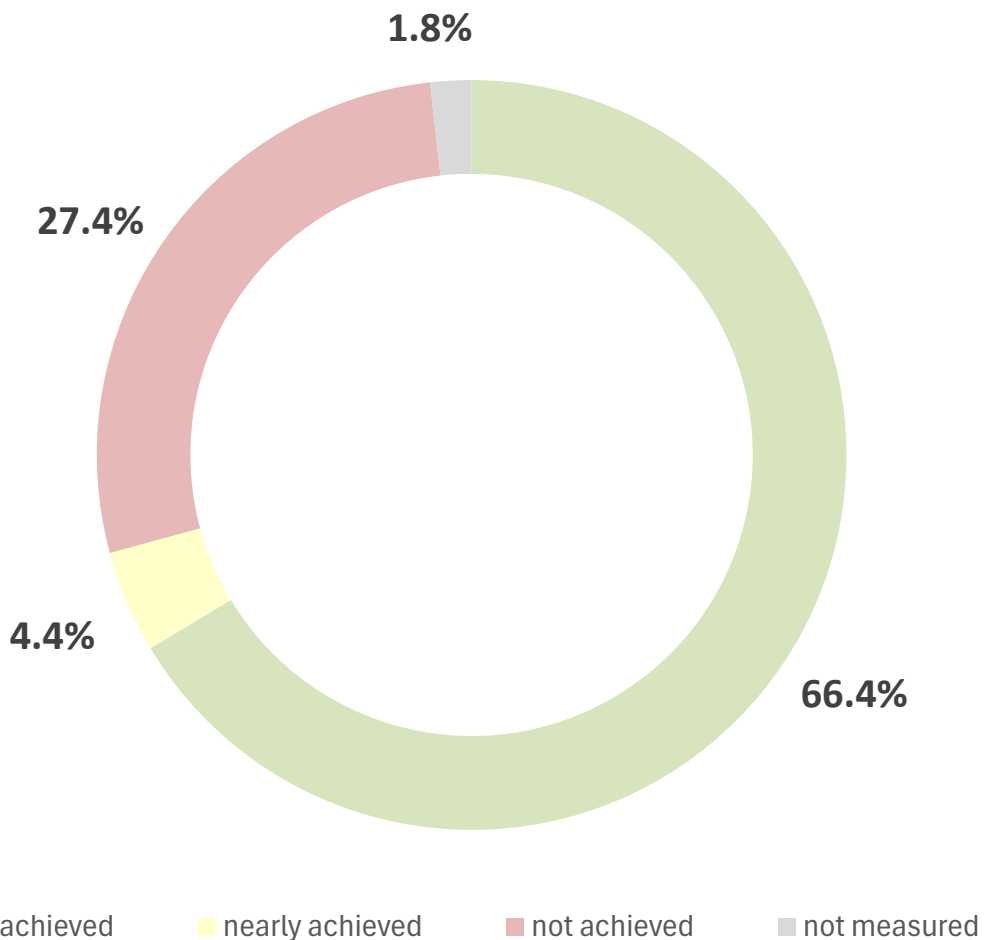
External implications for statements about performance

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

Standard Measures of Achievement

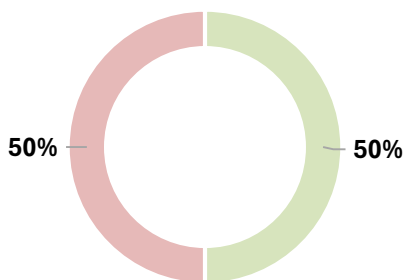


Overall Performance Summary



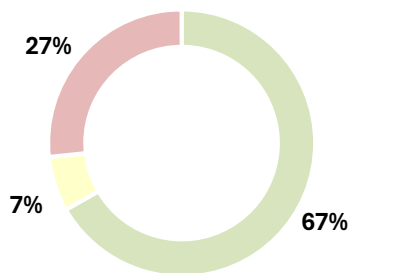
Performance Summary by Group of Activities

Governance & Strategy



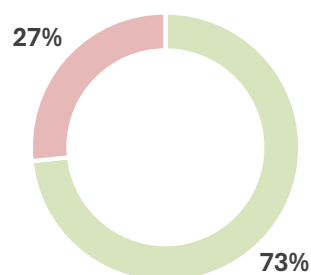
See pages 33-37 for more detail

Community Support



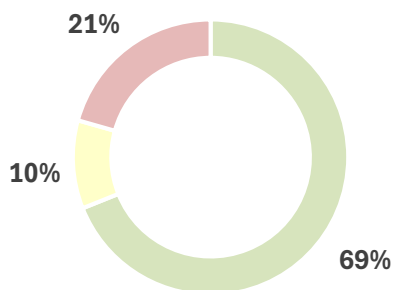
See pages 38-44 for more detail

Environmental Services



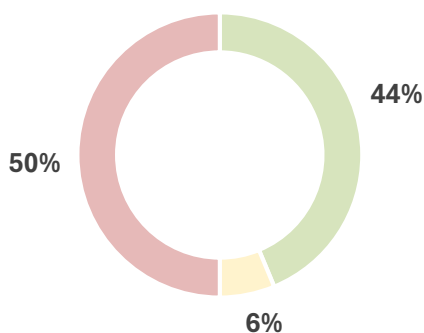
See pages 45-50 for more detail

Recreation & Leisure



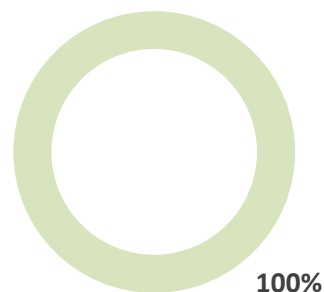
See pages 51-58 for more detail

Roading & Footpaths



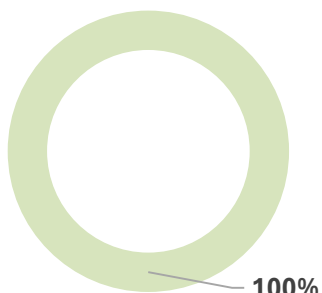
See pages 60-66 for more detail

Sewer



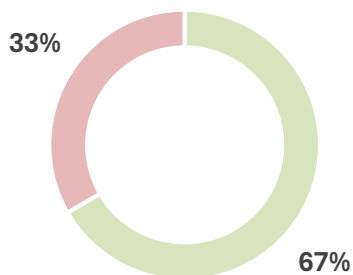
See page 67-71 for more detail

Stormwater



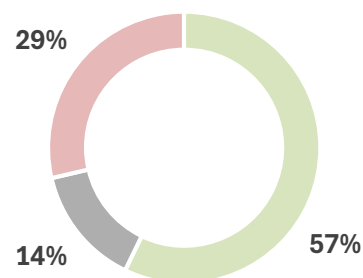
See pages 72-75 for more detail

Waste Minimisation



See pages 76-80 for more detail

Water Supply



See pages 81-88 for more detail



Governance and Strategy

What we do

Our Governance and Strategy services support and guide all the activities carried out by the Timaru District Council.

It enables the Council to function and provide stable, transparent, effective, efficient and accountable local governance to the District.

The elected members of Council set direction, lead and make decisions based on Council's Strategic Direction, and with the overall goal of improving community wellbeing.

This includes all work associated with the elected Council and Community Boards in Geraldine, Pleasant Point and Temuka.

Elected members, being the community's representatives, make decisions within the framework of the Local Government Act 2002 (LGA) on behalf of and in the interests of the community. Council and Community Boards are elected every three years.

Council elections were held in October 2022.

The key functions include:

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

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

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

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

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

Contributions to Community Wellbeing Outcomes

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

Governance and Strategy Highlights

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

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

Engagement and advocacy

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

- Ministry of Business, Innovation and Employment (MBIE): Building Performance– Options Paper: Review of the Building Consent System.
- Waka Kotahi, Ministry of Transport: Draft Government Policy Statement (GPS) on land transport 2024/25 - 2033/34.
- Ministry for the Environment, Manatū Mō Te Taiao: Proposed National Policy Statement for Natural Hazard Decision-Making.
- Ministry for Primary Industries: Proposal to maintain and expand New Zealand Food Safety's regulatory services under the Food Act 2014 (Food Act).
- Environment Canterbury: Representation Review, Pre-Consultation
- Finance and Expenditure Committee: Local Government (Water Services Preliminary Arrangements) Bill.

Canterbury Mayoral Forum

Mayor Nigel Bowen remained the Chair of the Canterbury Mayoral Forum during the 2023/24 financial year. The forum plays a critical role in promoting communication, coordination and collaboration among all Canterbury Councils, while strongly advocating for the region on the national stage.

The forum includes the Mayors of all 10 Canterbury territorial authorities, and the Chair of Environment Canterbury.

Significant tasks the group has undertaken in this financial year include:

- Collaboration with the Canterbury Regional Transport Committee on a joint submission for the Draft 2024 Government Policy Statement (GPS) on Land Transport to advocate for an equitable share of national funding proportionate to the GDP the region generates.
- Continued cooperation on the Canterbury Climate Partnership Plan includes all 11 councils either endorsing or noting the strategic framework and agreeing on a unified funding strategy.
- A refreshed "Plan for Canterbury" with sustainable environmental management of our habitats, shared prosperity for all our communities, and climate change mitigation and adaptation being identified as the priorities for the Mayoral Forum.
- Ongoing Government advocacy on important policy issues impacting Local Government.

Local Policies review

Joint Local Alcohol Policy

- This is a joint policy with Mackenzie and Waimate District Councils that regulates the sale and supply of alcohol within South Canterbury
- It was adopted by all Councils in February 2024 after an extensive review and public consultation
- The reviewed policy is unchanged from the previous policy, as the review highlighted that the existing policy was fit for purpose in aiming to minimise alcohol-related harm

Significance and Engagement Policy

- Outlines how Council engages with the community, how the significance of any issue is determined, and the assets Council considers to be strategic
- Reviewed every three years as part of the Long Term Plan
- This review, Council added environmental impacts as a criterion for assessing significance, and strengthened its commitment to enhancing Māori involvement in decision making

Community Boards

The Geraldine, Pleasant Point and Temuka Community Boards have now begun implementation of their strategic plans with some significant infrastructure upgrades around the District.

In Temuka a focus on local connectivity and beautification has seen the development of a new family cycle track in the Domain and a mural at the local pool. Additional projects to enhance King Street, Vine Street, and the Taumatakahu Stream area with wayfinding signage are still underway.

Pleasant Point have completed major upgrades to the Pleasant Point Adventure Playground at Halstead Road, together with a new nature-based playground at Cave. A cycle connection through the Domain completes a local loop, and a mural telling local histories will soon grace the wall of the Pleasant Point Pool.

Geraldine's major investment has supported the completion of the Geraldine Sculpture Trail, with tracks now completed enhancing and enabling access to the sculptures and signage delivered by the Geraldine Nature Sculpture Trail Group. Planning is well underway for the second year of community investment by the board.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Decisions are made in an open and transparent manner	Agenda items are held in public meetings*	85%	Achieved 90% (2022/23: Achieved 93%)
	Resident satisfaction with influence on and involvement in Council decision making (biennial resident survey)	50%	Not achieved 30% - A change in sampling methodology detailed earlier, but generally negative community sentiment may have also driven this decline. (2022/23: Not measured – biennial survey)
Effective community engagement	Resident satisfaction with information provided by Council (biennial resident survey)	60%	Not achieved 56% - A change in sampling methodology detailed earlier and a number of unpopular changes such as recycling made this a challenging environment. (2022/23: Not measured – biennial survey)
Monitoring the Council organisation's performance	Annual Reports and Long Term Plans receive 'unmodified' (clear) audit opinions	Unmodified audit opinion received	Achieved (2022/23: achieved)
Council processes comply with statutory requirement	Annual Plans, Reports and Long Term Plans adopted within statutory timeframes	Statutory timeframes achieved	Not achieved – The Annual Plan and Long Term Plan were adopted prior to the statutory deadline. However, adoption of the Annual Report 2022/23 did not meet the statutory deadline due to a delayed start. (2022/23: Not achieved. The Annual Plan 2022/23 was adopted prior to the statutory deadline. However, the Annual Report 2021/22 did not meet the statutory deadline due to audit delays)
	Council and committee meeting agendas made available to the public within statutory timeframes	Statutory timeframes achieved	Achieved (2022/23: achieved)

*Agenda items on the full Council and four Standing Committee agendas

Governance and Strategy Funding Impact Statement

Governance and Strategy Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	4,217	4,168	3,957
Targeted rates	27	27	34
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total Operating Funding	4,244	4,195	3,991
Applications of operating funding			
Payments to staff and suppliers	1,465	1,361	934
Finance costs	-	-	30
Internal charges and overheads	2,777	2,833	2,779
Other operating funding applications	-	-	-
Total applications of operating funding	4,242	4,194	3,743
SURPLUS / (DEFICIT) OF OPERATING FUNDING	2	1	248
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(56)	64	(236)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(56)	64	(236)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	(54)	65	12
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	(54)	65	12
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(2)	(1)	(248)
FUNDING BALANCE	-	-	-

Internal Loans

Actual 2023-24

Actual 2022-23

\$000

\$000

Raised during year

0

594

Repaid during year

236

0

Balance

541

777

Finance Costs for year

30

0

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$211,000- below LTP	A lower increase in general rates and uniform annual general charges were required due to lower operating cost base in the 2024/25 Annual Plan from the LTP for this activity
Payments to staff & suppliers: \$427,000 below LTP	The below LTP spend is largely related to lower than budgeted external consultant costs required within the activity.
Increase in debt: \$300,000 below LTP	Debt has reduced due to a surplus of operating funding.



Community Support

What we do

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

The key focus of these activities is to help:

- build strong, connected and supportive communities
- support and celebrate diversity in our communities
- provide high quality community facilities (cemeteries and public toilets)
- support people, organisations and the business community
- assist vulnerable people in our communities
- assist individuals and communities to be prepared and resilient in times of adversity

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

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

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

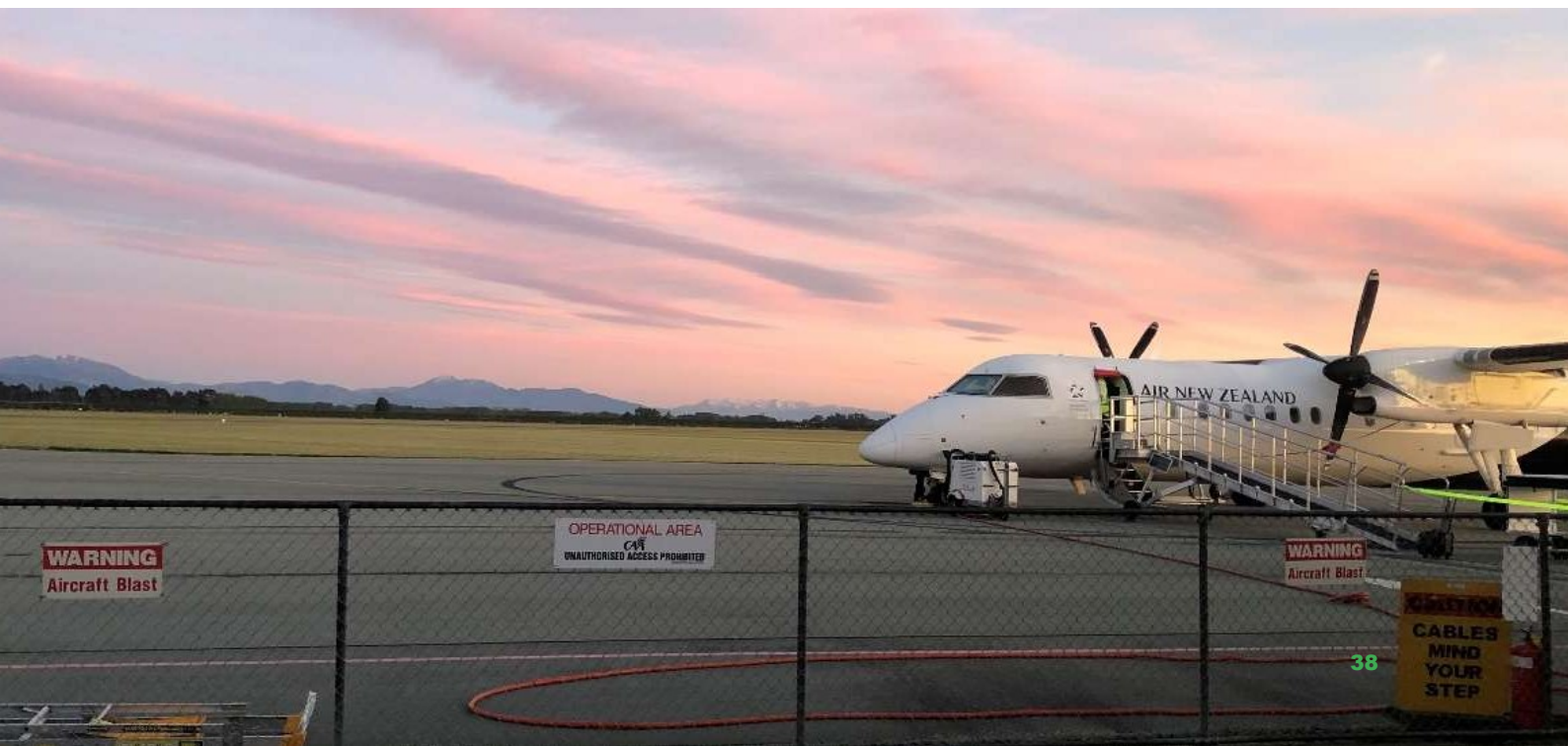
Social and cultural wellbeing are a particular focus for our Safer Communities and Community Funding activities. Timaru Airport provides significant links with other centres and plays a substantial role in enhancing economic and community wellbeing.

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

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

Contributions to Community Wellbeing Outcomes

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



Community Support Highlights

Timaru Airport

Over 2023/24 there were:

- 46,124 passengers on Air NZ scheduled flights using Timaru Airport, a 4.5% decline on 2022/23.
- 15,548 aircraft movements at Timaru Airport (1,162 Air NZ), a 4.43% increase on 2022/23.

Community Facilities (public toilets and cemeteries)

Cemeteries: Bylaw amendment

Council amended the natural burials clause of the bylaw in 2023. Specifically, natural burials are no longer required to have plantings placed over them. This broadens the types of burial available within the district and allows for more inclusivity of faith based burial requirements for our increasingly diverse community.

Public Toilets

- The Station Street Toilets in Timaru have undergone a refresh with new tiles and a repaint.
- A portaloos style toilet has been relocated to Pleasant Point Cemetery from Manse Bridge to service the Cemetery visitors, and another similar portaloos was relocated from Orari River Mouth to replace an existing toilet at Hanging Rock Bridge.

Emergency Management

In the past year, the Timaru District Council has continued to enhance our community's preparedness and resilience against emergencies.

While we have not had any incidents that have required a declaration of emergency in the past year, we continuously monitor smaller events to ensure that if they become larger emergencies, we are ready to respond to them. Our planning for the Alpine Fault Magnitude 8 (AF8) event remains a top priority, ensuring that we are well-prepared for any potential impacts. We have also completed the upgrade and installation of the Tsunami siren system, ensuring that these are now compliant with new national standards and located in key areas that are known to be at the most risk.

Our volunteers continue to demonstrate our community's emergency preparedness through their commitment to training and being available to help when they are needed the most. We greatly appreciate the dedication of our volunteers! We have also continued to train staff to operate our Emergency Operations Centre, equipping them with the skills and knowledge necessary to manage emergencies efficiently.

This year, we refreshed our 'Are You Ready?' guide, providing updated and practical information to help residents prepare for various emergencies. The guide includes essential tips on creating emergency plans, assembling emergency kits, and understanding local hazards. We encourage everyone to make a plan and be prepared for any emergencies that could happen in our district.

Scan the QR code below to download the 'Are You Ready?' guide.



Together, these initiatives strengthen our community's ability to respond to and recover from emergencies, ensuring the safety and well-being of all the people in Timaru District.



Welcoming communities

The Welcoming Communities – Te Waharoa ki ngā Hapori programme provides a framework for our district to become even more welcoming and attractive to newcomers – a place where people want to come, stay and make their home.

There are now 35 Councils across Aotearoa that are involved in this programme. In 2023/24 Council achieved Stage 1 accreditation, which will assist in promoting the Timaru District and attracting, supporting and retaining newcomers through showcasing our activities and events on a national and international stage.

Highlights in 2023/24 included various events during Welcoming Week and Winterfest which had excellent community engagement, while also securing a \$30k funding grant through MBIE's 'Meaningful Refugee Participation Fund'.

Community Funding

Making financial contributions to our community groups is another way the Council contributes to community wellbeing.

Council financially contributes towards youth entertainment initiatives, events, community services, rural community halls, as well as administration costs for not-for-profit organisations that preserve the history of South Canterbury.

Successful grant applications totalling over \$160k were approved for premise hire, ANZAC day services, operating costs, and Christmas Parades.

Mayor's Taskforce for Jobs (MTFJ)

The Community Development team has secured \$180k from the Mayor's Taskforce for Jobs (MTFJ) Community Employment Initiative Fund - a nationwide partnership between Local Government New Zealand and the Ministry of Social Development, that has a strong focus on getting young people into sustainable employment.

The 12-month pilot initiative centres around addressing the unique employment opportunities and challenges in the local primary production and agri-business sectors, as well on focusing on rangatahi in our satellite towns of Temuka, Geraldine, and Pleasant Point.

The programme will focus on supporting young people into work in these sectors, emphasising skill development, mentorship, and the creation of practical work experience opportunities.

Safer Communities

A highlight for the Safer Communities activity in 2023/24 was the 'Let's Connect' event. This event successfully brought together agencies and groups operating in Temuka in a dynamic 'speed-dating' format. Feedback from attendees was overwhelmingly positive and a similar event will be held in Geraldine over the 2024/25 year.

The community development team continue to be actively involved in various partner organisation and community group meetings and events throughout the district, particularly initiatives associated with the Safer Communities and Age Friendly Strategy.

Social Housing

Council has continued to prioritise completing Healthy Homes assessments and undertaking upgrades and maintenance to Healthy Homes standards to assist with the ongoing nationwide affordable housing issue.

Council currently has 236 properties throughout the district in Pareora, Pleasant Point, Timaru, Temuka and Geraldine. Occupancy is 96% with 8 units currently being renovated to Healthy Homes Standards. These 8 properties are expected to be occupied as soon as the renovations are complete due to over 25 people currently on the waitlist.

Economic Development and Tourism

Visitor spend in the district increased by 7.1% against a national increase of 4% NZ +4.0%. Total spend was up to \$272m against \$254m in 2023. Figures as of Sept 2023 saw Timaru District at +122% of Sept 2019 levels – ranking 4th/31 Regional Tourism Organisations in New Zealand. Consumer spend also increase 7.1% compared to the national increase of 1.9%. Total spend was up to \$799m from \$721m in June 2023.

Timaru's Claremont Castle was home to season 2 of the New Zealand version of international reality show, The Traitors, which showcased the city and the district's scenery to a national and international audience.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Community Facilities, the Airport and Social Housing Units are well maintained, clean and safe	User satisfaction with: - Public Toilets	65%	Not achieved - 59% - User satisfaction dropped in many measures due to change of sample method. (2022/23: not measured – biennial survey)
	- District Cemeteries (biennial resident survey)	85%	Achieved - 87% (2022/23: not measured – biennial survey)
	Social Housing - occupancy rate	90% + of units available for tenancy	Achieved - 95.3% (2022/23: Achieved - 96%)
	Airport - Number of flights in and out of Timaru Airport	5% increase per year	Not achieved - 4.4% increase – increased input costs of flying would have had an effect on leisure flights that make up the bulk of activity. (2022/23: Not achieved 11.7% decrease)
	- Number of passengers using Timaru Airport	5% increase per year	Not achieved – 7.8% decrease - likely a macroeconomic issue of fewer people travelling for business. (2022/23: Achieved -18% increase)
	- Civil Aviation Authority (CAA) accreditation	CAA airport certification is maintained at all times	Achieved – Certification confirmation was achieved in March 2021 for a further 5 years. (2022/23: Achieved)
Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	Presentations on CDEM to groups within the district	20	Achieved – 44 – public demand for presentations was higher than expected. (2022/23: Achieved - 28)
Improve Council and partner agencies capability to respond to and recover from emergencies	Recruit and train EOC staff to maintain 24/7 capability	60	Achieved – 78 (2022/23: Achieved - 75)
	Recruit and train volunteers to maintain team capacity and capability	80	Nearly achieved – 78 (2022/23: Achieved - 102)

Service Performance (Continued)

<p>Effectively managed and allocated community funding</p>	<p>Funding rounds held</p>	<ul style="list-style-type: none"> - General donations, Grants and Loans: 2 - TDC Youth Initiatives: 2 - Creative Communities Fund: 4 - Trust Fund distributions: <ul style="list-style-type: none"> - Thomas Hobson Trust: 1 - AD Hally Trust: 2* 	<p>Achieved – 2 (2022/23: Achieved - 2)</p> <p>Achieved – 2 (2022/23: Achieved - 2)</p> <p>Achieved – 4 (2022/23: Achieved - 4)</p> <p>Achieved – 3 (2022/23: Achieved - 3)</p>
<p>Contribute to Council’s role in economic development and tourism</p>	<p>Performance targets in the Venture Timaru Statement of Intent (SOI) are met</p>	<p>Quarterly performance reporting to Council</p> <p>100% performance targets in SOI met</p>	<p>Achieved – quarterly reports presented. (2022/23: Achieved)</p> <p>Not achieved – 3 out of 4 performance targets met. – GDP annualised growth -1.3% v NZ -0.2%. Cumulatively out-performed NZ between 2020-2023 but was much weaker through 2024. (2022/23: Achieved)</p>

*LTP figure incorrect- target is 2, not 4



Community Support Funding Impact Statement

Community Support Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	3,765	3,933	4,554
Targeted rates	-	-	-
Subsidies and grants for operating purposes	6	6	185
Fees and charges	2,174	2,282	2,326
Internal charges and overheads recovered	73	112	533
Local authorities fuel tax, fines, infringement fees and other receipts	46	47	221
Total Operating Funding	6,064	6,380	7,819
Applications of operating funding			
Payments to staff and suppliers	5,025	5,163	6,003
Finance costs	218	310	454
Internal charges and overheads	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding	5,243	5,473	6,458
SURPLUS / (DEFICIT) OF OPERATING FUNDING	820	907	1,361
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	3,195	975	(370)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	3,195	975	(370)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,080	445	42
- to replace existing assets	1,812	1,172	537
Increase/(decrease) in reserves	124	265	412
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	4,016	1,882	991
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(821)	(907)	(1,361)
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	0	3,266
Repaid during year	370	0
Balance	8,720	9,090
Finance Costs for year	454	175

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$621,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP to the 2024/25 Annual Plan for this activity.
Subsidies & Grants: \$179,000 above LTP	Unbudgeted Grants received from Welcoming Community funding.
Payments to staff & suppliers: \$840,000 above LTP	The above LTP spend is largely attributed to increased Economic Development and Promotion costs due to Grants provided toward s development of local infrastructure including Primeport Timaru and Fraser Park.
Finance Costs: \$144,000 above LTP	The above LTP spend is largely attributed to increased interest rates and debt
Internal Charges & overheads: \$421,000 above LTP	The above LTP spend is largely attributed to an increase in operating costs
Local authorities fuel tax, fines, infringement fees and other receipts: \$174,000 above LTP	The above LTP revenue is largely attributed to cemetery user fees and charges
Increase/ Decrease in debt: \$1,345,000 below LTP	The decrease is largely attributed to delays in the capital projects
Capital expenditure: \$1,038,000 below LTP	Timing of project spend has changed since the LTP was set at June 2021 and are now budgeted to be completed in 2024/25 Annual Plan. This includes the Timaru Airport Terminal, Housing EQP and purchasing new cemetery land.
Increase/ Decrease in reserve: \$147,000 above LTP	Transfer to reserves increased above LTP due to lower capital expenditure funded from reserves due to delays in the projects.

Environmental Services

What we do

Building Control

Council is responsible for administering and implementing the provisions of the Building Act 2004 (“the Act”). This involves balancing delivery of a customer focused service within legislative requirements, while managing the risk to the community and Council.

Under the Act, Council must maintain accreditation as a Building Consent Authority. It is responsible for processing and granting building consents, inspecting and monitoring building work and issuing Code Compliance Certificates and Certificates of Public Use. It is also charged with processing Land and Project Information Memorandums, providing advice on building related matters and enforcing other provisions under the Act.

District Planning

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

Environmental Compliance

Council has monitoring and enforcement responsibilities under a range of legislation relating to food safety, noise control, hazardous substances, liquor licensing, environmental nuisance, gambling control and animal control. The Timaru District Consolidated Bylaw 2018 outlines rules and processes to protect the public.

