

# Finding the balance.

Timaru District Council  
Long Term Plan  
2024 - 34





## **Timaru District Council Long Term Plan 2024-34**

For the year beginning 1 July 2024

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# Finding the Balance

## **Nau mai ki te Mahere Roa o te Kaunihera Rohe o Te Tihi o Maru.**

(Welcome to the Timaru District Council Long Term Plan)

Finding the balance has been a focus for our planning over the past 18 months as we've been developing our Long Term Plan 2024-34 (LTP). Much has changed in the three years since we wrote our last plan, including COVID-19 and the economic challenges it left in its wake. We have had to take stock of where we are as a district and look at how we work to get to where we want to be over the next ten years.

There's a lot of talk about balance in this LTP, and we have tried to strike a good balance across all areas of Council spending and service provision.

My priorities are getting the basic infrastructure right first, then about delivering as many of the things you have previously told us you want as we can while setting our Council up for a strong and sustainable long-term financial standing.

Timaru District has some of the lowest rates in the country, and while on one hand it is a sign the Council has been run in a fiscally prudent and conservative way, it also meant that in previous years we may not have been putting enough money in the bank to replace our infrastructure when it was needed. For a lot of our infrastructure, that time is now. We have to act to ensure these critical services are in good shape for the future.

Properly planning for this through depreciation is never going to be an exciting topic, nor make the front page of the paper, but it is the main tool we have to ensure we meet these current and future

infrastructure needs.

This plan does not see us go from the bottom of the rates pack to the top. However, our rates need to be set at a sensible level to cover the cost of providing the services you use every day, while also ensuring we can replace the pipes, the roads and the bridges as it becomes necessary.

Average rates increases to existing ratepayers are proposed to be 15% in 2024/25. 12% in 2025/26 and a further 12% in 2026/27. From 2027/28 onwards, rate increases will not exceed 5%. The 2021/31 Financial Strategy had a rates limit set at 7%, it is proposed to maintain this level. Note, the 7% limit is the limit that applies over the 10 year LTP period (so is an average over that time), and is not an annual rates limit.

While infrastructure is my priority (around 80% of the capital spending we set out in this plan is on water, roads and waste) no one wants to live in a district with nothing to see or do. That is why we need to balance this spending with improving and updating our cultural and recreational facilities.

With the public focus on the refurbishment of the Theatre Royal & Heritage Centre you could easily be mistaken in thinking it made up the bulk of Council spending. While it is a large project encompassing both the restoration of the Theatre Royal and the building of a brand-new museum as a shared facility, it is still in line with what we would usually aim to

spend on cultural facilities over the life of an LTP.

Ensuring we make careful choices around timing of projects and prudent use of debt means we can deliver the core services our communities require, as well as provide the kind of services and facilities that make people want to visit our district, and hopefully make it their home.

I want to thank members of our community for playing such an active part in helping to shape this plan. From the hearings to farmers markets and Facebook Lives, we have had some fascinating feedback that has really helped refine and improve this plan and it gives us confidence that we are on the right track.

Nga mihi,

Nigel Bowen.



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# Overview



# Your Council and Community Boards



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

# Working with Mana whenua

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

In recognising its relationship with mana whenua, 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 (RMA) 1991. The relationship between mana whenua and the Timaru District Council reflects, 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 mana whenua to contribute to Council's decision-making processes. It also requires Councils to consider ways to foster the development of the capacity of mana whenua to contribute to these processes and to provide mana whenua with relevant information.

The RMA has specific requirements for Council to engage with mana whenua when preparing and reviewing the district plan and to consider tangata whenua values as part of decision-making on resource consent applications. 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 mana whenua under all legislation

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

Council will ensure all of its key policy and decision-making processes include opportunities for discussion with mana whenua, 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 mana whenua to engage in the development of key policy and plans, including long term plans and annual plans, and on resource management plans, policies and strategies including the process, timing and content of plan or policy development and review. Opportunities are also considered for appointments on planning and resource consent hearing committees.

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

Council will continue to offer places for mana whenua representatives on Council Committees, including the Environmental Services Standing Committee, the Safer Communities Committee and the Local Arts Assessment Committee, and other

bodies as appropriate, and seek regular engagement with mana whenua to discuss matters of common interest and foster general relationships.

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

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

## **Current specific projects between the Council and mana whenua include:**

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



# Joining the Conversation

## Community Engagement Summary

Over the period 12 April to 12 May 2024 Council undertook extensive engagement with the community on plans and proposals for the Long Term Plan 2024-34

A Consultation Document was made available online, and a paper copy circulated to every household in the district, as well as being available at key community facilities. The opportunity to provide feedback to Council was widely promoted in both print and social media.

### The community was invited to provide feedback in a range of different ways:

- Completing the online submission form.
- Completing and posting the hardcopy submission form included in the Consultation Document.
- Posting or emailing a submission to Council.
- Sending a message to Council on Facebook.
- Talking to Councillors and staff at the planned engagement events, or contacting Councillors directly.

Councillors attended 31 meetings with community groups, drop-in sessions at farmers markets and public spaces across the district during the engagement period, as well as Facebook Live broadcasts. These meetings and drop-in sessions provided Councillors with an opportunity to discuss the proposals in the Long Term Plan, particularly the key issues, with a wide range of people across the community, and discuss other issues of concern and importance to these groups and individuals.

The feedback from these events and meetings was considered along with the 503 formal submissions.

## The Four Key Issues

### The four key issues that were the focus of the majority of the submissions were:

- Balancing our approach to debt.
- Balancing income and costs.
- Balancing the things you use with the things you enjoy.
- Balancing user pays with common good.

In addition to feedback on the four key issues, feedback was received on 43 other topics. The topics that generated the most feedback from submitters were the Aorangi Stadium Gym, Climate Change and biodiversity, the Theatre Royal and Heritage Centre development and city centre development.

## Balancing our Approach to Debt

Getting the council back in the black, while delivering significant projects.

The consultation document proposed three options, with Council indicating a preference for Option 2 – 2.5 Debt Cap.

### Option 1 – Lower Debt Cap

- Cuts across capital investment and infrastructure and community facilities.
- Effect on debt cap: \$353M (2.1 Debt cap).
- No impact on planned rates rises in years 1-4 (15% in year 1). Approximate interest savings of \$3 million per annum from year 5 compared to 2.5.
- Sale of non-core Council assets and properties.
- Deferment of footpath and water renewals, as well as reducing levels of service in areas such as playground renewals or parks maintenance.

### Option 2 – 2.5 Debt Cap

- We can deliver most of our capital works.
- Amount of debt: \$412M (2.5 Debt cap, reaching 2.47 at peak).
- Rates rises as planned in years 1-10 (15% in year 1).
- Additional interest costs of approximately \$3 million per annum from year 5 compared to 2.1.

Main projects delivered under preferred option:

- Theatre Royal and Heritage Facility.
- Aorangi Stadium Upgrade.
- Claremont Treatment Plant Upgrades.
- Geraldine Water Main and Reservoir Upgrade.
- Completion of District Plan.
- Bridge Renewals.

Main projects deferred under preferred option:

- Timaru CityTown Masterplan Enabling Programme.
- Aigantighe Art Gallery Extension.
- New Library Building in Temuka.
- Road Seal Extensions.
- New Cycleways Walkways.
- Highfield Park Development.

### Option 3 – Higher Debt Cap

- We can deliver more of our capital works, no financial headroom if required.
- Effect on debt: Borrowing maximum \$485M (2.8 Debt cap).
- Rates rises are planned in years 1-4 (15% in year 1). Additional interest costs of approximately \$4.3 million per annum from year 5.

### Projects as per option 2 with addition of items:

- Aigantighe Art Gallery Extension
- New Cycleways/Walkways.

## Council's Decision

### Option 2 – 2.5 cap

The Council approved Option 2, raising the Council debt cap to 2.5 times income, with Council debt forecast to peak at \$428 million in year 7 (2030/31). This option enables the Council to go ahead with planned capital works over the ten years of this plan, including The Theatre Royal and Heritage Facility, Aorangi Stadium upgrade, Clarendon Treatment Plant upgrade, Geraldine Water Main and Reservoir upgrades and a number of bridge renewals.

### Balancing Income and Costs

The community was asked how fast we should balance our budget and start paying off debt.

The consultation document proposed three options, with Council indicating a preference for Option 2 – As Planned.

#### Option 1 – Faster

- No improvements to levels of service and operations.
- Deficit eliminated Year 1, depreciation fully funded from Year 2.
- Lower debt costs, higher rate rises.
- Effect on rates: 21.6% increase year 1.
- Net deficit Year 1: Nil.
- Net surplus for 10 years: \$86.9m.
- Depreciation funded: 84% Year1; 100% Year 2;
- Unfunded depreciation over plan: \$5.5 million.
- Net Debt peak: \$396m.

#### Option 2 – As Planned

- No improvements to levels of service and operations.
- Higher debt costs.
- Moderate average rates rises.
- Effect on rates: 15% increase year 1.
- Net deficit Year 1: \$4.6m.
- Net surplus for 10 years: \$61.8m.
- Depreciation funded: 71% Year1; 100% Year 4.
- Net Debt peak: \$412m.

#### Option 3 – Slower

- Significantly reduced levels of service and operations.
- Significantly higher debt costs.
- Lower average rates rises.
- Effect on rates: 9% increase years 1,2,3.
- Net deficit Year 1: \$8.7m.
- Net deficit for 10 years: \$70.3m.
- Depreciation funded: 59% Year 1; 100% Year 8.
- Net debt peak: \$520m (in breach of 2.8 maximum debt cap).

## Council's Decision

### Option 2 – As Planned

The Council approved Option 2, with the plan to eliminate the deficit in year 4 of the plan. This enables levels of service and maintenance to be kept within a reasonable level, rates rises to be in line with the forecast and for there to still be reasonable debt headroom for disaster preparedness.

## Balancing the Things You Use with the Things You Enjoy

The community was asked if the proportion of spending that covered infrastructural services and community services was correct at approximately 80/20.

The consultation document proposed three options, with Council indicating a preference for Option 2 – 80/20 Split.

### Option 1 - 90/10 Split

No, it should be more in favour of infrastructure, and spend less on community facilities.

- \$585 million core spending, additional \$66 million for projects including road renewals, bridges and water treatment.
- \$65 million non-core spending, \$66 million less for upgrades of community facilities, playgrounds and parks.

### Option 2 – 80/20 Split

Yes, you've got the balance right.

- \$519 million on core spending.
- \$131 million on non-core spending.
- Work programme as planned.

### Option 3 – 70/30 Split

No, you should invest more in community facilities and less on infrastructure.

- \$455 million on core spending, \$64 million less for projects including road renewals, bridges and water treatment.
- \$195 million on non-core spending, additional \$64 million available for projects such as the Aigantighe Art Gallery Extension, Community Facilities, Playgrounds and Parks.

## Council's Decision

### Option 2 – 80/20

The Council approved Option 2, with the Council agreeing to keep the proportion of spending between core infrastructure and community facilities, in line with current split at 80/20.

### Balancing User Pays with Common Good

The community was asked if the proportion of the fees we charge for services towards the cost of providing that service was correct, or whether they should be less or more subsidised by general ratepayers.

The consultation document proposed three options, with Council indicating a preference for Option 2 – Higher User Pays.

### Option 1 – Limit Fee Increases

- No fee increases, same or reduced levels of service, increase demand on rates income for subsidies.
- Impact on rates: 15% average rate increase, but less will be spent on other core services.
- Impact on Fees & Charges: Nil.
- Ratepayer subsidies between 60-80% of operating costs on community facilities such as swimming pools, stadium, and airport.

### Option 2 – Higher User Pays

- Moderate increases to most fees & charges, no impact on rates, same level of rates subsidies.
- Impact on rates: 15% average rate increase, nil increase to cover costs of subsidies.
- Impact on Fees & Charges: 15% increase across most fees and charges.

- Ratepayer subsidies remain at current levels of between 48-69% for community facilities such as swimming pools, stadium, and airport.

### Option 3 – Fully User Pays

- Significant increases to fees & charges, no impact on rates, no rate subsidies.
- Impact on rates: 15% average increase, nil increase to cover subsidies.
- Impact on Fees & Charges: Overall increase of 56% to cover rates subsidies shortfall.
- Ratepayer subsidies nil, meaning increases of between 65-100% of fees for community facilities such as swimming pools, stadium, and airport.

## Council's Decision

### Option 2 – Higher User Pays

The Council approved Option 2, which will see users of services, including visitors and all residents, covering more of the cost of the services and less rates going to subsidise facilities. This will mean there will continue to be a level of support for activities and amenities considered a community good.

### Other Key Council Decisions

In addition to the projects and funding set out in the Consultation Document and Supporting Information, Council approved the following projects in response to matters raised by submitters at the Long Term Plan Hearing 27-29 May 2024.

### Community Board Funding

Instead of \$200,000 funding being provided every three years, this was amended to be \$70,000 to each community board every year.

### Timaru CityTown Programme

An additional \$2 million in year 4 (2027/28) and \$2.5 million in year 5 (2028-29) for capital works based on the Timaru CityTown Masterplan.

### Water Metering

An additional \$2 million per year was added in years 3, 4 and 5 (2026 – 2029 ) of the plan to cover the initial planning and installation of water meters on urban water supplies.

### Climate Change and Sustainability

\$150,000 was added to the Climate Change and Sustainability budget to return it to \$360,000 annually.

### Biodiversity fund

An extra \$50,000 was allocated to the annual biodiversity fund to return it to \$100,000 per year.

### Policy changes

- **Rates**  
A change was made to clause 37 adding a timeframe for when penalties will be remitted.
- **Revenue and Financing**  
Additional information regarding the Business Improvement District Targeted Rate was included.
- **Significance and Engagement**  
Refining the wording of the paragraph at the beginning of part one section five.  
Consolidating the “Enhancing Māori Contributions to Decision Making Policy” into the policy.

# 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.

## Our Strategic Priorities

Under each Community Wellbeing Outcome, Council has chosen one focus area as its priority for this Long Term Plan. These are highlighted in green for each area.

## Community Wellbeing Outcome

### 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 - PRIORITY**  
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.

## Community Wellbeing Outcome

### 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 - PRIORITY**  
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 and Wellness**  
We will create opportunities for all citizens to live within a safe, healthy community, where wellness needs are embraced.

### Community Wellbeing Outcome

#### Diverse Economy

##### Goals

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

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

##### Focus Areas

**1. Leverage Local Strength - PRIORITY**

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.

### Community Wellbeing Outcome

#### 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 - PRIORITY**

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 management.

**5. Encourage Biodiversity**

We will support practices, partnerships and policies to protect and regenerate our native flora and fauna.

### Community Wellbeing Outcome

#### 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 - PRIORITY**

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.

# Financial Strategy Summary

The Council's Financial Strategy for the 2024-34 Long Term Plan (LTP) outlines the present and projected financial situation, highlighting the factors that shape funding and investment choices. It also defines the fiscal boundaries and restrictions within which the Council will function over the forthcoming decade. Developing this financial strategy has been difficult. Like other local councils in New Zealand, we are dealing with various financial challenges. These include higher costs for debt repayment, higher insurance costs, the need to renew ageing assets, costs related to addressing climate change, and overall increased costs due to high inflation.

## Finding The Balance

For our Financial Strategy, we must balance the costs of projects and services with the funding from rates and borrowing. These three factors - costs, rates, and debt - are interconnected. If one changes, at least one of the others must change too. For example, if we reduce rate increases, we need to cut costs (by delaying projects or reducing services) and/or borrow more. Getting the balance right will lead to a healthy financial situation. This allows residents to feel confident they will live in a thriving community with high-quality services and facilities that provide a good quality of life.

## Our Challenges

Our district is facing major challenges due to ageing infrastructure that needs repair or replacement, not enough money being set aside for depreciation and renewals, upcoming new regulations for water services, and residents expecting high-quality services at an affordable cost. On top of increasing demands for services, the Council has to work within new policies and laws around resource planning, water quality standards, transportation, climate change, wastewater, and waste management. With assets deteriorating, budgets getting tighter, and more regulatory oversight, the Council needs to show strong leadership and careful financial management. A coordinated, proactive approach is required to upgrade critical infrastructure, follow the new regulations, and provide value for ratepayers.

## Our Choices

The Council has a few options for managing its finances. However, in the current changing environment with many external factors affecting what we can do, our choices are more limited than in other years. Normally, we can reduce costs by cutting back on work and delaying expensive projects. There are issues around assets nearing the end of their life and having to invest in critical infrastructure to meet new higher standards. We have made some adjustments, but there are many things we simply must do.

Some of our key projects require a large investment that we cannot cover just from rates, so we have to borrow more money than before to do what is needed. Of the three factors - costs, borrowing, and rates - we have chosen to make changes to all three.

We have worked hard to cut costs (and will continue to do so), we are borrowing more, and we are raising rates to get our finances in order faster and start paying off debt. Luckily, our good credit rating and prudent financial management put us in a good position to do this.

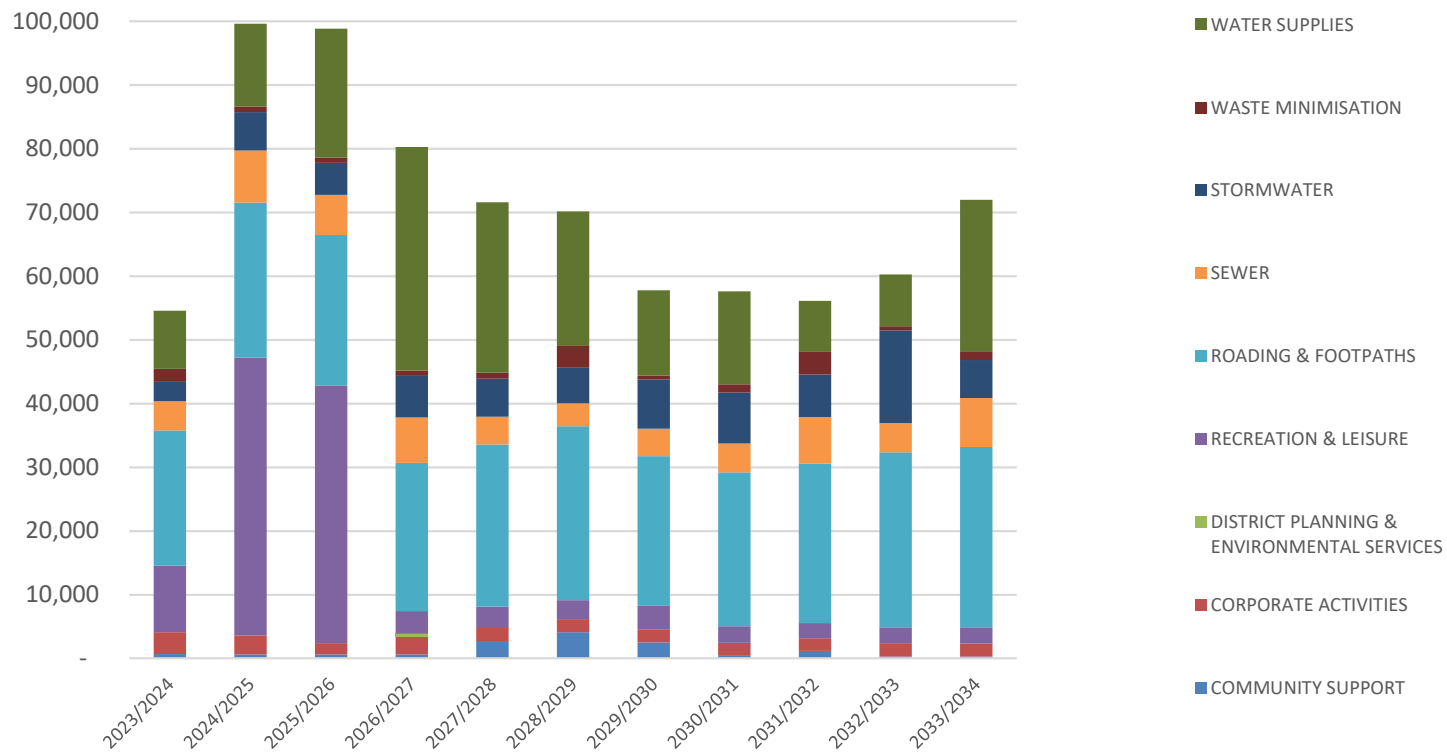
So, our real choice is how to balance our work program against our income over the next ten years.

## Our Spending (Costs)

We have an ambitious capital works programme ahead of us, particularly for Year 1 of the LTP. As well as focusing heavily on our renewal programme to replace our ageing assets in our water services activities, Council has committed to upgrading two key community facilities that have a large impact on our community: the Theatre Royal & Heritage Centre and Aorangi Stadium. The amount of money we will be spending on our capital works over the next ten years totals over \$650 million, with 80% of that on core services for water, roads, and waste. The remaining 20% is on our community infrastructure including libraries, Aigantighe Art Gallery, CBay and swimming pools, the Airport, and parks throughout the district.