These activities help ensure:

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

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

How we use land has a major effect on the look and feel of our district, and how resilient our communities are. Through our District Planning function, Council supports the growth of the district while ensuring our environment is protected.

Regulating building activities in the district supports safe and sustainable housing and commercial development. Our environmental compliance services administer legislation and regulation designed to protect public health and safety.

Together these services work to enhance all aspects of community wellbeing.

Contributions to Community Wellbeing Outcomes

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

Environmental Services Highlights

Building Control

The Building Control team were successful in retaining their accreditation following assessment by International Accreditation New Zealand (IANZ) in February 2024, with favourable feedback from the lead assessor mentioning the team are demonstrating 'best practice' in 3 of the functions performed which is rarely achieved.

Animal Control Support and Education

Our animal control team had another busy year with 13 dog control education initiatives delivered throughout the district at schools and preschools.

These sessions make a valuable contribution to keeping our communities safe.

District Plan Review

The District Plan Review continues to progress with matters to arise during Hearing B currently being responded to. The completion of these tasks will allow for the Hearings Panel to form initial views on the submissions heard. Decisions will not be issued until the completion of the hearings schedule. Officers continue to work with submitters where appropriate to respond to any outstanding matters so that any agreement in position can be reflected in responses to the panel.

An application to the Minister for a time extension has been lodged and we await a response on this application. Feedback was received from staff at the Ministry for the Environment prior to lodgement of this request. Matters raised within the feedback were responded to within the formal application that has been lodged.

Since the last update, the hearings schedule and the associated allocation of topics has also been refined to acknowledge the need for more time to better respond to submissions, and to seek further information from submitters that will support reporting officers in making recommendations to the panel. The Hearings Panel reviewed the revised schedule and determined that there was no need to progress with Hearing C, with these topics moved to Hearing D. This movement allows for a more efficient use of the panel's time and is a positive for the project from an efficiency perspective.

Joint Local Alcohol Policy

2023/24 saw the adoption of the Joint Local Alcohol Policy. This policy covers Timaru, Waimate and Mackenzie Districts, with all 3 Councils adopted the policy in February of 2024.

This purpose of this policy is to provide the framework for the safe and responsible sale, supply and consumption of alcohol in South Canterbury, contribute to the minimisation of alcohol-related harm in South Canterbury and to allow for the views of the local community to be reflected in licensing decisions.



Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	Building Consent Authority accreditation	Building Consent Authority accreditation retained	Achieved (2022/23: Achieved)
	Building Control consent average processing time	<12 days	Achieved - 10.86 days – Improved delivery of service. (2022/23: Not achieved - 12.6 days)
	% of Code of Compliance Certificates issued within statutory timeframes	100%	Achieved – 100% (2022/23: Nearly achieved - 97.4%)
	Resource Consent processing within statutory timeframes	100%	Not achieved – 85.5% due to resource availability and complexity of applications. (2022/23: Not achieved - 97%)
	Land Use consents monitoring	150 per annum	Not achieved – 22 due to resource availability to undertake visits. (2022/23: Not achieved - 90)
Provide useful, timely and consistent information and education on building, planning and regulatory services	Building consent applicants satisfaction with consent process ¹	80%	Achieved – 81.8% (2022/23: Not achieved - 72.8%)
	Customer satisfaction with information and education from district planning services	90%	Not achieved – Survey not undertaken due to lack of administrative resource. (2022/23: no survey undertaken)
	Customer satisfaction with information and education from environmental health services ¹	80%	Achieved – 95.5% (2022/23: Achieved - 97.3%)
Support responsible dog ownership	Percentage of known dogs in District registered	95%	Achieved – 98.2% (2022/23: Achieved - 97.4%)
	Number of Dog Control education initiatives completed	5	Achieved – 13 – Demand has been higher than expected when target was set. (2022/23: Achieved - 49)
Ensure buildings with a Building Warrant of Fitness (BWF), swimming pools, food and liquor premises are safe and comply with legislation	% of non compliant BWF audits achieved compliance within two months	100%	Achieved – 100% (2022/23: Not achieved - 62.1%)
	% of non compliant swimming pool audits that achieve compliance or enforcement action taken within two months of audit	100%	Achieved – 100% (2022/23: Achieved - 100%)
	% of scheduled audits of registered food premises completed	90%	Achieved – 100% (2022/23: Achieved - 100%)
	% of Alcohol regulated premises that have been inspected	80%	Not achieved – 44.4% - Due to resource availability, but number is trending upwards. (2022/23: Not Achieved 31.6%)

Service Performance (Continued)

	Number of Food Businesses requiring escalation to the Registration Authority and/ or Food Safety Officer for follow up	number to be reported	Achieved – 2 (2022/23: Achieved - 5)
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¹This measure is based on customer feedback surveys undertaken by the business unit following interactions.

Environmental Services Funding Impact Statement

Environmental Services Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	2,364	2,565	2,027
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,526	3,651	3,794
Internal charges and overheads recovered	143	146	20
Local authorities fuel tax, fines, infringement fees and other receipts	101	104	137
Total Operating Funding	6,134	6,466	5,979
Applications of operating funding			
Payments to staff and suppliers	6,334	6,225	7,237
Finance costs	101	146	163
Internal charges and overheads	1,207	1,239	1,341
Other operating funding applications	-	-	-
Total applications of operating funding	7,642	7,610	8,740
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(1,508)	(1,144)	(2,762)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,556	1,213	2,889
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,556	1,213	2,889
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	48	69	127
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	48	69	127
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	1,508	1,144	2,762
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	2889	0
Repaid during year	0	479
Balance	6,149	3,260
Finance Costs for year	163	98

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$538,000 below LTP	General rates and uniform general charges have increased by a lower percentage within Environmental Services activity than in the LTP to keep overall rate increases affordable for the community. Whole of Council rates revenue has increased above LTP overall.
Fees & Charges: \$143,000 above LTP	Planning Revenue was \$200,540 above LTP largely relating to subdivision fees. Building Control revenue was \$222,052 below LTP largely relating to decreased consent numbers and Animal Control revenue was \$135,644 above LTP largely relating to increased number of infringement fees.
Payments to staff & suppliers: \$1,012,000 above LTP.	The variance between actuals and the LTP largely relates to \$698,234 increase in Building Control costs, and \$205,256 increase in District Planning Costs, coupled with increases in other costs due to differences in inflation since LTP was set in June 2021
Increase/ Decrease in debt: \$1,676,000 above LTP	Debt was used to fund the deficit in operating funding relating to District Plan review costs and will be repaid over the next 10 years via rates.

Recreation and Leisure

What we do

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

Cultural and Learning Facilities

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

Parks

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

Recreational Facilities

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

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

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

Our parks and open spaces help protect, restore and enhance our district's green landscape – both urban and rural, and provide community spaces that residents and visitors can enjoy.

We are involved in providing quality recreational facilities and experiences to offer health, learning, social and leisure benefits.

Together these services are an important part of enhancing all aspects of community wellbeing.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment

Recreation and Leisure Highlights

Aigantighe Art Gallery

The seismic upgrade (earthquake strengthening) project in the Aigantighe House Gallery is 50% complete as at 30 June 2024, and the cosmetic refurbishment is in progress.

Despite the continued construction presence on site for a large part of this financial year, the Gallery has maintained excellent visitor numbers and held various exciting exhibitions including:

- “Seize the Clay” which also included a special collection by local studio potter Audrey Wallace
- Gathered Voices Highlights from the Fletcher Trust Collection (touring show)
- South Canterbury Art's Society 78th Alpine Energy Art Awards Annual exhibition was on display in both galleries
- Artist in the Tempest Jock Fraser (Collection Show)
- The Art of Giving exhibition 4th April - 5th May 2024 was a collection show which highlighted family ties and celebrates the philanthropy of James William Grant. The Aigantighe home and land and The Croft home and land were both family estates that he gifted to the Timaru District Council 1955 and South Canterbury community PSSC in 1968, respectively.



Swimming Pools

The Caroline Bay Trust Aoraki Centre (CBay) swimming complex remained a popular choice for residents and visitors:

- Aqua fitness classes - 376
- Aquatic swim for life participants – 3,585
- Learn to swim students – 2,812
- Visitors to CBay – 323,616

Libraries

Our Libraries had another great year with their community programmes held both on site and in the community. These programmes included:

- 158 Children's sessions including School Holiday Programme, Weekly Storytimes, Born to Read, Visits to/from Classes/Kindergartens, Thursday Games Group, and Tech Sessions.
- 206 Adult programmes/events, consisting of Tuesday Social Group (including a Mini Golf excursion and a visit to the museum), Aoraki Heritage Weekly Drop-In and a special Heritage ANZAC Drop-In Session, Digital Classes/Book a Digital Librarian, Mend & Sewing Workshops, Book Clubs, Knit & Natter, Knitting & Crochet, Mahjong, Driver Theory Licensing & Relicensing, LTP Drop-In, MyWay Drop-In, Grief Cafe, Heart Health, World Knit in Public Day, and an English Language Partners Session.

Museum

It was a busy summer for our Museum team this year, with the return of crowd and community favourites 'Retro Rock' and the 'Sunsational Challenge', as well as hosting a range of local and visiting temporary exhibitions over the course of the year.

Aorangi Stadium Project

Planning for refurbishment/ replacement of Aorangi Stadium is progressing with 2 development options being prepared to take to market for 'Request for Pricing'.

Parks

The Illuminate Festival was hosted in the Botanic Gardens again this year and was held over two weekends due to popular demand.

The Botanic Gardens and Trevor Griffiths Rose Garden successfully retained their 'Garden of National Significance' 5-star rating from the New Zealand Gardens Trust.

We were also successful in winning a basketball hoop and line marking upgrade for the Lough Park half court through a Basketball NZ competition. Thanks to all in the community who voted and helped us win this awesome upgrade.

The council also contributed to the fundraising efforts and assisted with the building of a new pump track by the South Canterbury Mountainbike Club in Centennial Park, Timaru.



Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	Museum		
	Number of museum service users (includes museum visitors, attendees at on-site and off-site programmes, information or collection requests)	25,000	Achieved – 28,231 (2022/23: Achieved - 25,760)
	Public programmes and events	12	Achieved – 12 (2022/23: Achieved - 14)
	Touring and regional exhibitions	3	Achieved – 5 – Timing allowed for extra exhibitions this FY. (2022/23: Achieved - 4)
	Libraries		
	Visitors to Libraries	200,000	Achieved – 312,716 – Increased range of services and activities has been driving visitation. (2022/23: Achieved - 282,961)
	Online website and catalogue searches	400,000	Achieved – 1,034,577 – Wider range of online resources is helping drive spike in online usage. (2022/23: Achieved - 1,000,765)
	Library issues (physical & digital) of materials	550,000	Nearly achieved – 548,657 (2022/23: Not achieved- 514,404)
	Community Programmes – held on site and in the community†	1,500	Achieved – 2,856 – Increased number and diversity of user groups accessing a wider variety of activities. (2022/23: Achieved - 2,989)
	Art Gallery		
	Visitors to Art Gallery	19,000	Not achieved – 15,686 – Related to closure of Aigantighe House and the inability to display many of the higher profile works from the permanent collection to enable space for seasonal exhibitions in the main gallery. (2022/23: Not achieved 15,249)
	Online website searches and social media interactions	800	Achieved – 2,629 – Better promotion of gallery activities and online collections. (2022/23: Achieved - 5,641)
Community Programmes – held on site and in the community	12	Achieved – 75 – Drive to better utilise gallery for events and holiday programmes. (2022/23: Achieved - 50)	

†a non-traditional library service

Service Performance (Continued)

	CBay Complex		
	Visitors to CBay	325,000	Nearly achieved – 323,616 (2022/23: Achieved - 279,596)
	Aqua Fitness classes	400	Not achieved – 376 – Affected by teacher availability and class demand. (2022/23: Achieved - 408)
	Aquatic swim for life participants	2,000	Achieved – 3,585 – Better promotion of the scheme and higher than expected demand from schools than expected when target set. (2022/23: Achieved - 2,758)
	Aquatic learn to swim enrolments	3,000	Not achieved – 2,812 – Rebuilding following covid and cost pressures on parents. (2022/23: Not achieved - 2,565)
Provide a high quality and safe experience at district and recreation leisure facilities	User satisfaction:		
	Art Gallery (biennial resident survey)	80%	Achieved – 87% in resident survey. (2022/23: not measured)
	Libraries (biennial resident survey)	95%	Not achieved – 87% in resident survey. (2022/23: not measured)
	Museum (biennial resident survey)	90%	Nearly Achieved – 88% - in resident survey. (2022/23: not measured)
	Parks (biennial resident survey)	92%	Not achieved – 86% - Perception may have been affected by reduction in the number of waste bins as well as a general reduction in scores due to change in survey methodology. (2022/23: not measured)
	Swimming Pools (biennial resident survey)	75%	Achieved – 82.4% in resident survey – Improved systems are helping improve customer experience. (2022/23: not measured)
	Facilities meet legislative safety requirements	Legislative requirements are met	Achieved (2022/23: Achieved)

Service Performance (Continued)

Collections of local and heritage art objects, records and information preserved for and available to the community and visitors	Art Gallery		
	Number of Art Gallery exhibitions (including touring, regional and permanent art works)	10	Achieved – 17 in line with year previous, better use of building spaces to provide alternative show opportunities. (2022/23: Achieved - 16)
	Art works conserved	5	Achieved – 8 – Funding from Friends of the Aigantighe assisted with additional conservation work. (2022/23: Achieved - 5)
	Collection item records recorded and updated	50%	Achieved – 100% in line with year previous. (2022/23: Achieved - 100%)
	Museum		
	Collection items available online	18,500	Achieved – 22,732 – In line with previous year as processes to get materials online improved. (2022/23: Achieved - 21,750)
	Acquisitions recatalogued within 6 months of acquisition	150	Not achieved – 88 - Collection catalogue work output was reduced as the curatorial team focussed on design and planning work for the Heritage Hub development, with additional impact from staff illness towards the end of the financial year. (2022/23: Achieved - 166)
Parks are maintained and developed to meet current and future community needs	Kilometres of off-road walking and biking tracks	62	Achieved – 76.25 – Significant new community led developments such as the Central South Trail have increased this figure. (2022/23: 76 - Achieved)
	Number of playgrounds per 1,000 residents under 15 years of age	5.3	Achieved – 5.38 (2022/23: Achieved - 5.38)
	Park hectares per 1,000 residents	14.4ha	Achieved – 14.45 (2022/23: Achieved - 14.45)
	Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of National Significance	2 gardens of national significance	Achieved (2022/23: Achieved)

Recreation and Leisure Funding Impact Statement

Recreation and Leisure Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	14,596	15,799	14,630
Targeted rates	20	20	21
Subsidies and grants for operating purposes	43	44	142
Fees and charges	1,388	1,567	1,389
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2,131	2,280	2,982
Total Operating Funding	18,178	19,710	19,165
Applications of operating funding			
Payments to staff and suppliers	13,759	15,042	16,735
Finance costs	634	921	1,467
Internal charges and overheads	1,592	1,417	880
Other operating funding applications	-	-	-
Total applications of operating funding	15,985	17,380	19,082
SURPLUS / (DEFICIT) OF OPERATING FUNDING	2,193	2,330	83
Sources of capital funding			
Subsidies and grants for capital expenditure	1,988	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	12,945	8,564	13,175
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	14,933	8,564	13,175
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	9,629	7,893	6,002
- to replace existing assets	7,720	3,715	7,305
Increase/(decrease) in reserves	(223)	(714)	(49)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	17,127	10,894	13,258
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(2,193)	(2,330)	(83)
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	13,175	4,528
Repaid during year	0	0
Balance	44,263	31,095
Finance Costs for year	1,467	660

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$1,169,000 below LTP.	General rates, and uniform general charges have increased by a lower percentage within Recreation & Leisure Activity than in the LTP to keep overall rate increases affordable for the community. Whole of Council rates revenue has increased.
Fees & Charges: \$178,000 below LTP.	The variance between actuals and the LTP largely relates to CBay Swim Aquatics revenue and delay in the Theatre Royal and Heritage Facility Project.
Local authorities fuel tax, fines, infringement fees and other receipts: \$702,000 above LTP.	\$653,000 donations were received towards construction of the CPlay project previously held in Trust which were unbudgeted in the LTP. The residual variance relates to differences in inflation since the LTP was set in June 2021
Payments to staff & suppliers: \$1,693,000 above LTP.	The variance between actuals and the LTP largely relates to \$981,000 unbudgeted Parks Building, Playground, Memorial Monument and Plaque maintenance. The residual \$700,000 variance relates to increased wages cost in Swimming Pools and Libraries
Finance costs: \$546,000 above LTP	The above LTP spend is largely attributed to increased interest rates and debt.
Internal Charges & overheads: \$537,000 below LTP	The decrease in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to costs on-charge from/ to corporate activities to/ from other Council activities.
Increase/ Decrease in debt: \$4,611,000 above LTP.	Higher debt funding was required than planned in the LTP for this activity, because of increase in the capital project costs.
Increase/ Decrease in reserve: \$665,000 above LTP	Transfers from reserves increased due to increased capital spend, some of which is funded by depreciation reserves.
Capital Expenditure: \$1,699,000 above LTP	Ther variance between actuals and the LTP largely relates to capital project changes since the LTP was set in 2021.



Roading and Footpaths

What we do

We provide transport network and associated assets and services throughout the district. This includes both infrastructure, such as roads, footpaths and signage, and non-asset functions, such as street cleaning, roadside garden maintenance, temporary traffic management and road safety initiatives.

Funding for the roading and footpaths network is provided from rates, loans, and user charges together with funding assistance received from central government through Waka Kotahi (the New Zealand Transport Agency - NZTA). Waka Kotahi is also responsible for the State Highway network.

Our network includes:

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

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

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

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

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

Contributions to Community Wellbeing Outcomes

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

Roading and Footpaths Highlights

Road Renewal and Improvement Programme

85.9km sealed roads resurfacing completed

11.1km footpaths renewed

371m new kerb and channel installed

Footpaths and Walkways

1km of new footpaths installed

Focus on improving safety for active transport (walking and cycling)

New raised pedestrian crossings on Queen Street, Grants Road and Quarry Road (Timaru)

New raised pedestrian crossing and traffic island on Woodlands Road (Timaru)

New roundabout at the Church Street/ Grey Road intersection (Timaru) (Pictured)



Major Upgrade Projects

The old School House Ford, which had reached the end of its life and posed a safety hazard, was replaced with a box culvert structure. The creek in this area is highly dynamic, capable of transitioning from no or low flow to high flow very quickly and can carry large volumes of gravel downstream during floods, burying anything in its path. The ford is the sole access road into Rangitata Gorge, an area experiencing increased heavy vehicle traffic due to ramping up forestry activities. The new wash-through ford design provides more resilient access for all vehicle types and helps keep traffic out of the flowing channel, reducing waterway contamination. Notably, unlike conventional box culverts, this design features removable lids, allowing for easy and fast clear-out after a flood. This upgrade not only improves resilience against flood events but also comes at a lower cost to ratepayers compared to a typical bridge structure.

Road renewals and improvement projects included Coach Road rehabilitation, Rangitata Gorge seal widening, Te Moana Road rehabilitation, Beaconsfield Road rehabilitation and upgrade, and Levels Plain Road rehabilitation.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Roads are designed and maintained to community expectations	Response to customer service requests (Mandatory)	70% of customer service requests are responded to within 10 working days	Not achieved – 62.6% - This is primarily a reporting issue regarding our requests not being closed upon completion by contractors. It is being improved with a process update. (2022/23: Not Achieved - 63%)
Roads and Bridges are fit for purpose and provide for comfortable and efficient travel	Road condition – Average quality of ride on sealed local road network % smooth travel exposure index (Mandatory)	Average Smooth Travel Exposure Index on all sealed district roads - 92%	Achieved – 97%+ (2022/23: Achieved - 92%)
	Resident satisfaction with sealed roads (annual resident survey)	60% of residents are satisfied that sealed roads are fit for purpose and well maintained	Not achieved – 48% - This is based on annual resident survey data, no further qualitative information is provided. (2022/23: Nearly Achieved - 59%)
	Resident satisfaction with unsealed roads (annual residents survey)	50% of residents are satisfied that unsealed roads are fit for purpose and well maintained	Not achieved – 37% - This is based on annual resident survey data, no further qualitative information is provided. (2022/23: Not achieved - 43%)
	Resurfacing of road network (Mandatory)	6% of the sealed road network is resurfaced annually	Not achieved – 4.44% - Due to budget constraint and a number of large priority projects. Note that historically the council has resurfaced more than 6% of the network. (2022/23: Achieved - 7.35%)

Service Performance (Continued)

Footpaths are safe, well designed and maintained	Resident satisfaction with footpaths (annual resident survey)	60% of residents are satisfied with smoothness, safety and maintenance of footpaths	Achieved – 72% This is based on annual resident survey data, no further qualitative information is provided. (2022/23: Achieved - 64%)
	Footpath condition (Mandatory)	75% of footpaths to be average or better condition	Achieved – 92.7% This is based on annual resident survey data, no further qualitative information is provided. (2022/23: Achieved - 91%)
	Footpath network resurfaced	4% of the footpath network is resurfaced annually	Not achieved – 3% - the full year budget was expended in Q4 prior to the target being met. (2022/23: Achieved - 5.19%)
Roading works and road safety initiatives help promote district road safety and awareness	Resident satisfaction with safety of road network (annual resident survey)	85% believe the road network is safe	Nearly Achieved – 81% - This is based on annual resident survey. (2022/23: Not Achieved - 76.5%)
	Road fatalities and serious injury crashes (Mandatory)	Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis	Not achieved – 3 fatal and 10 serious injury crashes – Road safety campaigns continue to work towards this measure. (2022/23: 2 fatal and 10 serious injury crashes)
	Road safety awareness	40% of residents aware of road safety programmes or advertisements	Achieved – 73% - Significant work undertaken to boost awareness amongst high-risk demographics and their whanau. (2022/23: Achieved - 74%)
Car parks are available, fit for purpose and easy to access	Resident satisfaction with access to car parking (annual resident survey)	75% of residents are satisfied that access to Council provided car parking is adequate	Not achieved – 71% - This is based on resident survey data, no further qualitative information is provided. (2022/23: Not achieved - 71%)

Service Performance (Continued)

<p>Sustainable transport options** are facilitated and provided</p> <p>**Sustainable transport options refers to walking opportunities (e.g. school travel plans), cycling opportunities (e.g. cycleways), and public transport.</p>	<p>Percentage of residents using sustainable transport</p>	<p>50% of residents regularly walk</p>	<p>Achieved – 75% - This is in line with year previous and reflects a trend towards more active transport choices. (2022/23: 77.5%)</p>
		<p>30% of residents regularly cycle</p>	<p>Achieved – 39% - Boom in e-bikes and popularity in off road trails is a likely driver for this. (2022/23: 27.5%)</p>
		<p>5% of residents use public transport</p>	<p>Not achieved – 3.5% - May be a survey issue, as My Way service reported record ridership in 23/24. (2022/23: 11%)</p>
	<p>School travel plans completed or reviewed annually</p>	<p>1 school travel plan completed or reviewed annually</p>	<p>Achieved – 2 plans completed due to demand. (2022/23: 2)</p>

†The Road roughness is measured by an external consultant every 2 years. The last measurement for all sealed roads took place November 2023 (by WSP – Opus). The smooth travel exposure (STE) index is calculated from our road asset management system (RAMM).

This is based on the roughness of the sealed local roads network and the vehicle kilometres travelled that is based on road traffic counts.

Roading and Footpaths Funding Impact Statement

Roading and Footpaths Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	12,464	13,892	15,495
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,039	3,115	3,567
Fees and charges	958	986	1,466
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	84	86	39
Total Operating Funding	16,545	18,079	20,568
Applications of operating funding			
Payments to staff and suppliers	8,418	9,964	11,883
Finance costs	612	737	1,610
Internal charges and overheads	1,529	1,363	(669)
Other operating funding applications	-	-	-
Total applications of operating funding	10,559	12,064	12,824
SURPLUS / (DEFICIT) OF OPERATING FUNDING	5,986	6,015	7,744
Sources of capital funding			
Subsidies and grants for capital expenditure	6,941	7,158	11,766
Development and financial contributions	-	-	-
Increase/(decrease) in debt	2,815	4,803	6,378
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	9,756	11,961	18,144
Applications of capital funding			
Capital expenditure			
- to meet additional demand	875	-	506
- to improve the level of service	6,514	9,777	5,512
- to replace existing assets	8,703	8,576	17,774
Increase/(decrease) in reserves	(350)	(377)	2,097
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	15,742	17,976	25,888
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(5,986)	(6,015)	(7,744)
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	6,378	5,836
Repaid during year	0	0
Balance	38,578	32,200
Finance Costs for year	1,610	694

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$1,603,000 above LTP	Whole of council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP to the 2024/25 Annual Plan for this activity.
Subsidies & Grants for operating purposes: \$452,000 above LTP	Waka Kotahi operating subsidies were above budgeted largely relating to a higher cost of the maintenance than planned in the LTP.
Fees & Charges: \$480,000 above LTP	Parking enforcement charges were above LTP
Payments to staff & suppliers: \$1,919,000 above LTP.	The above LTP spend is largely attributed to increased Parking general maintenance, legal & debt recovery costs and Subsidised roading costs due to increased maintenance costs and inflationary changes compared to LTP.
Finance Costs: \$873,000 above LTP	The above LTP spend is largely attributed to increased interest rates and debt
Internal Charges and Overheads: \$2,032,000 below LTP	The below LTP is attributable to this activity on-charging parking costs to other activities, which has offset internal charges incurred.
Subsidies & Grants for capital expenditure: \$4,608,000 above LTP.	Waka Kotahi capital expenditure subsidies are above LTP due to increased subsidised capital costs.
Increase/ Decrease in debt: \$1,575,000 above LTP	Increase in the debt was the result of increased capital expenditure than budgeted in the LTP.
Capital Expenditure: \$5,438,000 above LTP	Above budget spend on roading capital expenditure to replace existing assets as required across the district.
Increase/ Decrease in reserves: \$2,474,000 above LTP	Transfers to reserves increased above LTP due to an increased yearly roading depreciation which is above capital expenditure incurred on replacing existing assets.

Sewer

What we do

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

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

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

As part of providing this service we operate:

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

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

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

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

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Sewer Highlights

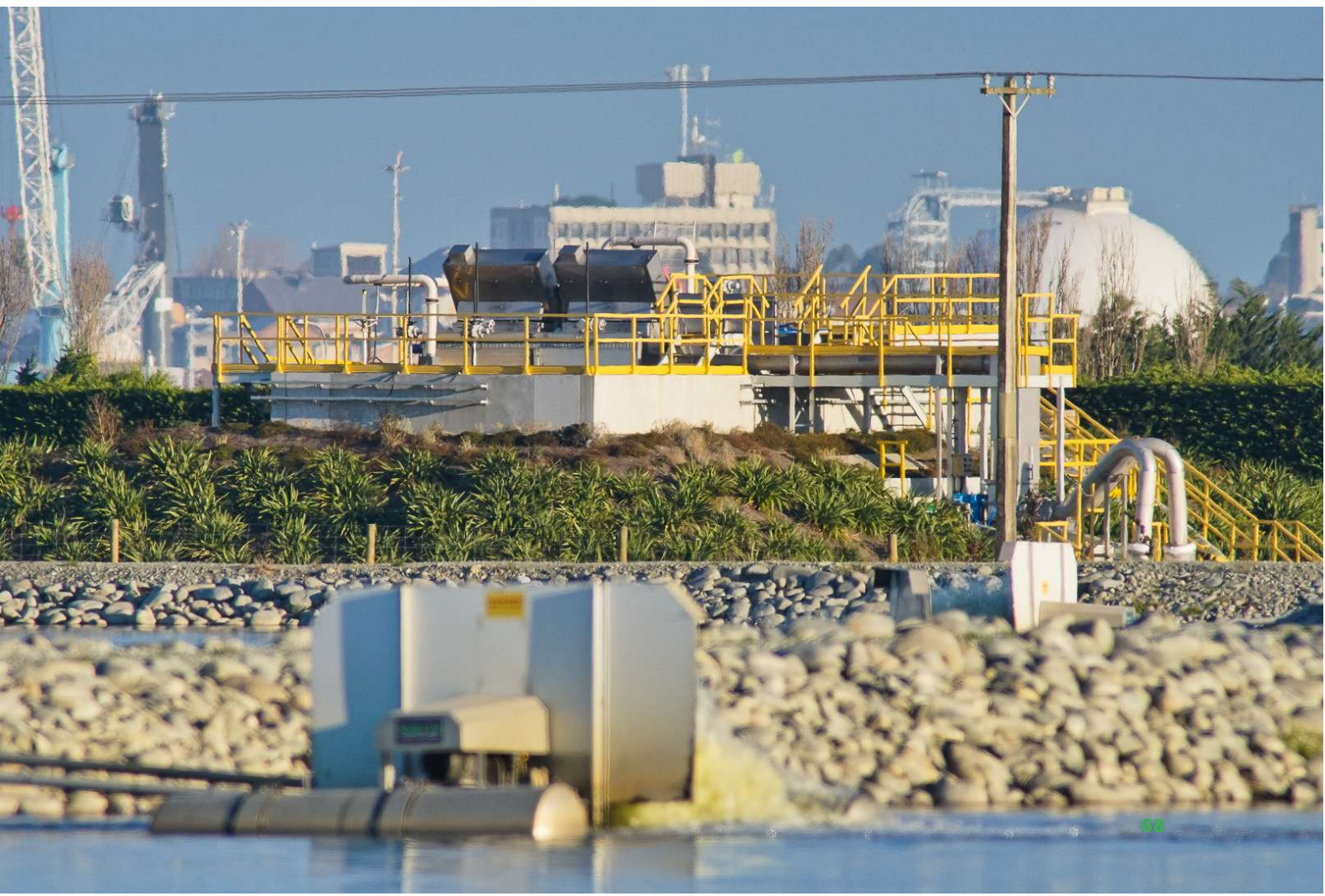
Geraldine Siphon

The Siphon for the Geraldine sewer network located under the Waihi River was successfully replaced in April 2024. This work was conducted during a period with no surface water flow, minimising disruption to natural river activities. Works were completed ahead of time and under budget. Geraldine will see a significant reduction in sewer overflows during rainfall events due to this work.

Aorangi Road Wastewater Treatment Plant

A programme of renewals has commenced at the Aorangi Road Wastewater Treatment Plant. This will ensure that treatment of wastewater for the entire district will continue compliantly and safely.

Pictured below is the existing wetwell at the Aorangi Road Wastewater Treatment Plant. This part of the facility is nearing the end of its life. The renewals programme includes building a new wetwell, with the pictured one to then be refurbished and used as a stand-by wetwell.



Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent sewer network services	Number of dry weather overflows from the sewerage system (Mandatory)	2.5 or fewer recorded dry weather overflows per 1,000 connections	Achieved – 2.19 – better than target in line with previous years. (2022/23: 1.95)
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	Achieved – No notices, orders or convictions. (2022/23: Achieved – No notices orders or convictions)
Maintain excellent customer service *Attendance – Response time applies from the time the local authority receives notification to the time service personnel reach the site Resolution – Response time applies from the time the local authority receives notification to the time service personnel confirm resolution of the fault	Median attendance and resolution times to sewerage overflow faults in the network* (Mandatory)	Median attendance time will be less than 1 hour Median resolution time will be less than 8 hours	Achieved – 0.87 hour - contractors continue to work on response times. (2022/23: Achieved - 0.5) Achieved – 4.14 – although slower than last year we continue to prioritise efficient resolution of issues through asset data improvements and collaboration with local contractors. (2022/23: Achieved - 3)
	Total complaints received about: 1) Sewage odour 2) Sewerage system faults 3) Sewerage system blockages 4) The TDC response to sewerage system issues (Mandatory)	14 or fewer complaints received per 1,000 connections	Achieved – 4.57 Odour: 0.49 System faults: 1.16 System blockages: 2.86 TDC response: 0.06 (2022/23: Achieved - 5.23. 1. Odour 1.22, 2. System faults 0.24, 3. Blockages 3.77, 4. TDC response 0)
	Satisfaction with sewer services (biennial resident survey)	85% user satisfaction	Achieved – 88% in residents survey. (2022/23: not measured)

Sewer Funding Impact Statement

Sewer Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	5,993	6,085	6,805
Subsidies and grants for operating purposes	-	-	8
Fees and charges	2,689	2,770	3,324
Internal charges and overheads recovered	-	-	7
Local authorities fuel tax, fines, infringement fees and other receipts	90	92	8
Total Operating Funding	8,772	8,947	10,153
Applications of operating funding			
Payments to staff and suppliers	2,441	2,502	2,611
Finance costs	1,187	1,169	2,209
Internal charges and overheads	1,242	1,249	1,751
Other operating funding applications	-	-	-
Total applications of operating funding	4,870	4,920	6,571
SURPLUS / (DEFICIT) OF OPERATING FUNDING	3,902	4,027	3,583
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	373
Increase/(decrease) in debt	(637)	(1,641)	2,092
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(637)	(1,641)	2,465
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,029	-	-
- to improve the level of service	-	-	-
- to replace existing assets	2,287	2,843	3,653
Increase/(decrease) in reserves	(51)	(457)	2,395
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	3,265	2,386	6,048
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(3,902)	(4,027)	(3,583)
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	2,092	1,453
Repaid during year	0	0
Balance	46,262	44,170
Finance Costs for year	2,209	1,167

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Targeted rates: \$720,000 above LTP.	Whole of council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover and increase in applications of operating funding from the LTP to the 2024/25 Annual Plan for this activity.
Fees & Charges: \$554,000 above LTP.	Tradewaste and other user charges are above budget.
Payments to staff & suppliers: \$109,000 above LTP	The above LTP spend is largely attributed to unbudgeted consultancy fees, due to unplanned discharge consents requested by ECan & Land swap acquisition
Finance Costs: \$1,040,000 above LTP.	The above LTP spend is largely attributed to increased interest rates and debt.
Internal Charges & overheads: \$502,000 above LTP	The increase in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to costs on-charged from corporate activities to other Council activities.
Development & Financial contributions: \$373,000 above LTP	Unbudgeted local capital contributions were received towards three water assets for property development.
Increase/ Decrease in debt: \$3,733,000 above LTP	Additional debt funding above the LTP was used to fund capital expenditure
Capital expenditure: \$810,000 above LTP	Above LTP spend due to increase in costs and changes in timing or projects compare to those planned in the LTP.
Increase/ Decrease in reserve: \$2,852,000 above LTP.	Transfer to reserves increased above LTP due to an increased yearly depreciation which is above capital expenditure incurred on replacing assets.

Stormwater

What we do

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

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

Our network includes:

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

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

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

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

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Stormwater Highlights

Stormwater Main upgrade

The Stormwater Main at Queen and High Streets, Timaru was upgraded. This was a critical upgrade due to increased impermeable surfaces in the area. An increase in impermeable surfaces means less water absorbing into the ground when it rains, and more water having to drain into pipes. Upgrade to a larger main will mean less flooding in heavy rain around Timaru Hospital.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent stormwater network services	Number of flooding events in the Timaru district*(Mandatory)	Zero flooding for rain events up to a 1 in 5 year return for residential zones, and a 1 in 10 year return for commercial and industrial zones	Achieved – 0 (2022/23: Achieved - 0)
	Number of habitable floors** affected by flooding events in the Timaru district (Mandatory)	Zero habitable floors affected by a flooding event	Achieved – 0 (2022/23: Achieved - 0)
Deliver stormwater services according to environmental standards	Compliance with Resource Consent conditions (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	Achieved – 0 (2022/23: Achieved - 0)
Maintain excellent customer service	Median response times to attending a flooding event*** (Mandatory)	Median time to attend a flooding event will be less than one hour	Achieved – 4 flooding events were attended with a median response time of 0.25 hours (2022/23: Not achieved 7.8 hours)
	Total complaints received about performance of stormwater system (Mandatory)	10 or fewer per 1,000 connected properties	Achieved – 0 (2022/23: Achieved - 0)
	Satisfaction with stormwater services (biennial resident survey)	65% resident satisfaction	Achieved – 65% in residents survey (2022/23: not measured)

*flooding event means an event where stormwater enters a habitable floor

**number of habitable floors affected per 1,000 properties connected to the stormwater system

***time applies from the time the local authority receives notification to the time service personnel reach the site

Stormwater Funding Impact Statement

Stormwater Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,047	2,974	4,284
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	2
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	15
Total Operating Funding	3,047	2,974	4,300
Applications of operating funding			
Payments to staff and suppliers	823	685	721
Finance costs	52	59	-
Internal charges and overheads	221	221	270
Other operating funding applications	-	-	-
Total applications of operating funding	1,096	965	990
SURPLUS / (DEFICIT) OF OPERATING FUNDING	1,950	2,009	3,310
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	35
Increase/(decrease) in debt	215	117	845
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	215	117	880
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	87	-	-
- to replace existing assets	1,492	2,938	2,352
Increase/(decrease) in reserves	587	(812)	1,838
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	2,166	2,126	4,190
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(1,951)	(2,009)	(3,310)
FUNDING BALANCE	-	-	-

Internal Loans

	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	845	0
Repaid during year	0	967
Balance	845	(0)
Finance Costs for year	0	26

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Targeted rates: \$1,310,000 above LTP	Whole of council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP to the 2024/25 Annual plan for this activity.
Increase/ Decrease in debt: \$728,000 above LTP.	Additional debt funding above the LTP was used to fund capital expenditure.
Capital expenditure: \$586,000 below LTP	Costs were below LTP due to construction delays to Timaru, Temuka and Rural Stormwater projects.
Reserves: \$2,650,000 above LTP	The above LTP variance is attributable to increased yearly depreciation which is above capital expenditure incurred on replacing existing assets.



Waste Minimisation

What we do

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

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

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

Services include:

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

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

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

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

Contributions to Community Wellbeing Outcomes

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

Waste Minimisation Highlights

Kerbside Changes

In February 2024 the Ministry for the Environment introduced Kerbside Changes which are designed to standardise collection procedures throughout New Zealand. The main changes relate to items that can no longer be placed in the Food and Organics (green) bin. There were also minor changes to items that were able to be placed in the Recycling (yellow) bin.

The new regulations excluded paper towels, newspaper, tissues and some other items from the green bin. These are now required to be placed in the rubbish (red) bin. The main reason for the exclusion of these paper-based items from the green bin is the presence of Perfluoroalkyl and Polyfluoroalkyl (PFAS) substances in the paper. These are groups of synthetic chemicals dubbed 'forever chemicals' due to their persistent nature in the environment.

New Cell & Capping

A new cell for landfill disposal was created during the year and this is expected to last 5 years. Once the cells are full, they will be capped.

The capping of 2 cells at Redruth commenced during the year and is expected to be completed in October 2024. The capping involves placing large volumes of material, often soil and clay, over the landfill area to minimise the potential of rainwater or surface water infiltrating the landfill.

South Canterbury Eco Centre

TDC is proud to have supported the Sustainable South Canterbury Trust in establishing the South Canterbury Eco Centre, which opened in 2022. The Eco Centre contains state of the art technology and sustainable resource management and practices. The Eco Centre houses the Timaru District Waste Educators and has become a hub for the community.

Educators

There are two Waste Educators employed as part of the Enviro NZ Contract. They provide support to the wider district, which includes the MacKenzie and Waimate District Councils. Last year they presented to more than 50 schools and businesses throughout the South Canterbury region and also attended over 20 Community Events.

Trickling Filter

A second Nitrifying Trickling Filter (NFT) was installed at Redruth in 2023. The filter converts ammoniacal nitrogen into a less toxic form of nitrate (NO_3^-). The nitrate formed by the NFT is a readily available nutrient that in combination with any phosphorus in the water can promote the growth of periphyton (algae, cyanobacteria, heterotrophic microbes). These growths provide a healthy environment for the aquatic life, such as ducks.

Gas Flare

The landfill gas from stage 2 and 3 of the landfills is flared at the newly installed flare at Redruth Landfill. Landfill gas is extracted at the flare system. The flare reduces the emissions of greenhouse gases into the atmosphere



Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Waste Minimisation services meet customer expectations	User satisfaction with waste minimisation services (biennial resident survey)	95%	Not achieved – 80% - Likely due to changes to bin services enacted in period which were not popular with public. (2022/23: not measured)
No adverse effects on the environment or human health from the operation of waste minimisation services	Compliance with Resource Consent conditions+	No abatement notices, infringement notices, enforcement orders and convictions	Achieved – 0 – No notices, orders or convictions. (2022/23: Achieved – No notices, orders or convictions)
Waste is diverted from landfill	Materials Recovery Facility (MRF) – recycling nett tonnages diverted	4,000 nett tonnes	Achieved – 7,670 – Ongoing campaign to improve waste sorting performance in the district. (2022/23: Achieved - 7,139)
	Compost Facility – organic nett tonnages diverted	15,000 nett tonnes	Achieved – 19,668 Ongoing campaign to improve waste sorting performance in the district. (2022/23: Achieved - 18,121)
	Recycling nett tonnages diverted via recycling other than for MRF recyclables	300	Achieved – 564 – Better drop off facilities at resource recovery park pre-weighbridge for materials reuse and recycling, including non-yellow bin materials. (2022/23: Achieved - 378.6)
	MRF – level of contamination of recycling	Less than 10%	Not achieved – 19.5% likely due to changes in acceptability criteria in new national rules. Updated information is being regularly provided to residents. (2022/23: Not achieved - 14.2%)

+Excluding all minor non-compliances as reported by Environment Canterbury



Waste Minimisation Funding Impact Statement

Waste Minimisation Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,552	3,641	4,782
Subsidies and grants for operating purposes	170	174	785
Fees and charges	6,213	6,564	5,508
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	54	55	56
Total Operating Funding	9,989	10,434	11,131
Applications of operating funding			
Payments to staff and suppliers	8,064	8,611	10,894
Finance costs	247	320	1,226
Internal charges and overheads	966	745	2,125
Other operating funding applications	-	-	-
Total applications of operating funding	9,277	9,676	14,245
SURPLUS / (DEFICIT) OF OPERATING FUNDING	712	758	(3,113)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	2,556	1,012	3,449
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,556	1,012	3,449
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	3,120	1,458	-
- to replace existing assets	148	311	316
Increase/(decrease) in reserves	-	1	19
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	3,268	1,770	336
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(712)	(758)	3,113
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	3,449	6,909
Repaid during year	0	0
Balance	27,975	16,626
Finance Costs for year	1,226	342

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Targeted rates: \$1,141,000 above LTP	Whole of council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP to the 2023/2024 Annual plan for this activity.
Subsidies & Grants for operating purposes: \$611,000 above LTP	MFETA levy above budgeted.
Fees & Charges: \$1,056,000 below LTP	Refuse Fees are below LTP due to lower than budgeted tonnage to landfill.
Payments to staff & suppliers: \$2,283,000 above LTP	Personnel Costs were \$148,795 above LTP and Other operating expenses were \$1,989,187 above LTP, mainly due to Consultancy Fees & Landfill Remediation spend above budget.
Finance Costs: \$906,000 above LTP	The above LTP spend is largely attributed to increased interest rates and debt.
Internal Charges & overhead: \$1,380,000 above LTP.	The increase in internal charges and overhead costs largely relates to costs on-charge from corporate activities to other Council activities.
Increase / Decrease in debt: \$2,437,000 above LTP.	Additional Debt funding above LTP was required to support the landfill remediation works which are debt funded over 25-year period.
Capital expenditure: \$1,453,000 below LTP.	Spend is below LTP due to differences in timing of landfill cell development from LTP.

Water Supply

What we do

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

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

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

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

Our water supply network includes:

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

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

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

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

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

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Water Supply Highlights

Covers for Te Ana Wai Water Treatment Plant

Covers were installed for the raw water reservoirs at Te Ana Wai Water Treatment Plant on the Downlands Scheme. Hexacover was used, which consists of specially shaped plastic hexagons that will flip if a bird lands on it. The covers reduce the formation of algae by cutting out light and prevents birds swimming in the reservoirs. This in turn means that the treatment required to meet Quality Assurance Rules is less rigorous and more efficient.

Pleasant Point Network

Pleasant Point underwent a programme of water main renewals. Old and deteriorating concrete pipes, which were prone to leakage, were replaced with polyethylene (PE) pipe. This along with the treatment plant upgrade completed in 2019 sets up Pleasant Point's Water Supply Scheme for best practice management and resilience for the decades to come, with only regular maintenance required over the next few years. This programme is mostly complete with a small part of the township remaining to be completed in 2024/25.

Pareora Pipeline

Work continues on the Pareora Pipeline Renewal, which is one of the two supplies for Timaru. This critical watermain delivers raw water more than 30km from the Pareora River intake to Timaru's Water Treatment Plant at Claremont.

Service the Port and Caroline Bay

A watermain upgrade was completed near the Port Loop in October 2023. This work was essential to maintain supply Levels of Service to the Port Area and Caroline Bay. The timing of this project meant that contractors who were working on the Pareora Pipeline were able to be diverted to Port Loop, ensuring resource efficiency across the 2 projects.



Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Provide safe drinking water	<p>Compliance with Drinking Water Standards (Part 4 NZDWS*)</p> <p>Bacterial Compliance (Mandatory)</p> <p>*Results reported for the period 1 July – 14 November 2022, when the standards were withdrawn and replaced by the Drinking Water Quality Assurance Rules 2022 (DWQAR). See below for results from 14 November 2022 – 30 June 2023 in accordance with the DWQAR.</p>	Bacterial compliance – All drinking water supply schemes (8 schemes)	<p>Not measured</p> <p>(2022/23: Not achieved - 6 of the 8 water supply schemes were compliant for the period. The non-compliance was of a technical nature, due to sampling deficiencies at Claremont and Geraldine Flat, both of which were remedied.</p> <p>Downlands: Fully compliant. Pleasant Point: Fully compliant. Seadown: Fully compliant. Temuka: Fully compliant. Geraldine: Fully compliant. Timaru: Not compliant for the whole period due to insufficient sampling for Claremont during the first two quarters. In all other respects the scheme was compliant. Peel Forest: Fully compliant. Te Moana: Not compliant for the whole year due to insufficient sampling at Geraldine Flat during the first two quarters. In all other respects the scheme was compliant.)</p>
	<p>Compliance with Drinking Water Standards (Drinking Water Quality Assurance Rules 2022) T3 Treatment Rules 4.10.1 T3 Bacterial Rules**</p> <p>(Mandatory) (New measure)</p> <p>**Results reported for the period from 14 November 2022 – 30 June 2023 in accordance with the Drinking Water Quality Assurance Rules 2022</p>	Bacterial Compliance – All drinking water supply schemes (8 schemes)	<p>Not Achieved</p> <p>0 of the 8 water supply schemes achieved full compliance for the period from 1 July 2023 – 30 June 2024. The majority of these are minor and technical non-compliances regarding monitoring and reporting. In other respects the schemes were compliant. No E-coli was detected during the period.</p> <p>Downlands, Geraldine, Temuka, Peel Forest: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV Dose.</p> <p>Pleasant Point: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV Dose. There were also 6 exceedances in maximum sample interval due to upgrades.</p> <p>Seadown: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV Dose. There was also 1 exceedance in maximum sample interval due to Christmas holidays.</p> <p>Timaru: Technical non-compliances with recording of Ozone dosage and contact time, turbidity and UV Dose. There was also 1 exceedance in maximum sample interval due to Christmas holidays.</p> <p>Te Moana: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV Dose. There was also 1 exceedance in maximum sample interval due to Christmas holidays.</p> <p>(2022/23: Not achieved - 6 of the 8 water supply schemes were compliant for the period 14 November 2022 – 30 June 2023. The non-compliance was of a technical nature, due</p>

		<p>to sampling deficiencies during Q3 at Claremont and Geraldine Flat, both of which were remedied.</p> <p>Downlands: Fully compliant. Pleasant Point: Fully compliant. Seadown: Fully compliant. Temuka: Fully compliant. Geraldine: Fully compliant. Timaru: Not compliant for the whole period due to insufficient sampling for Claremont during the first two quarters, which includes the period from 14 November 2022 under the new rules. In all other respects the scheme was compliant. Peel Forest: Fully compliant. Te Moana: Not compliant for the whole period due to insufficient sampling at Geraldine Flat during the first two quarters which includes the period from 14 November 2022 under the new rules. In all other respects the scheme was compliant.)</p>
<p>Compliance with Drinking Water Standards (Part 5 NZDWS*)</p> <p>Protozoal Compliance (Mandatory)</p> <p>*Results reported for the period 1 July – 14 November 2022, when the standards were withdrawn and replaced by the Drinking Water Quality Assurance Rules 2022 (DWQAR). See below for results from 14 November 2022 – 30 June 2023 in accordance with the DWQAR.</p>	<p>Protozoal Compliance – All drinking water supply schemes (8 schemes)</p>	<p>Not measured (2022/23: Not achieved - 6 of the 8 water supply schemes achieved full compliance for the period. Downlands: Pareora not compliant for the period due to Water Safety Plan expiry and regulatory changes. Te Ana Wai plant fully online in the 3rd quarter. Pleasant Point: Fully compliant. Seadown: Fully compliant. Temuka: Fully compliant. Geraldine: Compliant for the period to 14 November 2022. Timaru: Fully compliant. Peel Forest: Fully compliant. Te Moana: Not compliant for the first 6 months until the new treatment plant was commissioned in December 2022. Fully compliant since commissioning.)</p>
<p>Compliance with Drinking Water Standards (Drinking Water Quality Assurance Rules 2022) T3 Treatment Rules 4.10.2 T3 Protozoal Rules**</p> <p>(Mandatory) (New measure)</p> <p>**Results reported for the period from 14 November 2022 – 30 June 2023 in accordance with the Drinking Water Quality Assurance Rules 2022.</p>	<p>Protozoal Compliance – All drinking water supply schemes (8 schemes)</p>	<p>Not Achieved 0 of the 8 water supply schemes achieved full compliance for the period from 1 July 2023 – 30 June 2024. The majority of these are minor and technical non-compliances regarding monitoring and reporting. All schemes had effective protozoal barriers in place and operating. Downlands: Pareora and St Andrews not compliant due to not monitoring of all inputs, however protozoal barrier was in place. 1 day of technical non-compliances due to recording of turbidity and UV Dose and 7 days due to UV Transmittance. Pleasant Point, Seadown, Temuka, Geraldine: Between 1 and 4 days of technical non-compliance due to recording of UV Dose and transmittance. Timaru: 3 days of non-compliance due to recording of ozone contact time and temperature and 2 due to turbidity. Peel Forest: 4 days of non-compliance due to recording of turbidity. Te Moana: 1 day of technical non-compliances due to recording of turbidity and UV Dose and 7 days due to recording of UV Transmittance.</p>

			<p>(2022/23: Not achieved - 5 of the 8 water supply schemes achieved full compliance for the period from 14 November 2022 – 30 June 2023.</p> <p>Downlands: Pareora not compliant due to Water Safety Plan expiry and regulatory changes. Te Ana Wai plant fully online in the 3rd quarter. Scheme compliant for quarters 3 and 4.</p> <p>Pleasant Point: Fully compliant.</p> <p>Seadown: Fully compliant.</p> <p>Temuka: Fully compliant.</p> <p>Geraldine: Not compliant for the period 20 December -24 January. Data deficient on cause. Compliant both before and following this period.</p> <p>Timaru: Fully compliant.</p> <p>Peel Forest: Fully compliant.</p> <p>Te Moana: Not compliant for the first 6 months until the new treatment plant was commissioned in December 2022. Fully compliant since commissioning.)</p>
Maintain excellent customer service	Percentage of real water loss from TDC's networked reticulation systems (Mandatory)	% real water loss from network system reduces	Not achieved – 26.95% - The number has been pulled up due to 33% loss on rural schemes, vs 21% on urban. This is being tackled through upgrades and renewals. (2022/23: Achieved - 23%)
	Median attendance and resolution times for urgent and nonurgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	The median time to attend urgent:	Achieved – 0.6 hours – Good processes in place to ensure urgent calls are handled quickly. (2022/23: Achieved - 0.46 hours)
		– urban callouts: less than 1 hour	
		– rural callouts: less than 4 hours	Achieved – 1.2 hours - Good processes in place to ensure urgent calls are handled quickly. (2022/23: Achieved - 0.63 hours)
	The median time to resolve urgent	Achieved – 2.4 hours – Positive result acknowledging the skill and knowledge of our water team and contractors. (2022/23: Achieved - 2.5 hours)	
	– urban callouts – less than 4 hours	Achieved – 4.1 hours - Positive result acknowledging the skill and knowledge of our water team and contractors. (2022/23: Not achieved - 24.9 hours)	
	– rural callouts – less than 8 hours		
	The median time to attend and resolve all non-urgent callouts will be reported	Achieved Attendance time – 7.6 hours Resolution time – 9 hours (2022/23: Achieved - attendance time 6.6 hours, resolution time 12.3 hours)	

	Total complaints received about drinking water (Mandatory)	26 or fewer complaints received per 1,000 connections	Achieved – 9.19 complaints per 1,000 connections. Odour 0.23 Clarity 0.51 Taste 0.23 Water pressure/ flow 2.85 Continuity of supply 4.67 TDC response to complaints 0.7 – Positive year with no major events on all TDC water schemes. (2022/23: Achieved - 18.43)
	Satisfaction with water supply services	85% user satisfaction	Achieved – 85% in residents survey. (2022/23: not measured)
Provide demand management of water supply services	Average consumption of drinking water per day per resident within the Timaru District (Mandatory)	300 litres per day per resident	Not achieved – 312 – Water conservation messaging continues, but is challenging due to flat charge method of water supply. (2022/23: Not achieved - 312)
Deliver water services according to required environmental standards	Compliance with Resource Consent conditions	No abatement notices, infringement notices, enforcement orders and convictions	Achieved – No notices, orders or convictions. (2022/23: Achieved – No notices, orders or convictions.)

Water Supply Funding Impact Statement

Water Supply Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	13,325	13,648	15,207
Subsidies and grants for operating purposes	-	-	-
Fees and charges	10	20	16
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	69	71	30
Total Operating Funding	13,404	13,739	15,252
Applications of operating funding			
Payments to staff and suppliers	4,851	4,782	6,165
Finance costs	1,226	1,417	2,366
Internal charges and overheads	2,406	2,400	2,965
Other operating funding applications	-	-	-
Total applications of operating funding	8,483	8,599	11,496
SURPLUS / (DEFICIT) OF OPERATING FUNDING	4,921	5,140	3,756
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	331
Increase/(decrease) in debt	6,705	1,555	7,187
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,705	1,555	7,518
Applications of capital funding			
Capital expenditure			
- to meet additional demand	3,595	521	-
- to improve the level of service	1,194	3,069	-
- to replace existing assets	6,765	2,904	11,542
Increase/(decrease) in reserves	72	201	462
Increase/(decrease) of investments	-	-	(729)
Total applications of capital funding	11,626	6,695	11,275
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(4,921)	(5,140)	(3,756)
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	7,187	11,831
Repaid during year	0	0
Balance	63,097	64,520
Finance Costs for year	2,873	1,279

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Targeted rates: \$1,559,000 above LTP	Whole of council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP to the 2024/2025 Annual plan for this activity.
Payments to staff & suppliers: \$1,383,000 above LTP.	The above LTP spend is largely attributed to combination of increased maintenance costs and inflationary changes.
Finance Costs: \$949,000 above LTP	The above LTP spend is largely attributed to increased interest rates.
Internal Charges & overheads: \$565,000 above LTP	The increase in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to costs on-charge from corporate activities to other Council activities.
Development & Financial Contributions: \$331,000 above LTP.	Unbudgeted local contributions were received towards three water assets for property developments.
Increase / Decrease in debt: \$5,632,000 above LTP	Additional Debt funding above LTP was required to fund higher capital expenditure than in the LTP.
Capital expenditure: \$5,048,000 above LTP	Timing and costing of project spend has changed since LTP was set at June 2021.
Increase / Decrease in reserve: \$261,000 above LTP	Transfer to reserves increased above LTP due to an increased yearly depreciation which is above capital expenditure incurred on replacing existing assets.