Following is the graph showing the areas of spending over the next ten years for the different activities:

### Capital Expenditure 2024-34



### Our Borrowing (Debt)

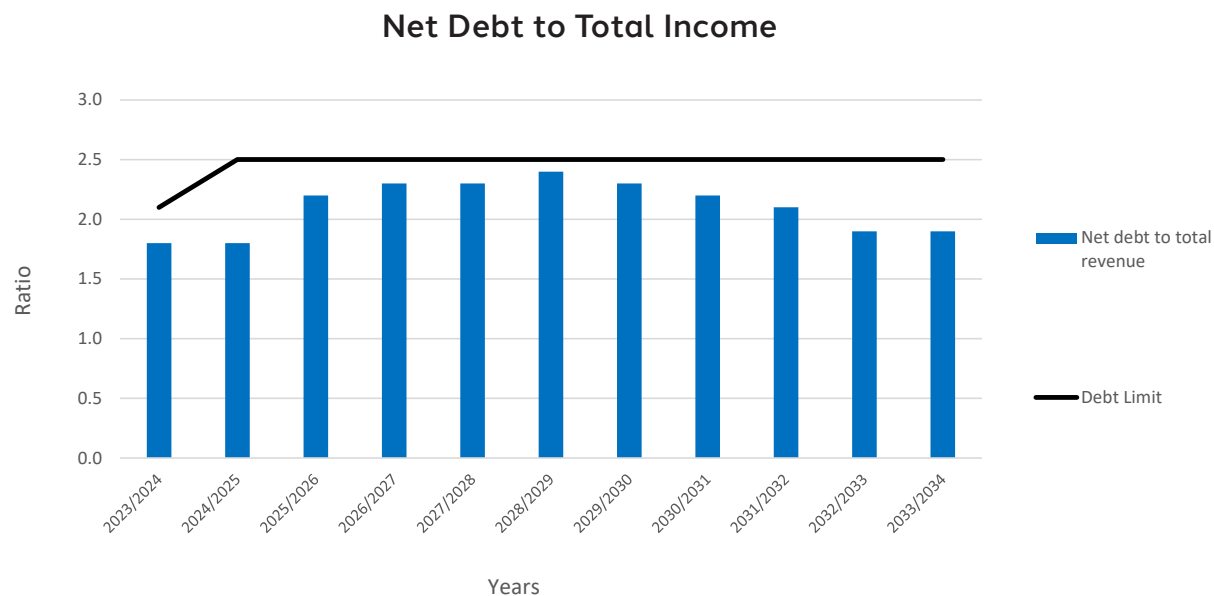
Compared to the previous Financial Strategy, the limit on how much debt we can have relative to our revenue has been increased from 210% in the 2021-31 plan to 250% for this next plan. Although we're allowed to have debt up to 280% of our operating revenue, this Financial Strategy caps our normal debt limit at 250% or lower - which aligns with the New Zealand Local Government Funding Authority's thresholds. By staying below a 250% limit over the next ten years, we are likely to maintain Council's strong AA- credit rating.

Council's infrastructure and community facilities are long-term assets that serve residents over multiple generations. Using debt to finance them spreads the costs fairly over present and future users who will benefit. This allows Council to

address infrastructure needs promptly rather than deferring costs to tomorrow's ratepayers. With assets lasting a long time, debt enables each generation to collectively fund the shared capital assets they will use together as a community.

While using debt financing for major capital investments, Council remains financially responsible through planned operating surpluses to gradually repay debt obligations within this Long Term Plan period. Projected net debt will increase from \$266 million in 2024/25 to a maximum of \$413 million in 2030, before declining to \$394 million by 2034. Council has developed a sustainable debt repayment approach by allocating surplus cash to pay off debt principal – this responsible strategy maintains strong financial standing over the long term.

The graph below compares the budgeted net debt to total revenue ratio with the limits established in the financial strategy for each fiscal year.





### Our Income (Rates)

Timaru has had the benefit of very low rates for a considerable amount of time – decades, in fact. As a result, rates in this district are one of the lowest for provincial councils throughout the country.

Council cannot sustain this. There is not enough money to pay for everything we need to do, including depreciation (the money we collect to pay for the replacement of assets). We are in the situation of having assets we need to replace and needing to borrow for them because we didn't collect enough rates for that purpose.

Council has had to make the tough decisions to put rates up to cover the true costs of running the district. Financial modelling has shown the amount we need to put our rates up by to cover all of our operating costs (day to day expenses) and although the first three years have higher rates, we still won't break even until Year 4. We need that income so that we can get to our balanced budget as soon as possible and pay down the debt.

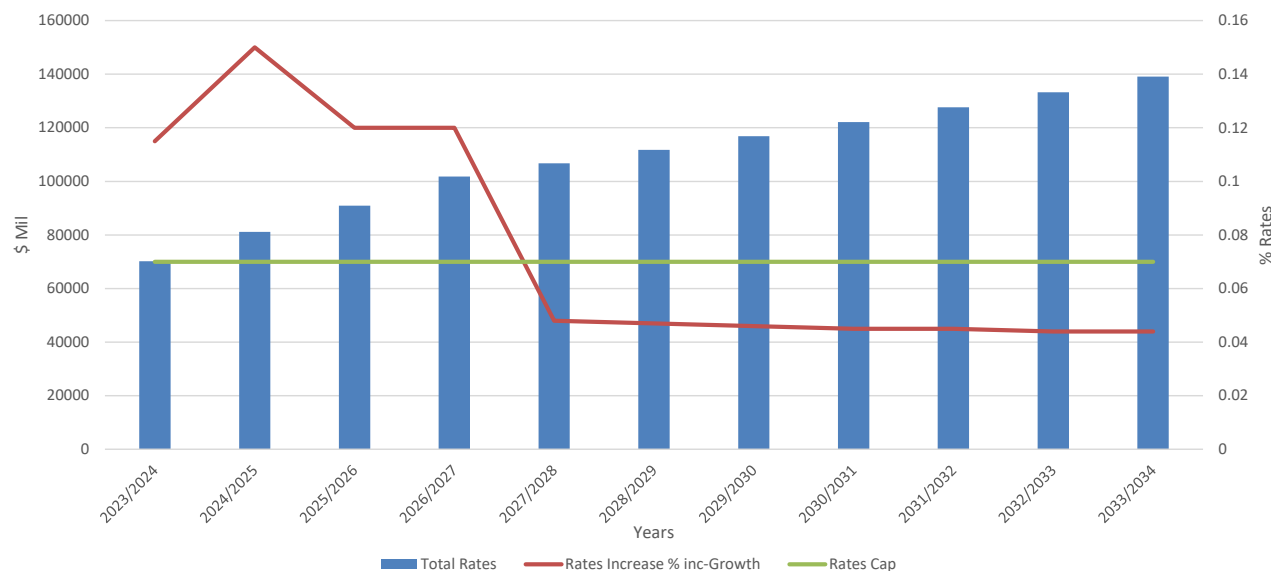
Average rates increases to existing ratepayers are proposed to be 15% in 2024/25, 12% in 2025/26 and a further 12% in 2026/27. From 2027/28 onwards, rate increases will not exceed 5%. The 2021/31 Financial Strategy had a rates limit set at 7%, it is proposed to maintain this level. Note, the 7% limit is the limit that applies over the 10 year LTP period (so is an average over that time), and is not an annual rates limit.

After making budget decisions, capping debt and agreeing that paying for everyday costs with everyday revenues was a priority, we have determined our rates limits. The Council's rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the District (see Graph 4 below).

By Year 4, rates will return to single digit figures, and by Year 7 Council will be back in the black, fully funding depreciation, and making a surplus to pay off debt so future generations will have the ability to borrow for things they may need.

Council also has other forms of income such as subsidies from NZTA Waka Kotahi for roading projects, and returns from investments, but rates are the primary income source for all territorial authorities, and every Council in NZ is facing similar challenges.

Council Rates



# Infrastructure Strategy Summary

## Infrastructure Strategy Summary

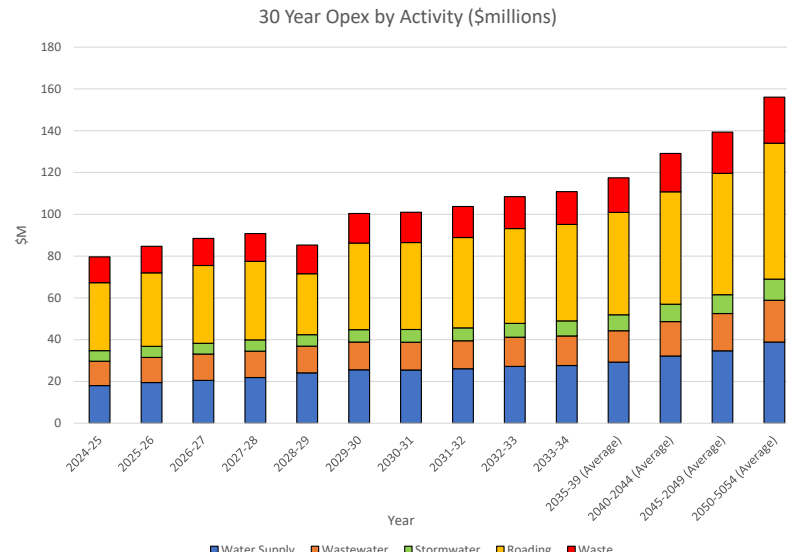
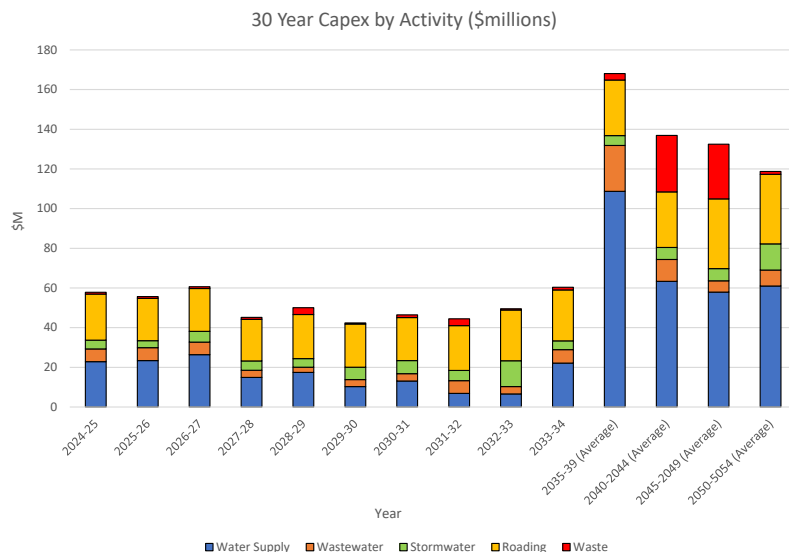
The Infrastructure Strategy provides a 30-year roadmap for crucial areas like water, wastewater, transport, facilities, and waste. It aligns with Council’s strategic priorities around inclusivity, sustainability, financial prudence, and climate/ demographic adaptation. This strategy aims to ensure a balanced work program that protects public health, promotes economic growth, and supports community wellbeing.

Council faces several key challenges, including ensuring resilient and compliant infrastructure to meet regulatory and community standards, dealing with ageing infrastructure due to past underinvestment, addressing climate change impacts and natural hazard risks, and maintaining affordability while balancing rising community expectations. The strategy considers various options such as, maintaining the status quo, investing in asset renewal programmes and increasing the debt cap, reducing capital investment and the debt cap, or accelerating the asset renewal program and increasing the debt cap to the highest limit.

The proposed preferred approach by Council prioritises asset renewals to maintain and upgrade existing infrastructure, improves asset information and data management, that incorporates climate change considerations into standard business practices. The strategy also outlines a 30-year capital expenditure plan, including a few key community facilities, and proposes future consideration of new funding models beyond the current rates-based system. For instance, establishing CCOs for core services such as water that can access central government funding independently of Council.

To finance the infrastructure plan, Council intends to increase debt to a self-imposed limit of 250% of revenue. The estimated capital investment over the next 30 years is \$2.1 billion, with \$1.96 billion in projected operational costs. Exploring alternative funding sources in the future will be crucial to supplement the rates-based system and ensure the long-term sustainability of the district’s infrastructure.

Below shows the capital work programme for infrastructure services, (Three waters, roading and waste) and the associated operational expenditure for the next 30 years.

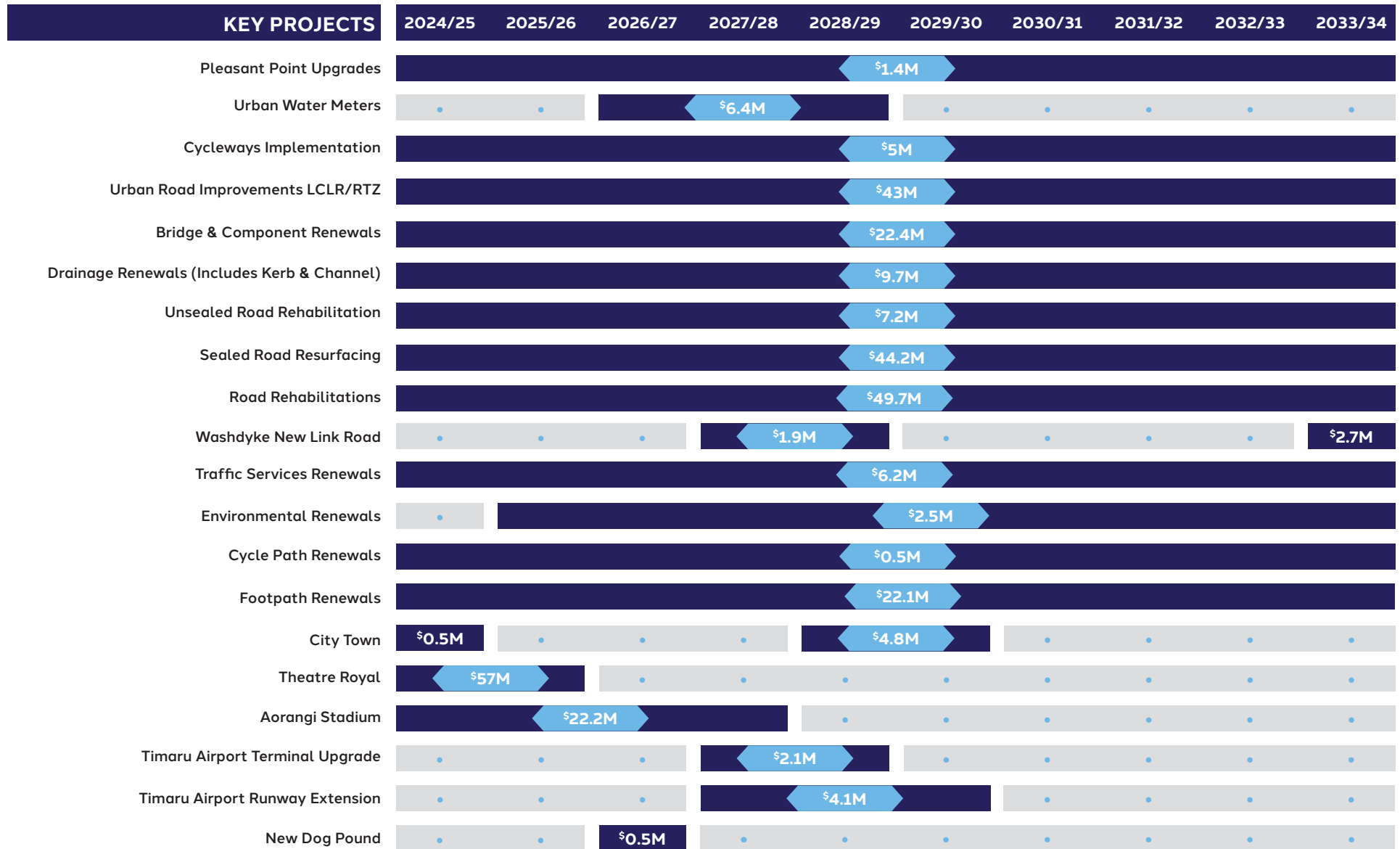


# 10 Year Capex Work Programme

This shows the major projects and programmes of work scheduled over the 10-year period of the Long-Term Plan. Although community facilities are not included within this Infrastructure Strategy, work is underway to obtain better data through conditional assessments to develop asset management plans to be included in future strategies. However, the main projects due for completion are included within this high-level summary of the work programme with estimated costs. Some of these are subject to future decisions for final approval by Council.



10 Year Capex Work Programme



## 10 Year Capex Work Programme

The significant projects starting in the first three years of this LTP are as follows:

- Geraldine Duplicate Trunkmain WTP to town – Years 1-3 - \$11.4M.
- CBD Timaru Minor Projects – Year 1 - \$500K.
- Washdyke Stormwater Improvements – Years 1-6 - \$3.3M.
- Wave Band and Dam Safety Improvements– Years 1&2 - \$2.1M.
- Theatre Royal & Heritage Centre – Years 1-3 - \$57M (including \$11M from MBIE).
- Aorangi Stadium – Years 1-4 - \$22.2m.
- Claremont Plant Renewals & Upgrades including membrane installation (Years 3-4 - \$21.1M), plant and electrical renewal/upgrade (Years 1-2 - \$9M), and reservoir lining and solid roof cover installation (Years 2-5 - \$6.5M).
- New Dog Pound – Year 3 - \$500K.



# What does all this mean for rates?

As set out in the Financial and Infrastructure Strategies, this LTP represents a stepped change with an increase to our debt limit from previous LTPs. This will help ensure that the Timaru District can thrive, and we are prepared for the challenges of the future.

As a result of these strategies, and our major projects, Council's LTP is based on an overall increase of 15% in the amount of money Council collects in rates in Year 1 (2024/25), a 12% increase in Years 2 and 3, and increases between 4.8% and 4.4% in Years 4-10. This does not mean every property will get that increase. Some properties will have a greater increase, others will have a lesser increase.

## Rates of each property are calculated based on the following five factors:

1. The land value of your property and how this has changed in the last valuation
2. The property category you belong to (e.g. residential, primary, commercial)
3. The services you receive (e.g. water supply, waste collection)
4. Where you live in the district (e.g. Timaru, Geraldine)
5. Changes in Council's budget and how this is funded (including how the 4 factors listed

above impact on this).

## Key Changes for 2024-34

### Increase in General Rate:

This rate is based on land value and adjusted with differentials. IT funds activities such as roading, district planning, and economic development and tourism.

The increase is due to a number of factors including costs associated with maintaining current levels of service across many of Council's activities.

### Increase in targeted rates:

These rates are applied to properties who have access to, or use, specific services, such as waste collection or water supply connections.

The increase is due to cost escalations associated with providing these services, as well as to help fund depreciation of certain assets to assist in renewal costs.

### 2024 Valuations

Council uses a land value rating system. When three yearly valuations are undertaken and property values change, this affects the amount of rates levied against each property.

### Differentials

Differentials are used to fairly allocate the General Rate to different property categories. Council's policy is to ensure each property category (e.g. residential or primary) pays about the same overall

proportion of the General Rate every time a property revaluation occurs.

Property Category	Differential
Accommodation	4.35
Commercial General	4.35
Community Services	1.00
Industrial	4.35
Primary	0.67
Recreational	1.00
Residential – General	1.00
Residential – Multi Unit	1.93

The following table shows the different property categories and their allocation:

Council will be undertaking a review of these differentials in Year 1 (2024/25) of the LTP as part of a full revenue and rating review.

# The Challenge of Uncertainty

While our LTP is focused on addressing many of the challenges facing Council and our District including, a heavy asset renewal programme, improving our community facilities, and addressing our resiliency to climate change. We are also facing other uncertainties, particularly the water legislative reforms, NZTA Waka Kotahi funding, project delivery, and the ongoing challenge around climate change.

## Local Water Done Well – Three Waters Reform

Timaru District Council has been proactive with planning for its wastewater, water supply, and stormwater activities. Council had anticipated that these responsibilities would shift to larger water entities under previously adopted legislation. With the new government's repeal of that legislation, Council is now operating under the premise that control over drinking water, stormwater, and wastewater will remain at the local level, with stricter rules on water quality and infrastructure management.

As a result, dedicated funding for water projects has become the number one capital expenditure item for this Long-Term Plan. New or replacement water infrastructure will be financed through loans, which will be paid back from rates or user charges.

Until the new government's plans are clearer, the Council will stick to its business-as-usual plans. It has updated its long-term plan for water management and has staff continuing to handle operations. The council's water systems are undergoing an extensive renewal programme to ensure levels of service are maintained and all future standards will be met.

Looking ahead, Council expects to take out more loans to cover future water-related work, which will increase its debt levels.

The cost of maintaining and operating water assets is expensive, and water charges for residents are expected to rise to cover inflation and ensure the continued provision of clean drinking water.

At this point in time, Council is uncertain about how its role in water management will change, but once more information is available, this will be factored into its plans. We are aware that providing quality water services are essential, but costly, and will explore ways to make these services more efficient and affordable. Potentially through collaboration with neighbouring councils.