Corporate Activities

What we do

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

The key functions include:

- Financial Services: Financial planning, monitoring, and reporting; administering the rating, accounts receivable and payable functions
- Information Technology: Providing high quality, secure and cost-effective technology-based services
- Customer Services: Council's interface with our communities
– assisting with payments, bookings, documentation, and answering general enquiries
- Communications: Managing sharing of Council Information with the community through a range of media
- People and Capability: Employee recruitment, training, performance and remuneration, health and safety

Contributions to Community Wellbeing Outcomes

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



Corporate Activities Funding Impact Statement

Corporate Activities Funding Impact Statement For the year ended 30 June 2024

	Long Term Plan 21.31 2022-23 \$000	Long Term Plan 21.31 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	1,364	1,424	1,013
Targeted rates	-	-	-
Subsidies and grants for operating purposes	355	364	-
Fees and charges	664	708	736
Internal charges and overheads recovered	-	-	27,211
Local authorities fuel tax, fines, infringement fees and other receipts	3,144	3,213	7,822
Total Operating Funding	5,527	5,709	36,781
Applications of operating funding			
Payments to staff and suppliers	1,419	1,471	25,104
Finance costs	379	537	471
Internal charges and overheads	6,313	7,445	14,094
Other operating funding applications	-	-	-
Total applications of operating funding	8,111	9,453	39,670
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(2,584)	(3,744)	(2,888)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	4,289	8,501	(20,409)
Gross proceeds from the sale of assets	-	-	96
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,289	8,501	(20,313)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	797	1,413	72
- to replace existing assets	1,052	1,578	2,390
Increase/(decrease) in reserves	(144)	1,766	3,656
Increase/(decrease) of investments	-	-	(29,319)
Total applications of capital funding	1,705	4,757	(23,201)
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	2,584	3,744	2,888
FUNDING BALANCE	-	-	-

Internal Loans	Actual 2023-24	Actual 2022-23
	\$000	\$000
Raised during year	0	7,726
Repaid during year	20,409	0
Balance	(15,406)	12,729
Finance Costs for year	353	125

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties: \$411,000 below LTP	General rates and uniform general charges have increased by a lower percentage within Corporate Activities than in the LTP to keep overall rate increases affordable for the community. Whole of Council rates revenue has increased above LTP overall.
Subsidies & grants: \$364,000 below LTP	No subsidies were received from Waka Kotahi as all claims were made through the Rooding activity
Internal charges and overheads recovered: \$27,211,000 above LTP	This variance is related to re-categorisation of expenditure, where the LTP budget had netted off payments to staff and suppliers against internal charges and overheads recovery. The actual 2023-24 figures have recorded all payments to staff and suppliers for Corporate Support within that category and not netted these off against internal charges and overheads recovered.
Local authorities fuel tax, fines, infringement fees, and other receipts: \$4,609,000 above LTP	Interest received on external investments and internal loans to other activities are above LTP due to increased commercial interest rates compared to when the LTP was set in June 2021.
Payments to staff & suppliers: \$23,633,000 above LTP	As noted above, this variance is related to re-categorisation of expenditure, where the LTP budget had netted off payments to staff and suppliers against internal charges and overheads recovery.
Internal Charges & overheads: \$6,649,000 above LTP	As noted above, this variance is related to re-categorisation of expenditure, where the LTP budget had netted off payments to staff and suppliers against internal charges and overheads recovery.
Increase / Decrease in debt: \$28,910,000 below LTP	Corporate activity debt funding was repaid via a reduction in investment funding.
Capital Expenditure: \$529,000 below LTP	Timing of spend has changed since the LTP was set at June 2021. The variance mainly resides within Information technology with a \$1.1M spend against an LTP budget of \$2.0M
Increase/decrease in reserves: \$1,890,000 above LTP	Transfer to reserves increased above LTP due to lower capital expenditure renewals funded from reserves.
Increase/decrease in investments: \$29,319,000 below LTP	Movements in investments were not budgeted. The decrease in investments was used to fund the decreased debt within Corporate activities. The reduction in investments also represents the transfer of funds to reserves across whole of Council.

Financial Involvement in Council Controlled Organisations

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

- Timaru District Holdings Limited
- Venture Timaru
- Aorangi Stadium Trust

The Timaru District Holdings Limited is controlled by Timaru District Council and is a Council Controlled Trading Organisation (CCTO).

Timaru District Holdings Limited has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$21.7M on normal commercial terms (2023: \$21.7M).

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

	Dividends 2023/24 \$000	Interest 2023/24 \$000	Total 2023/24 \$000
Subsidiaries			
Timaru District Holdings Limited	1,000	1,522	2,522
	<u>1,000</u>	<u>1,522</u>	<u>2,522</u>

Timaru District Holdings Limited (TDHL) and subsidiaries

Timaru District Holdings Limited 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.

Nature and Scope of Activities

TDHL's key purpose is to hold and manage the commercial assets and investments of Timaru District Council.

TDHL's mission is to be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the strategic priorities of the shareholder.

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

Policies and objectives relating to ownership and control

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

Performance Measures	Target 2023/24 LTP 2021-31	Result	Achievement
EBITDA* (Excluding revaluations)	\$2,517,085	\$3,969,000	Yes
Net Profit after tax to shareholders funds	1.5%	3.4%	Yes
Net tangible assets per share	\$4.16	\$5.97	Yes
Earnings per fully paid share	\$0.07	\$0.20	Yes
Dividends paid per fully paid share	\$0.03	\$0.03	Yes
Shareholder funds to total assets	85%	86%	Yes

*EBITDA Earnings before Interest, Taxes, Depreciation and Amortisation

Financial Involvement in Council Controlled Organisations

Venture Timaru

Venture Timaru Limited is a Council Controlled Organisation (CCO) focused on regional economic development and tourism promotion. It is 100% owned by Timaru District Council (2020: 100%).

Nature and Scope of Activities

Venture Timaru's vision is to attract, grow, and retain people and businesses that contribute to a thriving Timaru District economy.

Policies and objectives relating to ownership and control

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

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

Key Objectives

- Maintain and attract a skilled workforce
- Encourage new opportunities and facilitate business growth
- Attract and assist new businesses to the district
- Make the case for investment in key infrastructure that support a thriving district economy
- Facilitate destination management and event development
- Adopt a collaborative partnership approach to delivery and impact

Monitoring Indicators (non-financial)	Target	Result	Achieved
Value of Venture Timaru interactions with local businesses	Net promoter score evidencing year on year improvement (GDP Contribution: Timaru District v NZ)	-1.3% (+2.7%) on previous year 1.1% lower than NZ as a whole	No
Value of Venture Timaru work to shareholder	Net promoter score evidencing year on year improvement (Unemployment rate: Timaru District v NZ)	3.7%, down from 4.1% in previous year 0.5% lower than NZ as a whole (4.2%)	Yes
Value of Venture Timaru work to wider stakeholders e.g., central government contract providers.	Net promoter score evidencing year on year improvement (Housing affordability: Timaru District v NZ)	4.75x, lower than most other areas of NZ	Yes
Ease of doing business in the Timaru District.	Year on year improvement (Consumer & visitor spend)	Spend increase compared to previous year Consumer spend: 6.4% compared with NZ 1.9% Visitor spend: 7.1% compared with 4.0% NZ	Yes

Financial Involvement in Council Controlled Organisations

Aorangi Stadium Trust

Aorangi Stadium Trust (AST) is a Council Controlled Organisation (CCO).

Nature and Scope of Activities

The purpose of the Trust is to continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

Aorangi Stadium Trust (AST) 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.

Structure

The Trust comprises a board of four Trustees who oversee the governance of the Trust. The facility is leased to Timaru District Council who manage the facility and undertake administration for the Trust.

Note: The trustees resolved to relinquish the lease of the land on which the stadium sits on 26 March 2024 prior to the future disestablishment of the trust, this passed the ownership of the stadium to the landowner, Timaru District Council.

Policies and objectives relating to ownership and control

AST owns the Stadium and Events Centre located at Aorangi Park, Timaru. Known as the Southern Trust Events Centre, it is leased to the Timaru District Council who manage and operate the facility. The Trust is responsible for major maintenance and building renewals.

AST have five Trust Members, including a Chairperson. AST contracts its administration to Timaru District Council and reports progress to Council half yearly and annually.

Objectives

- To promote the development and ongoing maintenance of the Aorangi Sports Stadium on the Morgans Road Recreation Reserve and for that purpose to enter into satisfactory arrangements with the owner of the land, Timaru District Council.
- To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- To acquire any real or personal property for the purpose of the Trust to extend the buildings and to develop land for the general purposes of the Trust.
- To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the region of South Canterbury.

Performance Measures LTP 2021-31	Target	Actual 2024	Actual 2023
Significant maintenance projects are completed on time and on budget	Maintenance projects are delivered on time and on budget	Met	Met
Regular liaison occurs with the tenant, Timaru District Council, on at least a bi-annual basis to ensure the facility and the associated arrangements are operating to the satisfaction of both parties	Bi-annual liaison with Timaru District Council	Met	Met

Financial reporting

2023
2024

Section Overview

This section outlines the financial results of Council activities for 2023/24. 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 all Timaru District Council and group activities at the end of each period as either a surplus or deficit. It does not include capital transactions.

Statement of Changes in Equity

Equity is the residual interest in the assets of Timaru District Council and group after the deduction of its liabilities. This statement shows movement in that interest.

Statement of Financial Position

This shows the financial state of affairs at a particular time. 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

This reports against the Council's CCO's and CCTO'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.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
REVENUE						
Rates revenue	3	72,809	72,342	65,513	72,278	65,078
Fees and charges	3	18,561	20,560	17,317	18,561	17,317
Subsidies and Grants	3	16,454	27,782	13,303	16,629	15,140
Development and financial contributions	3	739	-	953	739	953
Finance Revenue	3	4,720	1,781	3,359	3,387	2,338
Other Revenue	3	23,248	5,967	13,243	25,685	14,058
Other gains	3	1,047	-	-	4,729	10,228
TOTAL REVENUE		137,578	128,432	113,688	142,008	125,112
EXPENDITURE						
Personnel costs	4	26,189	26,742	24,793	27,278	25,527
Other Expenses	6	59,864	56,381	60,966	60,202	63,065
Finance Costs	5	9,995	6,672	7,402	10,476	7,739
Depreciation and amortisation expense by group of activity	20	38,473	33,001	34,179	38,522	34,241
Other losses	3	4,743	-	3,037	4,916	3,037
TOTAL OPERATING EXPENDITURE		139,264	122,796	130,376	141,394	133,609
OPERATING SURPLUS / (DEFICIT)						
BEFORE TAX		(1,686)	5,636	(16,689)	614	(8,497)
Share of associate surplus/(deficit)	15	-	-	-	3,295	10,542
SURPLUS / (DEFICIT) BEFORE TAX		(1,686)	5,636	(16,689)	3,909	2,045
Income Tax credit/(expense)	7	2	-	(2)	553	(101)
SURPLUS / (DEFICIT) AFTER TAX		(1,684)	5,636	(16,691)	4,462	1,944
OTHER COMPREHENSIVE REVENUE and EXPENSE						
Gains on Revaluation of Assets	17,28	-	-	55,987	-	55,987
TOTAL OTHER COMPREHENSIVE REVENUE and EXPENSE		-	-	55,987	-	55,987
TOTAL COMPREHENSIVE REVENUE and EXPENSE		(1,684)	5,636	39,296	4,462	57,931

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

Statement of Changes in Equity for the year ended 30 June 2024

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2024	2024	2023	2024	2023
	\$000	\$000	\$000	\$000	\$000
Note					
Balance at the beginning of year	1,773,492	1,676,497	1,734,196	1,896,376	1,838,445
Total comprehensive revenue and expense for the year	(1,684)	5,636	39,296	4,462	57,931
Balance at end of year	<u>1,771,808</u>	<u>1,682,133</u>	<u>1,773,492</u>	<u>1,900,838</u>	<u>1,896,376</u>

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

Statement of Financial Position

as at 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	8	22,159	5,648	39,296	23,542	42,050
Receivables	10	15,713	20,495	12,720	15,864	13,376
Inventories	11	30	-	34	30	34
Intangible assets	19	2,247	-	1,568	2,247	1,568
Assets held for Sale	12	-	-	2,120	1,202	2,552
Other financial assets	14	1,215	38,129	467	2,040	2,462
Derivative Financial Instruments	13	1,324	-	1,644	1,324	1,644
Total current assets		42,688	64,272	57,849	46,249	63,686
Non-current assets						
Property, plant and equipment	17	1,908,547	1,840,987	1,875,909	1,908,593	1,876,144
Cultural and heritage assets	18	6,708	-	6,961	6,708	6,961
Intangible assets	19	4,810	4,148	3,507	4,810	3,507
Investment forestry	21	1,150	975	1,373	1,150	1,373
Investment property	22	1,740	1,560	1,955	69,138	64,639
Investments in associates	15	-	-	-	119,382	117,316
Investment in CCOs and other similar entities	14	56,359	66,830	55,589	3,418	2,648
Other financial assets	14	6,279	-	5,310	6,279	5,310
Derivative Financial Instruments	13	1,843	-	2,619	1,843	2,619
Deferred tax asset	14	-	-	-	847	131
Total non-current assets		1,987,437	1,914,500	1,953,223	2,122,168	2,080,648
Total assets		2,030,125	1,978,772	2,011,073	2,168,417	2,144,334

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

Statement of Financial Position (continued)

as at 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
LIABILITIES						
Current liabilities						
Payables and deferred revenue	23	21,562	25,181	17,864	24,159	20,376
Provisions	26	8,000	-	7,378	8,000	7,712
Employee entitlements	25	2,635	2,816	3,587	2,718	3,664
Borrowings and other financial liabilities	24	56,577	-	40,548	56,577	40,548
Total current liabilities		88,773	27,997	69,377	91,453	72,300
Non-current liabilities						
Provisions	26	5,183	3,947	2,814	5,183	3,868
Employee entitlements	25	409	441	407	409	407
Borrowings and other financial liabilities	24	163,955	264,254	164,984	171,155	171,384
Tax	7	-	-	-	(617)	-
Total non-current liabilities		169,547	268,642	168,205	176,130	175,659
Total liabilities		258,321	296,639	237,582	267,584	247,959
Net assets		1,771,805	1,682,133	1,773,490	1,900,834	1,896,376
EQUITY						
Retained earnings	28	771,466	743,756	784,119	897,446	903,951
Other reserves	28	51,937	45,961	40,970	54,986	44,021
Asset revaluation reserves	28	948,403	892,416	948,403	948,403	948,404
Total equity		1,771,807	1,682,133	1,773,492	1,900,835	1,896,376

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 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates		71,897	70,228	65,621	71,897	65,186
Receipts from other revenue		36,515	55,308	45,604	42,297	49,843
Interest received		5,228	1,781	3,739	3,895	3,974
Dividends Received		1,004	1,124	1,010	1,704	2,288
Payment to suppliers and employees		(77,445)	(82,886)	(91,576)	(82,208)	(95,296)
Interest Paid		(10,503)	(6,918)	(7,782)	(10,904)	(9,217)
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	9	26,696	38,637	16,617	26,681	16,779
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from sale of property, plant and equipment		96	-	1,126	97	2,149
Receipts from sale of investments		-	-	20,081	1,936	24,424
Purchase of property, plant and equipment		(53,703)	(81,701)	(54,888)	(53,712)	(61,232)
Purchase of investments		(5,225)	-	-	(9,310)	(3,000)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(58,832)	(81,701)	(33,682)	(60,989)	(37,660)
CASHFLOWS FROM FINANCING ACTIVITIES						
Cash was Provided from						
Proceeds from borrowings		15,000	43,064	40,713	15,800	44,613
Repayment of borrowings		-	-	-	-	(5)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	9	15,000	43,064	40,713	15,800	44,608
NET INCREASE/(DECREASE) IN CASH HELD		(17,136)	-	23,648	(18,508)	23,726
Opening Cash Balance 1 July		39,296	5,648	15,648	42,050	18,324
		22,159	5,648	39,296	23,542	42,050
REPRESENTED BY						
Cash and cash equivalents	8	22,159	5,648	39,296	23,542	42,050

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

Funding Impact Statement Whole Council

for the year ended 30 June 2024

	Annual Plan* 2022-23 \$000	Actual 2022-23 \$000	Annual Plan 2023-24 \$000	Actual 2023-24 \$000
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	39,868	40,443	41,602	41,676
Targeted Rates	24,896	25,070	30,740	31,132
Subsidies and grants for operating purposes	3,595	4,778	5,405	4,688
Fees and charges	18,129	17,316	20,560	18,561
Interest and dividends from investments	2,026	4,369	2,896	5,723
Local authorities fuel tax, fines, infringement fees and other receipts	4,023	6,237	4,409	5,588
Total Operating Funding	92,537	98,213	105,612	107,368
Applications of operating funding				
Payments to staff and suppliers	72,057	85,492	82,877	86,051
Finance costs	4,407	7,402	6,918	9,995
Other operating funding applications	-	-	-	-
Total applications of operating funding	76,464	92,894	89,795	96,046
SURPLUS / (DEFICIT) OF OPERATING FUNDING	16,073	5,319	15,817	11,322
Sources of capital funding				
Subsidies and grants for capital expenditure	9,367	8,526	22,377	11,766
Development and financial contributions	-	953	444	739
Increase/(decrease) in debt	50,876	40,697	43,064	15,000
Gross proceeds from the sale of assets	-	1,126	-	96
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	60,243	51,302	65,885	27,601
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,892	2,397	1,501	506
- to improve the level of service	30,582	17,411	40,710	11,627
- to replace existing assets	39,842	33,201	39,491	45,868
Increase/(decrease) in reserves	-	769	-	10,969
Increase/(decrease) of investments	-	2,842	-	(30,047)
Total applications of capital funding	76,316	56,621	81,702	38,923
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(16,073)	(5,319)	(15,817)	(11,322)
FUNDING BALANCE	-	-	-	-

* The Annual Plan figures published in the 2022/2023 Annual Report were the 2021/2022 Annual Plan figures. These have been updated with the 2022/2023 figures.

Reconciliation of Funding Impact Statement to Financial Statements

	Actual 2022-23 \$000	Actual 2023-24 \$000
Reconciliation of Funding Impact Statement to Financial Statements		
Total application of operating funding per FIS	92,894	96,046
Expense items not included in application of operating funding	-	-
Depreciation and amortisation (note 20 of financial statements)	34,179	38,473
Other losses	3,037	4,743
Other items	267	2
Total expenses in the statement of comprehensive revenue and expenses	130,377	139,264

Notes to the Financial Statements for the year ended 30 June 2024

1. Statement of Accounting Policies

REPORTING ENTITY

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

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

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

On 26 March 2024, ownership of the Aorangi Stadium was transferred to the Council. It has been agreed by the Trustees of the Aorangi Stadium Trust that the Trust will be disestablished.

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

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

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

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

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

The financial statements of the Council and Group are for the year ended 30 June 2024.

The financial statements were authorised for issue by the Council on 31 October 2024.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Principles (NZ GAAP).

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and severance details in Note 4, contingencies in Note 27, related party transactions in Note 29, which are rounded to the nearest dollar. Contingencies in Note 27 are as stated in the Note.

Changes in accounting policies and disclosures

Changes in accounting policies

There have been no changes in accounting policy.

Changes in disclosures

Certain prior period revenue and expenditure or assets and liabilities has been reclassified between functional categories for consistency with the current period.

New standards/ amendments adopted

2022 Omnibus Amendments to PBE Standards, issued June 2022. The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. The group has adopted the revised PBE standards, and the adoption did not result in a significant impact on the group financial statements.

Standards issued and not yet effective and not adopted early

Standards and amendments issued but not yet effective and not early adopted are:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

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

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

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

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

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation at year-end exchange rates or monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Goods and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The Budget figures presented in this report are those approved by the Council in its 2023/24 annual plan unless stated otherwise. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Assumptions regarding investments in other financial assets, including subsidiaries and other entities (see Notes 14 and 15)
- Estimating the fair value, useful lives and residual values of property, plant and equipment (see Note 17)
- Estimating the landfill aftercare provision (see Note 26)
- Estimating the fair values of debt (see Note 24)
- Estimating the fair values of financial instruments (see Notes 13 and 14)
- Estimating the fair value of forestry assets (see Note 21)
- Estimating the retirement and long service leave obligations (see Note 25)
- Estimating the fair value of Investment Property (see Note 22)

Critical judgments in applying accounting policies

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

- Classification of property (see Note 17)
- Donated or vested land and buildings with use or return conditions (see Notes 3 and 17)

Statement of Council Activities - Service performance reporting (PBE FRS 48)

The statement of council activities - service performance is formally classified from pages 30 to 93.

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

The statement of council activities - service performance of the Council has been prepared in accordance with PBE standards and is for the year ended 30 June 2024. The statement was authorised for issue by the Council on 31 October 2024.

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

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Timaru District Council against the forecast levels of service. The service performance measures are adopted in the 2021-2031 Long-Term Plan.

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

The performance measures are selected to cover quantitative measurement of progress towards the Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the 9 groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each group has a set of metrics that were identified through the 2021-2031 Long-Term Plan involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

There are a number of performance measures identified in the Service Performance tables that are mandatory performance measures set under section 261 B of the Local Government Act 2002. The Secretary for Local Government promulgated the Non-Financial Performance Measures Rules 2013 to enable a reasonable comparison across all councils.

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

Council has chosen to report on user and resident satisfaction in 21 performance measures. While these activities are important, the user/resident satisfaction measures themselves are not critical to the functioning of the activity. Results of the surveys do not require interpretation by the reader. This judgement is not considered to be significant.

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

Summary revenue and expenditure for groups of activities (Note 2)

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

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 that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.
- Rates collected on behalf of Environment Canterbury (Ecan) are not recognised in the financial statements, as the Council is acting as an agent for Ecan.

Waka Kotahi (NZ Transport Agency) roading grants

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

Other government grants

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

Other grants received

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

Landfill fees

Fees for disposing of waste at the Council's landfill sites are recognised upon waste being disposed by users.

Provision of commercially based services

Revenue derived through the provision of goods and services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Vested, found, abandoned or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. A determination is made at recognition as to whether the revenue will be included in the calculation of the surplus or treated as comprehensive revenue.

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

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

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

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met, usually as the funds are spent for the nominated purpose.

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Personnel costs

Salaries and wages

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

Defined contribution superannuation schemes

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

Finance costs

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

Other expenses

Grant expenses

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

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

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

Operating leases

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

Tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

Cash and cash equivalents

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

Reconciliation of net surplus/(deficit) after tax to net cashflow from operating activities

Cashflow statement

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

Receivables

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

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

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

Rates receivable

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

Rates are "written-off":

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

Other receivables

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

Derivative financial instruments

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

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

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

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date, otherwise foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Other financial assets

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

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

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

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

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

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

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. The Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

Subsequent measurement of financial assets at FVTSD.

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

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

Expected credit loss allowance (ECL)

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

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

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

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

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

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.

Investments in subsidiaries

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

Other financial assets, including unquoted equity investments

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

Impairment

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

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

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

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

Investments in Associates

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

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

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

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

Investment in joint operations

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

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

For joint operations, the Council and Group recognises a direct right to the assets, liabilities, revenues and expense of joint operations and the share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets,

liabilities, revenues, and expenses relating to Council and Group's interest in a joint operation are accounted for in line with the Council and Group accounting policies and included in the relevant line items of the Council and Group financial statements.

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

Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets, including land, buildings, library collections, plant and equipment, motor vehicles, furniture and office equipment.

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

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

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

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

Revaluations

For asset classes where revaluations are performed regularly, assets are revalued with sufficient regularity to ensure that their carrying value does not differ materially from fair value which is defined as no greater than 10% cumulatively based on an annual assessment of fair value, however it may be determined that a revaluation is required despite not exceeding 10%; and at least every three years with revaluation movements accounted for on a class by class basis. Revaluations are conducted by an independent valuer at least triennially, by valuations derived directly from external markets or independently derived costs (including actual costs). Internal valuations are prepared utilising the best available cost or market information.

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

The net revaluation results for assets that are valued annually are included in the calculation of the surplus or deficit for the year.

Land

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

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

Port Land is revalued every year, other land is revalued cyclically every 3 years. Other land was last revalued 2023.

Buildings and Building Improvements

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

Buildings and Building Improvements following that date are included at cost except where they are acquired for no or nominal consideration when they are valued at fair value less assessed impairment.

Social housing

The council owns a number of properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as an investment property.

Plant and Equipment

Plant and equipment for parks and pools is stated at deemed cost less depreciation and impairment losses, which is the optimised depreciated replacement cost as assessed by Maunsell Limited, Valuers, at 1 July 2005.

Other plant and equipment (including motor vehicles) are at cost less depreciation and impairment losses.

Furniture and Office Equipment

Furniture and office equipment have been stated at cost less depreciation and impairment losses.

Sewer, Stormwater, Water

Sewer, Stormwater and Water assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 30 June 2022 are valued at cost, until future revaluations are performed.

The assets were revalued on 30 June 2022 by Timaru District Council officers and peer reviewed by B. Smith, CA, of Brian Smith Advisory Services Limited. Due to recent cost increases a revaluation based in price index movements has been completed in 2023 by Jennifer Fox from Waugh Infrastructure Management Limited.

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

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. No opportunities for optimisation were identified within the 2022 revaluation.
- Estimating the replacement cost of the asset: the replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated: these estimates can be affected by the local condition, for example, pipe material or wall thickness.

If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council and Group could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

Acquisitions are measured at their fair value using standard unit rates.

Roads, Bridges, Footpaths and Lighting

Roads, bridges, footpaths and lighting assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 30 June 2022 are valued at cost, until future revaluations are performed.

Roading assets were revalued as at 30 June 2022 by Mark Gordon MBA, BE (Hons), CPEng, CMEngNZ of IAM Consulting (M Gordon) Limited. The next valuation is anticipated for 2025.

Road pavements, structures, footpaths, drainage, street lighting and a range of other assets used for delivering roading services are valued using the depreciated replacement cost method. There are a number of estimates and assumptions made when valuing infrastructural assets using this method, including:

- The unit rates used in estimating the replacement cost value of the asset: these reflect commercial costs for provision of modern equivalent assets by contract and assume realistic quantities of assets within contracts to ensure cost effective allowances and rates. Where appropriate, replacement value also reflects optimisation due to over-design or surplus capacity. No opportunities for optimisation were however identified in the 2022 revaluation.
- Unit rates have been applied to components of the road network based on the type of asset, its size, and material type. Rates are derived from TDC unit rate information for recent contract-based construction and maintenance work and recent valuation information from similar local authority infrastructure, indexed to the valuation date using Statistics New Zealand's Capital Goods Price Indices for Transport Ways. Where detailed asset component information is not available, estimations are made on an aggregate basis.
- Estimates of the remaining useful life over which the asset will be depreciated: these estimates can be affected by local conditions, for example, traffic use or climatic conditions. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Valuation and Depreciation Guidelines, issued by the National Asset Management Steering Group (NAMS) of IPWEA NZ, and have been adjusted for local conditions based on past experience.

Land Under Roads

Land under roads has been stated at cost less impairment losses at an average of adjacent "undeveloped land value" valued at 1 July 2005 by Maunsell Limited, Valuers. Subsequent acquisitions are stated at cost, less depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably and is greater than \$1,500, (2023:\$3,000), subject to individual asset assessment and with specified exceptions. Unless each individual asset exceeds the cost threshold, bulk purchases which exceed the specified cost threshold do not constitute an asset purchase and are either expensed immediately or treated as inventory, as appropriate.

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

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

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

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

Disposals

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

Depreciation

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

Land	Indefinite (No depreciation)
Buildings and building improvements	1% - 34% (3 to 100 years)
Plant and equipment	2% - 100% (1 to 100 years)
Furniture and equipment	4% - 100% (2 to 25 years)
Water: plant and facilities	1% - 50% (2 to 100 years)
Sewerage: plant and facilities	1% - 50% (2 to 100 years)
Stormwater: plant and facilities	1% - 50% (2 to 100 years)
Roading	1% - 50% (2 to 100 years)
Bridges	1% - 5% (33 to 100 years)
Lighting	5% - 8% (12.5 to 17 years)
Land under roads	Indefinite (No depreciation)
Landfill post closure costs	1% (100 years)

Landfill assets

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

A provision is made over the life of the landfill for post-closure costs and consequently an asset is generated representing the future economic benefits of this provision. This asset is amortised based on the utilised capacity of the landfill following its reassessment annually, contingent on the revised estimation of the concomitant provision (see Note 26 Provisions).

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Cultural and heritage assets

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

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

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

Heritage buildings are included in the buildings asset class.

Statues and Monuments

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

Library Collections

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

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

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

Artworks

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

The art collection is valued annually at fair value based on the estimated current market value, by the Council's Art Gallery Director, in accordance with guidelines outlined in "Valuation Guide for Cultural and Heritage Assets", published by the Treasury Accounting Policy Team, November 2002. Every three years the collection is valued externally. The next external valuation is anticipated in 2025. The assessed value is stated is included as a note but not used as a basis for the valuation of Artworks in the Statement of Financial Position.

Museum collections

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

The useful lives and associated depreciation rates of major classes of intangible assets are as follows:

Library collection: permanent retention	Indefinite (No depreciation)
Library collection: current	12.5% (8 years)
Art works	Indefinite (No depreciation)
Statues and monuments	Indefinite (No depreciation)
Museum collection	Indefinite (No depreciation)

Intangible assets

Software acquisition and development

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

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

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

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

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

Carbon credits

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

Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets are as follows:

Computer software	20% to 33.3% (3 to 5 years)
Carbon credits	Indefinite (not amortised)

Impairment of intangible assets

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

For further details, refer to the policy for impairment of property, plant, and equipment in Note 17 as the same approach applies to the impairment of intangible assets.

Payables and deferred revenue

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

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

Deferred revenue represents receipts the conditions of which have not yet been fulfilled but which are expected to be recognised as revenue within 12 months.

Borrowings and other financial liabilities

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

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

Employee entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

Unrecognised employee entitlements

Outstanding sick leave entitlements are not recognised as a liability as there is no settlement obligation related to the entitlement. The value of sick leave obligations are identified based on either the maximum or actual available entitlements based on the lower of those.

Presentation of employee entitlements

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

Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5).

Provision for landfill post-closure costs

A provision for post-closure costs is recognised, at the inception of the landfill, for post-closure remediation and monitoring costs.

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

The value provided for landfill post-closure is capitalised as an asset as it relates to future economic benefits. This asset is amortised based on the utilised capacity of the landfill and is adjusted annually based on that capacity usage and relevant movements in any revision of the post-closure costs.

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.

Provisions for climate change related obligations and remediation

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

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- retained earnings;
- restricted reserves;
- designated reserves;
- asset revaluation reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

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

They also include reserves maintained for targeted rates charged for a specific purpose.

Designated reserves

Designated reserves are maintained for self-funded activities which Council determines require particular focus. A separate account is maintained for each reserve to ensure that the funds are held and used for the specific purpose intended, however these do not represent cash funds maintained for such purposes. Transfers from these reserves may be made only for specified purposes or when specified conditions are met however Council may change designated reserves without reference to the Courts or a third party.

Asset revaluation reserves

These reserves relate to the revaluation of particular property, plant, and equipment classes to fair value.

2 Summary Revenue and Expenditure for Group of Activities

	Council		
	Budget	Actual	Actual
	2024	2024	2023
	\$000	\$000	\$000
Revenue			
Corporate Support	6,560	17,007	9,326
Governance and Strategy	4,072	3,991	4,765
Community Support	6,861	6,797	6,807
Environmental Services	6,173	5,959	8,785
Recreation and Leisure	31,064	28,815	21,553
Roading and Footpaths	30,523	33,343	30,662
Waste Minimisation	13,625	11,131	8,440
Sewer	9,957	10,813	10,164
Stormwater	4,284	6,070	949
Water Supply	15,313	13,652	12,237
Total Activity Revenue	128,432	137,578	113,688
Expenditure			
Corporate Support	22,856	21,220	13,227
Governance and Strategy	1,417	3,743	5,597
Community Support	7,275	6,565	7,402
Environmental Services	7,763	8,725	8,178
Recreation and Leisure	19,287	18,077	25,198
Roading and Footpaths	26,341	30,122	30,585
Waste Minimisation	11,459	15,050	12,704
Sewer	9,065	11,648	10,083
Stormwater	4,154	4,426	1,561
Water Supply	13,181	19,688	15,842
Total Expenditure	122,796	139,264	130,377

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 Revenue

3.1 Rates revenue

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2024 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
General rates	41,241	39,854	40,710	39,419
Targeted rates:				
Water, excluding metered water supply rates	12,755	10,342	12,755	10,342
Metered water supply rates	2,462	2,314	2,462	2,314
Sewerage	6,805	5,786	6,805	5,786
Waste management	4,782	3,519	4,782	3,519
Community works and services	4,328	3,109	4,328	3,109
Rates penalties	436	589	436	589
	72,809	65,513	72,278	65,078

Ratings base

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

	Council	
	Actual 2024	Actual 2023
Number of rating units at end of preceding year	23,390	23,222

	Council	
	Actual 2024 \$000	Actual 2023 \$000
Total capital value of rating units at end of preceding year	15,490,572	15,343,320
Total land value of rating units at end of preceding year	7,780,060	7,750,686

Total rates written off, including penalties, for the 2024 financial year are \$89,850 (2023: \$101,219).

3.2 Fees and charges

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Trade waste	3,324	2,994	3,324	2,994
Landfill use	5,508	4,703	5,508	4,703
Consent fees	2,521	2,848	2,521	2,848
Social housing rent	1,562	1,384	1,562	1,384
Parking fees	1,466	1,420	1,466	1,420
Swimming pool admission fees	1,059	931	1,059	931
Other fees and charges	3,121	3,037	3,121	3,037
Total Fees, Charges and Metered Water Supply	18,561	17,317	18,561	17,317

3.3 Subsidies and Grants

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Waka Kotahi (NZ Transport Agency) roading subsidies	14,806	11,908	14,806	11,908
Other subsidies and grants	1,648	1,395	1,823	3,232
Total Subsidies and Grants	16,454	13,303	16,629	15,140

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

3.4 Finance Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Finance revenue				
Interest revenue:				
Term deposits	3,065	1,996	3,254	2,245
Related party loans	1,522	1,277	-	7
Community loans	21	2	21	2
Unsecured loans to other local authorities	112	83	112	83
Total Finance Revenue	4,720	3,359	3,387	2,338

Loans have been raised by the Council which are applied to Downlands Water Supply joint operation. Interest relating to those loans is charged through the joint operation to the participants in that operation.

Any gain/(loss) on changes in the fair value of interest rate swaps are shown in Note 3.7: Other (losses)

3.5 Development and financial contributions

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Sewerage	373	229	373	229
Stormwater	35	150	35	150
Water Supply	331	574	331	574
Total Development and financial contributions	739	953	739	953

3.6 Other Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Vested assets	16,656	5,996	16,656	5,996
Infringements	915	902	915	902
Petrol tax	377	498	377	498
Rental revenue from investment properties	263	283	3,576	3,186
Dividends	1,004	1,010	4	10
Other	4,033	4,554	4,157	3,466
Total Other Revenue	23,248	13,243	25,685	14,058

Operating leases as lessor

Timaru District Council leases its investment property and some property under operating leases. These leases have a non-cancellable term of between 1 year and 26 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not later than one year	795	800	2,677	3,054
Later than one year and not later than five years	844	1,084	6,509	6,753
Later than five years	199	209	13,118	13,552
Total non-cancellable operating leases	1,838	2,093	22,304	23,359

No contingent rents have been recognised in the statements of financial performance during the year.

3.7 Other gains/(losses)

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Gain/(loss) on changes in fair value of forestry assets	307	397	307	397
Gain/(loss) on disposal of property, plant and equipment	(3,324)	(2,485)	(3,497)	(2,455)
Gain/(loss) on changes in fair value of investment property	(25)	395	3,657	395
Gain/(loss) in disposal of investments classified as fair value through surplus/deficit	771	(50)	771	10,117
Gain/(loss) on changes in fair value of derivative financial instruments	(1,096)	1,350	(1,096)	1,350
Other gains/(losses)	(329)	(2,644)	(329)	(2,613)
Total gains/(losses)	(3,696)	(3,037)	(187)	7,191

4 Personnel costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Salaries and wages	25,196	23,729	26,285	24,455
Defined contribution plan employer contributions	910	776	910	776
Increase/(decrease) in employee benefit liabilities	83	288	83	296
Total personnel costs	26,189	24,793	27,278	25,527

Defined Benefit Scheme

The Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund.

Employer contributions to defined contributions plans include contributions to Kiwisaver.

Remuneration

	Council	
	Actual	Actual
	2024	2023
	Remuneration	Remuneration
Chief Executive Trainor from December 2023	205,344	-
Chief Executive Carran to December 2023	296,205	423,225
	501,549	423,225

	Council				
	Actual 2024 Remuneration	Actual 2024 Directors' fee	Actual 2024 Mobile phone expense	Actual 2024 ict/Comms equipment expense	Actual 2024 Total
Elected representatives (Council):					
Mayor Bowen	137,600	-	800	250	138,650
Deputy Mayor Shannon	72,892	-	1,300	250	74,442
Councillor Booth	52,392	10,000	1,300	250	63,942
Councillor Burt	59,225	16,558	1,300	250	77,333
Councillor Jackson	52,392	-	1,300	250	53,942
Councillor Oliver	52,392	-	1,300	250	53,942
Councillor Parker	59,225	35,000	1,300	250	95,775
Councillor Piddington	52,392	-	1,300	250	53,942
Councillor Pye	59,225	-	1,300	250	60,775
Councillor Scott*+	72,350	10,000	1,300	250	83,900
	670,085	71,558	12,500	2,500	756,643

Elected Members remuneration includes hearing fees but excludes mileage.

* An overpayment related to Councillor Scott's position as an elected member representative on the District Plan Review Hearings Panel. This payment was contrary to the Local Government Members (2023/24) Determination 2023 (SL 2023/142) and was identified as part of the annual report process.

+The overpayment of the District Plan review hearing fees - \$3,360.

Council					
	Actual 2023 Remuneration	Actual 2023 Directors' fee	Actual 2023 Mobile phone expense	Actual 2023 ict/Comms equipment expense	Actual 2023 Total
Elected representatives (Council):					
Mayor Bowen	135,795	-	800	250	136,845
Deputy Mayor Wills (to 8 October 2022)	18,570	-	370	71	19,011
Deputy Mayor Shannon (from 27 October 2022)	50,915	-	179	930	52,024
Councillor Booth	50,621	10,000	1,300	250	62,171
Councillor Burt	57,019	35,000	1,300	250	93,569
Councillor Jackson (from 14 October 2022)	37,038	-	930	179	38,147
Councillor Oliver	50,621	-	1,300	250	52,171
Councillor Parker	57,019	35,000	1,300	250	93,569
Councillor Piddington	50,621	-	1,300	250	52,171
Councillor Pye	41,664	-	930	179	42,773
Councillor Scott	41,664	10,000	930	179	52,773
Councillor Gilchrist (to 8 October 2022)	15,088	-	370	71	15,529
Councillor Lyon (to 8 October 2022)	15,088	-	370	71	15,529
Councillor O'Reilly (to 8 October 2022)	13,347	-	370	71	13,788
	635,069	90,000	11,749	3,252	740,070

Remuneration paid to elected members:

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

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

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

	Council 2024		Council 2023
Less than \$60,000	90	Less than \$60,000	100
\$60,000 - \$79,999	99	\$60,000 - \$79,999	107
\$80,000 - \$99,999	78	\$80,000 - \$99,999	79
\$100,000 - \$119,999	43	\$100,000 - \$119,999	28
\$120,000 - \$139,999	23	\$120,000 - \$139,999	19
\$140,000 - \$159,999	10	\$140,000 - \$159,999	6
\$160,000 - \$219,999	10	\$160,000 - \$219,999	6
\$220,000 - \$379,999	5	\$220,000 - \$429,999	6
	358		351

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 244 full-time employees (2023: 231), with the balance of staff representing 48 full-time equivalent employees including part-time and casual staff (2023: 48.5). A full-time employee is determined on the basis of working a 40-hour working week.

For the year ended 30 June 2024, the Council made three (2023: two) severance payments to employees totalling \$86,636 (2023: \$85,500). The value of each of the severance payments was \$52,662, \$15,449 and \$18,525 (2023: \$82,000 and \$3,500).

5 Finance Costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Interest expense on borrowings	9,995	7,402	10,476	7,739
Total Finance Costs	9,995	7,402	10,476	7,739

6 Other Expenses

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Expenses include:				
Audit fees for current financial statement audit	239	268	274	312
Prior years recovery for audit fees	120	-	131	-
Audit fees for Long Term Plan audit 2024-2034	106	-	106	-
Recover for the Long Term Plan audit 2024-2034	55	-	55	-
Audit fees for Debenture Trust audit	21	-	21	-
Fees to other auditors	-	-	20	8
Impairment of receivables	(23)	18	(23)	18
Bad debts written off	25	28	26	28
Rates remissions	-	219	-	219
Minimum lease payments under operating leases	363	270	363	270
Grants/donations paid	2,542	3,952	821	2,629
Consultants and legal	7,486	7,934	7,486	7,934
Contractors	30,244	29,764	30,244	29,764
Other operating expenses	18,687	18,513	20,679	21,883
Total other expenses	59,864	60,966	60,202	63,065

A provision for post-closure costs relating to the landfill is recognised as a liability and calculated annually.

Operating leases as lessee

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not later than one year	48	-	120	7
Later than one year and not later than five years	129	-	166	9
Total non-cancellable operating leases	177	-	286	16

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is Nil (2023: Nil).

Leases can be renewed at the option of Timaru District Council and Group, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council and Group does not have the option to purchase the asset at the end of the lease term. There are now restrictions placed on Timaru District Council by any of the leasing arrangements.

7 Tax

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Surplus/(deficit) before tax	(1,686)	(16,689)	3,909	2,045
Tax at 28% (2023: 28%)	(472)	(4,673)	1,095	573
Non-taxable income @ 28%	(38,522)	(31,475)	(39,836)	(37,279)
Non-deductible expenditure @ 28%	38,994	36,150	38,663	37,441
Impact of imputation credits	-	-	(476)	(638)
Adjustments to current tax	(2)	-	1	4
Tax expense/(benefit)	(2)	2	(553)	101
Comprising of:				
Current tax	(2)	2	30	(123)
Deferred tax	-	-	(583)	224
Tax expense/(benefit)	(2)	2	(553)	101
Deferred tax asset/(liability)				
Opening balance	-	-	131	356
Temporary differences				
Long Term assets	-	-	339	(227)
Employee entitlements	-	-	2	2
Others	-	-	375	-
Closing balance	-	-	847	131
Deferred tax asset/(deferred tax liability)				
Long term assets	-	-	463	125
Employee entitlements	-	-	8	6
Tax losses	-	-	376	-
Other	-	-	-	-
Net deferred tax asset/(deferred tax liability)	-	-	847	131

The Timaru District Council Group has total imputation credits available of \$22,014,393 (2023: \$21,530,478).

8 Cash and cash equivalents

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and in hand	2,159	14,296	3,542	17,050
Term deposits with maturities of less than three months at acquisition	20,000	25,000	20,000	25,000
Total cash and cash equivalents per Statement of Financial Position and the Statement of Cash Flows	22,159	39,296	23,542	42,050

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

The Council holds unspent funds, included in cash and investments, of \$993,253 (2023: \$402,722) that are subject to restrictions. These unspent funds relate to trusts and bequests and other funds received with restrictions where the spending of the funds is separately monitored.

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

9 Note to statement of cashflows

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

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Surplus/(deficit) after tax	(1,684)	(16,691)	4,462	1,944
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(3,295)	(9,242)
Depreciation and amortisation	38,473	34,179	38,522	34,236
Impairment charges	87	18	998	5
Vested assets	(16,656)	(5,996)	(16,656)	(5,996)
(Gains)/losses in fair value of biological assets	(307)	-	(307)	-
(Gains)/losses in fair value of investment property	25	-	(3,657)	(10,167)
Increase/(decrease) in deferred taxation	-	-	(340)	225
(Gains)/losses in fair value of derivatives	1,096	-	1,096	-
Other (gains)/losses	329	3,037	329	3,006
Movement in provision	2,991	(1,529)	1,604	(1,565)
Other movements	-	-	91	334
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	3,324	-	3,497	(30)
properties	-	-	-	-
(Gains)/losses on investments	(771)	-	729	-
Add/(less) movements in working capital items:				
Accounts receivable	(2,993)	7,857	(2,363)	7,882
Inventories	4	(9)	4	(9)
Accounts payable	3,731	(4,989)	2,921	(4,416)
Employee benefit liability	(950)	737	(951)	745
Income tax payable	-	-	-	(176)
Net cash inflow/(outflow) from operating activities	26,698	16,615	26,683	16,776

9b Changes in liabilities arising from financing activities

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Opening balance as at 1 July				
Secured loans	-	-	1,500	2,500
LGFA debt	204,835	164,835	204,835	164,835
Total loans	204,835	164,835	206,335	167,335
Total derivatives: interest rate swaps (cash flow hedges)	(4,263)	(2,914)	(4,263)	(2,914)
Total opening balances	200,572	161,921	202,072	164,421
Cash outflows				
Secured loans	-	-	(1,500)	(1,500)
Total loans	-	-	(1,500)	(1,500)
Cash inflows/new loans				
Secured loans	-	-	800	500
LGFA debt	15,000	40,000	15,000	40,000
Total loans	15,000	40,000	15,800	40,500
Non-cash changes				
Total derivatives: interest rate swaps (cash flow hedges)	1,096	(1,349)	1,096	(1,349)
Closing balance as at 30 June				
Secured loans	-	-	800	1,500
LGFA debt	219,835	204,835	219,835	204,835
Total loans	219,835	204,835	220,635	206,335
Total derivatives: interest rate swaps (cash flow hedges)	(3,167)	(4,263)	(3,167)	(4,263)
Total closing balances	216,668	200,572	217,468	202,072

10 Receivables

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Rates receivables	3,672	2,760	3,672	2,760
Other receivables	11,389	9,490	11,728	10,309
Related party receivables	125	360	(63)	193
less allowance for credit losses for other receivables	(255)	(283)	(255)	(283)
	<u>14,931</u>	<u>12,327</u>	<u>15,082</u>	<u>12,979</u>
Prepayments	782	393	782	397
Total receivables	<u>15,713</u>	<u>12,720</u>	<u>15,864</u>	<u>13,376</u>

Total receivables comprise:

Receivables from exchange transactions including outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	6,199	6,225	6,846	6,872
Receivables from non-exchange transactions including outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	8,732	6,102	8,236	6,107
	<u>14,931</u>	<u>12,327</u>	<u>15,082</u>	<u>12,979</u>

The Council does not provide for expected credit losses on rates receivable.

Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debt arising from rates. These powers allow the Council to commence legal proceedings to recover any rates which remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$1 (2023: \$1).
- Section 90B: \$1 (2023: \$1).

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated, is \$3,989 (2023: \$18,642).

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

	2024			2023		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	10,818	-	10,818	8,627	-	8,627
Past due 1 - 60 days	415	(57)	358	754	(63)	691
Past due 61 - 120 days	29	(5)	24	41	(12)	29
Past due > 120 days	252	(64)	187	428	(110)	318
Total	11,514	(127)	11,387	9,850	(185)	9,665
Group						
Not past due	10,970	-	10,970	9,279	-	9,279
Past due 1 - 60 days	415	(57)	358	754	(63)	691
Past due 61 - 120 days	29	(5)	24	41	(12)	29
Past due > 120 days	252	(64)	187	428	(110)	318
Total	11,666	(127)	11,539	10,502	(185)	10,317

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

	2024			2023		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	3,295	-	3,295	2,456	-	2,456
Past due 1 year	74	-	74	73	-	73
Past due 2 years	73	-	73	59	-	59
Past due 3 years	59	(14)	45	40	(10)	31
Past due > 3 years	172	(115)	57	132	(88)	44
Total	3,672	(129)	3,543	2,760	(98)	2,662

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

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

Movements in the allowance for credit losses are as follows:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
As at 1 July	283	269	283	269
Additional provisions made/(released) during the year				
Receivables written off during year	(28)	14	(28)	14
At 30 June	255	283	255	283

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

It has been determined that there are no significant changes to ECLs due to the adoption of PBE IPSAS 41.

11 Inventories

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Pool shop inventories	30	34	30	34
Total Inventories	30	34	30	34

The writedown of inventory during the year was nil (2023: Nil). There have been no reversals of previous writedowns.

The carrying amount of inventories pledged as security for liabilities is nil (2023: Nil).

12 Assets for Sale

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current				
Land	-	2,120	1,202	2,120
Buildings	-	-	-	432
Assets held for sale: current	-	2,120	1,202	2,552

Current assets held for sale:

Timaru District Council

Timaru District Council had four properties at Meadows Road Washdyke that were purchased prior to 30 June 2023 and were sold during 2023-2024.

Current/Non-current assets held for sale:

Timaru District Holdings Limited

Timaru District Holdings Limited had land at the Showgrounds Property available for sale.

13 Derivative Financial Instruments

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current liability portion				
Interest rate swaps: cash flow hedges	-	-	-	-
Non-current liability portion				
Interest rate swaps: cash flow hedges	-	-	-	-
Current asset portion				
Interest rate swaps: cash flow hedges	1,324	1,644	1,324	1,644
Non-current asset portion				
Interest rate swaps: cash flow hedges	1,843	2,619	1,843	2,619

The notional principal of the total amounts of the outstanding interest rate swap contracts at 30 June 2024 were \$57,000,000 (2023: \$61,000,000). Maturity dates range from December 2024 to December 2028.

At 30 June 2024, the interest rates for interest rate swaps vary from 1.98% to 4.38% (2023: 1.98% to 4.70%).

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

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

	Less than 1 year	1-2 years	3-5 years	Greater than 5 years	Total
Council 2024					
Interest rate swaps					
Nominal amount (\$000)	22,000	-	35,000	-	57,000
Average fixed rate	3.92%	0.00%	2.38%	0.00%	2.97%
Group 2024					
Interest rate swaps					
Nominal amount (\$000)	22,000	-	35,000	-	57,000
Average fixed rate	3.92%	0.00%	2.38%	0.00%	2.97%

14 Other financial assets

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current portion				
Short term deposits	-	-	825	1,995
Community loans	90	32	90	32
Investments in debt securities	168	-	168	-
Investments in LGFA	957	435	957	435
Total Current Portion	1,215	467	2,040	2,462
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in Civic Financial Services	218	218	218	218
Investment in Timaru District Holdings Limited	31,000	31,000	-	-
Investment in Venture Timaru Limited	260	260	-	-
Loans to other local authorities	3,200	2,430	3,200	2,430
Loans to subsidiaries and associates	21,681	21,681	-	-
Total investments in CCOs and similar entities	56,539	55,589	3,418	2,648
<i>Investments in other entities</i>				
Unlisted shares in Opuha Water Limited	50	50	50	50
Community loans	535	113	535	113
Unlisted shares in LGFA	4,762	4,080	4,762	4,080
Investments in debt securities	932	1,068	932	1,068
Total investment in other entities	6,279	5,310	6,279	5,310
Future tax benefits	-	-	847	131
Total Non-Current Portion	62,639	60,899	10,545	8,089

Fair Value

Short term deposits

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

Loans to subsidiaries and associates

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

Debt securities

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

Unlisted shares

Unlisted shares are held to support infrastructure and communities within the District and are valued at cost and are reviewed annually for impairment.

Civic Financial Services Ltd and Opuha Water Ltd assets are recorded at fair value. Where there is no active market, net asset backing has been used to approximate the fair value of these assets. LGFA investments are recognised through FVTSD.

14 Other financial assets continued

Community loans

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

The fair value of community loans is \$593,959 (2023: \$83,044). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2023: 10.0%).

The face value of community loans is \$1,099,693 (2023: \$99,399).

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

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

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
At 1 July	146	233	146	233
Amount of new loans granted during the year	1,075	-	1,075	-
Fair value adjustment on initial recognition	(492)	18	(492)	18
Loans repaid during the year (principal and interest)	(104)	(105)	(104)	(105)
At 30 June	625	146	625	146

Credit risk, including expected credit losses

Term deposits

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

Community loans

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

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

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

Other financial assets

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

The Council does not hold any collateral for any of its loan assets.

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

15 Investments in associates

The interest in the associate companies has been reflected in the financial statements on an equity accounting basis, which shows the share of surplus/deficits in the profit for the year and the share of post acquisition increases/decreases in net assets in the statement of financial position.

An impairment assessment has been completed for the Company's investment in associate entities (Alpine Energy Limited and PrimePort Timaru Limited) as at 30 June 2024. No impairment loss has been recognised.

PrimePort Timaru Ltd

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

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

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

The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

For the purpose of equity accounting, all property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses with the exception of port land and other land which is recognised at fair value. Port land is revalued every year, other land is revalued cyclically every 3 years. Other land was last revalued in 2023.

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

	Actual 2024 \$000	Actual 2023 \$000
Summarised statement of the financial position of PrimePort Timaru Limited on a gross basis		
Current assets	5,742	4,211
Non-current assets	113,161	106,061
Current liabilities	2,679	30,511
Non-current liabilities	60,089	24,070
Net assets	56,135	55,691
Summarised statement of comprehensive revenue and expense of PrimePort Timaru Limited on a gross basis		
Revenue	30,344	28,977
Expense	25,270	22,000
Tax expense	2,363	2,044
Total comprehensive revenue and expense	1,959	5,344
Equity accounted share of the company's financial information		
Net assets	56,135	55,691
Proportion of Group's Interest	50.00%	50.00%
Equity accounted carrying amount	28,068	27,846

15 Investments in associates continued

Alpine Energy Limited

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

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

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

The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

The financial statements of Alpine Energy are prepared for the year to 31 March 2024. During the year Alpine Energy discovered an administrative error in its previous nine years' Information Disclosure Schedules that were submitted to the Commerce Commission. Details of the error and the amended Information Disclosure Schedules are available on Alpine Energy's website. The amended information is under review by the Commerce Commission to determine the appropriate course of action. There is a range of possible actions that the Commerce Commission may take against Alpine Energy, depending on the outcome of its review, which is expected to be finalised during the next financial year. Until such time, the outcome of the review remains uncertain. The impairment assessment therefore does not take account of this matter because the possible effects cannot be determined with any certainty.

For the purpose of equity accounting all property plant and equipment is stated at cost less accumulated depreciation and impairment losses with the exception of land which is recognised at fair value. Land is revalued every 3 years and was last revalued in 2023.

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

	Actual 2024 \$000	Actual 2023 \$000
Summarised statement of the financial position of Alpine Energy Limited on a gross basis		
Current assets	24,206	21,806
Non-current assets	333,443	318,403
Current liabilities	14,340	17,387
Non-current liabilities	152,052	135,446
Net assets	191,257	187,376
Summarised statement of comprehensive revenue and expense of Alpine Energy Limited on a gross basis		
	Actual 2024 \$000	Actual 2023 \$000
Revenue	86,316	81,034
Expense	76,564	61,484
Tax expense	4,498	4,847
Total comprehensive revenue and expense	4,873	16,094
Equity accounted share of the company's financial information		
Net assets	191,257	187,376
Proportion of Group's Interest	47.50%	47.50%
Equity accounted carrying amount	91,313	89,470

16 Investment in joint operations

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

	Group	
	Actual 2024 \$000	Actual 2023 \$000
Current assets	1,266	477
Non-current assets	63,394	62,736
Current liabilities	6,981	3,350
Non-current liabilities	8,610	8,610
Revenue	954	2,049
Expenses	3,139	2,673
Gain/(loss) on revaluation of non-current assets	-	7,851

The Council's investment in joint operations in Downlands Water Supply as stated in Note 16 is estimated as at 30 June with the final results being included in the subsequent financial year.

17 Property, plant and equipment

Core infrastructure asset disclosures

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

	Closing Book Value \$000	Additions: constructed by Council \$000	Additions: transferred to Council \$000	Most recent replacement cost estimate for revalued assets * \$000
2024				
Water:				
- treatment plants and facilities	253,193	3,609	-	159,383
- other assets (such as reticulation systems)	62,008	11,452	546	403,993
Sewerage:				
- treatment plants and facilities	217,720	653	-	111,530
- other assets (such as reticulation systems)	79,161	146	453	403,137
Stormwater	175,722	1,250	1,919	353,688
Roads and footpaths	724,993	21,561	1,009	1,065,379
2023				
Water:				
- treatment plants and facilities	100,293	16,481	-	159,383
- other assets (such as reticulation systems)	209,361	9,485	1,892	403,993
Sewerage:				
- treatment plants and facilities	80,010	1,387		111,530
- other assets (such as reticulation systems)	220,862	1,689	1,233	403,137
Stormwater	176,173	1,163	927	353,688
Roads and footpaths	718,677	17,863	1,944	1,065,379

17 Property, plant and equipment continued

Capital Commitments

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

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Water system	2,333	3,209	2,333	3,209
Sewerage system	-	319	-	319
Stormwater network	-	77	-	77
Roading network	6,443	924	6,443	924
Waste Minimisation	591	273	591	273
Other assets	-	4,089	-	4,089
	<u>9,367</u>	<u>8,891</u>	<u>9,367</u>	<u>8,891</u>

As at 31 March 2024 Alpine Energy Limited had contracted capital commitments of \$8,819,000. (2024: \$8,755,000).

As at 30 June 2024 PrimePort Ltd had no capital commitments (2023: \$1,838,000).

Insurance on Assets

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

	Council	
	Actual 2024 \$000	Actual 2023 \$000
The maximum amount to which insured assets are insured	500,229	447,747
The total value of all Council assets covered by insurance contracts*	266,473	249,476
The total value of all Council assets covered by financial risk-sharing arrangements	1,198,986	728,831
Maximum amount available to the Council under financial risk-sharing arrangements	360,000	320,000
Total value of assets that are self-insured**	733,349	730,055
Value of funds maintained for self-insurance	637	408

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

** Restricted land, roads and footpaths, land under roads and bridges are not insured. Council anticipates that most events would receive government support and the balance would be funded from debt.