## NZTA Waka Kōtahi Funding Assistance

The uncertainty around the Waka Kōtahi subsidy and the potential implications of a decrease in funding are key considerations for Timaru. The district currently receives a Funding Assistance Rate (FAR) from the National Land Transport Fund (NLTF) to subsidise road maintenance and improvements, excluding depreciation and interest costs. This funding is obtained through the submission of the Rooding work program and costs to NZTA Waka Kōtahi every three years. However, with the process not completed until May 2024, the final funding amount is yet to be confirmed.

Given NZTA Waka Kōtahi's evolving land transport priorities under the new coalition Government, there is a possibility that the district may not receive the same level of funding as before. If this were to occur, Timaru would either need to make up the difference through rates or reduced levels of service. This will prompt the consideration of various options and inviting community feedback through the annual plan process to determine the appropriate course of action.

## Project Delivery

The proposed capital work programme represents a significant increase compared to the 2021-31 Long Term Plan with two critical community asset renewals and upgrades occurring within the first year. On top of a full core infrastructure work programme in water and roading.

Delivering this extensive capital work programme in the first few years is dependent on both internal (e.g. resourcing, capacity and planning) and external factors (e.g. construction sector resources, supply chain, regulatory requirements).

Council is assuming a 100% delivery for its work programme based on the likelihood that external contractors from wider Canterbury or a national firm could assist in delivering the community infrastructure builds. This is anticipated to reduce the strain on local construction resources, so the core infrastructure work programme does not get disrupted.

Additionally, under new management, project delivery will be a major focus with the appointment of specialist project managers for significant projects, including enhanced milestone reporting and better tracking systems to keep Council informed of progress updates on a regular basis.

### Theatre Royal and Heritage Centre progression and Government Funding

Final decisions around the Theatre Royal and Heritage Centre are set to be made shortly after the adoption of this plan. The plan has been written with the assumption that the project will proceed. The project also assumes that the project will receive the full \$11 million of Funding allocated to it from the MBIE Government Infrastructure Fund.

### Forecast Costs

Forecast costs for the capital programme will be close to those actually incurred, noting that the significant variations are heightened by a combination of the size of the proposed programme, the programme including several relatively large projects which the Council has very limited recent experience with, and a competitive contracting market. The Council will adjust its capital programme so there is no impact on rates and borrowings.

### Climate Change

As a coastal community with a significant agricultural base, climate change impacts are a considerable issue for Council with a great deal of uncertainty involved. Council commissioned the report into sea level rise and erosion that reported a 50-year estimate for significant impacts. However, within two years of the report's publication, the evidence of erosion necessitated the closure of Patiti Point Road and close monitoring of the impact on the Caledonian Sports grounds. This highlights the dynamic and unpredictable nature of estimated timelines and the need for Council to be responsive to emerging issues.

Very few significant infrastructure assets are directly at risk of sea level rise and coastal erosion with one critical exception – Redruth Landfill. At present the landfill is protected by the KiwiRail line and coastal walls in place to protect the railway; should these suffer damage and KiwiRail elect to close the line, then Redruth becomes more vulnerable.

### Timaru District Council is taking a multifaceted approach to mitigate the impacts of climate change:

- As a business and corporate citizen, Council is taking action to reduce its greenhouse gas emissions. This includes initiatives such as vehicle replacement, energy efficiency and reduction measures, and replacing fossil fuel heating options in Council buildings with electric boilers.
- As the owner of community infrastructure, Council is ensuring the resilience of its assets. This involves maintaining community accessibility, continued protection from flooding, and considering the potential need to relocate or upgrade assets to adapt to climate change impacts.
- In its role as a local governance leader, advocate, and enabler, Council is working closely with the community to build understanding of local climate change impacts and identify appropriate response plans and adaptation actions.

To coordinate and guide these efforts, Council will be developing a comprehensive Climate Change Response Plan over the next 12-15 months. This plan will provide a holistic framework to address the multifaceted challenges posed by climate change at the local level.

### Closed Landfills

In addition to Redruth Landfill, which is still operational and has approximately 25 years of operational life left, Council has a number of closed landfills throughout the district, many of which are located near waterways and potentially vulnerable to extreme weather events such as floods (as is the case for Peel Forest Closed Landfill). At this point in time, a risk assessment has been undertaken to ascertain the risks to the landfills from the impacts of climate change, particularly for erosion or flood events.

Council now has to establish a management plan from the risk assessment to develop a testing protocol and priority list for closed landfills that may be vulnerable to breaching. Timaru District Council has budgeted for the ongoing development of the management plan in Years 1 and 2, with the understanding that future LTP variations may be sought through the Annual Plan process to address any landfills that may require remediation or removal due to vulnerability to climate change impacts.

You can read more about this in the Significant Forecasting Assumptions, in the Policies and Supporting Information Section.



# Variations

## **Variations between the Long Term Plan and Council's assessment of Water and Sanitary services and Waste Management plans.**

### **Water and Sanitary Services Assessments**

In 2005, the Council prepared an assessment of the provision of water and sanitary services throughout the District. This document identified and assessed the services supplied to district communities.

The Activity Management Plans for Water Supply, Sewer and Stormwater have been reviewed and updated for the 2024-24. The Council is required under the Local Government Act 2002 to identify any significant variations between the Water and Sanitary Assessments (WSSA) and the proposals of this Ten Year Plan. There are no significant variations between the Long Term Plan and these assessments.

### **Waste Management Plans**

Under the Waste Minimisation Act 2008, the council is required to prepare and adopt a Waste Management and Minimisation Plan (WMMP) every six years. A draft WMMP has been presented to the community for consideration and submissions are currently being considered. If adopted, the new WMMP will be active from July 2024 to June 2030.

The Waste Management Activity Management Plan was reviewed and updated for the 2024-34 in line with the current WMMP.

To the readers:

## Independent Auditor's report on Timaru District Council's 2024-34 Long-term Plan

I am the Auditor-General's appointed auditor for Timaru District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 1 July 2024.

### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 151 to 154 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;

## Audit Opinion

- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

### Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

### Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the 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. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, and an assurance report on certain matters in respect of the Council's debenture trust deed, we have no relationship with or interests in the Council or any of its subsidiaries.



John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

A high-angle, underwater photograph of a person swimming in the ocean. The person's head and one arm are visible, with their hand raised towards the water's surface. The water is clear and blue, with sunlight filtering through, creating shimmering patterns and ripples on the surface. The overall mood is serene and active.

# Council Activities

# Council Activities Overview

This section is an overview of the services Council provides, organised within Groups of Activities. Each Group of Activities includes the following information:

## What we do

Summarises the service we deliver to the community.

## Why we do it

Outlines why the Council provides the service, including legislative requirements and the activity's contribution to Council's vision for the district.

## How we pay for it

Shows the rating and funding mechanisms used to pay for the cost of providing the service.

## Our Priorities

Summarises the priorities for the activity.

## What you can expect from us

Includes levels of service and how we measure them.

## Our Projects

Lists the capital projects for the next ten years.

## Funding Impact Statement

Provides details on the expected costs and funding of the service.

## Effects of the services we provide on the wellbeing of our community

Council's activities are provided with the aim of maintaining or improving community wellbeing. The positive contributions to wellbeing are outlined in the description of each activity. Some activities can also cause negative effects that need to be managed or mitigated. These potential significant negative effects, and actions that are taken to mitigate these effects are outlined in the Policies and Supporting Information section of this document. Where an activity is not listed, the Council has not found any significant negative effects on the community.

## Groups of Activities

### DEMOCRACY

### COMMUNITY SERVICES

Airport

Climate Change and Sustainability

Community Development

Community Facilities (includes public toilets, cemeteries)

Economic Development

Emergency Management

Social Housing

### CORPORATE SERVICES

### DISTRICT PLANNING & ENVIRONMENTAL SERVICES

Building Control

District Planning

Environmental Compliance (includes environmental health, animal control, parking enforcement)

### RECREATION AND LEISURE

Cultural and Learning Facilities (includes art gallery, halls, theatre royal, libraries, museum)

Parks (includes parks, fishing huts, motor camps, forestry)

Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Aorangi Stadium)

### ROADING AND FOOTPATHS

### STORMWATER

### WASTEWATER

### WATER SUPPLY

### WASTE MANAGEMENT



# Democracy

These activities have a particular contribution to the following community wellbeing outcomes:

Connected Citizens - Enhanced Lifestyle – Sustainable Environment – Diverse Economy

## What we do

Our Democracy services support and guide all the activities carried out by the Timaru District Council. It enables Council to function and provide stable, transparent, effective, efficient and accountable local governance to the District.

The elected members of Council set the direction, lead and make decisions based on agreed 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, as community representatives, make decisions within the framework of the Local Government Act 2002 (LGA) on behalf of, and in the interests of, the overall community.

Council and Community Boards are elected every three years.

## 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, Delegations Registers, Elected Member interactions and transparency of meetings across all our communities and stakeholders.

- Maintaining Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States).
- Developing and implementing Council-wide strategies and policies.
- Partnering with external agencies.
- Performance, planning and accountability, including the development and adoption of key legislated outputs such as the Long Term Plan, Annual Plan and the Annual Report.
- Overall monitoring of the Council operation.

## Why we do it

As a statutory body, Council exists to meet the purpose of local government, as set out in Section 10 of the Local Government Act 2002.

Council is committed to decision-making processes that support our vision 'Where people, place and business prosper within a healthy, adaptive and regenerative environment'.

## Our Priorities

- Responding to significant legislative reform, including three waters and resource management act.
- Facilitating community engagement – including with iwi.
- Overseeing a representation review in 2024.
- Managing Council planning and reporting, including monitoring delivery of work programme.
- Reviewing Council's rating framework.
- Developing strategies and supporting policies to progress our community wellbeing outcomes.

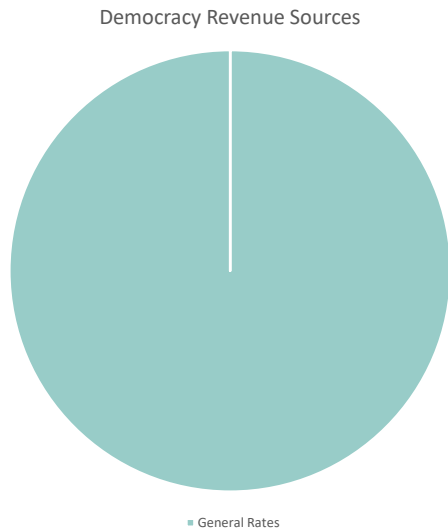
## How we pay for it

Operating expenditure for activities within the Democracy group is funded through the following mechanisms:

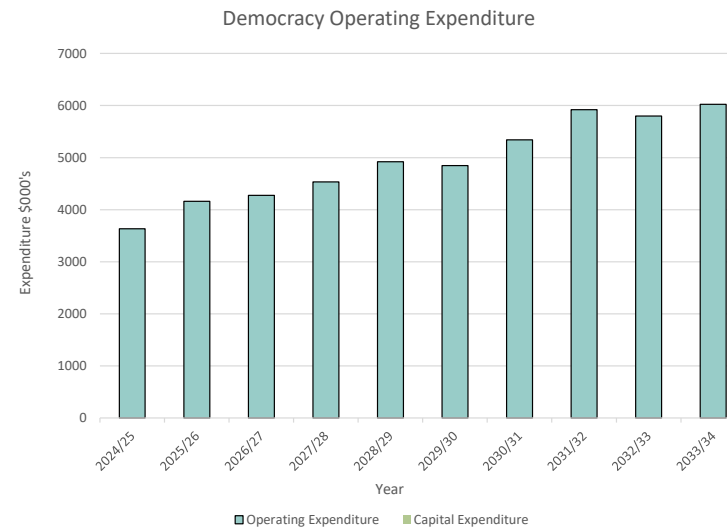
	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Democracy	✓	✓						

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

## How is Democracy paid for?



## How much does Democracy cost?





## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Decisions are made in an open and transparent manner	Agenda items held in public meetings* *Agenda items on the full Council and four Standing Committee agendas	Target - 85% Result - 93%	N/A (removed)	N/A (removed)
	Resident satisfaction with influence on and involvement in Council decision making	Target - 50% Result 2022/23 - N/A (biennial survey) Result 2021/22 - 47%	N/A (removed)	N/A (removed)
Effective community engagement	Resident satisfaction with quality of information provided by Council (annual residents' survey)	Target - 60% Result - N/A (biennial survey) Result - 2021/22 - 47%	Year 1: 60% Year 2: 70% Year 3: 80%	80%
Council processes comply with statutory requirements	Annual Plans, Reports and Long Term Plans adopted within statutory timeframes	Target – Statutory timeframes achieved. Results - Annual Plan 22/23 Achieved, - Annual Report 22/23 Not achieved.	Statutory timeframes achieved	Statutory timeframes achieved
	Annual Reports and Long Term Plans received 'unmodified' (clear) audit opinions	Target -Unmodified audit opinion received, Achievement – Achieved 2021/22	N/A (removed)	N/A (removed)
	Council and committee meeting agendas made available to the public within statutory timeframes	Target – Statutory timeframes achieved. Result - Achieved	Statutory timeframes achieved	Statutory timeframes achieved
	Responses to LGOIMA requests are provided according to statutory timeframes	N/A - New performance measure	100%	100%

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	4,072	3,634	4,163	4,276	4,534	4,920	4,846	5,341	5,922	5,799	6,024
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding</b>	<b>4,072</b>	<b>3,634</b>	<b>4,163</b>	<b>4,276</b>	<b>4,534</b>	<b>4,920</b>	<b>4,846</b>	<b>5,341</b>	<b>5,922</b>	<b>5,799</b>	<b>6,024</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	1,416	1,072	1,312	1,064	1,137	1,433	1,165	1,249	1,548	1,272	1,359
Finance costs	1	59	57	57	54	54	54	51	51	51	51
Internal charges and overheads applied	2,655	2,503	2,794	3,155	3,342	3,433	3,627	4,040	4,322	4,476	4,614
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>4,072</b>	<b>3,634</b>	<b>4,163</b>	<b>4,276</b>	<b>4,534</b>	<b>4,920</b>	<b>4,846</b>	<b>5,341</b>	<b>5,922</b>	<b>5,799</b>	<b>6,024</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Council Activities: Democracy

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	-	-	-	-	-	-	-	-	-	-	-

# Community Support

These activities have a particular contribution to the following community wellbeing outcomes:

Connected Citizens- Enhanced Lifestyle – Sustainable Environment – Diverse Economy

## What we do

### Airport

Council owns and manages the Richard Pearse airport located approximately 10 kilometres northwest of Timaru. The airport provides a key business and community link from the district to Wellington, with daily return passenger flights. In addition to ensuring the airport is run to legislative and Civil Aviation rules, Council provides other services such as car parking and land for lease to commercial and private aircraft hangars and aviation-orientated industry.

### Climate Change and Sustainability

Recognising its community leadership role, Council has provided funding to continue data collection, research and analysis on the long-term effects of climate change on Council activities and the development of strategy, policies and processes to embed climate change/sustainability into decision making, project planning and design.

### Community Facilities

#### Cemeteries

Council operates cemeteries for burial and cremation interments at Timaru, Temuka, Pleasant Point, Geraldine, Arundel, Woodbury, Mesopotamia and Pareora West. The day-to-day maintenance and interments at Mesopotamia and Woodbury cemeteries are managed by local communities.

### Public Toilets

Council provides public toilet facilities throughout the district. These range from central city complexes that are open 24 hours, to enviro-toilets in remote areas. Cleaning and maintenance services are managed by the Council and carried out by contract.

### Community Development

This includes Community Funding, Safer Communities, and Welcoming Communities. Council provides several community funding schemes to support a range of community events, services and projects for community groups throughout the district. Timaru District is also an accredited Welcoming Community and Safer Community. Community Development focuses on implementation of strategies to help ensure Timaru District is a safe, connected, welcoming and collaborative community. The priorities are:

- Increasing pathways and opportunities to support people/ whanau/ family to thrive in our community.
- Supporting and celebrating diversity.
- Facilitating proactive partnerships that have a shared commitment to resilience and wellbeing.
- Age Friendly Strategy Implementation.
- Welcoming Communities Accreditation.

### Economic Development and Tourism

The Council is a key contributor to enhancing the district's economy. A significant part of this contribution is through the Council-Controlled Organisation Venture Timaru, which has a key focus of strengthening the local economy and promoting the district as a great place to live, work and visit.

### Emergency Management

Council provides leadership, advice, planning and resources to enable the community to prepare for, respond to and recover from emergency events. This includes working with partner agencies across the region. We also work with local communities to build greater resilience through local community response plans.

### Social Housing

Council provides over 200 small one bed and studio units that fill a need in the community for quality but affordable rental housing, predominantly for retired persons. This compliments other rental property provided by central government community housing, rest homes and the private sector in our community.

## Why we do it

These activities contribute to all aspects of the Council's Vision by helping to:

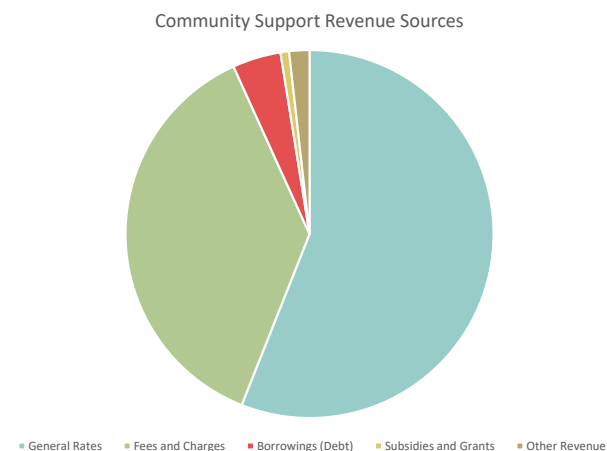
- Build strong, connected, welcoming and supportive communities.
- Provide high quality community facilities (cemeteries and public toilets).
- Support people, organisations and the business community.
- Assist vulnerable people in our communities.
- Assist individuals and communities to be prepared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

## How we pay for it

Operating expenditure for activities within the Community Support group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Airport	✓	✓		✓				
Climate Change and Sustainability	✓	✓						
Community Facilities	✓	✓		✓			✓	✓
Community Funding	✓	✓					✓	✓
Economic Development and Tourism	✓	✓					✓	
Emergency Management	✓	✓						
Social Housing				✓				

## How is Community Support paid for?

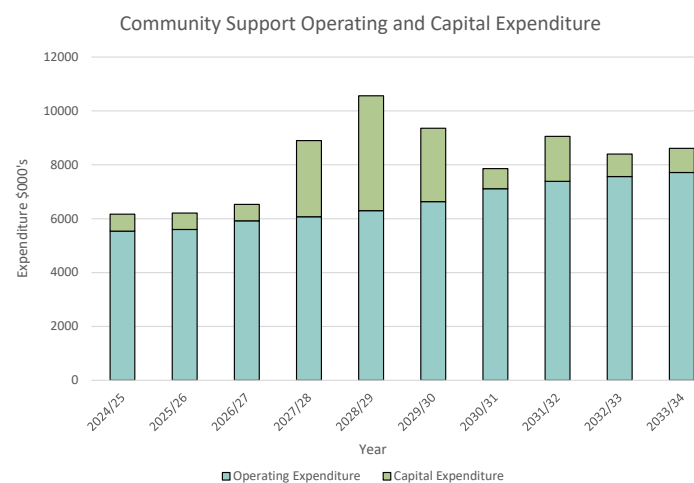


For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

## Our Priorities

- **Climate Change and Sustainability** – preparing for the challenges of climate change, and government legislation related to climate change.
- **Legislative requirements relating to community housing rental properties** - impacting of service and ultimately resulting in increased rental charges.
- **Development of a new cemetery site in Timaru** - confirm site for a new cemetery in Timaru as the current cemetery has capacity for approximately 8 years.
- **Meeting Civil Aviation requirements** - so that Timaru airport facilities meet airline requirements and regular flights in and out of the district are maintained, and strategic development of the airport land and facilities.
- **Economic Development** – Many of Council’s services support economic development across the district. Venture Timaru, a Council Controlled Organisation, is specifically focused on promoting the district for business and sustainable economic growth.