The total value of assets covered by insurance contracts and available under risk-sharing arrangements are for a specified number of events occurring within one year.

Work in progress

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

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Roading network	7,447	5,579	7,447	5,579
Water system	14,654	17,188	14,654	17,188
Drainage system	3,152	1,797	3,152	1,797
Sewerage system	4,449	1,456	4,449	1,456
Waste minimisation	2,391	4,123	2,391	4,123
Plant and equipment	14,874	3,858	14,874	3,858
	<u>46,967</u>	<u>34,001</u>	<u>46,967</u>	<u>34,001</u>

2024	Cost/ Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2023	Additions	Transfers	Reclass'n of Cost/ Reval	Reclass'n of accum depn and impairment charges	Disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
Council restricted assets														
Land	23,940	-	23,940	-	-	-	-	-	-	-	-	23,940	-	23,940
Buildings and improvements	7,953	(4,762)	3,191	-	-	(127)	10	-	-	(78)	-	7,826	(4,830)	2,996
Total restricted assets	31,893	(4,762)	27,131	-	-	(127)	10	-	-	(78)	-	31,766	(4,830)	26,936
Council operational assets														
Land and Building	112,733	(24,154)	88,579	14,740	(4,008)	(1,268)	119	(4)	-	(1,574)	-	122,193	(25,609)	96,584
Furniture and equipment	9,234	(5,747)	3,487	694	-	(591)	589	(33)	-	(961)	-	9,303	(6,119)	3,184
Plant and equipment	26,072	(16,579)	9,493	863	-	(713)	870	(141)	-	(1,133)	-	26,082	(16,842)	9,240
Work in progress	3,953	-	3,953	27,476	(16,555)	-	-	-	-	-	-	14,874	-	14,874
Total operational assets	151,992	(46,481)	105,511	43,772	(20,563)	(2,572)	1,578	(178)	-	(3,668)	-	172,452	(48,570)	123,882
Council infrastructural assets														
Land and buildings	41,360	(7,367)	33,992	2,639	-	73	(28)	0	-	(976)	-	44,072	(8,371)	35,701
Sewerage system	300,872	-	300,872	1,252	-	-	-	(159)	-	(5,085)	-	301,965	(5,085)	296,880
Water system	309,654	-	309,654	15,607	-	-	-	(2,487)	-	(7,572)	-	322,774	(7,572)	315,202
Stormwater network	176,173	-	176,173	3,169	-	-	-	(184)	-	(3,436)	-	179,158	(3,436)	175,722
Roads and footpaths	641,796	(11,205)	630,591	20,933	-	1,632	(7)	-	-	(14,747)	-	664,360	(25,959)	638,401
Bridges	78,458	(1,710)	76,748	1,637	-	(654)	(42)	-	-	(1,736)	-	79,441	(3,488)	75,953
Land under roads	172,060	-	172,060	-	-	-	-	-	-	-	-	172,060	-	172,060
Lighting	12,072	(734)	11,338	-	-	-	-	-	-	(699)	-	12,072	(1,433)	10,639
Landfill - post closure costs	3,678	(1,887)	1,791	3,351	-	-	-	-	-	(64)	-	7,029	(1,951)	5,078
Work in progress	30,048	-	30,048	42,009	(39,963)	-	-	-	-	-	-	32,093	-	32,093
Total infrastructural assets	1,766,170	(22,903)	1,743,267	90,597	(39,963)	1,051	(77)	(2,830)	-	(34,315)	-	1,815,024	(57,295)	1,757,729
Total Timaru District Council property, plant and equipment	1,950,055	(74,145)	1,875,909	134,369	(60,526)	(1,648)	1,511	(3,008)	-	(38,061)	-	2,019,241	(110,695)	1,908,546

2024	Cost/ Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2023	Additions	Transfers	Reclass'n of Cost/ Reval	Reclass'n of accum depn and impairment charges	Disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
Subsidiaries property, plant and equipment														
Buildings	4,158	(3,979)	179	26	-	-	-	(173)	-	(32)	-	-	-	-
Furniture and equipment	143	(88)	55	14	-	(5)	(10)	-	-	(8)	-	152	(106)	46
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,301	(4,067)	234	40	-	(5)	(10)	(173)	-	(40)	-	152	(106)	46
Total Group property, plant and equipment	1,954,356	(78,212)	1,876,143	134,409	(60,526)	(1,653)	1,501	(3,181)	-	(38,101)	3,351	2,019,393	(110,801)	1,908,592

2023	Cost/Revaln 1 July 2022	Accum depn and impairment charges 1 July 2022	Carrying amount 1 July 2022	Additions	Transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2023	Accum depn and impairment charges 30 June 2023	Carrying amount 30 June 2023
Council restricted assets														
Land	23,940	-	23,940	-	-	-	-	-	-	-	-	23,940	-	23,940
Buildings and improvements	7,953	(4,634)	3,319	-	-	-	-	-	-	(128)	-	7,953	(4,762)	3,191
Total restricted assets	31,893	(4,634)	27,259	-	-	-	-	-	-	(128)	-	31,893	(4,762)	27,131
Council operational assets														
Land and Building	99,890	(22,716)	77,174	13,159	-	106	214	(421)	-	(1,652)	-	112,733	(24,154)	88,579
Furniture and equipment	13,033	(9,293)	3,740	650	-	(4,426)	4,426	(24)	-	(880)	-	9,234	(5,747)	3,487
Plant and equipment	25,868	(15,855)	10,013	1,507	-	(1,125)	668	(178)	-	(1,392)	-	26,072	(16,579)	9,493
Work in progress	8,253	-	8,253	2,503	(6,803)	-	-	-	-	-	-	3,953	-	3,953
Total operational assets	147,044	(47,864)	99,180	17,819	(6,803)	(5,445)	5,308	(624)	-	(3,924)	-	151,992	(46,481)	105,511
Council infrastructural assets														
Land and buildings	39,614	(6,706)	32,908	3,649	-	(1,304)	198	(600)	-	(859)	-	41,360	(7,367)	33,992
Sewerage system	285,295	-	285,295	4,309	-	(5,056)	5,056	(103)	-	(5,056)	16,427	300,872	-	300,872
Water system	263,105	(314)	262,791	27,858	-	(6,973)	6,973	(2,391)	-	(6,659)	28,055	309,654	-	309,654
Stormwater network	165,847	-	165,847	2,090	-	(3,158)	3,158	(105)	-	(3,158)	11,499	176,173	-	176,173
Roads and footpaths	622,281	-	622,281	18,066	-	1,449	(316)	-	-	(10,889)	-	641,796	(11,205)	630,591
Bridges	76,909	-	76,909	1,548	-	1	-	-	-	(1,710)	-	78,458	(1,710)	76,748
Land under roads	172,060	-	172,060	-	-	-	-	-	-	-	-	172,060	-	172,060
Lighting	11,879	-	11,879	193	-	-	-	-	-	(734)	-	12,072	(734)	11,338
Landfill - post closure costs	3,781	(1,724)	2,057	-	-	-	-	-	-	(163)	(103)	3,678	(1,887)	1,791
Work in progress	40,277	-	40,277	17,762	(27,991)	-	-	-	-	-	-	30,048	-	30,048
Total infrastructural assets	1,681,048	(8,744)	1,672,304	75,475	(27,991)	(15,041)	15,069	(3,199)	-	(29,228)	55,878	1,766,170	(22,903)	1,743,267
Total Timaru District Council property, plant and equipment	1,859,985	(61,242)	1,798,743	93,294	(34,794)	(20,486)	20,377	(3,822)	-	(33,280)	55,878	1,950,055	(74,145)	1,875,909

2023	Cost/Revaln 1 July 2022	Accum depn and impairment charges 1 July 2022	Carrying amount 1 July 2022	Additions	Transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2023	Accum depn and impairment charges 30 June 2023	Carrying amount 30 June 2023
Subsidiaries property, plant and equipment														
Buildings	4,249	(3,932)	317	6	-	-	-	(97)	-	(47)	-	4,158	(3,979)	179
Furniture and equipment	32	22	54	17	-	94	(94)	-	-	(16)	-	143	(88)	55
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,281	(3,910)	371	23	-	94	(94)	(97)	-	(63)	-	4,301	(4,067)	234
Total Group property, plant and equipment	1,864,266	(65,152)	1,799,114	93,317	(34,794)	(20,392)	20,283	(3,919)	-	(33,343)	55,878	1,954,356	(78,212)	1,876,143

18 Cultural and heritage assets

Cultural and Heritage Assets were previously included in Property, Plant and Equipment but have been separated from Property, Plant and Equipment from 2024.

These assets include those which have a unique cultural, historical, artistic or educational nature. Artworks, Statues and Monuments and the Library Permanent Retentions are not subject to depreciation, however the Library standard collection is subject to annual depreciation and revaluation.

Artworks

The artworks held at the Aigantighe Art Gallery owned by the Council were valued at \$15.384m as at 30 June 2023 by the Gallery Director. No further valuation has been undertaken as at 30 June 2024. The Artworks are included in the financial statements at cost or deemed cost.

Statues and Monuments (previously called Heritage Assets)

Statues and Monument were previously depreciated, however from 2024 it has been recognised that they are unique in nature and therefore should not be depreciated as they cannot be replaced. All accumulated depreciation to 30 June 2023 totalling \$434k was reversed in 2024. An impairment was separately provided for relating to the Caroline Bay WW1 Memorial (Note 26).

Museum Collection

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

2024	Cost/Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2024	Additions	Transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Ddisposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
Art Works	3,187	-	3,187	72	-	-	-	-	-	-	-	3,259	-	3,259
Statues & Monuments (previously called heritage assets)	1,542	(434)	1,108	-	-	-	434	(1)	-	-	-	1,541	(0)	1,541
Library collections	2,666	0	2,666	285	-	(317)	309	-	-	(309)	(725)	1,909	0	1,909
	7,395	(434)	6,961	357	-	(317)	743	(1)	-	(309)	(725)	6,709	(0)	6,709
2023	Cost/Revaln 1 July 2022	Accum depn and impairment charges 1 July 2022	Carrying amount 1 July 2022	Additions	Transfers	Reclass'n of Cost/Reval	Reclass'on of accum depn and impairment charges	Disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2023	Accum depn and impairment charges 30 June 2023	Carrying amount 30 June 2023
Art Works	3,112	(2)	3,110	78	-	(2)	2	-	-	(1)	-	3,187	-	3,187
Statues & Monuments (previously called heritage assets)	1,542	(415)	1,127	-	-	-	-	-	-	(19)	-	1,542	(434)	1,108
Library collections	3,390	(880)	2,510	428	-	(1,158)	1,158	-	-	(278)	6	2,666	0	2,666
	8,043	(1,297)	6,747	506	-	(1,160)	1,160	-	-	(298)	6	7,395	(434)	6,961

19 Intangible assets

	Council and Group		
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2023			
Cost	7,032	4,095	11,127
Accumulated amortisation and impairment	(6,051)	-	(6,051)
Opening carrying value	981	4,095	5,076
Year ended 30 June 2024			
Additions	1,364	2,445	3,809
Disposals	(68)	(1,771)	(1,839)
Amortisation charge and impairment	(523)	-	(523)
Other movements	-	-	-
Gain/(loss) on change in fair value	-	534	534
Movement for the year	773	1,208	1,981
Balance as at 30 June 2024			
Cost	8,328	5,303	13,631
Accumulated amortisation and impairment	(6,574)	-	(6,574)
Closing carrying value	1,754	5,303	7,057
Balance as at 1 July 2022			
Cost	6,534	4,605	11,139
Accumulated amortisation and impairment	(5,450)	-	(5,450)
Opening carrying value	1,084	4,605	5,689
Year ended 30 June 2023			
Additions	43	4,949	4,992
Disposals	-	(2,798)	(2,798)
Amortisation charge and impairment	(601)	-	(601)
Other movements	455	-	455
Gain/(loss) on change in fair value	-	(2,661)	(2,661)
Movement for the year	(103)	(510)	(613)
Balance as at 30 June 2023			
Cost	7,032	4,095	11,127
Accumulated amortisation and impairment	(6,051)	-	(6,051)
Closing carrying value	981	4,095	5,076

Summary of current and non-current intangible assets:

	Council and Group	
	Actual 2024 \$000	Actual 2023 \$000
Current intangible assets	2,247	1,569
Non-current intangible assets	4,810	3,507
Total intangible assets	7,057	5,076

19 Intangible assets continued

As at 30 June 2024 carbon credits allocated by the government for forestry assets held prior to 1990, totalling 45,057 credits, are treated as non-current assets and retained to cover potential future deforestation liabilities. On receipt the carbon credits allocated for pre-1990 forest estates were valued at fair value at that time for \$0.968m or \$21.48 per credit.

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

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

Purpose of application	Council and Group 2024		Council and Group 2023	
	Volume credits utilised	Value \$000	Volume credits utilised	Value \$000
Landfill emissions	43,047	1,771	35,925	2,798

20 Depreciation and amortisation expense by group of activity

	Council	
	Actual 2024 \$000	Actual 2023 \$000
Corporate Activities	1,978	1,693
Governance and Strategy	-	-
Community Support	641	788
District Planning and Regulatory Services	5	14
Recreation and Leisure	1,652	2,637
Roading and Footpaths	17,298	13,435
Waste Minimisation	806	739
Sewer	5,085	5,056
Stormwater	3,436	3,158
Water Supply	7,572	6,659
	<u>38,473</u>	<u>34,179</u>

21 Investment forestry

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Balance as at 1 July	1,373	975	1,373	975
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value due to growth	65	-	65	-
Gains/(losses) arising from changes in fair value due to log price changes	(115)	109	(115)	109
Gains/(losses) arising from changes in fair value due to harvest or sale	(62)	-	(62)	-
Gains/(losses) arising from changes in fair value due to discount rate changes and remodelling	(121)	239	(121)	239
Gains/(losses) arising from changes in fair value due to silvicultural cost changes	(42)	-	(42)	-
Gains/(losses) arising from changes in fair value due to remapping	52	50	52	50
Balance as at 30 June	1,150	1,373	1,150	1,373

Timaru District Council owns 190.1 (2023: 185.1) hectares of radiata pine, Douglas fir and macrocarpa forest, which is at varying stages of maturity ranging from 0 to 40 years.

Kirsten Stuart RMNZIF, registered forestry consultant, of Laurie Forestry Limited, has valued the forestry assets as at 30 June 2024. A pre-tax discount rate of 8.0% (2023: 8.0%) has been used in discounting the present value of expected cash flows.

No provision has been made in the valuation of the forests for potential liabilities if they were not to be replanted arising from the government grant of carbon credits relating to pre-1989 forests. It is anticipated that replanting will follow logging indefinitely.

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 and 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. There are no restrictions over the title of forestry assets and no forestry assets are pledged as security.

22 Investment property

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Balance as at 1 July	1,955	1,560	64,639	47,048
Additions from acquisitions	-	-	2,713	7,029
Disposals	(190)	-	(190)	-
Fair value gains/(losses) on valuation (note 8)	(25)	395	3,657	10,562
Transfer to Properties held for sale	-	-	(1,681)	-
Balance as at 30 June	1,740	1,955	69,138	64,639

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2024 and were valued for this financial year by Mark Foster BCom (VPM), ANZIV, SPINZ of CBRE. 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 2024 for the financial year by Hayden Doody (VPM), SPINZ, ANZIV a registered valuer at Telfer Young (Canterbury) Limited. The valuation is based on fair value.

The fair value of the Council properties have been assessed on the basis of market value where this is the consideration of market based evidence for the determination of the value with reference to the "highest and best use" being defined as the most probable use of an asset that is physically possible, appropriately justified, legally permissible, financially feasible and results in the highest value (after proper marketing).

The fair value of properties held by Timaru District Holdings Limited is determined using the rental capitalisation approach which uses unobservable inputs (level 3 as defined by NZ IFRS 13). This method is based upon assumptions including future rental income and appropriate discount rates. Where property is leased as land and buildings (generally on short-term lease terms), the property has been valued at freehold land value and where land is subject to a ground lease, the property has been valued at the lessor's interest in the land.

The properties valued are predominantly land where values were assessed with reference to market transactions, at between \$137.50 and \$500.00 per square metre (2023: \$372.55 and \$500.00). Some properties were assessed at lower land value rates reflecting the limited utility of the properties.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2023: Nil).

23 Payables and deferred revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current portion				
Payables and deferred revenue under exchange transactions:				
Trade payables and accrued expenses	12,961	11,046	15,240	12,229
Amounts due to subsidiaries and associates and other related parties	262	(12)	74	(372)
Contract retentions	1,031	1,044	1,031	1,044
Revenue in Advance	1,536	1,511	2,042	2,137
Accrued interest expense	1,642	1,206	1,642	1,370
	<u>17,432</u>	<u>14,795</u>	<u>20,029</u>	<u>16,408</u>
Payables and deferred revenue under non-exchange transactions:				
Income tax payable	-	2	-	901
Deposits and bonds	60	712	60	712
Revenue in advance	4,070	2,355	4,070	2,355
	<u>4,130</u>	<u>3,069</u>	<u>4,130</u>	<u>3,968</u>
Total current portion	<u>21,562</u>	<u>17,864</u>	<u>24,159</u>	<u>20,376</u>

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.

24 Borrowings and other financial liabilities

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current				
LGFA Debt	56,577	40,548	56,577	40,548
Total current borrowings	<u>56,577</u>	<u>40,548</u>	<u>56,577</u>	<u>40,548</u>
Non-current				
Secured loans	-	-	7,200	6,400
LGFA Debt	163,955	164,984	163,955	164,984
Total non-current borrowings	<u>163,955</u>	<u>164,984</u>	<u>171,155</u>	<u>171,384</u>

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

The debt 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

No overdraft facility has been arranged and therefore the maximum overdraft available for use is Nil (2023: Nil). No requests for an overdraft facility have been made or declined. There is an undrawn bank facility with Westpac of \$5 million. Westpac hold a security stock certificate over this facility of \$8m.

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 28-91 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values of borrowings

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Carrying Amount				
Secured loans	-	-	7,200	6,400
LGFA Debt	220,532	205,532	220,532	205,532
	<u>220,532</u>	<u>205,532</u>	<u>227,732</u>	<u>211,932</u>
Fair Value				
Secured loans	-	-	7,200	6,400
LGFA Debt	220,577	205,548	220,577	205,548
	<u>220,577</u>	<u>205,548</u>	<u>227,777</u>	<u>211,948</u>

The fair values are based on borrowing rates ranging from 1.63% to 6.38% (2023: 1.38% to 6.22%).

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

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

25 Employee entitlements

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current portion				
Accrued salaries and wages	795	1,040	849	1,040
Annual leave	1,647	2,409	1,676	2,486
Long service leave	74	73	74	73
Retiring gratuities	119	65	119	65
	<u>2,635</u>	<u>3,587</u>	<u>2,718</u>	<u>3,664</u>
Non-current portion				
Long service leave	38	-	38	-
Retiring gratuities	371	407	371	407
	<u>409</u>	<u>407</u>	<u>409</u>	<u>407</u>
Total employee benefits	<u>3,044</u>	<u>3,994</u>	<u>3,127</u>	<u>4,071</u>

26 Provisions includes:

a Landfill aftercare provision

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Opening balance	10,154	11,683	10,154	11,683
Additional provisions made during the year	-	(560)	-	(560)
Transfers to Closed Landfill provision	(7,340)	-	(7,340)	-
Amounts used during the year	(1,092)	(762)	(1,092)	(762)
Increase/(decrease) due to discount rate changes and assessment of liability	3,154	(415)	3,154	(415)
Discount unwinding	197	208	197	208
Closing balance	5,073	10,154	5,073	10,154

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

The remaining capacity of the site is estimated as 1,482,520 tonnes (refuse, clean fill and cover) (2023: 1,527,722).

The estimated remaining useful life is 27 years (2023: 29 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 between 2024 and 2079. 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 the risk-free discount rates as at 30 June 2024 published by the Treasury.

Annual inflation factors forecast using the Discount Rates and CPI Assumptions for Accounting Valuation Purposes published by The Treasury have been applied in estimating the future cash flows and range from 2.00% to 2.32% (2023: 1.93% to 3.36%).

Discount rates ranging from 4.25% to 5.36% (2023: 4.01% to 5.43%) have been used to discount the estimated future cash outflows. These rates have been determined using the Discount Rates and CPI Assumptions for Accounting Valuation Purposes published by The Treasury.

The management of the landfill will influence the timing of recognition of some liabilities as they will only commence following the commissioning of a cell.

b Closed Landfill provision

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Opening balance				
Additional provisions made during the year	660	-	660	-
Transfer from Landfill Aftercare provision	7,340	-	7,340	-
Closing balance	8,000	-	8,000	-

The Peel Forest landfill operated adjacent to the Rangitata River from the mid-1960s until it was formally closed as a landfill in 2004. The landfill measured 0.4ha with a fill volume of approximately 20,000m³ to a depth of 5m (ECan Listed Land Use Register). A significant flooding event occurred in 2019 which increased the risk that the contents of the landfill may be exposed. Remediation work has commenced and the provision for the anticipated cost has been reassessed for 2024.

27 Contingencies

Following the significant flooding event in 2019 which endangered the integrity of the closed Peel Forest landfill a wider closed landfill risk assessment of the 40 closed landfills identified in Timaru District is being conducted to evaluate the risk related to these and future costs associated with the management of identified risks.

Timaru District Council has 18,550,000 uncalled shares, (2023: 18,550,000) in Timaru District Holdings Limited. This uncalled capital is security for the Letter of Credit facility of \$19m (2023: \$19m) with ANZ Bank for the credit facilities with Timaru District Holdings Limited.

Council is reviewing buildings owned or controlled by it to assess their seismic rating under the new building standards (NBS). Council's buildings are categorised as either 'priority' or 'non-priority' buildings under the NBS. Council has identified all priority and non-priority buildings as required by the NBS. Seismic assessments on all priority buildings have been commenced although not completed in all cases. Council is also developing a strategy and prioritisation methodology to inform its future decisions on earthquake prone buildings.

On 8 June 2023 Council was advised it had been named as one of four Respondents in an adjudication claim to the Weathertight Homes Resolution Tribunal. A preliminary conference was set down for 6 July 2023 and at the date of the Annual Report being adopted no final adjudication has been determined in regard to Council's final liability. Council's maximum liability is capped at \$254,000 (rounded).

Sophia Street car park building has been deemed earthquake prone. The engineer who assessed the car park also assessed the adjoining building as earthquake prone. The owners of the adjoining building obtained their own report which determined their building was 100% NBS. The owner is seeking costs for having to obtain their own report. There may be a potential dispute about the responsibility of each building owner to contribute to strengthening.

Council is currently in negotiations over a failed drain in a 2015 built home in Pleasant Point. A meeting between the homeowner and builder has been and Timaru District Council (TDC) has been requested to try to resolve the matter, with the intention that the \$35,000 to \$75,000 cost of remediation will be proportionally shared between the three parties. This claim is likely to be insured therefore TDC exposure will be limited to the insurance excess of \$10,000.

Timaru District Holdings Limited, Aorangi Stadium Trust, and Venture Timaru Ltd do not have any contingent liabilities.

27 Contingencies continued

Mutual Liability Riskpool insurance scheme

Timaru District Council was a member of the New Zealand Mutual Liability Riskpool insurance scheme ("Riskpool") until 30 June 2017. The scheme is being wound down however if there is a shortfall, whereby claims exceed the contribution of members and reinsurance recoveries, in any Fund year, then a call may be made on members at that time to cover the shortfall. Council has fully paid all calls for funds to 30 June 2024. Following a Supreme Court decision in August 2023 Riskpool have advised that additional calls may be required to cover shortfalls relating to claims previously declined. Riskpool are seeking reinsurance cover relating to these however that is still unresolved and the subsequent final cost of the next call for funds to Council is still unknown.

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 AAA.

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23.8 billion (2023: \$18.6 billion).

PBE accounting standards require TDC to initially recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. The council have assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the council has not recognised a liability.

Joint operation contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply joint operation (2023: 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 (2023: Nil).

Alpine Energy Limited group has contingent liabilities as at 31 March 2024 of \$0.73m in the form of performance and import guarantees to cover ongoing project work (2023: \$0.73m).

Contingent assets

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

28 Equity

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Retained earnings				
As at 1 July	784,117	801,575	903,951	902,774
Prior year adjustment				-
Surplus/(deficit) for the year	(1,684)	(16,691)	4,462	1,944
Reserve Transfers				
Restricted reserves	(7,153)	(2,062)	(7,153)	(2,062)
Designated reserves	(3,814)	1,295	(3,814)	1,295
As at 30 June	771,466	784,117	897,446	903,951
Restricted reserves				
As at 1 July	17,098	15,036	20,148	18,086
Transfers from Retained Earnings	19,193	14,059	19,193	14,059
Transfers to Retained Earnings	(12,040)	(11,997)	(12,040)	(11,997)
As at 30 June	24,251	17,098	27,301	20,148
Designated reserves				
As at 1 July	23,872	25,167	23,871	25,166
Transfers from Retained Earnings	21,450	14,913	19,193	14,913
Transfers to Retained Earnings	(17,636)	(16,208)	(17,636)	(16,208)
As at 30 June	27,686	23,872	27,685	23,871
Total Other Reserves	51,937	40,970	54,986	44,019
Asset revaluation reserves				
As at 1 July	948,403	892,416	948,403	892,416
Revaluation gains/(losses)	-	55,987	-	55,987
As at 30 June	948,403	948,403	948,403	948,403
Total Equity	1,771,807	1,773,492	1,900,835	1,896,376

Information about reserve funds held for a specific purpose is provided in the following pages:

Restricted Reserves

Name of Fund	Activity	Purpose	2024				2023			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Aquatic Centre contributions	Recreation and Leisure	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	0	0	0	0	0	0	0	0
Collett Bequest (Museum)	Recreation and Leisure	For museum items.	602	15	0	616	589	13	0	602
Dowling Bequest	Recreation and Leisure	For the purchase of Christian fiction literature for the library.	20	0	0	21	20	0	0	20
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	0	0	0	0	0	0	0	0
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	0	1,496	1,496	0	0	1,301	1,301	0
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	539	13	145	407	527	12	0	539
George Barclay Bequest	Recreation and Leisure	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children’s Library.	2	0	0	2	2	0	0	2
Joan & Percy Davis Library Trust (Geraldine)	Recreation and Leisure	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	0	0	1	1	0	0	1
Jordan Bequest (Art Gallery)	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.	497	12	20	488	496	11	10	497
Jordan Bequest (Museum)	Recreation and Leisure	For the purchase of articles for the Museum.	245	6	0	251	239	5	0	245
Lattimore W A (Timaru) Bequest	Recreation and Leisure	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	1	0	0	1	3	0	2	1
Mackay Bequest (Art Gallery)	Recreation and Leisure	For the purchase of paintings.	228	5	0	234	227	11	10	228
Mackay Bequest (Library)	Recreation and Leisure	For the purchase of books relating to art for the Timaru Library.	133	3	0	137	136	0	3	133
McCarthy Bequest - Library	Recreation and Leisure	For general purposes at the Timaru Public library	15	0	0	15	14	0	0	15
McCarthy Bequest - Parks	Recreation and Leisure	For general purposes at the Timaru gardens	53	1	0	54	51	1	0	53

Name of Fund	Activity	Purpose	2024				2023			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Museum Acquisition Fund/Alan Ward Fund	Recreation and Leisure	For the purchase of articles for the Museum.	11	0	0	11	10	0	0	11
Russell C Hervey Fund	Recreation and Leisure	For providing improved services to the Timaru Library.	85	2	0	87	83	2	0	85
Reserves from Subdivisions/ Development Levy	Recreation and Leisure	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	294	20	0	314	308	0	14	294
Sevicke-Jones Bequest	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery	3	0	0	3	3	0	0	3
Timaru Maritime and Transportation	All of Council	For the purpose of Timaru Maritime and Transportation	5	0	0	5	5	0	0	5
Fishing Huts - Rangitata	Recreation and Leisure	Each fishing hut area retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	0	5	0	5	9	(0)	9	0
Fishing Huts - Strathoena	Recreation and Leisure	Each fishing hut area retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	75	8	0	82	67	8	0	75
Geraldine Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	54	18	0	73	41	16	2	54
Pleasant Point Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	30	9	5	33	32	7	9	30
Temuka Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	62	13	25	51	57	12	6	62

Name of Fund	Activity	Purpose	2024				2023			
			Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June	Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fairview Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	(10)	5	7	(12)	(8)	4	6	(10)
Claremont Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	1	5	6	0	2	5	6	1
Otipua Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	(0)	1	2	(1)	0	1	2	(0)
Kingsdown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	0	5	6	(1)	1	4	5	0
Seadown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	12	5	5	13	13	5	6	12
Waste Minimisation	Waste Minimisation	Each waste collection area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that waste collection area.	777	19	0	795	760	16	0	777
Geraldine Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	0	379	313	66	202	115	317	0

Name of Fund	Activity	Purpose	2024				2023			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
\$000	fund	fund	\$000	\$000	\$000	\$000	\$000	\$000		
Rural Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	400	188	0	589	350	80	30	400
Temuka Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	769	622	440	952	650	251	132	769
Timaru Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	2,199	4,794	975	6,017	3,736	1,453	2,990	2,199
District Sewer	Sewer	Each sewerage scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	7,617	5,294	2,935	9,976	4,192	5,187	1,762	7,617
Beautiful Valley Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	108	17	0	125	93	15	0	108
Orari Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	303	14	0	317	290	13	0	303
Rangitata Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	5	23	28	0	0	22	16	5

Name of Fund	Activity	Purpose	2024				2023			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Seadown Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	1,328	241	16	1,553	1,110	218	0	1,328
Te Moana Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	(0)	416	204	211	235	248	483	(0)
Urban Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	0	5,412	5,412	0	0	4,879	4,879	0
Dog Control	Environmental Services	Council's dog control enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity.	632	127	0	759	489	143	0	632
Total Restricted Reserves			17,098	19,193	12,041	24,251	15,035	14,060	11,997	17,098

Designated Reserves

Name of Fund	Activity	Purpose	2024				2023			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Cemetery Future (Timaru) Fund	Community Support	Development of future cemetery for Timaru.	96	2	0	98	94	2	0	96
Community Development Interest Fund	Community Support	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	105	49	30	124	97	46	39	105
Community Development Loan Fund	Community Support	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	353	0	0	353	353	0	0	353
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,325	32	0	1,357	1,296	29	0	1,325
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.	107	19,741	16,591	3,257	718	13,710	14,321	107
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.	0	0	0	0	0	0	0	0
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).	0	0	0	0	0	0	0	0
Depreciation Fund – Orari / Waihi Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	0	0	2	1	0	0	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.	0	0	0	0	0	0	0	0
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.	0	0	0	0	0	0	0	0
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).	0	0	0	0	0	0	0	0

Name of Fund	Activity	Purpose	2024				2023			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	0	0	0	0	0	0	0	
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	0	0	0	0	0	0	0	
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.	0	0	0	0	0	0	0	
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).	0	0	0	0	0	0	0	
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).	0	0	0	0	0	0	0	
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.	0	0	0	0	0	0	0	
Depreciation Fund (Housing)	Community Support	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	0	157	157	0	12	0	12	0
Development (Timaru) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	240	0	0	240	240	0	0	240
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding subsidised roading in the event of a natural disaster.	408	229	0	637	1,454	122	1,169	408
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	793	19	0	812	776	17	0	793
Economic Development Fund	Community Support	For economic development support.	207	5	0	212	217	5	15	207
Election Expenses Fund	Governance and Strategy	To provide for meeting election expenses.	87	2	4	86	79	125	117	87
Forestry Development Fund	Recreation and Leisure	To provide funding for the development of forests within the District.	310	(0)	104	205	420	0	111	310
Grants & Donations Fund	Community Support	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	526	142	131	537	402	231	107	526

Name of Fund	Activity	Purpose	2024				2023			
			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
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.	13,917	335	0	14,253	13,614	306	2	13,917
Main Creative Communities NZ Fund	Community Support	Carried forward balance of Creative Communities NZ fund – main committee.	11	(0)	7	4	16	0	5	11
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,500	36	0	1,536	1,467	33	0	1,500
Mayor's Welfare Fund	Governance and Strategy	Help out the needy as determined by the Mayor.	31	6	2	35	27	6	2	31
National Libraries Partnership	Recreation and Leisure	For the purpose of funding for the National Libraries Partnership	0	0	0	0	0	0	0	0
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	308	7	34	282	307	7	5	308
Parking Improvement (Timaru) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	319	97	415	0	463	98	243	319
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	1,891	46	0	1,936	1,849	42	0	1,891
Reserves Development (Timaru) Fund	Recreation and Leisure	For the planting of trees and general development of reserves owned by the District Council within Timaru.	13	0	0	13	13	0	0	13
Safer Community Funds	Community Support	For Safer Communities projects.	361	431	71	721	310	51	0	361
Social Housing Fund (TDC)	Community Support	Funding of new social housing units and major maintenance.	0	90	90	0	0	18	18	0
Sport and Recreation Loan Fund	Community Support	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	897	23	0	920	877	20	0	897
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	0	0	0	0	0	0	0	0
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	22	1	0	23	22	0	0	22
Winchester Domain Fund	Recreation and Leisure	For maintenance and Development of the Winchester Domain area	43	1	0	44	43	1	1	43
Total Designated Reserves			23,872	21,450	17,635	27,687	25,166	14,871	16,165	23,872

29 Related party transactions

During the year to 30 June 2024, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited) and subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Venture Timaru Limited) , including transactions with the associates and subsidiaries of those companies.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships and on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

	Council	
	2024	2023
	\$000	\$000
Timaru District Holdings Limited		
Interest paid to Timaru District Council	1,522	1,270
Loans payable to Timaru District Council	21,681	21,681
Dividends paid to Timaru District Council	1,000	1,000
Rates paid to Timaru District Council	531	435
Timaru District Council		
Rents paid to Timaru District Holdings	56	40
Outstanding at 30 June 2024		
Timaru District Holdings to Timaru District Council	125	125
Timaru District Council to Venture Timaru	63	-

The loan payable to Timaru District Council is secured by a debenture over the company's assets.

Council Grants

The Council has provided a number of grants to the group entities, and some of these are considered non-arm's length transactions. These grants are outlined in the table below:

	Council	
	2024	2023
	\$000	\$000
Venture Timaru		
Economic Grant	720	640
Tourism Grant	395	350
Events Support	245	230
City Town	195	-
Cruise Ship	20	-
Aorangi Stadium Trust		
General funding	52	52
Insurance reimbursement	94	51
Primeport Timaru Limited		
Scott Base Development	500	500
General Funding	30	15

29 Related party transactions continued

Key Management Personnel

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

Last year Timaru District Council purchased goods and services from South Canterbury Ale House Limited, an organisation in which Mayor Nigel Bowen and his family have a significant interest. There were no transactions for this year (2023: \$357). The balance outstanding as at 30 June 2024 is nil (2023: Nil).

During the year Council contributed to YMCA South & Mid-Canterbury, an organisation in which Councillor Stacey Scott is the chairperson and Pleasant Point Community Board member, Kathleen Wilkins, is employed. The transactions amounted to \$27,115 (2023: \$32,688). The balance outstanding as at 30 June 2024 is nil (2023: nil).

Last year Council contributed to Netball South Canterbury an organisation in which Councillor Stacey Scott was the chairperson. The transactions for 2023 amounted to \$1,324. The balance outstanding as at 30 June 2023 was nil.

From 2023 Council made a legal road reserve available to South Park Farm Limited and South Stream Dairy Limited which are related entities of Councillor Pye for nil consideration. Council has multiple similar arrangements and is legally unable to lease the land. Council does reserve the right to charge an inspection fee of \$100 (GST incl) if an inspection is undertaken. The licence to occupy arrangements have a material benefit to Council as the occupier is responsible for maintenance, such as mowing and weed control. The terms and conditions are the same for all occupiers. The terms and conditions had been agreed prior to Councillor Pye becoming an elected member and were not altered when she took office in October 2022 and are no different to the terms and conditions of other parties who have agreements to occupy road reserve.

Council has an arrangement with Rangitata South Irrigation Limited (RSIL), a company in which a close member of the family of Michelle Pye is a director and in which related parties of Michelle Pye and a close member of the family are shareholders. RSIL has the co-use of Council's stock water races and water use consents for nil consideration. This agreement has been in place since 2013 and has not altered since Michelle Pye became a Councillor. Council pays a party unrelated to itself and Councillor Pye for the maintenance of the stock water races under a separate arrangement. At balance date no obligations are outstanding with SIL.

During the year Council contributed to the South Canterbury Highland Pipe Band in which Councillor Scott Shannon is a member. The transactions amounted to \$6,575 (2023: Nil). The balance outstanding as at 30 June 2024 is nil.

Last year Council contributed funds to Pleasant Point Promotions (Talking Point), a community newspaper, an organisation in which Community Board Member Anna Lyon received remuneration for services rendered. The transaction for 2023 amounted to \$3,500. The balance outstanding as at 30 June 2023 was nil.

Last year the Temuka Community Board contributed funds to the Temuka District Community Vehicle Trust, an organisation in which Charles Scarsbrook is the Chair and Alison Talbot is a Trustee. Charles Scarsbrook and Alison Talbot are also members of the Temuka Community Board. The transaction value for 2024 was nil (2023: \$5,000). The balance outstanding as at 30 June 2024 is nil (2023: Nil).

During the year Council purchased goods and services from Temuka Transport (1967) Limited, an organisation for which the partner of Temuka Community Board member Nicola Nimo works. The value of transactions for 2024 was \$3,628 (2023: \$2,820). The balance outstanding as at 30 June 2024 was nil (2023: Nil).

During the year Council provided funds to the Temuka and Districts Historical Society of \$25,500 (2023: Nil) in which Gaye Broker, a member of the Temuka Community Board, is a member. The balance outstanding as at 30 June 2024 is nil (2023: Nil).

During the year, Timaru District Council contributed to Aoraki Multicultural Council (Multicultural Aoraki), trading as Aoraki Migrant Centre, an organisation of which Group Manager Beth Stewart is Chair of the Board. The transactions amounted to \$12,535 (2023: \$10,000). The balance outstanding as at 30 June 2024 is nil (2023: nil).

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

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2023: nil).

Key management personnel compensation

	Council	
	Actual	Actual
	2024	2023
	\$000	\$000
Remuneration	2,662	3,020
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	52	84
Total key management personnel compensation	2,714	3,104

Key management personnel include the Mayor and Councillors, (10 FTE), the Chief Executive and other senior management personnel, (8 FTE).

30 Explanation of major variances against budget

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

Statement of comprehensive revenue and expenditure

Rates revenue is above budget due to growth in the District and additional water by meter income received.

Fees and charges are \$1.999m below budget and are largely attributed to Waste Minimisation fees as a result of lower tonnes received than budgeted. Building consent fees were under budget as a result of changing market conditions within the construction industry. Theatre Royal user fees were below budget as result of project construction delay.

Subsidies and grants are \$11.328m below budget largely a result of delay in Theatre Royal project completion – grants are budgeted on completion basis. Better Off funding for Parks, Aorangi Stadium and Aigantighe Art Gallery were deferred to 2024/25 for drawing down due to delays on projects.

Finance revenue has a favourable variance of \$2.210m due to the increase in interest rates.

Financial contributions of \$739k received relating to sewer, stormwater and water supplies were unbudgeted.

Vested assets of \$16.656m from residential developments and Aorangi Stadium were vested in Council during the year which were unbudgeted.

Other revenue included donations of \$653k received towards construction of the CPlay project previously held in Trust, Petrol tax income was \$170k below budget, corridor access requests, corridor management fees, CAR approval fees and inspection fees contributed towards the above budget of \$390k. Downlands rejet fees and contributions were \$433k less than budget as the numbers were not as many as anticipated. Not all funding for 3 Water transition support was drawn down (\$651k below budget).

Other gains/(losses) are overall \$3.698m above budget, arising from unbudgeted losses from plant and equipment disposals and changes in fair value of derivative financial instruments. These losses were offset by fair value gains on forestry and investments.

Depreciation is \$5.470m above budget largely as a result of the prior year water asset revaluation which increased total fixed assets by \$55.987m, which therefore increased depreciation required in proceeding years.

Finance costs were \$2.594m above budget due to the increase in interest rates over the financial year.

Other expenses were \$2.929m above budget due to the following:

Internal charges consisting of personnel costs -charged to capital on projects were budgeted within Other expenditure, however the actual charge has been recognised against Personnel costs. The effect of this re-categorisation is a reduction of \$715k.

Waste minimisation expenses \$436k below budget due to lower than budgeted carbon credits and waste site maintenance and landfill contractor's costs.

Corporate Activities Other Expenses were \$888k above budget, mainly due to professional and consultancy overspent, largely attributable to providing support for vacant positions within the council, in addition to providing specialist advice.

Planning Professional fees were \$338k above budget, largely as result of providing on-going specialist advice and support. These unfavourable variances were partly offset by under budgeted professional fees in District Plan Review due to a change in timing for this project.

These unfavourable variances were partly offset by under budgeted professional fees in District Plan Review due to a change in timing for this project.

Community Housing other expenses were \$520k above budget mainly due to unbudgeted rates costs.

Drainage & Water other expenses were \$544k above budget, as a result of an increase in Urban Water and Te Moana reticulation costs, due to cost escalations.

Statement of financial position

Cash and cash equivalents and other financial assets have deviated from budget due to the Council holding shorter term investments while interest rates were rising.

Trade receivables and payables have decreased from budget as result of regular trading and timing of income and expenditure.

Property, plant and equipment and the asset revaluation reserve are above budget due to revaluation of roading and water assets in the 2022 and 2023 financial years.

Borrowings and other financial liabilities are lower than budget, largely as result of lower capital expenditure and used cash reserves, as interest rates were high.

Statement of changes in equity

Equity have deviated from budget due to variation in the Opening Balance. Comprehensive Revenue was budgeted at surplus had loss for the reasons stated in the Financial Performance.

Statement of cashflow

In overall cash and cash equivalents are \$16.511m below budgeted mainly due to:

Cash Flow from operating activities \$11.941m below budgeted due to lower than budgeted Receipts from Other Revenue sources – part of Grants and Subsidies were not received in 2023/24.

Interest received was \$3.447m above budged as result of higher than budgeted interest rates.

31 Financial instruments

Investments in LGFA have been reclassified through FVTSD, prior years classifications have been adjusted to reflect this.

Financial Instrument categories

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
FINANCIAL ASSETS				
Mandatorily measured at FVTSD				
Derivative financial instrument assets	3,167	4,263	3,167	4,263
Other financial assets:				
- Investments in debt securities	1,100	1,068	1,100	1,068
- Investments in LGFA	5,719	4,515	5,719	4,515
	<u>9,986</u>	<u>9,846</u>	<u>9,986</u>	<u>9,846</u>
Amortised Cost				
Cash and cash equivalents	22,159	39,296	23,542	42,050
Trade and other receivables	14,931	12,327	15,082	12,979
Other financial assets:				
- Term deposits	-	-	825	1,995
- Community loans	625	146	625	146
- Loans to related parties	21,681	21,681	-	-
- Loans to other local authorities	3,200	2,430	3,200	2,430
	<u></u>	<u></u>	<u></u>	<u></u>
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- Listed and unlisted shares	268	268	268	268
FINANCIAL LIABILITIES				
Amortised cost				
Trade and other payables	15,956	13,998	18,047	15,884
Borrowings:				
- Secured loans	-	-	7,200	6,400
- Bonds	220,532	205,532	220,532	205,532
	<u>236,488</u>	<u>219,530</u>	<u>245,779</u>	<u>227,816</u>

Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30

- Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

	Total	Valuation technique		
		Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 Jun 2024 - Council				
Financial assets				
Derivatives	3,167	-	3,167	-
Investments in debt securities	1,100	-	1,100	-
Investments in LGFA	5,719			5,719
Shares	268	-	-	268
30 Jun 2024 - Group				
Financial assets				
Derivatives	3,167	-	3,167	-
Investments in debt securities	1,100	-	1,100	-
Investments in LGFA	5,719			5,719
Shares	268	-	-	268
30 Jun 2023 - Council				
Financial assets				
Derivatives	4,263	-	4,263	-
Investments in debt securities	1,068	-	1,068	-
Investments in LGFA	4,515			4,515
Shares	268	-	-	268
30 Jun 2023 - Group				
Financial assets				
Derivatives	4,263	-	4,263	-
Investments in debt securities	1,068	-	1,068	-
Investments in LGFA	4,515			4,515
Shares	268	-	-	268

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

31 Financial instruments continued

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

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance as at 1 July	35,608	34,649	4,348	3,389
Purchases	(4,080)	959	(4,080)	959
Balance as at 30 June	31,528	35,608	268	4,348

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

Financial Instruments risks

Timaru District Council has a series of policies to manage the risks associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The Council has a Treasury Management Policy which does not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

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

Interest rate risk

Fair value interest rate risk

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

Cash flow interest rate risk

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

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

Credit risk

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

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

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

31 Financial instruments continued

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and term deposits	22,159	39,296	24,367	44,045
Trade and other receivables	14,931	12,327	15,082	12,979
Community loans	625	146	625	146
Related party loans	21,681	21,681	-	-
Investments in debt securities	1,100	1,068	1,100	1,068
Derivative financial instrument assets	3,167	4,263	3,167	4,263
Total credit risk	63,663	78,780	44,341	62,500

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

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

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

Liquidity risk

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

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

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

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$nil (2023: \$nil). There are no restrictions on the use of this facility.

31 Financial instruments continued

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2024						
Trade and other payables	15,956	14,328	14,328	-	-	-
Bonds	220,532	249,266	58,337	39,960	123,289	27,680
Total	236,488	263,594	72,665	39,960	123,289	27,680
Group 2024						
Trade and other payables	18,047	18,047	14,328	-	-	-
Secured loans	6,400	6,400	6,400	-	-	-
Bonds	220,532	249,266	58,337	39,960	123,289	27,680
Total	244,979	273,713	79,065	39,960	123,289	27,680
Council 2023						
Trade and other payables	13,996	14,857	14,857	-	-	-
Bonds	205,532	236,056	41,565	28,618	107,812	58,061
Total	219,528	250,913	56,422	28,618	107,812	58,061
Group 2023						
Trade and other payables	15,884	15,884	14,857	-	-	-
Secured loans	6,400	6,400	6,400	-	-	-
Bonds	205,532	236,056	41,565	28,618	107,812	58,061
Total	227,816	258,341	62,822	28,618	107,812	58,061

Contractual maturity analysis of derivative financial instruments

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

	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2024	(1,324)	(1,237)	(606)	-
Group 2024	(1,324)	(1,237)	(606)	-
Council 2023	(1,644)	(1,759)	(931)	(112)
Group 2023	(1,644)	(1,759)	(931)	(112)

31 Financial instruments continued

Contractual maturity analysis of financial assets

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

	Carrying amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2024					
Cash and cash equivalents	22,159	22,159	22,159	-	-
Trade and other receivables	11,259	11,259	11,259	-	-
Loans to related parties	21,681	21,681	-	-	21,681
Unlisted shares	31,528	31,528	-	-	31,528
Other financial assets:					
- community loans	625	625	90	535	-
- investment in debt securities	1,100	1,100	1,100	-	-
- investment in LGFA	5,719	5,719	957	4,065	697
Total	94,071	94,071	35,565	4,600	53,906
Group 2024					
Cash and cash equivalents	23,542	23,542	23,542	-	-
Trade and other receivables	15,082	15,082	15,082	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	825	825	825	-	-
- community loans	625	625	90	535	-
- investment in debt securities	1,100	1,100	1,100	-	-
- investment in LGFA	5,719	5,719	957	4,065	697
Total	47,161	47,161	41,596	4,600	965
Council 2023					
Cash and cash equivalents	39,296	39,296	39,296	-	-
Trade and other receivables	9,567	9,567	9,567	-	-
Loans to related parties	21,681	21,681	-	-	21,681
Unlisted shares	31,528	31,528	-	-	31,528
Other financial assets:					
- community loans	145	145	32	113	-
- investment in debt securities	1,068	1,068	1,068	-	-
- investment in LGFA	4,515	4,515	435	2,955	1,125
Total	107,800	107,800	50,398	3,068	54,334
Group 2023					
Cash and cash equivalents	42,050	42,050	42,050	-	-
Trade and other receivables	12,979	12,979	12,979	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	1,995	1,995	1,995	-	-
- community loans	145	145	32	113	-
- investment in debt securities	1,068	1,068	1,068	-	-
- investment in LGFA	4,515	4,515	435	2,955	1,125
Total	63,020	63,020	58,559	3,068	1,393

32 Capital management

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

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

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

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

Timaru District Council has the following Council created reserves:

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

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

Self-insurance reserves are built up annually from general rates for specific possible events.

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

33 Local Water Done Well

The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

34 Events after balance date

As disclosed in note 15 above, Alpine Energy have made relevant disclosures to the Commerce Commission in regard to errors identified in their Information Disclosure Schedules. No further information has been made available post balance date with the Commerce Commission review expected to be completed within the next financial year.

Timaru District Council was successful in its application for \$6 million from the Ministry for the Environment's Contaminated Sites and Vulnerable Landfills Fund against the \$12 million cost of the remediation of the closed Peel Forest Landfill.

Disclosure statements

Annual Report Disclosure Statement for the year ended 30 June 2024

What is the purpose of this statement?

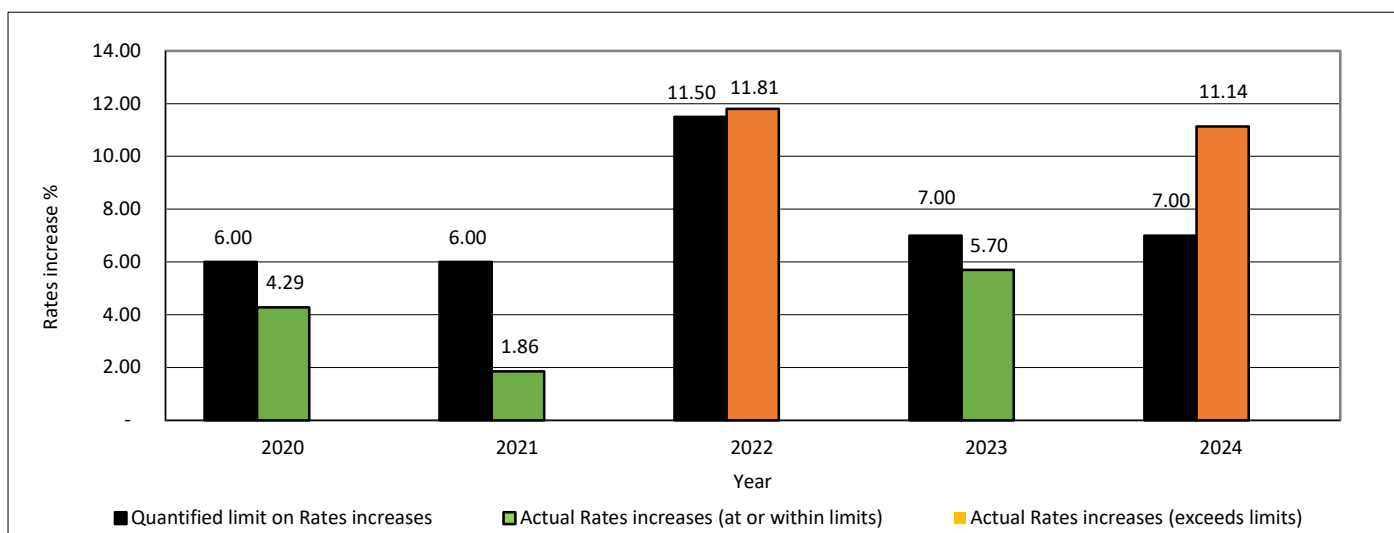
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing revenue, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its annual report in accordance with Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Council is required to disclose its performance in relation to specific benchmarks, as follows:

1. Rates (increase) affordability benchmark

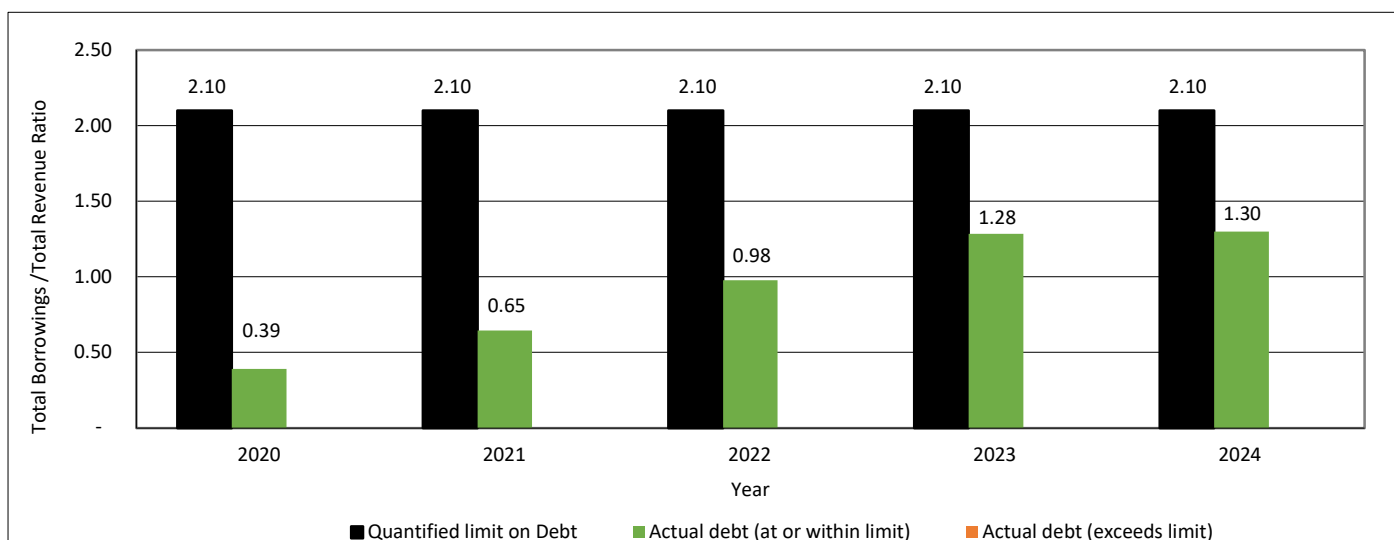
The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit rates increases. The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long term plan (LTP). The quantified limit is 6% in 2019/20 and 2020/21, 11.5% in 2021/22, and 7% for the remaining nine years in the LTP.



2. Debt affordability benchmark

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

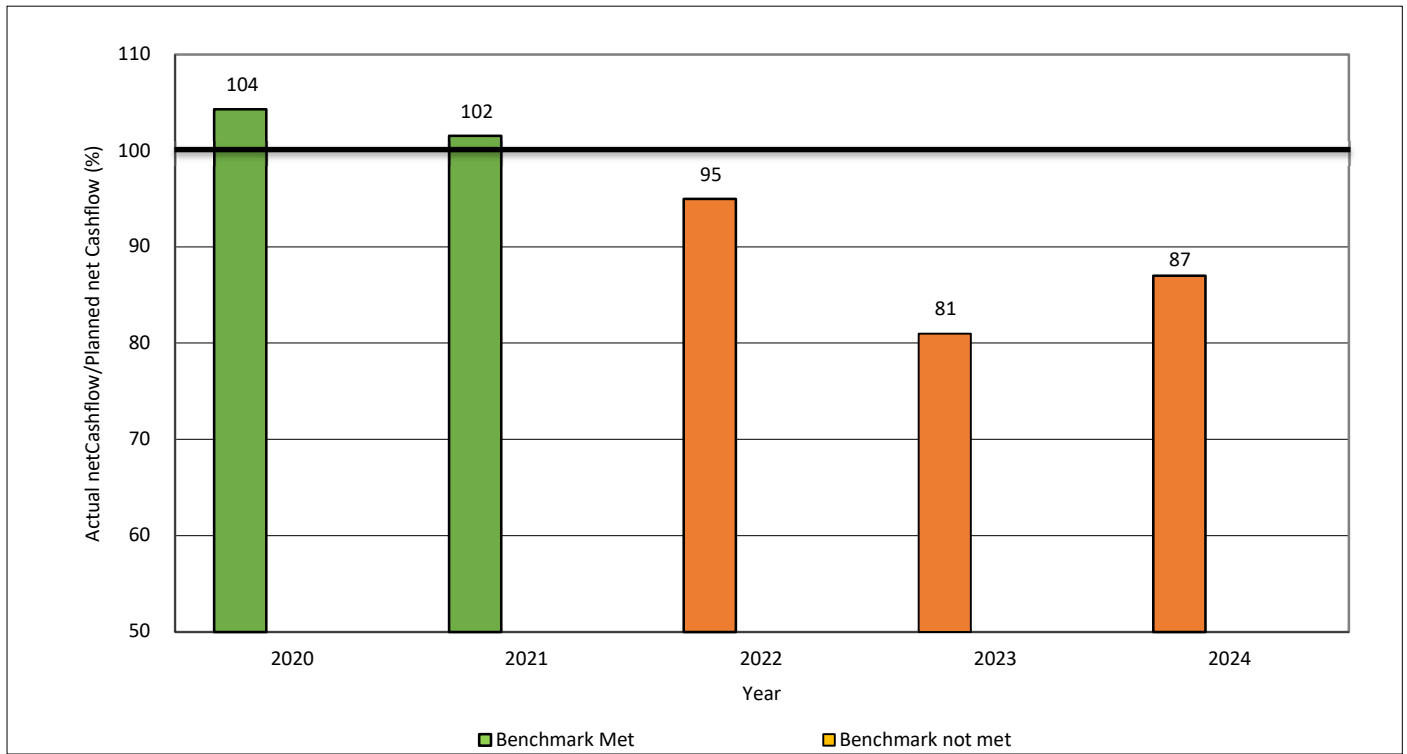
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limit is a ratio of net debt to total income of 2.1.