## How much does Community Support cost?



## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/2023	Target Year 1-3: 2024/25 - 2026/2027	Target Year 4-10: 2027/28 - 2033/34
Community Facilities (Cemeteries and Public Toilets), the Airport and Council Housing Units are well maintained, clean and safe	User satisfaction with - Public Toilets  - District Cemeteries	Target Public toilets – 65% Result 2022/23 – N/A (biennial survey) Result 2021/22 – 72% Target District Cemeteries – 85% Result 2022/23 – N/A (biennial survey) Result 2021/22 – 93%	N/A (removed)	N/A (removed)
	Social Housing occupancy rate	Target – 90% + of units available for tenancy Result 2022/23 – Achieved 96%	N/A (removed)	N/A (removed)
Airport - Number of flights in and out of Timaru Airport  - Number of passengers using Timaru Airport  - Civil Aviation Authority (CAA) accreditation		Target – 5% increase per year Result 2022/23 – Not achieved 11.7% decrease Result 2021/22 – Not achieved 9% decrease Target – 5% increase per year Result 2022/23 – Achieved 18% increase Result 2021/22 – Not achieved 9% decrease Target - CAA airport certification is maintained at all times Result 2021/22 – Achieved for a further 5 years	N/A (removed)  N/A (removed)  CAA airport certification is maintained at all times	N/A (removed)  N/A (removed)  CAA airport certification is maintained at all times
	Occupied Council Housing complies with building regulations and Healthy Homes Standards in accordance with the Residential Tenancies Act	N/A – New performance measure	100%	100%
Community Facilities (Cemeteries and Public Toilets) meet legislative safety and environmental requirements	N/A – New performance measure	100%	100%	
Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	How well prepared for a disaster residents feel	N/A – New performance measure	50% or more feel prepared	50% or more feel prepared
	Presentations on Civil Defence Emergency Management to groups within the district	Target – Number of Presentations Result 2022/23 – Achieved 28 Result 2021/22 – Not Achieved 6	N/A (removed)	N/A (removed)

## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/2023	Target Year 1-3: 2024/25 - 2026/2027	Target Year 4-10: 2027/28 - 2033/34
Improve Council and partner agencies' capability to respond to and recover from emergencies	Recruit and train Emergency Operations Centre (EOC) staff to maintain 24/7 capability	Target – 60 Result 2022/23 – Achieved 75 Result 2021/22 – Achieved 70	N/A (removed)	N/A (removed)
	Recruit and train volunteers to maintain team capacity and capability	Target – 80 Result 2022/23 – Achieved 102 Result 2021/22 – Achieved 111	N/A (removed)	N/A (removed)
Effectively managed and allocated community funding	Funding rounds held	Target - 2 Result 2022/23 – Achieved 2 Result 2021/22 – Achieved 2	N/A (removed)	N/A (removed)
	- General Donations, Grants and Loans	Target 2 Result 2022/23 – Achieved 2 Result 2021/22 – Achieved 2	N/A (removed)	N/A (removed)
	- TDC Youth Initiatives	Target – 4 Result 2022/23 – Achieved 4 Result 2021/22 – Achieved 4	N/A (removed)	N/A (removed)
	- Creative Communities Fund	Target – 2 Result 2022/23 – Achieved 3 Result 2021/22 – Achieved 3	N/A (removed)	N/A (removed)
Contribute to Council's role in economic development and tourism	Performance targets in the Venture Timaru Statement of Intent are met	Target – Quarterly performance reporting to Council Result 2022/23 – Achieved Result 2021/22 - Achieved	Quarterly performance reporting to Council	Reporting timeframes met
		Target – 100% performance targets in Statement of Intent (SOI) met Result 2022/23 – Achieved Result 2021/22 – Achieved	100% performance targets in SOI met	100% performance targets in SOI met

## Funding Impact Statement


	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges, Rates Penalties	4,470	3,760	3,733	3,967	4,062	4,255	4,601	5,084	5,298	5,429	5,553
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	56	56	57	59	60	61	63	64	65	66	68
Fees and charges	2,286	2,466	2,618	2,780	2,887	2,996	3,104	3,212	3,325	3,437	3,554
Internal charges and overheads recovered	866	485	57	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	48	132	134	137	141	144	147	150	153	156	159
<b>Total Operating Funding</b>	<b>7,727</b>	<b>6,899</b>	<b>6,599</b>	<b>6,943</b>	<b>7,149</b>	<b>7,455</b>	<b>7,915</b>	<b>8,510</b>	<b>8,841</b>	<b>9,088</b>	<b>9,333</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	6,216	5,444	5,112	5,219	5,292	5,414	5,534	5,651	5,772	5,889	6,009
Finance costs	316	577	546	538	505	612	794	848	838	875	872
Internal charges and overheads applied	-	-	-	168	277	276	308	611	775	803	836
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>6,532</b>	<b>6,021</b>	<b>5,659</b>	<b>5,925</b>	<b>6,073</b>	<b>6,302</b>	<b>6,635</b>	<b>7,110</b>	<b>7,384</b>	<b>7,568</b>	<b>7,717</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>1,195</b>	<b>878</b>	<b>940</b>	<b>1,018</b>	<b>1,076</b>	<b>1,153</b>	<b>1,280</b>	<b>1,399</b>	<b>1,457</b>	<b>1,520</b>	<b>1,616</b>



Council Activities: Community Support

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	2,099	(243)	(335)	(411)	1,752	3,107	1,443	(648)	212	(688)	(721)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>2,099</b>	<b>(243)</b>	<b>(335)</b>	<b>(411)</b>	<b>1,752</b>	<b>3,107</b>	<b>1,443</b>	<b>(648)</b>	<b>212</b>	<b>(688)</b>	<b>(721)</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	23	220	171	152	1,234	2,673	2,125	86	52	53	54
- to replace existing assets	2,818	415	434	455	1,485	1,434	402	411	1,138	249	254
Increase/(decrease) in reserves	452	-	-	-	109	154	196	255	479	529	587
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>3,294</b>	<b>635</b>	<b>605</b>	<b>607</b>	<b>2,828</b>	<b>4,261</b>	<b>2,723</b>	<b>751</b>	<b>1,670</b>	<b>832</b>	<b>895</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(1,195)</b>	<b>(878)</b>	<b>(940)</b>	<b>(1,018)</b>	<b>(1,076)</b>	<b>(1,153)</b>	<b>(1,280)</b>	<b>(1,399)</b>	<b>(1,457)</b>	<b>(1,520)</b>	<b>(1,616)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	<b>743</b>	<b>780</b>	<b>789</b>	<b>818</b>	<b>820</b>	<b>842</b>	<b>929</b>	<b>991</b>	<b>992</b>	<b>1,014</b>	<b>1,015</b>



AIR NEW ZEALAND 

AIR NEW ZEALAND

WLG  
182  
WHEELCHAIR  
WHEELCHAIR

WLG  
514  
WHEELCHAIR  
WHEELCHAIR

# Corporate Activities

This activity has a particular contribution to the following community wellbeing outcomes:

Connected Citizens- Enhanced Lifestyle – Sustainable Environment – Diverse Economy

## What we do

Corporate Activities are functions at Council that support other activities and assist the day to day running of our activities. The key functions include:

### Financial Services

Financial planning, monitoring and reporting, administering the rating, accounts payable and receivable functions, providing financial advice and assistance across all Council activities.

### Information Technology

Providing high quality, secure and cost-effective technology-based services and strategies across all Council activities.

### Engagement and Culture

Supporting all aspects of the employee lifecycle including recruitment, retention, learning and development, and career pathways. A key component of the Engagement and Culture workstream is ensuring employee health, safety and wellbeing in their role.

### Customer Services

Council's interface with the community, managing all customer interactions through various channels. They liaise with families and funeral directors for cemeteries, coordinate Land Information Memorandums, process dog registrations and infringement payments, facilitate bookings for

venue hire, manage customer requests, provide rates information, receipt payments, and serve as the first point of resolution for customer enquiries. They also administer the government's Rates Rebate Scheme.

### Communications and Engagement

Managing the sharing of information with the community through a range of media. Leading and advising on public engagement and participation in decision making.

## Why we do it

This activity contributes to Council's vision "*Where people, place and business prosper within a healthy, adaptable and regenerative environment*" by:

- Corporate Activities support Council in the delivery of its statutory responsibilities.
- Financial services ensure accurate planning and reporting, and timely financial processing, which enable the district's wheels to keep turning.
- Investing in robust technological systems and processes ensure that Council is well protected against Cyberattacks, builds system resiliency, and maintains appropriate levels of data privacy. It also assists with the communities' ability to connect with Council, whether that be through our website, phone system or livestreaming Council meetings or Workshops.
- Supporting our people to enable the Council to deliver a wide range of corporate and community activities. Putting "Think safe + Work safe = Home safe" into practice daily ensures these activities are undertaken safely.

- Assisting residents and visitors to connect with relevant Council services.
- Ensuring timely, appropriate, and accurate information is communicated to residents and visitors.

## Our Priorities

- **Financial Services** – Streamline financial processes through rationalisation and effective utilisation of existing systems to ensure timely and accurate reporting. Develop and implement a Procurement Framework.
- **Information Technology** – Further develop systems and processes to increase resiliency against Cyberattacks and maintain data privacy.
- **Engagement and Culture** – Review employee induction process, analyse continuous improvement initiatives to enhance employee experience, and move to implementation phase of the newly developed Health, Safety and Wellbeing Strategy.
- **Customer Services** – Enhance customer experience and convenience through review of current processes, development and implementation of activity specific induction and training for new staff and integration of digital technology.
- **Communications and Engagement** – Continue to increase direct engagement with the community, enabling them to play a more informed and active role in Local Government affairs.

## How we pay for it

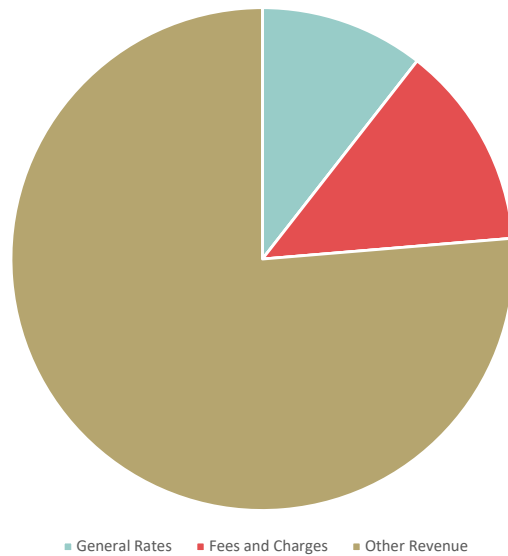
Operating expenditure for activities within the Corporate Activities group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Corporate Services	✓			✓	✓			✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

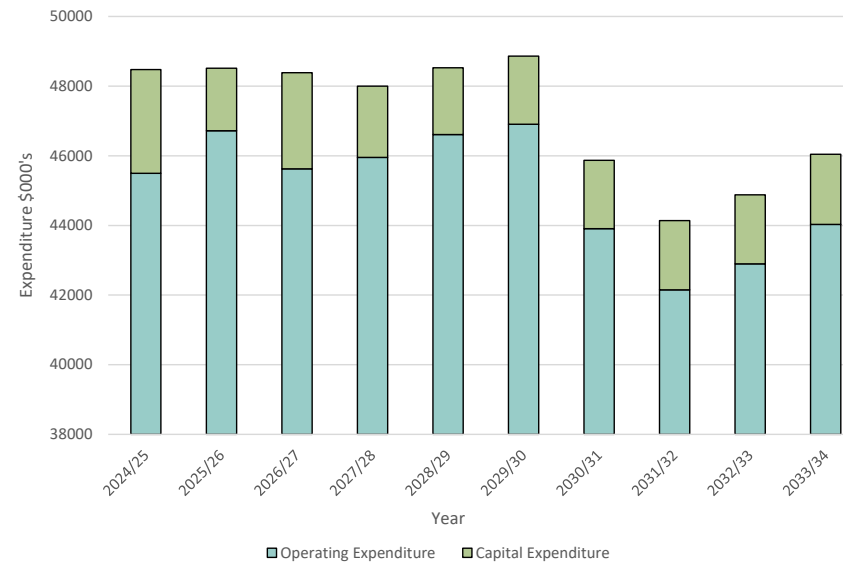
## How is Corporate Activities paid for?

Corporate Activities Revenue Sources



## How much does Corporate Activities cost?

Corporate Activities Operating and Capital Expenditure



## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	-	-	-	-	-	-	-	-	924	3,347	6,767
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,283	-	-	-	-	-	-	-	-	-	-
Fees and charges	913	1,068	1,143	1,223	1,281	1,342	1,403	1,466	1,532	1,599	1,669
Internal charges and overheads recovered	21,924	30,342	33,200	34,351	35,692	36,672	37,890	39,360	40,419	41,764	43,361
Local authorities fuel tax, fines, infringement fees, and other receipts	4,364	7,398	7,522	7,654	7,790	7,923	8,053	8,178	8,307	8,432	8,559
<b>Total Operating Funding</b>	<b>28,485</b>	<b>38,808</b>	<b>41,865</b>	<b>43,228</b>	<b>44,764</b>	<b>45,936</b>	<b>47,346</b>	<b>49,004</b>	<b>51,182</b>	<b>55,141</b>	<b>60,356</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	21,746	26,021	28,562	29,572	30,861	31,692	32,751	34,078	34,976	36,144	37,550
Finance costs	1,770	148	727	915	1,080	746	259	(73)	(619)	(1,213)	(1,606)
Internal charges and overheads applied	13,789	19,329	17,433	15,138	14,010	14,173	13,894	9,905	7,795	7,964	8,087
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>37,306</b>	<b>45,499</b>	<b>46,722</b>	<b>45,625</b>	<b>45,951</b>	<b>46,611</b>	<b>46,904</b>	<b>43,910</b>	<b>42,152</b>	<b>42,894</b>	<b>44,031</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>(8,821)</b>	<b>(6,690)</b>	<b>(4,857)</b>	<b>(2,397)</b>	<b>(1,188)</b>	<b>(675)</b>	<b>441</b>	<b>5,095</b>	<b>9,029</b>	<b>12,247</b>	<b>16,325</b>

Council Activities: Corporate Activities

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	10,469	9,669	6,651	5,160	3,238	2,589	1,514	(3,136)	(7,045)	(10,261)	(14,312)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>10,469</b>	<b>9,669</b>	<b>6,651</b>	<b>5,160</b>	<b>3,238</b>	<b>2,589</b>	<b>1,514</b>	<b>(3,136)</b>	<b>(7,045)</b>	<b>(10,261)</b>	<b>(14,312)</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,441	1,300	51	502	102	-	-	-	-	-	-
- to replace existing assets	1,609	1,678	1,743	2,260	1,949	1,914	1,956	1,958	1,984	1,986	2,013
Increase/(decrease) in reserves	(1,222)	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>1,828</b>	<b>2,978</b>	<b>1,794</b>	<b>2,763</b>	<b>2,051</b>	<b>1,914</b>	<b>1,956</b>	<b>1,958</b>	<b>1,984</b>	<b>1,986</b>	<b>2,013</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>8,821</b>	<b>6,690</b>	<b>4,857</b>	<b>2,397</b>	<b>1,188</b>	<b>675</b>	<b>(441)</b>	<b>(5,095)</b>	<b>(9,029)</b>	<b>(12,247)</b>	<b>(16,325)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	1,220	1,328	1,428	1,428	1,434	1,435	1,435	1,435	1,435	1,435	1,435

# District Planning and Environmental Services

These activities have a particular contribution to the following community wellbeing outcomes:

Connected Citizens- Enhanced Lifestyle – Sustainable Environment – Diverse Economy

## What we do

### Building Control

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

### District Planning

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

### Environmental Compliance

Council has monitoring and enforcement responsibilities under a range of legislation relating

to food safety, noise control, hazardous substances, liquor licensing, environmental nuisance, parking control and animal control. The Timaru District Consolidated Bylaw 2018 outlines rules and processes to protect the public from nuisance, to protect, promote and maintain public health and safety, and to minimise the potential for offensive behaviour in public places.

## Why we do it

These activities contribute to all aspects of the Council's Vision by helping to ensure:

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

## Our Priorities

- The reform of the Resource Management Act 1991 has been signalled during the period of this Long Term Plan. Participating in and representing the district's interests in the ongoing resource management reform process, in addition to implementing the resulting legislation, will be a major focus over the next 10 years.
- Adaptive pathways planning and preparation for areas within the district at risk from natural hazards.
- Aligning the district with the policies and objectives in the National and Regional Policy Statements related to sustainable management.
- Delivery of the District Plan review.
- Progressing the protection and restoration of biodiversity.

## How we pay for it

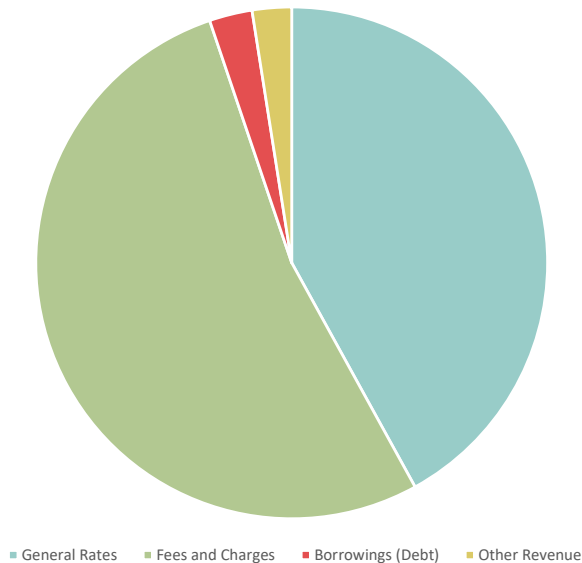
Operating expenditure for activities within the District Planning and Environmental Services group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Building Control	✓			✓				✓
District Planning	✓			✓				✓
Environmental Compliance	✓	✓		✓				✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

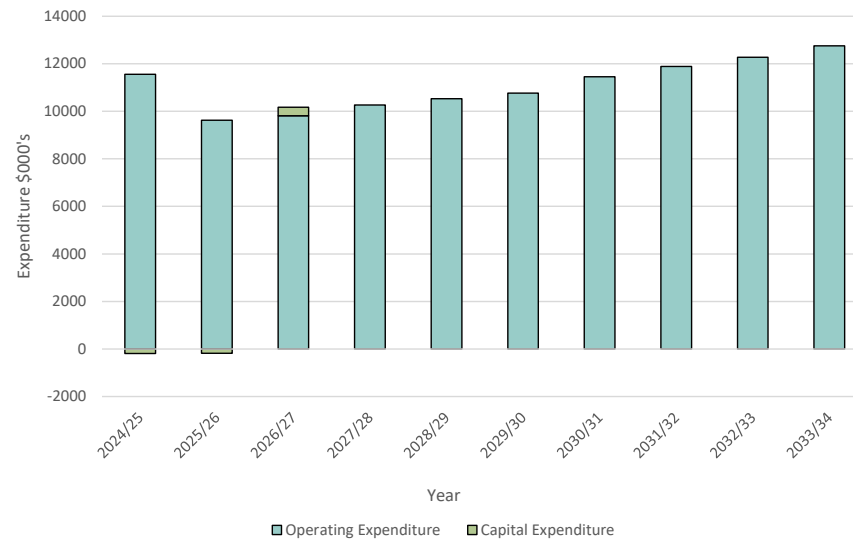
## How is District Planning and Environmental Services paid for?

District Planning and Environmental Services Revenue Sources



## How much does District Planning and Environmental Services cost?

District Planning and Environmental Services Operating and Capital Expenditure





## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	Building Consent Authority accreditation	Target – Building Consent Authority accreditation retained Result 2022/23 – Achieved Result 2021/22 – Achieved	Building Consent Authority accreditation retained	Building Consent Authority accreditation retained
	Building Control consent average processing time	Target - > 12 working days Result 2022/23 – Not achieved (12.6) Result 2021/22 – Not achieved (12.1)	> 12 working days	> 12 working days
	% of building consent applications processed within statutory time frames	Target – 100% Result 2022/23 – Not achieved (97.4%) Result 2021/22 – Not achieved (97%)	100%	100%
	Resource Consent processing within statutory timeframes	Target – 100% Result 2022/23 – Not achieved (97%) Result 2021/22 – Not achieved 73%)	100%	100%
	Land Use consents monitoring	Target – 150 pa Result 2022/23 – Not achieved (90) Result 2021/22 – Not achieved (20)	N/A (removed)	N/A (removed)
Provide useful, timely and consistent information and education on building, planning and regulatory services	Building and planning services: Provide the local community and/or local industry with regular updates and information at least four times per year	N/A New performance measure	100%	100%
	Building consent applicants satisfaction with consent process	Target – 80% Result 2022/23 – Not achieved (72.8%) Result 2021/22 – Achieved (81%)	N/A (removed)	N/A (removed)
	Customer satisfaction with information and education from district planning services	Target – 90% Result 2022/23 – Not measured Result 2021/22 – Not measured	N/A (removed)	N/A (removed)

Council Activities: District Planning and Environmental Services

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Provide useful, timely and consistent information and education on building, planning and regulatory services	Customer satisfaction with information and education from environmental health services	Target – 80% Result 2022/23 – Achieved (97.3%) Result 2021/22 – Achieved (100%)	N/A (removed)	N/A (removed)
	Provide Dog Control education to one school/ pre-school/ organisation per term	Target – 5 Result 2022/23 – Achieved (49) Result 2021/22 – Achieved (15)	100%	100%
	Information on the website is reviewed and updated quarterly for all regulatory activities	N/A – New performance measure	100%	100%
	Resident/ customer satisfaction with building consent process	N/A – New performance measure	≥80%	≥80%
	Resident/ customer satisfaction with resource consent process	N/A – New performance measure	≥80%	≥80%
Support responsible dog ownership	Percentage of known dogs in District registered	Target – 95% Result 2022/23 – Achieved (97.4%) Result 2021/22 – Achieved (98%)	95%	95%
Ensure buildings issued with a Building Warrant of Fitness (BWF), swimming pools and food and liquor premises are certified safe and comply with legislation.	BWOF audits completed	N/A – New performance measure	20% per annum	20% per annum
	% of non compliant BWOF audits achieved compliance within two months	Target – 100% Result 2022/23 – Not achieved (62.1%) Result 2021/22 – Not measured	N/A (removed)	N/A (removed)
	% of residential swimming pools' fencing in the District audited at least once every 3 years	N/A – New performance measure	Year 3: <sup>1</sup> 100%	Years 6 and 9: 100%

<sup>1</sup> Swimming pool audits are done once every three years, so there is no target to meet in the intervening years.

Council Activities: District Planning and Environmental Services

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Ensure buildings issued with a Building Warrant of Fitness (BWOFF), swimming pools and food and liquor premises are certified safe and comply with legislation.	% of non compliant swimming pool audits that achieved compliance or enforcement action taken within two months of audit	Target – 100% Result 2022/23 – Achieved Result 2021/22 – Achieved	N/A (removed)	N/A (removed)
	% of scheduled audits of registered food premises completed or in process	Target – 90% Result 2022/23 – Achieved (96%) Result 2021/22 – Achieved (100%)	100%	100%
	% of alcohol regulated premises that have been inspected each year	Target – 80% Result 2022/23 – Not achieved (31.6%) Result 2021/22 – Not achieved (41%)	70%	80%
	% of food businesses requiring escalation to the Registration Authority and/or Food Safety Officer, for follow up due to non-compliance with correct processes or statutory requirements.	Target – number to be reported Result 2022/23 – Achieved 5	100%	100%
Council’s responsibilities for regulating the management of earthquake-prone buildings are met	% of potential non-priority earthquake prone buildings identified by July 2027	N/A – New performance measure	Year 3: 100% <sup>2</sup>	N/A

<sup>2</sup> This project will occur in Year 3 and will not be measured in any other years.

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	2,078	4,916	3,377	3,751	4,195	4,440	4,582	5,043	5,250	5,397	5,619
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,830	4,557	4,876	5,224	5,473	5,728	5,990	6,256	6,535	6,819	7,117
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	265	250	255	261	267	273	279	284	290	295	301
<b>Total Operating Funding</b>	<b>6,173</b>	<b>9,722</b>	<b>8,508</b>	<b>9,236</b>	<b>9,935</b>	<b>10,441</b>	<b>10,851</b>	<b>11,583</b>	<b>12,076</b>	<b>12,511</b>	<b>13,037</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	7,701	10,346	7,473	7,374	7,712	7,916	8,041	8,407	8,638	8,952	9,356
Finance costs	51	320	397	449	450	459	456	422	408	392	373
Internal charges and overheads applied	908	893	1,758	1,987	2,099	2,151	2,266	2,617	2,842	2,930	3,019
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>8,661</b>	<b>11,559</b>	<b>9,627</b>	<b>9,810</b>	<b>10,261</b>	<b>10,526</b>	<b>10,762</b>	<b>11,447</b>	<b>11,889</b>	<b>12,273</b>	<b>12,748</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>(2,488)</b>	<b>(1,836)</b>	<b>(1,119)</b>	<b>(573)</b>	<b>(326)</b>	<b>(85)</b>	<b>89</b>	<b>137</b>	<b>188</b>	<b>238</b>	<b>290</b>

Council Activities: District Planning and Environmental Services

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	2,340	1,652	946	937	326	85	(89)	(137)	(188)	(238)	(290)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>2,340</b>	<b>1,652</b>	<b>946</b>	<b>937</b>	<b>326</b>	<b>85</b>	<b>(89)</b>	<b>(137)</b>	<b>(188)</b>	<b>(238)</b>	<b>(290)</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	500	-	-	-	-	-	-	-
Increase/(decrease) in reserves	(148)	(184)	(173)	(136)	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>(148)</b>	<b>(184)</b>	<b>(173)</b>	<b>364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>2488</b>	<b>1836</b>	<b>1119</b>	<b>573</b>	<b>326</b>	<b>85</b>	<b>(89)</b>	<b>(137)</b>	<b>(188)</b>	<b>(238)</b>	<b>(290)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Activity Depreciation Expense</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>



# Recreation and Leisure

These activities have a particular contribution to the following community wellbeing outcomes:

Connected Citizens- Enhanced Lifestyle – Sustainable Environment

## What we do

### Cultural and Learning Facilities

(including Art Gallery, Halls, Theatre Royal, Libraries, Museum)

**Aigantighe Art Gallery** is the home of art in South Canterbury. With frequently changing exhibitions, it offers visitors exciting and inspiring opportunities to view the Gallery's rich permanent collection along with works by local, national, and international artists. The garden surrounding the Gallery showcases a wide variety of permanent sculptures.

**South Canterbury Museum** is a regional museum of nature, history and culture located in Timaru. It provides access to unique collections of local heritage items, images, archives and information, long term displays, a programme of short-term exhibitions, a variety of public programmes and services and heritage programmes for schools both at the museum and around the District (Government funded).

**Timaru District Libraries** are important community hubs providing a public library service to connect residents with information and entertainment to support and promote reading and literacy. In addition to the main library in Timaru, the libraries at Geraldine and Temuka provide library services, Council Service Centre facilities and visitor information services (Temuka).

**Theatre Royal** in Timaru is a Category B Heritage building and has been the premier venue for local

and visiting cultural and entertainment shows. The Theatre complex is currently closed for a major upgrade, which includes the addition of a heritage centre. It is anticipated the new heritage museum and theatre will be open at the end of 2025/ early 2026.

**Community Halls** – A number of community complexes are either owned or managed by Council, including:

- **Facilities owned and managed solely by Council** – Caroline Bay Hall, Lounge, Sound shell, Pleasant Point Hall, Temuka Alpine Energy Centre, Winchester Hall, Geraldine Pavilion, and Washdyke Community Hall and Sports Centre.
- **Facilities owned by Council and managed by community committees** – A number of community halls across the district.
- **Community owned facilities with some Council support** – A few halls are owned by community organisations and funded by via targeted rates, which Council collects on behalf of the hall owners.

### Parks

We provide and maintain 636 hectares of parks, reserves, sports grounds and gardens throughout the district including:

- **Premier Parks** - parks of particular significance to the district including the Timaru Botanic Gardens, Caroline Bay and parts of Temuka and Geraldine Domains.
- **Sports and Recreation Parks** - include the Pleasant Point Domain, Gunnion Square in Temuka and Aorangi Park in Timaru.

- **Neighbourhood Parks** - are developed urban parks and often contain a children's playground. Examples include Cornwall Park and Lough Park in Timaru.
- **Amenity Parks** - include developed areas with mown grass, gardens or trees through to undeveloped natural green areas providing corridors for native fauna along rivers and streams. Generally, these areas enhance the environment with open spaces and plantings. Examples include Kennedy Park in Geraldine, independently managed rural domains, Patiti Point Reserve and Centennial Park in Timaru.
- **Natural Parks** - Predominantly located in rural areas, these include native bush areas, wetlands and riparian areas. Many of the areas include walking tracks, mountain biking tracks and picnic areas with facilities in each area to support the particular activities catered for. Examples include Claremont Bush and Otupua Wetland in Timaru and Pekapeka Gully in Geraldine.
- **Special Purpose Parks** - include Cultural Heritage Parks such as memorials and historic structures and places and Civic Spaces.
- **Fishing Huts & Motor Camps** - Council manages two fishing huts sites on reserve land at South Rangitata and Stratheona near Pleasant Point, subject to the Reserves Act 1977. Land on which privately owned fishing huts are located is leased to hut owners, who are responsible for all hut and site maintenance. Five motor camps are managed on domain reserves at Geraldine, Temuka, Pleasant Point, South Rangitata and Winchester. All motor

## Council Activities: Recreation and Leisure

camps, except Pleasant Point, are leased under management agreements. The Pleasant Point Motor Camp is managed by the Council with local businesses supporting its operation.

### Recreational Facilities

We provide the following recreational facilities:

- **Swimming Pools** - Include the Caroline Bay Trust Aoraki Centre (CBay) in Timaru that incorporates a 50 metre outdoor pool and an indoor complex featuring a ten-lane 25 metre lap pool, a programme pool, a 250m<sup>2</sup> leisure pool with a lazy river and learn to swim area, an attached toddlers pool and wet playground, a chillax area featuring a spa pool, a steam room and sauna as well as a fitness facility and café. We also have pools at the following locations: Geraldine - 25 metre outdoor pool and learners pool, Pleasant Point - 25 metre outdoor pool and learners pool, Temuka - 30 metre outdoor pool and toddlers' pool.
- **Southern Trust Events Centre** - is a triple basketball court and fitness studio complex located on Aorangi Park, Timaru. It is owned and managed by Council.

### Why we do it

These activities provide a significant contribution to the wellbeing of our community by:

- Providing venues and facilities to meet the community's sporting and recreational needs encouraging a strong community identity and an active lifestyle.
- Facilitating lifelong learning and literacy.
- Enabling the care and preservation of valuable art and heritage.

### How we pay for it

Operating expenditure for activities within the Recreation and Leisure group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Cultural and Learning Facilities	✓	✓		✓			✓	✓
Parks	✓	✓		✓			✓	✓
Recreational Facilities	✓	✓		✓			✓	✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

### Our Priorities

- **Theatre Royal and Heritage Centre Facility Development** - Planning is well advanced for the new facility. This is a multi-year project that is scheduled for completion in 2025/26.
- **Aorangi Stadium** - Earthquake repairs to the existing Stadium and either a new stadium extension or new stadium complex.
- **Climate Change** - A sustainable approach to our parks, in line with changing community priorities, the importance of biodiversity, changing climate conditions and to contribute to reducing Council's carbon footprint.
- **Earthquake strengthening** - A number of Council owned buildings in this Group have been confirmed as or deemed earthquake prone. This includes the Aigantighe Art Gallery Historic House, Temuka Service Centre, Alpine Stadium

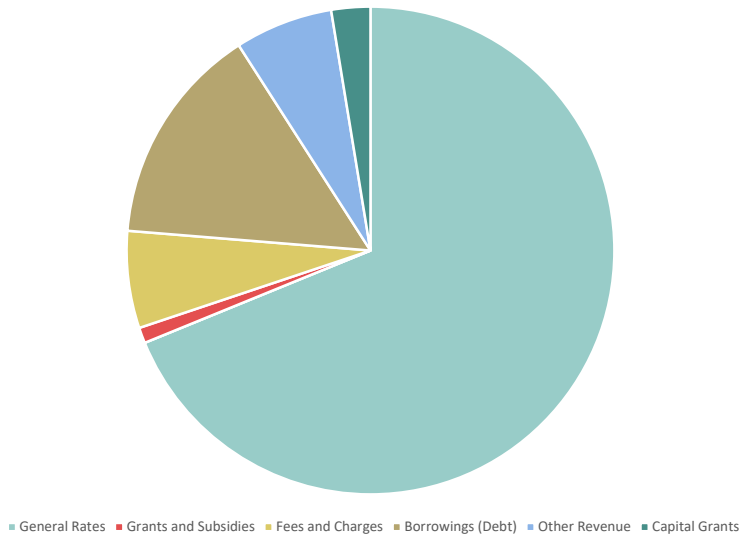
Temuka, Caroline Bay Tea Rooms, and Pleasant Point Hall. Council is working on finalising a strategy for the remaining buildings which will determine work to be done, strengthening target, priority and programming, and budget. During the life of the 10 year plan, it is intended to bring the strategy to Council for repairs and address at the next Long Term Plan.

- **Health & Safety** - There is a need to assess and monitor high risk trees. This will lead to a proactive management regime for these trees. Reducing fire risk by replanting with fire resistant species adjacent to residences.
- **Walking and Cycling** - Continue developing and maintaining walking and cycling trails and integrate planning of trails with active transport routes to provide a coordinated approach.



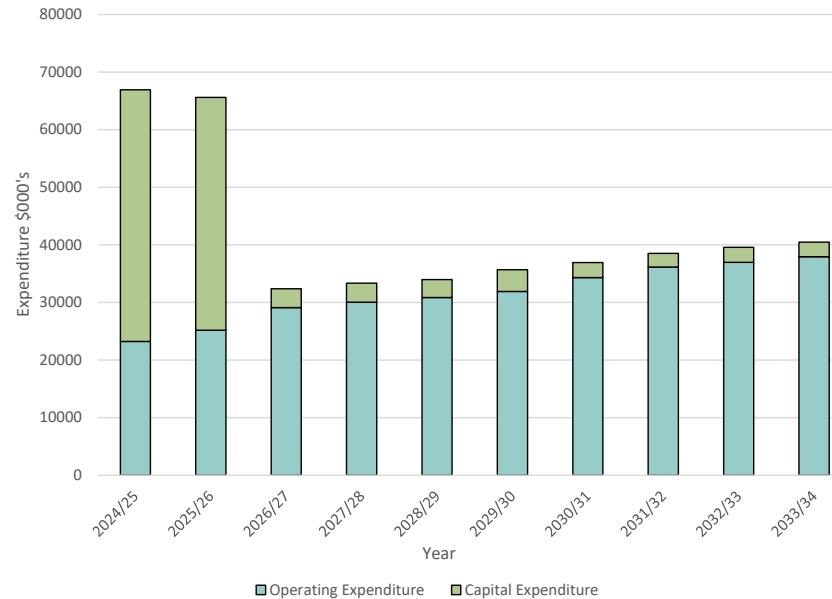
### How is Recreation and Leisure paid for?

Recreation and Leisure Revenue Sources



### How much does Recreation and Leisure cost?

Recreation and Leisure Operating and Capital Expenditure



### What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>Museum</b>			
	Number of museum service users (includes museum visitors, attendees at on site and off site programmes, information or collection requests)	Target – 25,000 Result 2022/23 – Achieved (25,760) Result 2021/22 – Not achieved (17,572)	25,000	25,000
	Number of exhibitions and events	Target – 12 Result 2022/23 – Achieved (14) Result 2021/22 – Achieved (12)	14	14
	Touring and regional exhibitions	Target – 3 Result 2022/23 – Achieved (4) Result 2021/22 – Achieved (4)	N/A (removed)	N/A (removed)

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>Libraries</b>			
	Visitors to Libraries	Target – 200,000 Result 2022/23 – Achieved (282,961) Result 2021/22 – Achieved (237,072)	200,000	200,000
	Online website and catalogue searches	Target – 400,000 Result 2022/23 – Achieved (1,000,765) Result 2021/22 – Achieved (771,040)	400,000	400,000
	Library issues (physical & digital) of materials	Target – 550,000 Result 2022/23 – Not achieved (514,404) Result 2021/22 – Not achieved (498,907)	500,000	500,000
	Community Programme interactions – held on site and in the community plus a non traditional library service	Target – 1,500 Result 2022/23 – Achieved (2,989) Result 2021/22 – Achieved (7,637)	1,500	1,500
	<b>Art Gallery</b>			
	Visitors to Art Galleries	Target – 19,000 Result 2022/23 – Not achieved (15,249) Result 2021/22 – Not achieved (15,642)	Year 1: 15,000 Year 2: 16,000 Year 3: 18,000	20,000
	Online website searches and social media interactions	Target – 800 Result 2022/23 – Achieved (5,461) Result 2021/22 – Achieved (13,240)	2,000	2,000
	Community Programmes – held on site and in the community	Target 12 Result 2022/23 – Achieved (50) Result 2021/22 – Achieved (15)	24	24

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>CBay Complex and Community Pools</b>			
	Visitors to CBay	Target – 325,000 Result 2022/23 – Not achieved (279,596) Result 2021/22 – Not achieved (273,075)	Year 1: 300,000 Year 2: 310,000 Year 3: 320,000	330,000
	Visitors to Pleasant Point Community Pool <sup>3</sup>	N/A – New performance measure	4,500 per season	4,500 per season
	Visitors to Geraldine Community Pool <sup>4</sup>	N/A – New performance measure	11,500 per season	11,500 per season
	Visitors to Temuka Community Pool <sup>5</sup>	N/A – New performance measure	7,500 per season	7,500 per season
	Aqua Fitness classes participant numbers	N/A – New performance measure	10,000	10,000
	Aqua fitness classes	Target – 400 Result 2022/23 – Achieved (408) Result 2021/22 – Achieved (458)	N/A (removed)	N/A (removed)
	Aquatic swim for life participants water safety participant numbers	Target – 2,000 Result 2022/23 – Achieved 2,758 Result 2021/22 – Achieved 2,949	2,000 per annum	2,000 per annum
	Aquatic learn to swim enrolments participant numbers	Target – 3,000 Result 2022/23 – Not achieved (2,565) Result 2021/22 – Not achieved (2,787)	2,800 per annum	2,800 per annum
	CBay Fitness Memberships	N/A – New performance measure	1,200 per annum	1,200 per annum
CBay Group Fitness class participants	N/A – New performance measure	57,600 per annum	57,600 per annum	

<sup>3</sup> This is general admission and does not include school bookings, swim clubs or private bookings.

<sup>4</sup> This is general admission and does not include school bookings, swim clubs or private bookings.

<sup>5</sup> This is general admission and does not include school bookings, swim clubs or private bookings.

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>Southern Trust Events Centre (STEC)</b>			
	Bookings for special events	N/A – New performance measure	15 days per annum	20 days per annum
	Bookings by sports clubs and groups	N/A – New performance measure	120 days per annum	120 days per annum
Provide a high quality and safe experience at district recreation and leisure facilities	Facilities meet legislative safety requirements	Target – Legislative requirements are met Result 2022/23 – Achieved Result 2021/22 – Achieved	Legislative requirements are met	Legislative requirements are met
	<b>User Satisfaction</b>			
	Art Gallery	Target – 80% Result 2022/23 – Not measured Result 2021/22 – Achieved (89%)	≥90%	≥90%
	Libraries	Target – 95% Result 2022/23 – Not measured Result 2021/22 – Not achieved (94%)	≥90%	≥90%
	Museum	Target – 90% Result 2022/23 – Not measured Result 2021/22 – Achieved (91%)	≥90%	≥90%
	Swimming Pools	Target – 75% Result 2022/23 – Not measured Result 2021/22 – Achieved (92%)	≥90%	≥90%
	Parks	Target – 92% Result 2022/23 – Not measured Result 2021/22 – Achieved (92%)	≥90%	≥90%
	Aorangi Stadium	N/A – New performance measure	≥90%	≥90%

Council Activities: Recreation and Leisure

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Collections of local and heritage and art objects, records and information preserved for and available to the community and visitors	<b>Art Gallery</b>			
	Number of Art Gallery exhibitions (including touring, regional and permanent art works)	Target – 10 Result 2022/23 – Achieved (16) Result 2021/22 – Achieved (18)	15	20
	Art works conserved	Target – 5 Result 2022/23 – Achieved (5) Result 2021/22 – Achieved (7)	5	5
	Collection item recorded and updated	Target – 50% Result 2022/23 – 100% Result 2021/22 – 100%	N/A (removed)	N/A (removed)
	<b>Museum</b>			
	Collection items available online	Target – 18,500 Result 2022/23 – Achieved (21,750) Result 2021/22 – Achieved (21,302)	18,500	18,500
	Acquisitions recatalogued within 6 months of acquisition	Target – 150 Result 2022/23 – Achieved (166) Result 2021/22 – Achieved (353)	N/A (removed)	N/A (removed)
Parks and recreational open spaces are accessible for residents and are maintained to meet current and future community needs	Parks and recreational open space hectares per 1,000 residents	Target – 14.4ha Result 2022/23 – Achieved 14.45 Result 2021/22 – Achieved 14.45	13 ha	13 ha
	Kilometres of off-road walking and biking tracks	Target – 62 Result 2022/23 – Achieved 76 Result 2021/22 – Achieved 76	90	90
	Number of playgrounds per 1,000 residents under 15 years of age	Target – 5.3 Result 2022/23 – Achieved (5.38) Result 2021/22 – Achieved (5.38)	N/A (removed)	N/A (removed)
	Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of National Significance	Target – 2 gardens of national significance Result 2022/23 – Achieved Result 2021/22 – Achieved	N/A (removed)	N/A (removed)