3. Balanced budget benchmark

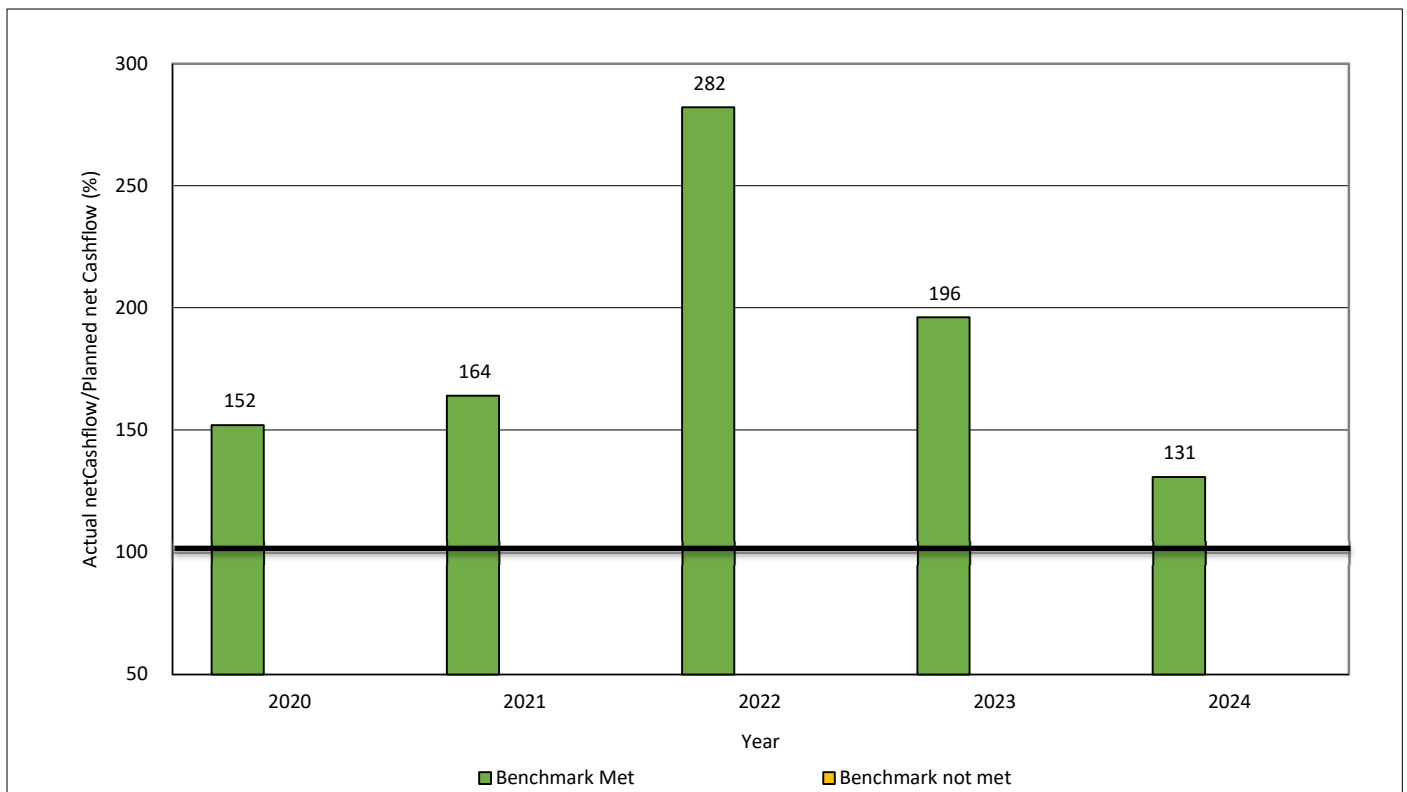
The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

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



4. Essential services benchmark

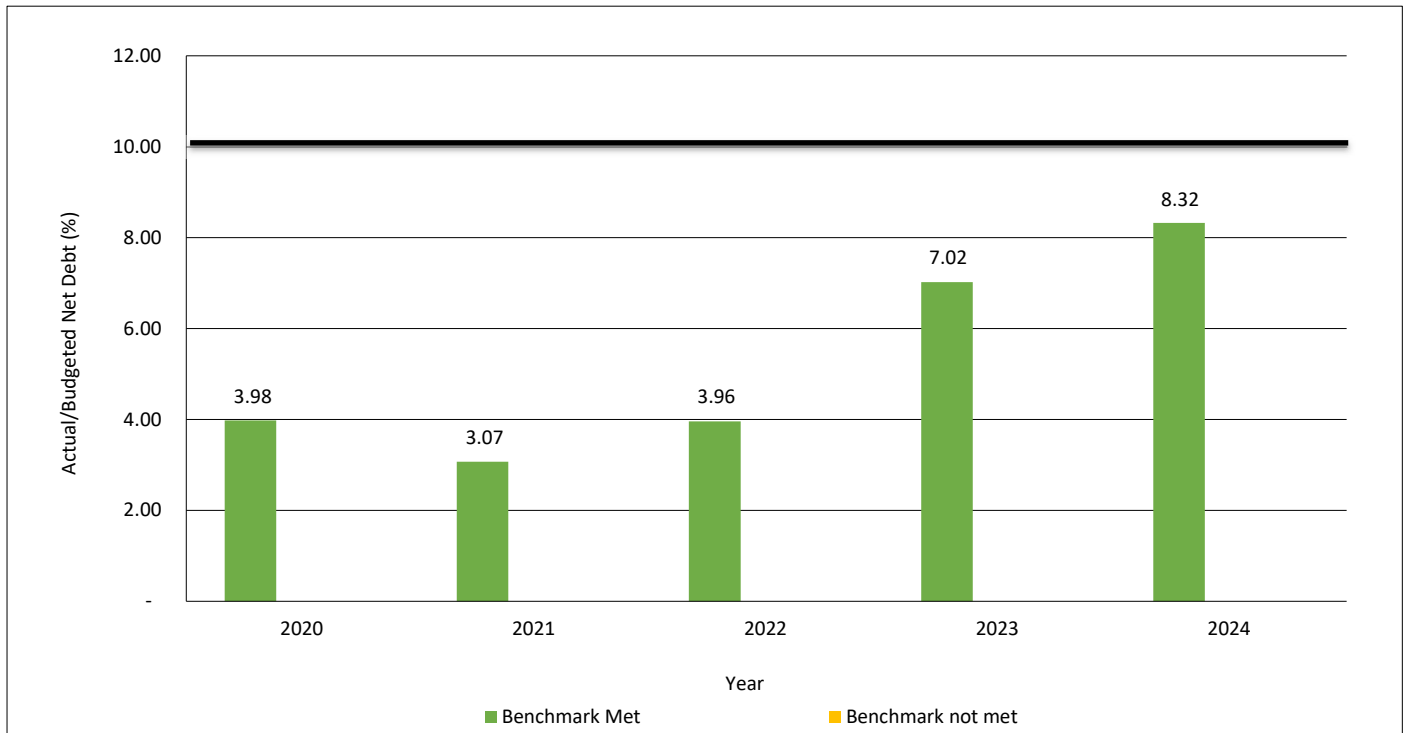
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



5. Debt servicing benchmark

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

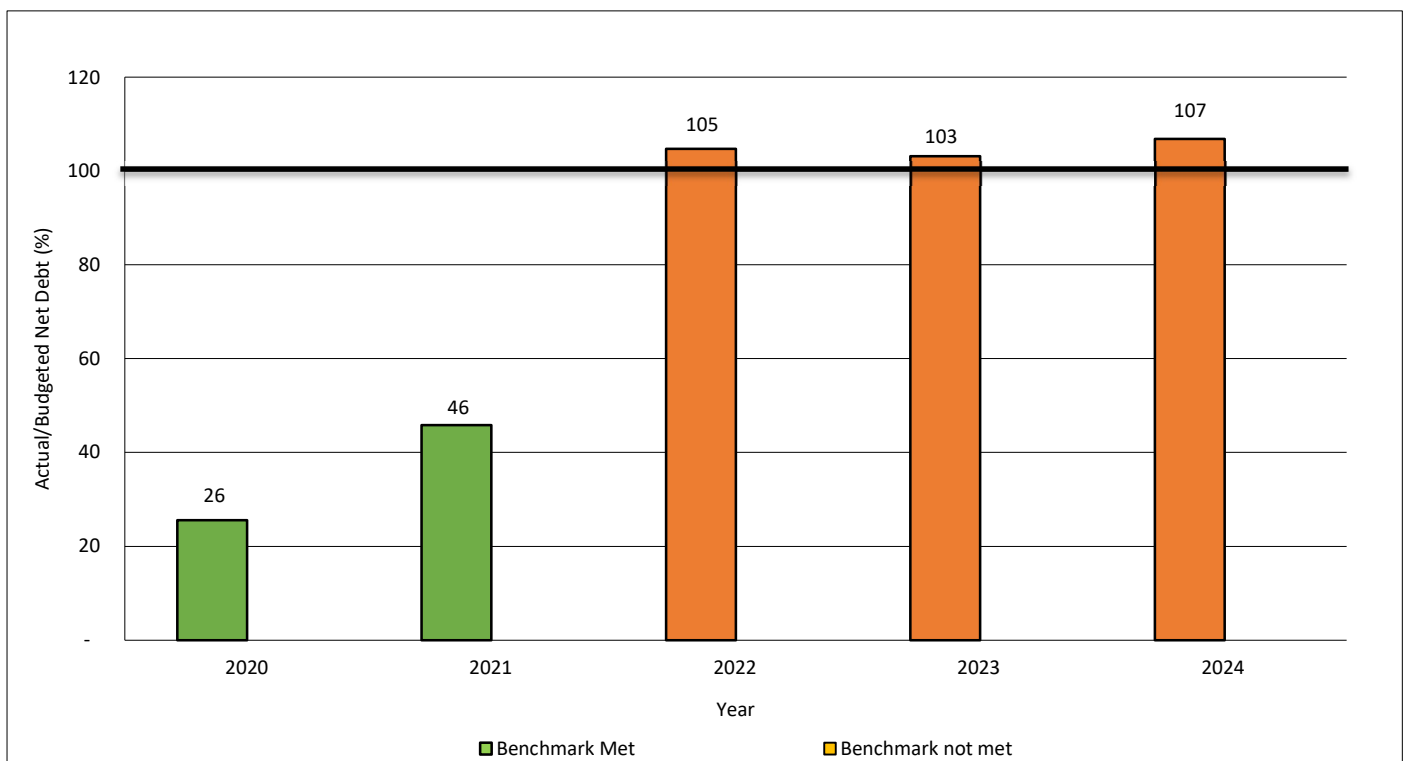
Because Statistic New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.



6. Debt control benchmark

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

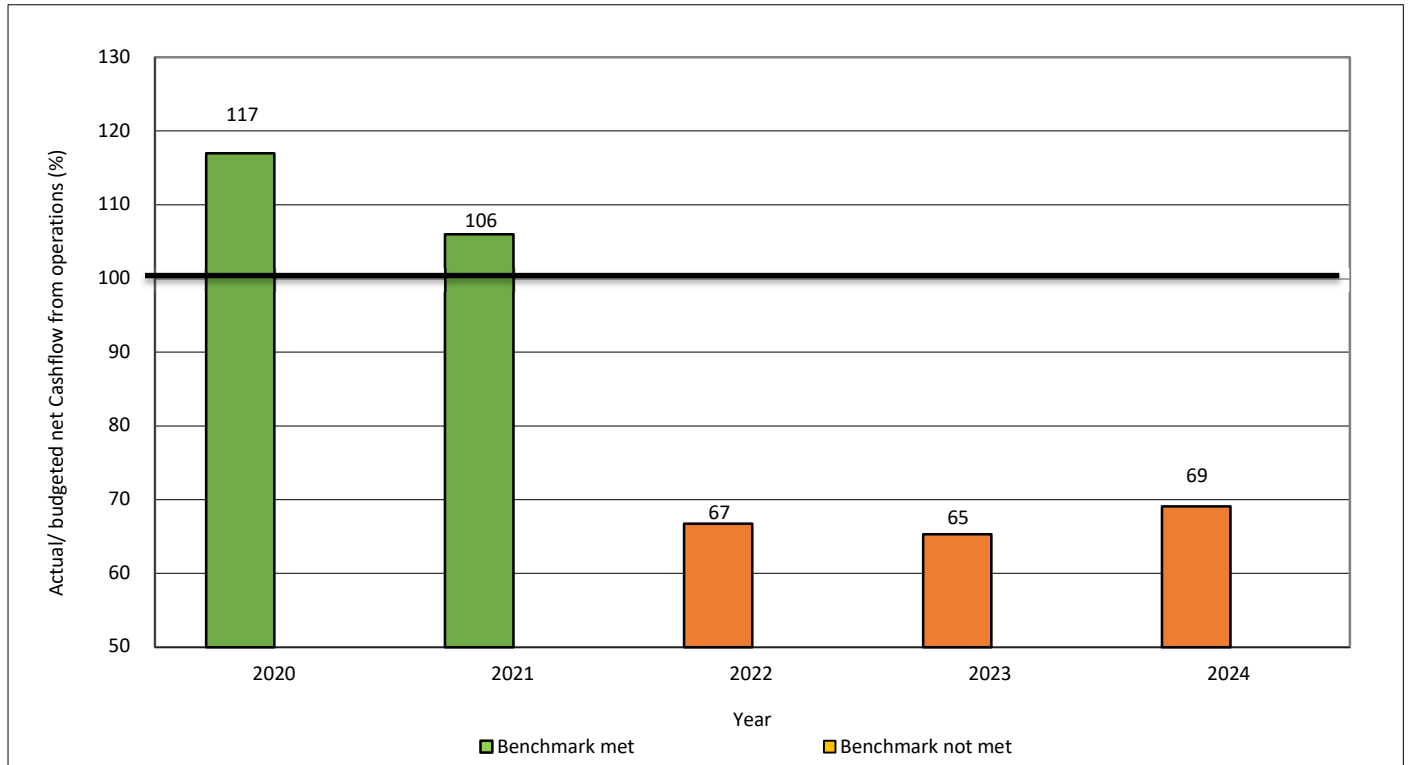
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



7. Operations control benchmark

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

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



Other information

2023
2024

Directory

Timaru District Council

Timaru District Council
PO Box 522
Timaru 7940

Timaru Main Office:

2 King George Place
Timaru 7910
Telephone: (03) 687 7200
Email: enquiry@timdc.govt.nz
Website: www.timaru.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm

Temuka Library, Service and Information Centre

72 – 74 King Street, Temuka 7920
Telephone: (03) 687 7591
Email: temuka.library@timdc.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm
Saturday 10am – 1pm

Geraldine Library and Service Centre

78 Talbot Street, Geraldine 7930
Telephone: (03) 693 9336
Email: libger@timdc.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm
Saturday 10am – 1pm

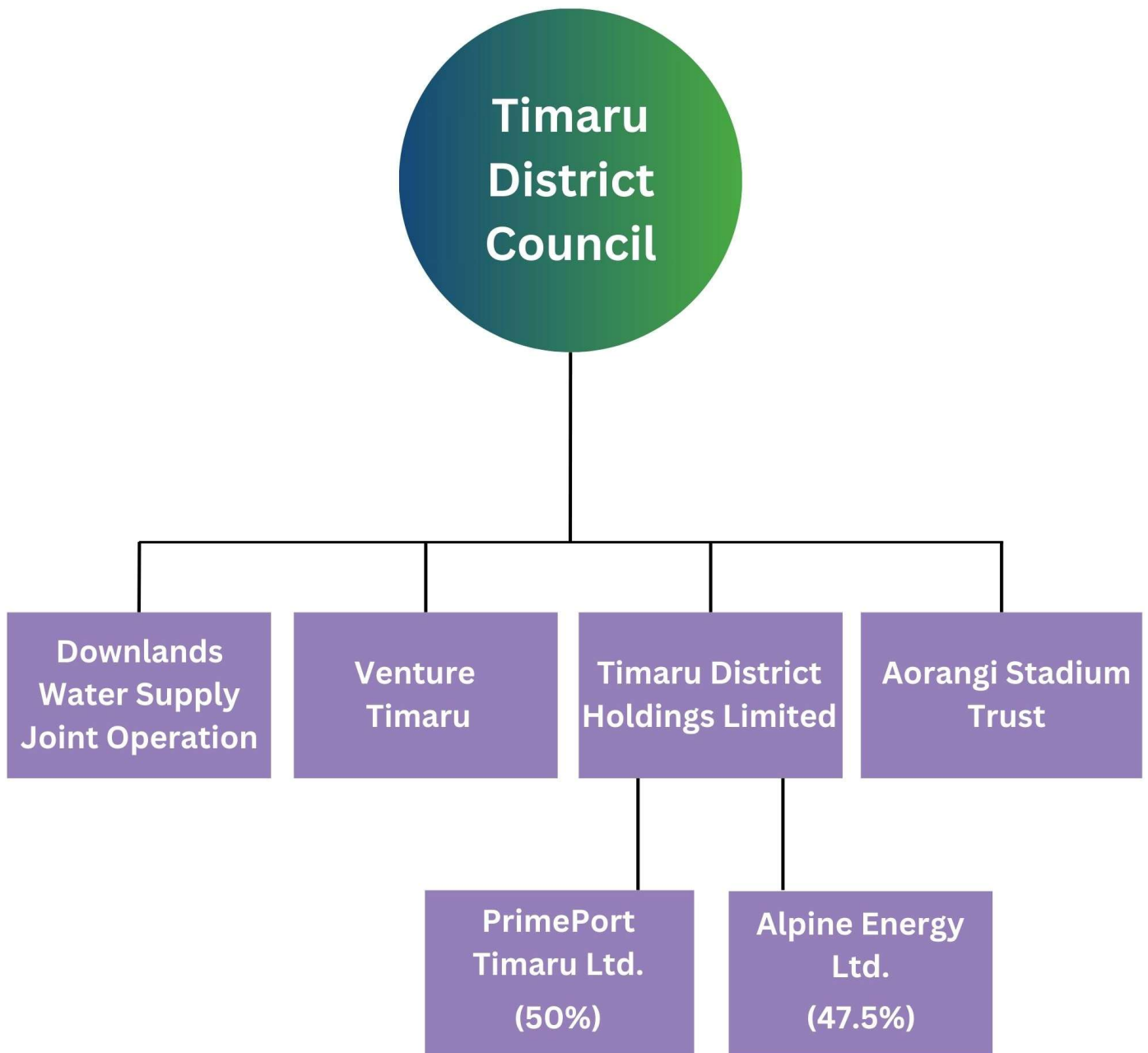
Bankers

Bank of New Zealand
247 Stafford Street
Timaru 7910

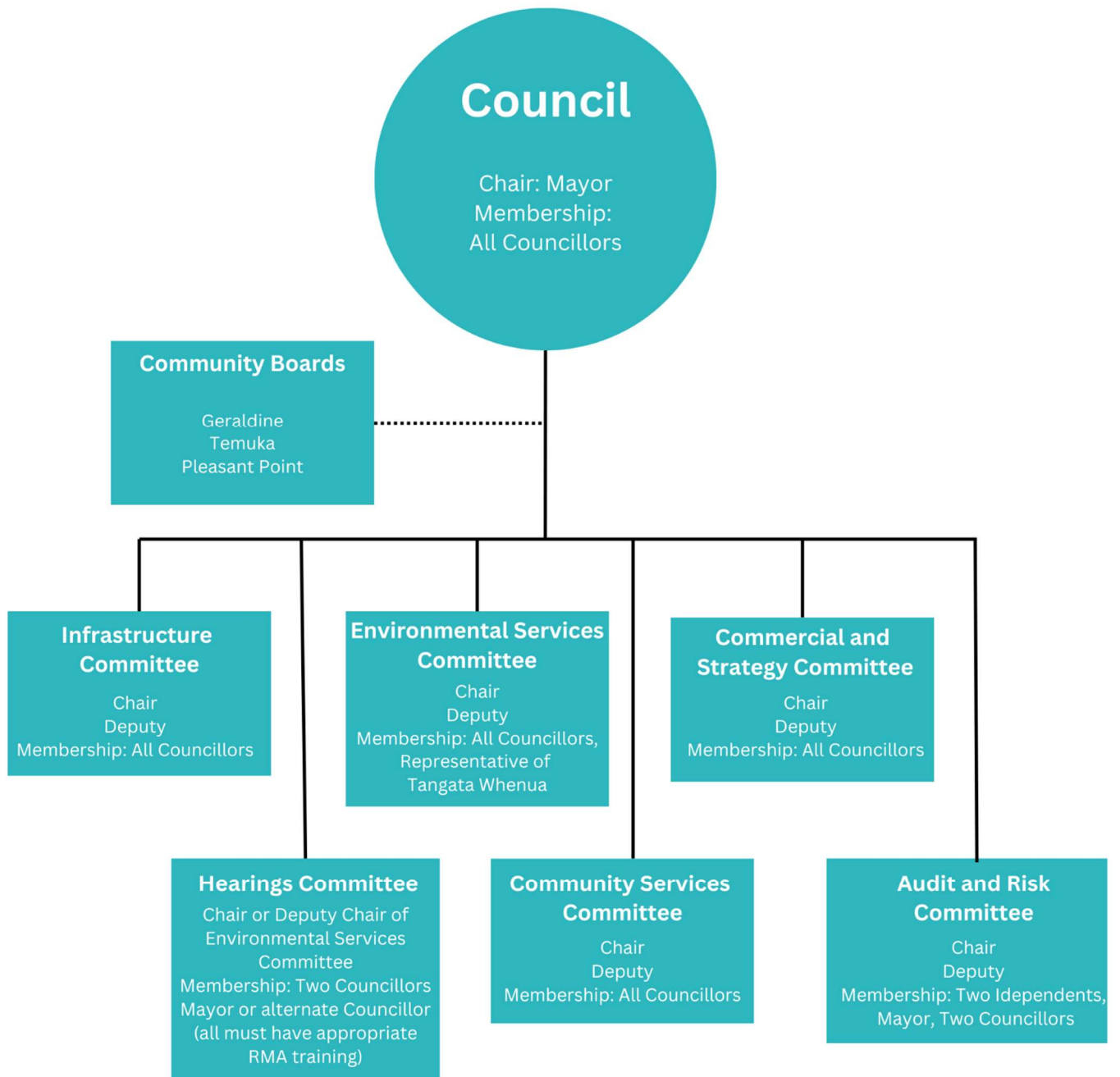
Auditors

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

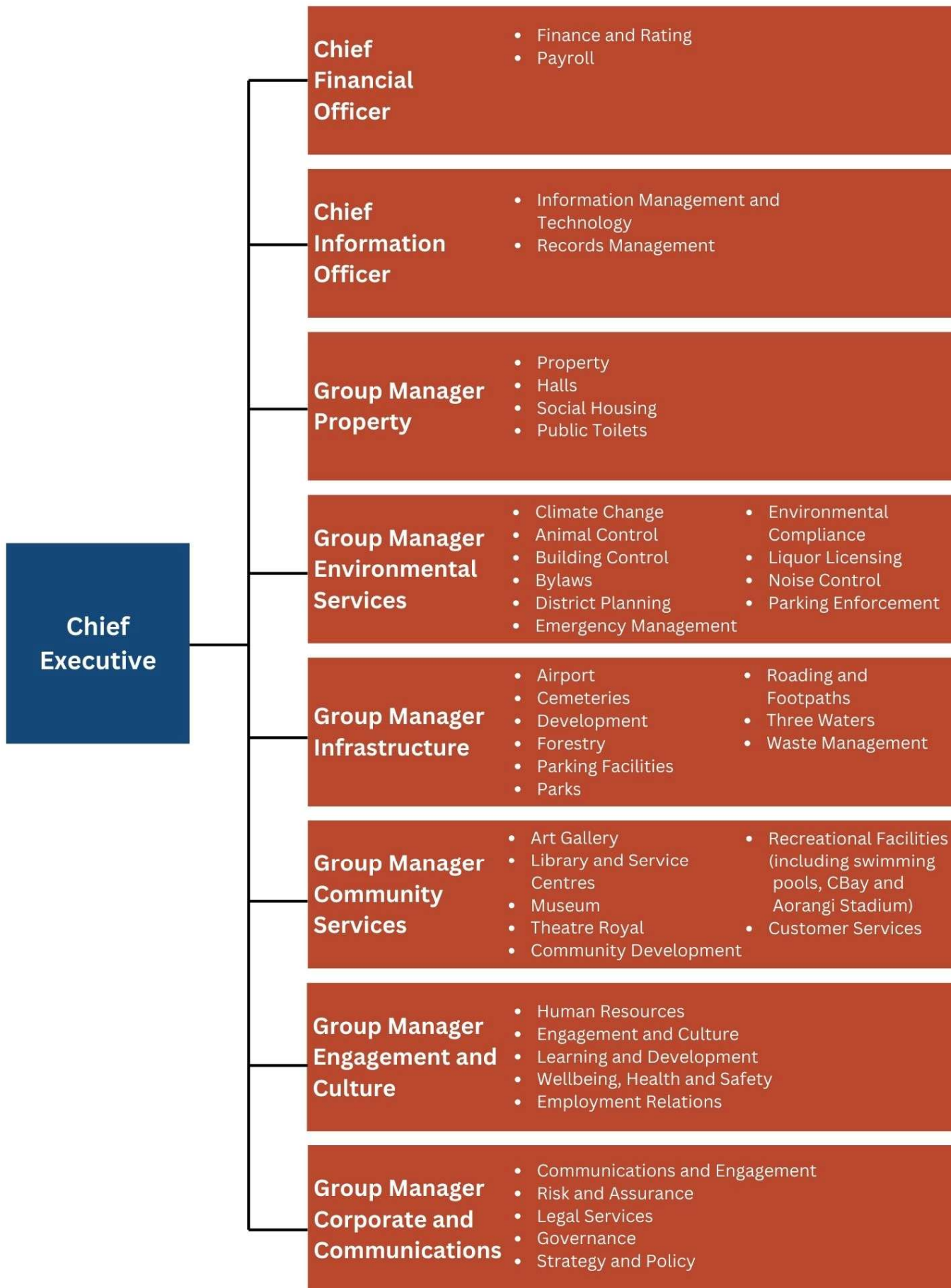
Group Organisation Structure



Council Committees



Council Management (as at 30 June 2024)



Our Workforce

Timaru District Council employs a total of 358 staff members.

There are 155 casual, short term and part time staff. Overall, there are 292 full-time equivalent employees. 244 of these staff are full-time, with the balance of staff representing 48 full-time equivalent employees including part-time and casual staff.

Council has a strong commitment to its staff, recognising that our people are one of our most important assets, and play a huge role in delivering results for our community.

Staff are supported through an inhouse group with a focus on promoting and instilling the positive corporate values of Customer Focus – One Team – Successful – Integrity (COSI) within the people of Timaru District Council.

Our mission statement

The COSI Committee will seek to promote and instil the positive corporate values of Customer Focus – One Team – Successful – Integrity within the people of the Timaru District Council.

Our staff – some quick facts

Age profile %

Under 20	11.6%
20-30	14.8%
31-40	17.3%
41-50	18.1%
51-55	8.5%
56-60	11.3%
61-65	11.3%
65+ and no DOB	7.1%

Length of Service

Less than one year	12%
1-4 years	46%
5-9 years	16%
10-20 years	18%
21-30 years	4%
30+ years	4%

Glossary

Activity

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

Annual Plan

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

Annual Report

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

Asset

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

Activity/Asset Management Plan

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

Borrowing

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

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

Community Wellbeing Outcomes

Community Wellbeing Outcomes are the social, economic, environmental, and cultural outcomes Council is seeking to promote for the communities it represents.

Council Controlled Organisations

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

Financial Strategy

Guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments. It is required under Section 101A of the Local Government Act.

Financial Year

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

General Rate

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

Group of Activities

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

Infrastructure Strategy

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

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

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

Long Term Plan (LTP)

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

Operating Expenditure

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

Operating Revenue

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

Operating Surplus/(Deficit)

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

Performance Measure

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

Rates

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

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.