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	15,074	18,135	23,458	27,668	28,214	28,820	29,897	32,176	33,795	34,674	35,442
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	98	3,096	100	103	148	151	154	157	160	163	166
Fees and charges	1,587	1,678	1,889	2,249	2,726	2,915	3,001	3,086	3,174	3,260	3,350
Internal charges and overheads recovered	216	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,305	2,627	2,558	2,544	2,630	2,687	2,800	2,867	2,866	2,930	3,085
<b>Total Operating Funding</b>	<b>19,280</b>	<b>25,536</b>	<b>28,006</b>	<b>32,564</b>	<b>33,717</b>	<b>34,573</b>	<b>35,852</b>	<b>38,286</b>	<b>39,996</b>	<b>41,028</b>	<b>42,043</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	16,120	18,963	18,461	19,290	19,665	20,266	20,887	21,529	22,223	22,809	23,569
Finance costs	800	2,485	4,090	6,124	5,832	5,814	5,781	5,496	5,429	5,350	5,276
Internal charges and overheads applied	-	1,787	2,635	3,684	4,534	4,764	5,232	7,306	8,494	8,786	9,092
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>16,920</b>	<b>23,235</b>	<b>25,187</b>	<b>29,098</b>	<b>30,032</b>	<b>30,844</b>	<b>31,900</b>	<b>34,331</b>	<b>36,145</b>	<b>36,945</b>	<b>37,937</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>2,360</b>	<b>2,301</b>	<b>2,819</b>	<b>3,465</b>	<b>3,686</b>	<b>3,729</b>	<b>3,952</b>	<b>3,956</b>	<b>3,851</b>	<b>4,082</b>	<b>4,106</b>

Council Activities: Recreation and Leisure

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	12,000	10,400	580	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	7,347	31,009	37,005	(190)	(381)	(617)	(165)	(1,349)	(1,485)	(1,460)	(1,560)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>19,347</b>	<b>41,409</b>	<b>37,585</b>	<b>(190)</b>	<b>(381)</b>	<b>(617)</b>	<b>(165)</b>	<b>(1,349)</b>	<b>(1,485)</b>	<b>(1,460)</b>	<b>(1,560)</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	9,749	41,829	37,718	1,622	1,071	863	279	399	291	415	302
- to replace existing assets	11,965	1,783	2,748	1,912	2,321	2,265	3,508	2,208	2,075	2,207	2,244
Increase/(decrease) in reserves	(7)	98	(62)	(259)	(87)	(16)	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>21,708</b>	<b>43,710</b>	<b>40,404</b>	<b>3,275</b>	<b>3,304</b>	<b>3,113</b>	<b>3,787</b>	<b>2,607</b>	<b>2,365</b>	<b>2,622</b>	<b>2,546</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(2,360)</b>	<b>(2,301)</b>	<b>(2,819)</b>	<b>(3,465)</b>	<b>(3,686)</b>	<b>(3,729)</b>	<b>(3,952)</b>	<b>(3,956)</b>	<b>(3,851)</b>	<b>(4,082)</b>	<b>(4,106)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	<b>2,367</b>	<b>2,156</b>	<b>2,854</b>	<b>3,707</b>	<b>3,758</b>	<b>3,790</b>	<b>3,963</b>	<b>3,971</b>	<b>3,980</b>	<b>4,133</b>	<b>4,143</b>

# Roading and Footpaths

These activities have a particular contribution to the following community wellbeing outcomes:

Connected Citizens - Enhanced Lifestyle –  
Diverse Economy - Resilient Infrastructure

## What we do

The roading network keeps our communities connected and is central to the resilience and growth of the Timaru District. Council manages over \$1 billion of transport assets including:

- Roads with a replacement value of approximately \$600 million - over 1700 kilometres of roads, both sealed and unsealed.
- Bridges/structures worth \$160 million - 176 bridges, 147 large culverts, 25 retaining walls, 57 concrete fords and 12,700m of railings.
- Over 350 kilometres of footpaths worth \$77 million.
- Drainage assets worth \$145 million – including catchpits, soak pits, sumps, culverts, fords, drains, stormwater channels, kerb and channel.
- Over \$40 million worth of street furniture, street and traffic lights, street signs and markings.
- Rail level crossings, street trees and gardens.

Council also provides a range of associated services including transportation planning and design, road corridor operations (including approval of permits to work and traffic management), programmes addressing road safety, walking, biking and mobility, street cleaning and roadside garden maintenance.

Transportation activities are influenced by a complex mix of legislation, policy and national and regional strategies, and also respond to local issues and

priorities. We take a long-term view to stewardship of our assets, considering the best interests of the wider community and the future generations to follow.

## Why we do it

To achieve Council's vision "*where people, place and business prosper within a healthy, adaptable and regenerative environment*", we need a transport network that meets the needs of the community and freight sector, is safe and resilient, supports urban and regional development, and is both affordable and economically sustainable.

Our priorities are to provide:

Rural and urban transport networks designed to road user needs, maintained to nationally acceptable standards

- A transport system that connects our communities, with limited disruption from unexpected outages/emergency events.
- Transport infrastructure that enables continued urban, commercial and industrial growth.
- Infrastructure that supports walking, biking, mobility and public transport use in the District, maintained to nationally acceptable standards.
- Road safety initiatives (both engineering measures and education) that build community awareness of road safety and assist in the reduction of harm on our roads.
- An affordable, economically sustainable transport system.

## Challenges we face

- **Ageing and deteriorating infrastructure** - Transport infrastructure in the Timaru District is ageing and was also not built to handle the increasing loads of heavy traffic that we see today. We need to be proactive in investing in our roading assets, to help make sure we can continue supporting economic growth, and sustain the levels of service we already provide. With limited budgets, we also need to plan carefully to make sure that older roads and bridges are maintained well, to last until we can replace them.
- **Lack of resilience to climate change and other hazards** - Our roads and bridges are increasingly vulnerable to the impacts of climate change. Recent flood events have seen significant damage to parts of our transport network, and jeopardised access to parts of our community. In the summer months, we are seeing an increase in damage caused by extreme heat. Upgrades are needed on parts of the network to help build resilience, and we also need to integrate our planning with land use to ensure investment is targeted for maximum benefit and is balanced across the community.
- **Deaths and serious injuries on our roads** - Continued safety improvements, community education and advertising, and collaboration with community law enforcement are needed to help reduce the number of fatal and serious injury crashes in our District.
- **Not enough transport options to reduce carbon emissions** - Our communities lack connected



## Council Activities: Roothing and Footpaths

infrastructure dedicated to walking, biking and mobility, which means people rely on vehicle transport to get them where they want to go. We want it to be easier for people to choose environmentally-friendly transport options, and leverage the value that less cars can have on the enjoyment of public spaces in our District. Our key focus is planning for an integrated, District-wide walking and biking network, and promoting the infrastructure we already have in place to encourage more people to use it.

### How we pay for it

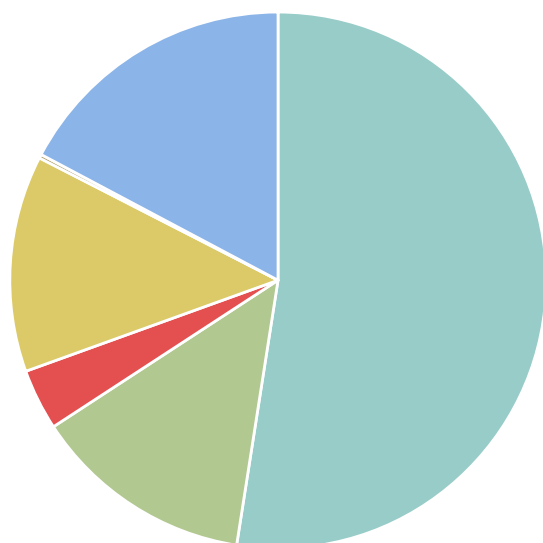
Operating expenditure for activities within the Roothing and Footpaths group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Roothing and Footpaths	✓	✓		✓			✓	✓
Cycleways and Walkways	✓	✓					✓	✓
Parking Facilities				✓				✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

### How is Roothing and Footpaths paid for?

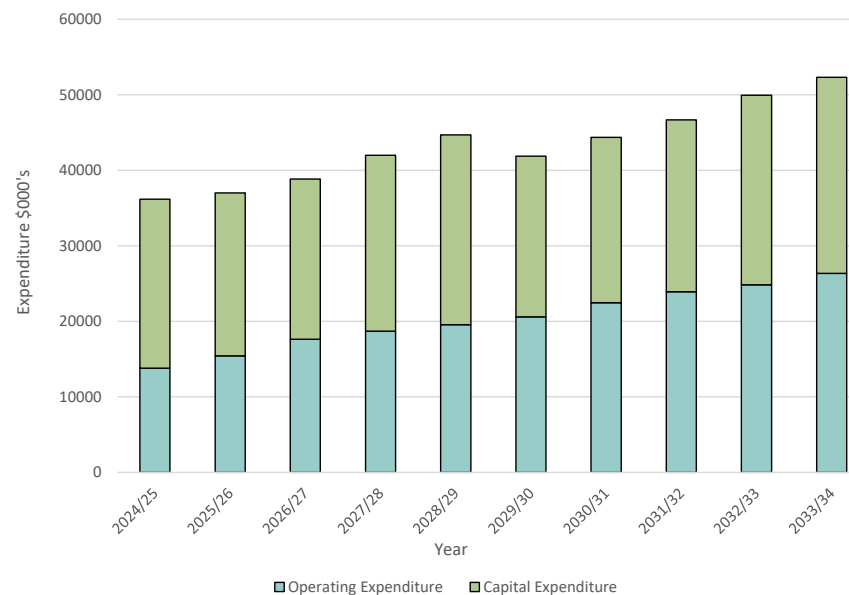
Roothing and Footpaths Revenue Sources



General Rates Grants and Subsidies Fees and Charges Borrowings (Debt) Other Revenue Capital Grants

### How much does Roothing and Footpaths cost?

Roothing and Footpaths Operating and Capital Expenditure



## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Rural and urban transport networks are designed to road user needs and maintained to nationally acceptable standards	Response to customer services requests (mandatory)	N/A – New performance measure	70% of customer service requests are responded to within 15 working days	70% within 15 working days
	Road condition – average quality of ride on sealed local road network percentage smooth travel exposure index (mandatory)	Target – 92% Result 2022/23 – Achieved (92%) Result 2021/22 – Achieved (95%)	Average Smooth Travel Exposure Index on all sealed district roads = 92%	92%
	Resurfacing of road network (mandatory)	Target – 6% Result 2022/23 – Achieved (7.35%) Result 2021/22 – Achieved (7.67%)	6% of the sealed road network is resurfaced annually	6%
	Number of bridges that allow Class 1 loading	N/A – New performance measure	Maintain the current level of bridges that can carry Class 1 traffic loadings	Maintain the current level of bridges that can carry Class 1 traffic loadings
	Rehabilitation of sealed road network	N/A – New performance measure	1% of the sealed pavement network is rehabilitated annually	1% of the sealed pavement network is rehabilitated annually
	Resident satisfaction with levels of service for maintenance and condition of sealed roads	Target – 60% Result 2022/23 – Not achieved (59%) Result 2021/22 – Achieved (61%)	≤50%	≤50%
	Resident satisfaction with levels of service for maintenance and condition of unsealed roads	Target – 50% Result 2022/23 – Not achieved (43%) Result 2021/22 – Achieved (53%)	≤40%	≤40%

Council Activities: Roading and Footpaths

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Road safety initiatives (engineering and education) build community awareness of road safety and assist in the reduction of harm on our roads	Road fatalities and serious injury crashes (mandatory)	Target – number is less than the previous financial year on annual basis. Result 2022/23 – Not achieved Result 2021/22 – Not achieved	Number of fatalities and serious injury crashes on the local road is less than the previous financial year on an annual basis	Decrease from previous year
	Road safety awareness	Target – 40% of residents aware of road safety programmes or advertisements Result 2022/23 – Achieved (73%) Result 2021/22 – Achieved (63%)	60% of residents are aware of road safety programmes or advertisements	60%
	Resident satisfaction with the safety of the road network	Target – 85% believe road network is safe Result 2022/23 – Not achieved (76.5%) Result 2021/22 – Not achieved (83%)	≤80%	≤80%
Infrastructure to support active and public transport is provided and maintained to nationally acceptable standards	Footpath condition (mandatory)	Target – 75% of footpaths to be average or better condition Result 2022/23 – Achieved (91%)	75% of footpaths to be average or better condition	75%
	Footpath network resurfaced (mandatory)	Target – 4% Result 2022/23 – Achieved (5.19%) Result 2021/22 – Not achieved (3.41%)	4% of the footpath network is resurfaced annually	4%
	Resident satisfaction that the provision of carparking meets their needs	Target – 75% Result 2022/23 – Not achieved (71%) Result 2021/22 – Not achieved (73%)	≥70%	≥70%

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
	Percentage of residents using sustainable transport	Target - 50% of residents regularly walk Result 2022/23 – Achieved (77.5%) Result 2021/22 – Achieved (59.5%) Target – 30% of residents regularly cycle Result 2022/23 – Not achieved (27.5%) Result 2021/22 – Achieved (32.6%) Target 5% of residents use public transport Result 2022/23 – Achieved (11%) Result 2021/22 – Achieved (6%).	N/A (removed)  N/A (removed)  N/A (removed)	N/A (removed)  N/A (removed)  N/A (removed)
	School travel plans completed or reviewed annually	Target – 1 completed or reviewed annually Result 2022/23 – Achieved (2) Result 2021/22 – Achieved (1)	N/A (removed)	N/A (removed)

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	15,908	15,738	18,268	20,233	21,033	22,320	23,146	24,742	26,573	27,200	28,414
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3,068	5,126	5,012	5,205	5,406	5,615	5,831	6,055	6,288	6,530	6,780
Fees and charges	1,082	1,245	1,332	1,425	1,493	1,563	1,635	1,708	1,785	1,863	1,945
Internal charges and overheads recovered	789	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	87	152	89	90	91	93	95	95	97	96	98
<b>Total Operating Funding</b>	<b>20,935</b>	<b>22,262</b>	<b>24,701</b>	<b>26,953</b>	<b>28,024</b>	<b>29,592</b>	<b>30,708</b>	<b>32,600</b>	<b>34,743</b>	<b>35,689</b>	<b>37,238</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	12,314	11,263	11,107	11,864	12,062	12,395	12,541	12,675	12,925	13,290	14,141
Finance costs	743	2,496	2,960	3,441	3,711	4,233	4,813	4,925	5,283	5,648	6,113
Internal charges and overheads applied	-	41	1,346	2,329	2,912	2,921	3,250	4,859	5,694	5,886	6,094
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>13,057</b>	<b>13,800</b>	<b>15,413</b>	<b>17,634</b>	<b>18,685</b>	<b>19,549</b>	<b>20,603</b>	<b>22,460</b>	<b>23,902</b>	<b>24,824</b>	<b>26,348</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>7,878</b>	<b>8,461</b>	<b>9,288</b>	<b>9,318</b>	<b>9,339</b>	<b>10,043</b>	<b>10,105</b>	<b>10,141</b>	<b>10,841</b>	<b>10,865</b>	<b>10,889</b>

Council Activities: Roading and Footpaths

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	10,377	6,228	6,477	6,736	7,006	7,287	7,578	7,882	8,197	8,525	8,865
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	7,572	7,690	5,830	5,167	6,968	7,816	3,597	3,872	3,749	5,737	6,201
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>17,949</b>	<b>13,919</b>	<b>12,308</b>	<b>11,903</b>	<b>13,974</b>	<b>15,102</b>	<b>11,175</b>	<b>11,753</b>	<b>11,946</b>	<b>14,261</b>	<b>15,066</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	14,112	3,310	5,215	5,320	7,416	9,483	5,203	5,302	5,398	5,496	8,312
- to replace existing assets	12,011	19,070	16,381	15,902	15,897	15,661	16,077	16,591	17,388	19,603	17,644
Increase/(decrease) in reserves	(297)	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>25,826</b>	<b>22,380</b>	<b>21,596</b>	<b>21,221</b>	<b>23,313</b>	<b>25,145</b>	<b>21,280</b>	<b>21,894</b>	<b>22,787</b>	<b>25,126</b>	<b>25,956</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(7,878)</b>	<b>(8,461)</b>	<b>(9,288)</b>	<b>(9,318)</b>	<b>(9,339)</b>	<b>(10,043)</b>	<b>(10,105)</b>	<b>(10,141)</b>	<b>(10,841)</b>	<b>(10,865)</b>	<b>(10,889)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	13,284	14,209	15,842	15,906	15,969	17,158	17,266	17,324	18,491	18,549	18,607



# Stormwater

These activities have a particular contribution to the following community wellbeing outcomes:

Sustainable Environment - Resilient Infrastructure

## What we do

Stormwater is rainwater that flows from surfaces like roofs, gardens, footpaths and roads. Council manages and maintains a network of pipes, pumping stations and other infrastructure to safely dispose of stormwater run-off. 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 and 3,000 sumps.
- Secondary overland flow paths.

## Why we do it

This activity contributes to Council’s vision “*Where people, place and business prosper within a healthy, adaptable and regenerative environment*” by:

- Collecting, redirecting and disposing of rainwater to protect both property and people from flooding.
- Treating stormwater to remove contaminants before entering the receiving environment in order to minimise adverse environmental impacts.
- Collective provision of stormwater services on behalf of the community.

## How we pay for it

Operating expenditure for activities within the Stormwater group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Stormwater			✓					✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

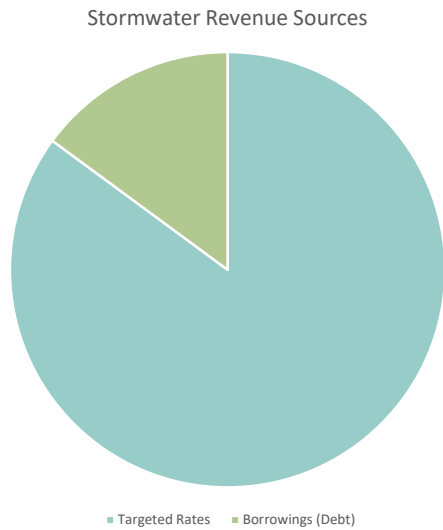
## Our Priorities

- **Preparation for the Local Water Done Well Policy implementation** – preparing for amendments to the new government’s programme to review local government three waters\* service delivery arrangements.
- **Infrastructure upgrading** - so that the stormwater network increases its resiliency with more frequent and severe rainfall events.
- **Increasingly stringent environmental standards** - around the treatment and disposal of stormwater runoff to the natural environment. The most significant influence over the next ten years will be the consent conditions applicable to Council included in the Canterbury Land and Water Regional Plan.
- **Staffing Challenges** - the water industry as a whole faces difficulty recruiting and retaining appropriately trained staff with appropriate qualifications.

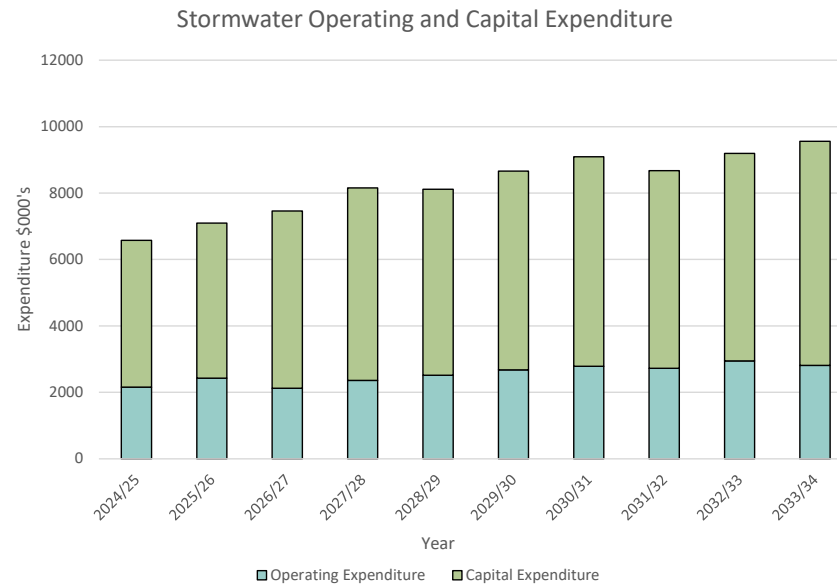
*\*Drinking water, wastewater and stormwater*



## How is Stormwater paid for?



## How much does Stormwater Services cost?



## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Maintain excellent stormwater network services	Number of flooding events in the Timaru District (Mandatory)	Target – 0 Result 2022/23 – Achieved Result 2021/22 - Achieved	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	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
	Number of habitable floors affected by flooding events in the Timaru district (Mandatory)	Target – 0 Result 2022/23 – Achieved Result 2021/22 - Achieved	Zero habitable floors affected by a flooding event	Zero habitable floors affected by a flooding event
Deliver stormwater services according to required environmental standards	Compliance with Resource Consent conditions (Mandatory)	Target – No resource conditions notices, enforcement orders and convictions. Result 2022/23 – Achieved Result 2021/22 - Achieved	No abatement notices, infringement notices, enforcement orders, convictions	No abatement notices, infringement notices, enforcement orders, convictions

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Maintain excellent customer service	Satisfaction with condition and maintenance of stormwater services	Target – 65% Result 2022/23 – Not measured. Result 2021/22 – Achieved 74%	≥60% user satisfaction	≥60% user satisfaction
	Median response times to attend a flooding event (Mandatory)	Target –Median time to attend a flooding event will be less than one hour Result 2022/23 – Not achieved Result 2021/22 – Not achieved	Median time to attend a flooding event will be less than one hour	Median time to attend a flooding event will be less than one hour
	Total complaints received about performance of stormwater system	Target – 10 or fewer per 1,000 connected properties Result 2022/23 – Achieved (0) Result 2021/22 – Achieved (0)	10 or fewer per 1,000 connected properties	10 or fewer per 1,000 connected properties

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	4,284	5,161	5,903	6,439	6,855	7,075	7,602	7,674	7,579	8,087	7,918
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	(1)	(3)	(1)	(2)	(2)	(4)	(4)	(6)	(5)
<b>Total Operating Funding</b>	<b>4,284</b>	<b>5,161</b>	<b>5,902</b>	<b>6,436</b>	<b>6,854</b>	<b>7,073</b>	<b>7,600</b>	<b>7,670</b>	<b>7,575</b>	<b>8,081</b>	<b>7,913</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	906	1,666	1,808	1,367	1,535	1,547	1,574	1,662	1,540	1,658	1,756
Finance costs	87	228	301	427	481	613	738	735	789	882	625
Internal charges and overheads applied	130	263	315	327	344	352	365	384	393	408	429
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,123</b>	<b>2,157</b>	<b>2,424</b>	<b>2,121</b>	<b>2,360</b>	<b>2,512</b>	<b>2,677</b>	<b>2,781</b>	<b>2,722</b>	<b>2,948</b>	<b>2,810</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>3,161</b>	<b>3,004</b>	<b>3,478</b>	<b>4,315</b>	<b>4,494</b>	<b>4,561</b>	<b>4,923</b>	<b>4,889</b>	<b>4,853</b>	<b>5,133</b>	<b>5,103</b>

Council Activities: Stormwater

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	643	1,414	1,194	1,025	1,303	1,038	1,059	1,422	1,096	1,110	1,648
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>643</b>	<b>1,414</b>	<b>1,194</b>	<b>1,025</b>	<b>1,303</b>	<b>1,038</b>	<b>1,059</b>	<b>1,422</b>	<b>1,096</b>	<b>1,110</b>	<b>1,648</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	418	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	3,456	4,750	3,708	5,173	4,563	4,170	6,308	6,580	5,143	12,976	4,368
Increase/(decrease) in reserves	(70)	(333)	964	168	1,234	1,429	(326)	(270)	806	(6,733)	2,383
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>3,804</b>	<b>4,417</b>	<b>4,672</b>	<b>5,341</b>	<b>5,797</b>	<b>5,599</b>	<b>5,982</b>	<b>6,310</b>	<b>5,949</b>	<b>6,243</b>	<b>6,751</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(3,161)</b>	<b>(3,004)</b>	<b>(3,478)</b>	<b>(4,315)</b>	<b>(4,494)</b>	<b>(4,561)</b>	<b>(4,923)</b>	<b>(4,889)</b>	<b>(4,853)</b>	<b>(5,133)</b>	<b>(5,103)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	3,161	4,394	4,394	4,772	4,772	4,772	5,102	5,102	5,102	5,418	5,418

# Wastewater

These activities have a particular contribution to the following community wellbeing outcomes:

Sustainable Environment - Resilient Infrastructure

## What we do

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

Wastewater 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 in 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 wastewater system.

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.

Environment Canterbury has granted Council consent to discharge to the ocean until 2045.

As part of providing this service we operate:

- Three oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka.
- 23 wastewater pump stations.
- Approximately 354km of pipeline.
- Approximately 4,000 maintenance holes.

## Why we do it

This activity contributes to Council's vision *"Where people, place and business prosper within a healthy, adaptable and regenerative environment"* by:

- Removal and mitigation of the adverse impacts of wastewater on the natural environment.
- Providing safe treatment and disposal of sewage.
- Safeguarding the district waterways and the environment from direct discharge.
- Collective provision of wastewater services on behalf of the community.

## How we pay for it

Operating expenditure for activities within the Wastewater group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Wastewater			✓	✓				✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

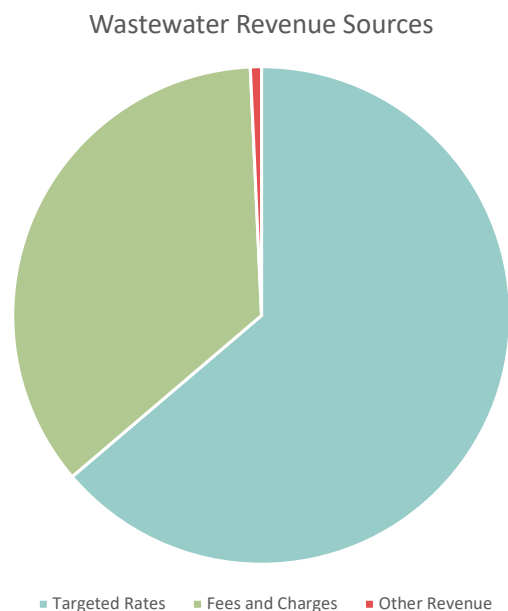
## Our Priorities

- **Preparation for the Local Water Done Well Policy implementation** – preparing for amendments to the new government's programme to review local government three waters\* service delivery arrangements.
- **Infrastructure upgrading and replacement** to replace ageing assets and ensure environmental and regulatory standards are met.
- **Network resilience and sustainability** - particularly from the impacts of a changing climate.

- **Increasingly stringent environmental standards including resource consent and regulatory requirements** around the treatment and discharge of wastewater to the natural environment.
- **Staffing Challenges** - the water industry as a whole faces difficulty recruiting and retaining appropriately trained staff with appropriate qualifications.

\* *Drinking water, wastewater and stormwater*

## How is Wastewater paid for?



## How much does Wastewater cost?



## What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Maintain excellent sewer network services	Number of dry weather overflows from the sewer system (Mandatory)	Target – 2.5 or fewer recorded dry weather overflows per 1,000 connections Result 2022/23 – Achieved (1.95) Result 2021/22 – Achieved (2.31)	2.5 or fewer per 1,000 connections	2.5 or fewer per 1,000 connections
Deliver sewer services according to required environmental standards	Compliance with Resource Consents conditions (Mandatory)	Target - No abatement notices, infringement notices, enforcement orders or convictions Result 2022/23 – Achieved Result 2021/22 – Achieved	No abatement notices, infringement notices, enforcement orders or convictions	No abatement notices, infringement notices, enforcement orders or convictions

Council Activities: Wastewater

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Maintain excellent customer service	Satisfaction with condition and maintenance of wastewater services	Target – 85% user satisfaction Result 2022/23 – Not measured Result 2021/22 – Achieved (92%)	≥80% user satisfaction	≥80% user satisfaction
	Median attendance and resolution times to sewage overflow faults in the network (Mandatory)	Target – Median attendance time less than one hour Result 2022/23 – Achieved Result 2021/22 – Achieved	Median attendance time less than one hour	Median attendance time less than one hour
		Target – Median resolution time will be less than 8 hours Result 2022/23 – Achieved Result 2021/22 – Achieved	Median resolution time less than eight hours	Median resolution time less than eight hours
	Total complaints received about: 1. Sewage odour 2. Sewage system faults 3. Sewage system blockages 4. TDC response to sewage issues	Target – 14 or fewer complaints received per 1,000 connections Result 2022/23 – Achieved Result 2021/22 – Achieved	14 or fewer complaints received per 1,000 connections	10 or fewer complaints received per 1,000 connections

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	6,805	7,027	7,759	8,865	9,046	9,117	9,676	9,495	9,366	9,683	9,632
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,059	3,885	4,157	4,447	4,660	4,879	5,103	5,331	5,571	5,814	6,069
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	92	92	95	95	100	101	103	102	106	106	109
<b>Total Operating Funding</b>	<b>9,956</b>	<b>11,004</b>	<b>12,011</b>	<b>13,407</b>	<b>13,806</b>	<b>14,097</b>	<b>14,882</b>	<b>14,928</b>	<b>15,043</b>	<b>15,603</b>	<b>15,810</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	2,639	2,444	2,497	2,438	2,570	2,626	2,681	2,733	2,790	2,925	2,982
Finance costs	1,366	2,697	2,558	2,546	2,379	2,412	2,476	2,399	2,427	2,316	2,378
Internal charges and overheads applied	893	1,590	1,830	1,897	1,988	2,039	2,114	2,212	2,270	2,352	2,461
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>4,898</b>	<b>6,731</b>	<b>6,885</b>	<b>6,881</b>	<b>6,937</b>	<b>7,077</b>	<b>7,271</b>	<b>7,344</b>	<b>7,487</b>	<b>7,593</b>	<b>7,821</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>5,058</b>	<b>4,273</b>	<b>5,126</b>	<b>6,526</b>	<b>6,869</b>	<b>7,020</b>	<b>7,611</b>	<b>7,584</b>	<b>7,556</b>	<b>8,010</b>	<b>7,989</b>



Council Activities: Wastewater

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(801)	524	(217)	(979)	(1,263)	(1,441)	(1,592)	(1,616)	(1,632)	(1,454)	(1,507)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>(801)</b>	<b>524</b>	<b>(217)</b>	<b>(979)</b>	<b>(1,263)</b>	<b>(1,441)</b>	<b>(1,592)</b>	<b>(1,616)</b>	<b>(1,632)</b>	<b>(1,454)</b>	<b>(1,507)</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	950	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	3,484	7,372	5,509	6,331	3,549	2,736	3,452	3,650	6,399	3,679	6,760
Increase/(decrease) in reserves	(177)	(2,574)	(601)	(784)	2,057	2,844	2,566	2,317	(475)	2,877	(277)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>4,257</b>	<b>4,798</b>	<b>4,908</b>	<b>5,547</b>	<b>5,606</b>	<b>5,580</b>	<b>6,018</b>	<b>5,967</b>	<b>5,924</b>	<b>6,556</b>	<b>6,483</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(5,509)</b>	<b>(4,273)</b>	<b>(5,126)</b>	<b>(6,526)</b>	<b>(6,869)</b>	<b>(7,020)</b>	<b>(7,611)</b>	<b>(7,584)</b>	<b>(7,556)</b>	<b>(8,010)</b>	<b>(7,989)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	5,059	6,672	6,672	7,246	7,246	7,246	7,746	7,746	7,746	8,227	8,227

# Water Supply

This activity has a particular contribution to the following community wellbeing outcomes:

Sustainable Environment - Resilient Infrastructure

## 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 stockwater purposes. Our water supplies are required to comply with the New Zealand Drinking Water Standards.

Over 19,000 residential and non-residential properties are served through the following individual water supplies:

- Urban Water Supply Schemes: Geraldine, Peel Forest, Pleasant Point, Temuka, Timaru, Winchester Rural.
- Drinking Water and Stockwater Supply Schemes: Downlands, Orari, 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.
- 35 reservoirs.
- 24 pump stations.
- Approximately 1,850 kilometres of water supply pipelines.

Environment Canterbury (ECan) allocates water to the Council via resource consents, which set upper limits on the amount of water that can be taken from each water source.

## Why we do it

This activity contributes to Council's vision "*Where people, place and business prosper within a healthy, adaptable and regenerative environment*" by:

- Providing safe drinking water.
- Maintaining water supply infrastructure to ensure a reliable water supply.
- Managing water use in a sustainable way to minimise adverse impacts on the environment.
- Providing water for firefighting in urban areas.

Water abstraction must occur within allowable limits to safeguard the environment and protect cultural values of water bodies. Provision of water aims to provide the best balance between economic, environmental and community needs for the benefit of current and future generations, discourages water wastage and ensures water is directed to the best purposes.

## Our Priorities

- **Preparation for the Local Water Done Well Policy implementation** – preparing for amendments to the new government's programme to review local government three waters\* service delivery arrangements.
- **Compliance with the NZ Drinking Water Standards** – which requires upgrading of water treatment processes and construction of water treatment infrastructure.
- **Impacts of climate change** on the availability and quality of drinking water, including increased rainfall intensity & frequency, greater drought periods, and rising sea levels.
- **Water Resilience** – meeting the water supply requirements of the district in the face of climate related changes, land use changes and increasingly stringent environmental standards.
- **Preparing for water take consent renewals** – acknowledging increasingly stringent environmental standards.
- **Infrastructure upgrading and replacement** to meet the districts water supply requirements and increasing environmental and regulatory standards.
- **Staffing Challenges** – the water industry as a whole faces difficulty recruiting and retaining appropriately trained staff with appropriate qualifications.

\* *Drinking water, wastewater and stormwater*

## How we pay for it

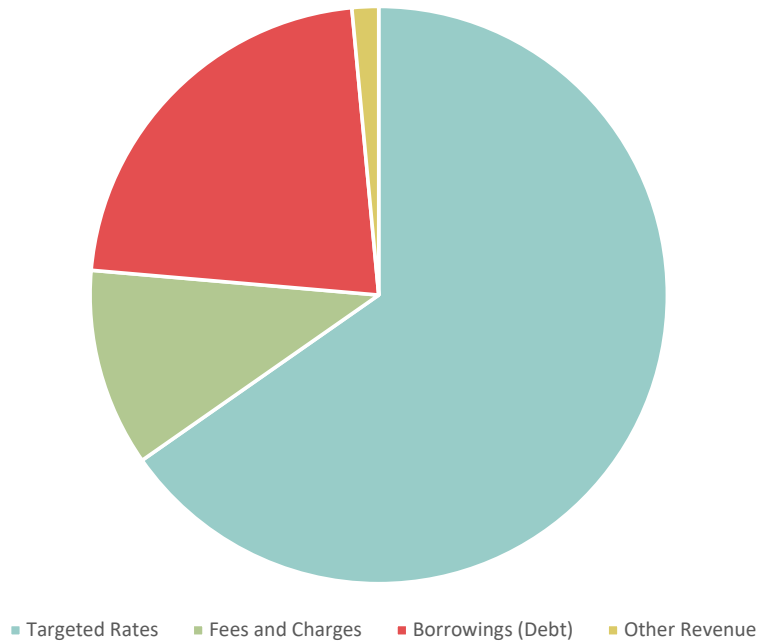
Operating expenditure for activities within the Water Supply group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Water Supply			✓	✓				✓

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

## How is Water Supply paid for?

Water Supply Revenue Sources



## How much does Water Supply services cost?

Water Supply Operating and Capital Expenditure



Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Provide safe drinking water	Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 T3 Treatment Rules 4.10.1 T3 Bacterial Rules (Mandatory)	Target – Bacterial compliance, all 8 drinking water schemes Result 2022/23 – Not achieved Result 2021/22 – Not achieved	Bacterial and Protozoal compliance – all drinking water supply schemes	Bacterial and Protozoal compliance – all drinking water supply schemes
	Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 T3 Treatment Rules 4.10.2 T3 Protozoal Rules (Mandatory)	Target – Protozoal compliance, all 8 drinking water schemes Result 2022/23 – Not achieved Result 2021/22 – Not achieved	Bacterial and Protozoal compliance – all drinking water supply schemes	Bacterial and Protozoal compliance – all drinking water supply schemes
Maintain excellent customer service	Satisfaction with condition and maintenance of water supply services	Target – 85% satisfaction Result 2022/23 – Not measured Result 2021/22 - Achieved	≥80% user satisfaction	≥80% user satisfaction
	Percentage of real water loss from TDC’s networked reticulation systems (Mandatory)	Target - % real water loss from network system reduces Result 2022/23 – Achieved Result 2021/22 - Achieved	% real water loss from network system reduces	% real water loss from network system reduces

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Maintain excellent customer service	Median attendance and resolution times for urgent and non-urgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	Target – Urgent urban callouts attended in less than one hour Result 2022/23 – Achieved Result 2021/22 – Achieved Target Urgent rural callouts attended in less than four hours Result 2022/23 – Achieved Result 2021/22 – Achieved	The median time to attend urgent: Urban callouts – less than one hour  Rural callouts – less than four hours	The median time to attend urgent: Urban callouts – less than one hour  Rural callouts – less than four hours
		Target – Median time to resolve urgent urban callouts, less than 4 hours Result 2022/23 – Achieved Result 2021/22 – Achieved Target – Median time to resolve urgent rural callouts, less than 8 hours Result 2022/23 – Not achieved Result 2021/22 – Not achieved	The median time to resolve urgent: Urban callouts – less than four hours  Rural callouts – less than eight hours	The median time to resolve urgent: Urban callouts – less than four hours Rural callouts – less than eight hours
		Target – Median time to attend and resolve all non-urgent callouts will be reported Results 2022/23 – Achieved (reported) Results 2021/22 – Achieved (reported)	The median time to attend and resolve all non-urgent callouts will be reported.	The median time to attend and resolve all non-urgent callouts will be reported
	Total complaints received about: <ul style="list-style-type: none"> <li>• Drinking water clarity</li> <li>• Drinking water taste</li> <li>• Drinking water odour</li> <li>• Drinking water pressure or flow</li> <li>• Continuity of supply</li> <li>• TDC response to these issues (Mandatory)</li> </ul>	Target – 26 or fewer complaints received per 1,000 connections Result 2022/23 – Achieved Result 2021/22 - Achieved	26 or fewer complaints received per 1,000 connections	26 or fewer complaints received per 1,000 connections

Council Activities: Water Supply

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Provide demand management of water supply services	Average consumption of drinking water per day per resident within Timaru district (Mandatory)	Target – 300L per day per resident Result 2022/23 – Achieved Result 2021/22 - Achieved	300L per day per resident	300L per day per resident
Deliver water services according to required environmental standards	Compliance with Resource Consent conditions	Target - No abatement notices, infringement notices, enforcement orders, convictions Result 2022/23 – Achieved Result 2021/22 – Achieved	No abatement notices, infringement notices, enforcement orders, convictions	No abatement notices, infringement notices, enforcement orders, convictions

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	12,755	15,129	16,408	18,596	20,558	22,384	23,941	23,821	23,986	24,520	24,452
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2,114	2,822	3,020	3,230	3,385	3,544	3,707	3,873	4,047	4,223	4,409
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	444	451	462	474	483	494	501	511	520	530
<b>Total Operating Funding</b>	<b>14,870</b>	<b>18,395</b>	<b>19,879</b>	<b>22,288</b>	<b>24,417</b>	<b>26,411</b>	<b>28,142</b>	<b>28,195</b>	<b>28,544</b>	<b>29,263</b>	<b>29,391</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	5,381	5,519	5,570	5,736	6,113	6,849	7,093	7,244	7,392	7,532	7,685
Finance costs	1,199	3,536	3,659	4,237	5,307	6,144	6,668	6,421	6,554	6,356	6,155
Internal charges and overheads applied	1,689	3,008	3,466	3,596	3,771	3,871	4,017	4,208	4,322	4,484	4,696
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>8,269</b>	<b>12,063</b>	<b>12,695</b>	<b>13,569</b>	<b>15,191</b>	<b>16,864</b>	<b>17,778</b>	<b>17,873</b>	<b>18,268</b>	<b>18,372</b>	<b>18,536</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>6,601</b>	<b>6,332</b>	<b>7,184</b>	<b>8,719</b>	<b>9,226</b>	<b>9,547</b>	<b>10,364</b>	<b>10,322</b>	<b>10,276</b>	<b>10,891</b>	<b>10,855</b>

Council Activities: Water Supply

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	443	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	12,250	5,115	10,575	24,165	15,944	9,960	1,397	2,636	(3,968)	(4,145)	10,820
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>12,693</b>	<b>5,115</b>	<b>10,575</b>	<b>24,165</b>	<b>15,944</b>	<b>9,960</b>	<b>1,397</b>	<b>2,636</b>	<b>(3,968)</b>	<b>(4,145)</b>	<b>10,820</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	551	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	13,269	1,239	-	12,558	12,847	2,188	-	-	-	-	14,512
- to replace existing assets	4,007	10,276	18,752	20,967	12,303	17,300	11,749	12,937	6,291	6,417	7,451
Increase/(decrease) in reserves	1,467	(68)	(993)	(641)	19	18	12	19	18	328	(289)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>19,294</b>	<b>11,448</b>	<b>17,759</b>	<b>32,884</b>	<b>25,169</b>	<b>19,507</b>	<b>11,761</b>	<b>12,956</b>	<b>6,309</b>	<b>6,745</b>	<b>21,674</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(6,601)</b>	<b>(6,332)</b>	<b>(7,184)</b>	<b>(8,719)</b>	<b>(9,226)</b>	<b>(9,547)</b>	<b>(10,364)</b>	<b>(10,320)</b>	<b>(10,277)</b>	<b>(10,891)</b>	<b>(10,855)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	6,601	8,662	8,703	9,452	9,643	9,835	10,580	10,580	10,580	11,236	11,236





# Waste Management

This activity has a particular contribution to the following community wellbeing outcomes:

Connected Citizens- Enhanced Lifestyle – Sustainable Environment – Diverse Economy

## 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.

From 1 July 2021, Enviro NZ has been contracted to provide a number of services which include:

- 4 bin kerbside collection.
- Transfer stations in Temuka, Geraldine and Pleasant Point.
- Resource Recovery Centre in Timaru (Redruth).
- Education for communities, schools and businesses.
- Public place recycling.
- Zero Waste Event Bins.
- Recycling – via Materials Recovery Facility and transfer stations.
- Recovery – composting, scrap metal recovery and E-Waste.
- Treatment – hazardous waste drop-offs.
- Disposal – Class A landfill (Redruth).

In addition to these services, Council provides funding to support Sustainable South Canterbury Trust who manage the Crow’s Nest and the Eco Centre.

## Why we do it

This activity contributes to Council’s vision *“Where people, place and business prosper within a healthy, adaptable and regenerative environment”* by:

- Encouraging waste minimisation and better waste management practices to reduce the amount of waste going to landfill which supports a reduction in greenhouse emissions.
- Composting of green waste which goes back onto the land to improve soil structure.
- Collection and appropriate disposal of waste, reduces the potential for disease and vermin issues, and degradation of the environment (land and water).
- Managing waste locally to reduce financial and environmental cost of transporting waste out of district for disposal.
- Landscaping of facilities and closed landfill areas provides enhanced amenity areas (e.g. Saltwater Creek walkway) and recreational venues.

## How we pay for it

Operating expenditure for activities within the Waste Management group is funded through the following mechanisms:

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Grants and Subsidies	Other Sources
Waste Collection			✓					
Waste Management	✓			✓			✓	✓

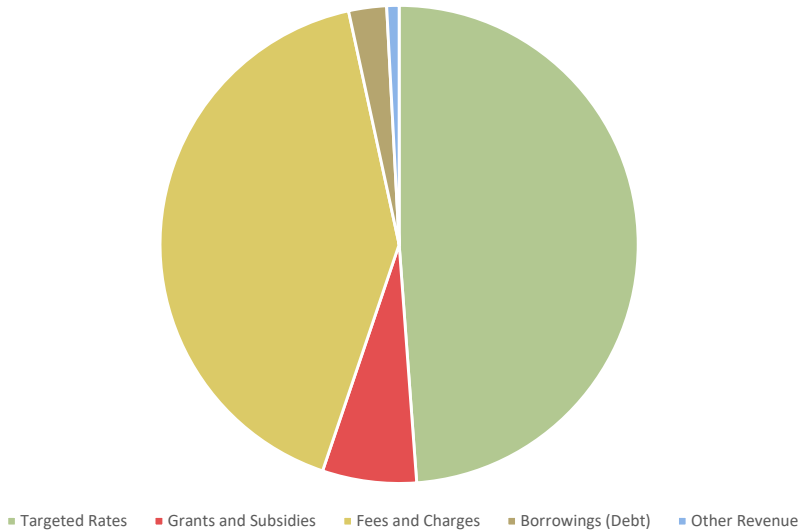
For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

## Our Priorities

- **Responding to climate change issues**, in particular coastal inundation near the Redruth landfill.
- **Ongoing district wide education** to reduce contamination of recycling material.
- **Diversion of waste** from landfill where possible.
- **Reduction** in contaminated recycling material.
- **Developing a Closed Landfill Strategy** to manage and mitigate the risks to closed landfills from flooding.
- **Further development of the landfill** at Redruth including new landfill gas infrastructure and areas for waste.
- **Planning for legislative changes** including the Emissions Trading Scheme and Waste Levy requirements.
- **Consideration of options for provision of a new landfill** once the Redruth site has reached capacity.

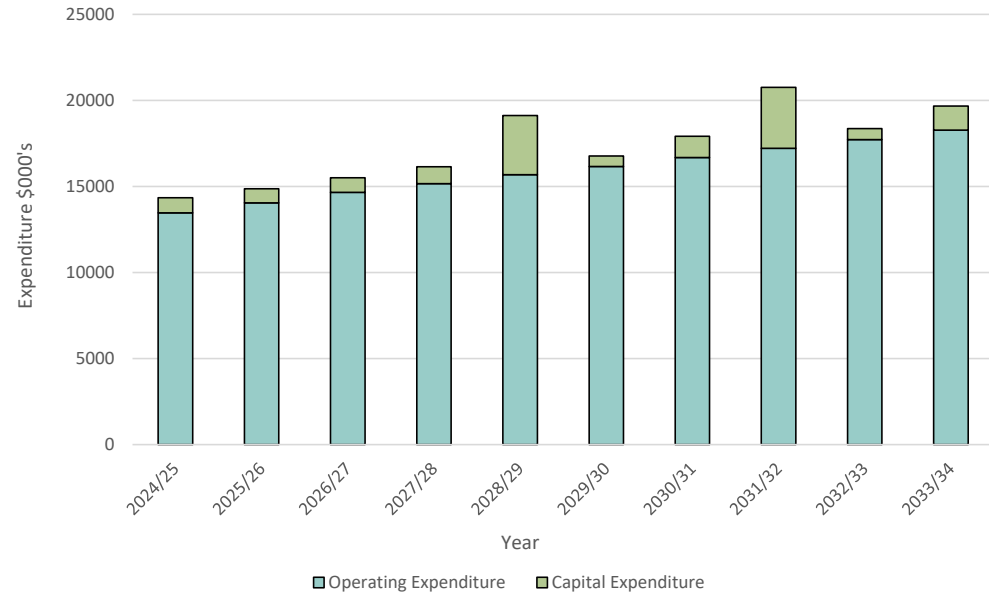
### How is Waste Management paid for?

Waste Management Revenue Sources



### How much does Waste Management cost?

Waste Management Operating and Capital Expenditure



### What you can expect from us

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
No adverse effects on the environment or human health from the operation of waste management services	Compliance with Resource Consent conditions+  + Excluding all minor non-compliance as reported by Environment Canterbury	Target - No abatement notices, infringement notices, enforcement orders and convictions Result 2022/23 – Achieved Result 2021/22 - Achieved	No abatement notices, infringement notices, enforcement orders and convictions	No abatement notices, infringement notices, enforcement orders and convictions
Waste Management services meet customer expectations	Resident satisfaction with waste management services and facilities within the district	Target – 95% Result 2022/23 – Not measured Result 2021/22 – Not achieved	≥90%	≥90%

Levels of Service	Performance Measure	Result/ Achievement Annual Reports 2021/22 - 2022/23	Target Year 1-3: 2024/25 - 2026/27	Target Year 4-10: 2027/28 - 2033/34
Waste reduction	Kerbside refuse collection waste volumes (mandatory)	N/A – New performance measure	130kg per resident	124kg per resident
	Total waste received at Transfer stations and resource recovery parks (mandatory)	N/A – New performance measure	<9,050 tonnes	<9,050 tonnes
	Level of contamination of recycling (mandatory)	Target – Less than 10% of recycling contamination Result – Not achieved Result – Not achieved	Less than 10%	Less than 10%
	Materials Recover Facility (MRF) recycling net tonnages diverted	Target – 4,000 Result 2022/23 – Achieved Result 2021/22 - Achieved	N/A (removed)	N/A (removed)
	Compost facility organic net tonnages diverted	Target - 15,000 Result 2022/23 – Achieved Result 2021/22 – Achieved	N/A (removed)	N/A (removed)
	Recycling net tonnages diverted via recycling other than for MRF recyclables	Target 300 Result 2022/23 – Achieved Result 2021/22 – Achieved	N/A (removed)	N/A (removed)

## Funding Impact Statement

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges (UAGC), rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	4,782	7,677	7,846	8,027	8,211	8,391	8,568	8,739	8,914	9,084	9,256
Subsidies and grants for operating purposes	900	1,000	1,022	1,046	1,070	1,093	1,116	1,138	1,161	1,183	1,206
Fees and charges	7,803	5,593	5,985	6,403	6,709	7,023	7,345	7,673	8,017	8,366	8,733
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	140	131	134	137	140	144	147	149	152	155	158
<b>Total Operating Funding</b>	<b>13,625</b>	<b>14,402</b>	<b>14,987</b>	<b>15,612</b>	<b>16,130</b>	<b>16,651</b>	<b>17,176</b>	<b>17,700</b>	<b>18,244</b>	<b>18,789</b>	<b>19,353</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	10,319	10,311	10,698	10,930	11,172	11,404	11,632	11,852	12,078	12,296	12,518
Finance costs	584	1,752	1,673	1,667	1,585	1,586	1,716	1,614	1,625	1,751	1,730
Internal charges and overheads applied	1,851	1,413	1,679	2,069	2,415	2,691	2,819	3,218	3,513	3,675	4,032
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of operating funding</b>	<b>12,754</b>	<b>13,476</b>	<b>14,050</b>	<b>14,665</b>	<b>15,172</b>	<b>15,682</b>	<b>16,167</b>	<b>16,684</b>	<b>17,215</b>	<b>17,722</b>	<b>18,280</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>872</b>	<b>926</b>	<b>937</b>	<b>947</b>	<b>958</b>	<b>969</b>	<b>1,009</b>	<b>1,016</b>	<b>1,029</b>	<b>1,067</b>	<b>1,073</b>

Council Activities: Waste Management

	Annual Plan 2023/24 \$000's	Budget 2024/25 \$000's	Forecast 2025/26 \$000's	Forecast 2026/27 \$000's	Forecast 2027/28 \$000's	Forecast 2028/29 \$000's	Forecast 2029/30 \$000's	Forecast 2030/31 \$000's	Forecast 2031/32 \$000's	Forecast 2032/33 \$000's	Forecast 2033/34 \$000's
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	966	(48)	(122)	(108)	21	2,470	(407)	226	2,511	(420)	324
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of Capital Funding</b>	<b>966</b>	<b>(48)</b>	<b>(122)</b>	<b>(108)</b>	<b>21</b>	<b>2,470</b>	<b>(407)</b>	<b>226</b>	<b>2,511</b>	<b>(420)</b>	<b>324</b>
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,698	612	559	578	695	3,166	323	951	3,244	338	1,082
- to replace existing assets	140	266	256	262	284	274	279	291	297	309	314
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>1,838</b>	<b>878</b>	<b>815</b>	<b>839</b>	<b>979</b>	<b>3,439</b>	<b>602</b>	<b>1,242</b>	<b>3,541</b>	<b>647</b>	<b>1,397</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(872)</b>	<b>(926)</b>	<b>(937)</b>	<b>(947)</b>	<b>(958)</b>	<b>(969)</b>	<b>(1,009)</b>	<b>(1,016)</b>	<b>(1,029)</b>	<b>(1,067)</b>	<b>(1,073)</b>
<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Activity Depreciation Expense</b>	<b>556</b>	<b>610</b>	<b>621</b>	<b>631</b>	<b>642</b>	<b>653</b>	<b>693</b>	<b>700</b>	<b>713</b>	<b>751</b>	<b>757</b>



# Financial Information





# Financial Strategy: Introduction

## Introduction

The Financial Strategy sets forth our guiding principles for managing the Council's finances and making budgetary decisions.

The 2024-2034 Long Term Plan (LTP) budget was developed to prioritise core services, business operations, and Council-approved priorities. Council has committed to sustaining current service levels, upgrading community facilities, and addressing climate change. As such, the LTP budget allocates more funding to asset renewal and replacements that will directly enhance the district's infrastructure and liveability. The increases invest in renewing assets and replacing ageing facilities to improve amenities for the community.

Our district faces significant challenges from ageing infrastructure, insufficient investment in depreciation and renewals, upcoming regulatory changes for water services, and rising community expectations for high-quality, affordable service. On top of escalating service demands, Council must address emerging policy and legislative mandates around resource planning, water quality standards, transportation, climate change, wastewater, and stormwater management. The confluence of deteriorating assets, tightening budgets, and heightened regulatory scrutiny requires strategic leadership and fiscal prudence from Council. A coordinated, proactive approach is needed to upgrade critical infrastructure, comply with new regulations, and deliver value to ratepayers.

As the Council's focus for this 10-year plan is investing in infrastructure asset renewals, our asset maintenance costs will decrease. However, investing in new assets or any delays in the planned renewals will result in higher maintenance costs. The ageing asset base drives increasing renewal expenses through the next decade.

**The Financial Strategy aims to get the balance right so that we can achieve our goals of:**

- Maintaining long-term financial resilience;
- Providing high-quality infrastructure and facilities;
- Ensuring our services are affordable and meet the wellbeing needs of our community.

**Our Strategy responds to the challenges Council and our District is facing including:**

- Ageing infrastructure, requiring a large capital renewal programme;
- Increasing operating costs for our activities across the board; Increasing regulatory requirements and community expectations;
- The need to maintain infrastructure and services that are resilient to natural disasters and the impacts of climate change;
- Impending regulatory changes for water services.

This Financial Strategy complements our Infrastructure Strategy and relies on our Significant Forecasting Assumptions and Activity Statements. Together, these documents elaborate on Council's plans to achieve its key outcomes and address the pressing challenges outlined above. The Infrastructure Strategy and forecasting assumptions outline the context, while the Activity Statements detail steps for realising our financial and infrastructural goals. This integrated planning supports Council in delivering results.

## Debt

**The long-term debt-to-revenue limit is raised to 250% for the 2024/2025 fiscal year and remains at that level for the rest of the Long Term Plan.**

Over the 10-year period, Council is allocating \$650 million towards capital projects, with the majority of investment going into water services and roading, but also including community infrastructure. The focus is on asset renewals and initiatives that advance key priorities. This capital investment delivers on objectives to upgrade assets, improve amenities, and enable quality services.

Compared to the previous Financial Strategy, the debt-to-revenue limit has been raised from 210% in the LTP 2021-31 to 250% for this next LTP. Although our maximum allowable debt level is 280% of operating revenue, this Financial Strategy caps our normal debt operating limit at 250% or lower - aligned with New Zealand Local Government Funding Authority (LGFA) thresholds. By staying below a 250% limit over the 10-year period, we are likely to uphold Council's strong AA- credit rating.

Council infrastructure and community facilities are long-term assets that serve residents across multiple generations. Debt financing spreads the costs equitably over present and future beneficiaries. This intergenerational equity allows Council to address infrastructure needs expediently rather than deferring costs on to tomorrow's ratepayers. With long asset lifetimes, debt enables each generation to collectively fund the shared capital assets they will utilise together as a community.

While leveraging debt financing for major capital investments, Council remains fiscally prudent through planned operating surpluses to gradually repay debt obligations within this Long Term Plan period. Projected net debt will increase from \$266 million in 2024/25 to a maximum of \$413 million in 2030, before declining to \$394 million by 2034. Council has developed a sustainable debt servicing approach through allocating surplus cash to repay debt principal – this prudent strategy maintains strong fiscal standing over the long term.

Figure 1 compares the budgeted net debt to total revenue ratio with the limits established in the financial strategy for each fiscal year.

Figure 1: Debt to Revenue Limits

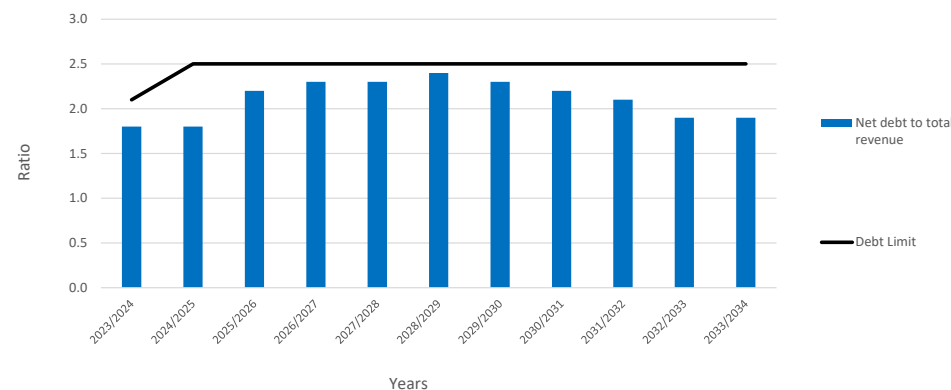
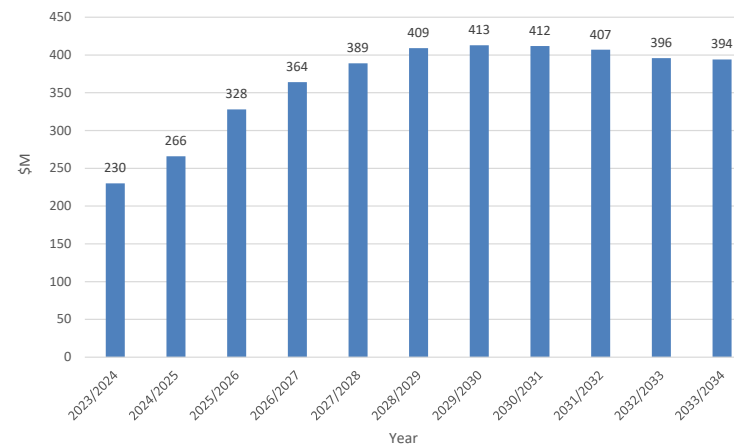


Figure 2 represents the budgeted net debt figures for the financial years ending June 30, 2024 to June 30, 2034.

Figure 2: Net Debt



Forecasts indicate net debt will rise to a high of \$413 million in 2030. From 2031 onward, rates increases will generate budget surpluses to pay down debt over the last four years of the Long-Term Plan.

## Financial Strategy

By 2034, there will be \$138 million of available debt capacity (headroom) based on the 250% debt-to-revenue threshold, and \$201 million based on the 280% limit. These conservative limits ensure borrowing ability remains for unforeseen events like natural disasters. The lowest projected debt headroom occurs in 2029 at \$25 million per the 250% ratio, and \$77 million at 280%. Restricting borrowing preserves the capacity for contingencies whilst exercising fiscal restraint. However, should any repeated emergency events requiring over \$25 million of borrowings occur in 2025, it is anticipated that Council will, through formal resolution, raise its debt cap to the statutory limits to enable access to funds if necessary.

The Council has set the following limits on its total borrowing:

- Net annual interest expense as a percentage of rates revenue limit is 30%
- Net annual interest expense as a percentage of total revenue limit is 20%
- Liquidity limit is 110%

Council's 2024-2054 Infrastructure Strategy identifies substantial infrastructure investments needed beyond 2034 to address ageing assets such as bridges near end-of-life, and to upgrade community facilities like CBay and Timaru Library. The debt limits in this Financial Strategy provide future debt capacity and flexibility for the district's long-term interest. This headroom enables future councils to determine spending priorities important to their communities. The strategy empowers future decision-making for critical infrastructure and facilities.

## Balanced Budget

### Balancing everyday costs and revenues

Under the Local Government Act 2002 (Section 100). Council is required to set a balanced budget where operating revenue is equal to operating expenditure. Council may only operate an unbalanced budget where this can be shown to be financially prudent. Council resolves to operate an unbalanced budget in Years 2-3 of the Long Term Plan. Officers have assessed the matters under Section 100 and the Long Term Plan has set projected operating revenues for some years at levels less than would be required to meet projected operating expenditure.

Over the next three years Council will be working to balance the budget and reduce the deficit.

The deficit is driven from a few factors: revenue being set at rates that do not cover the costs, depreciation not being 100% funded until Year 6, high use of consultants vs. in house staff resources and ensuring the staff mix is matched to level of service delivery.

Timaru District Council completed a revaluation of some of the infrastructure assets in 2022/23 financial year which led to an increased depreciation charge. This, together with interest rate increases and a reduction in staff turnover, has led to running at a deficit for the 2025/26 through to 2026/27 financial years. Over the next three-year period the following will be prioritised:

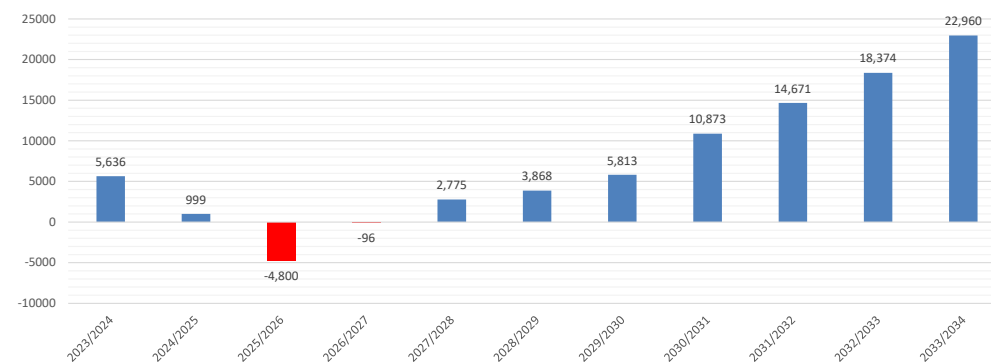
- A revenue review will be completed to ensure that the Fees and Charges meet the operating costs of the related service.
- A rate review will also be completed to ensure that the settings are in line with the Council strategy.
- In addition, throughout the plan timeframe, Council will persistently pursue improved expenditure control and efficiency gains across all services.

Generating consistent budget surpluses is imperative to service existing debts and continue investing in infrastructure for the district's future. This Financial Strategy targets a balanced budget or surplus from the fourth year onward.

Projected rates increases from 2030 forward will produce growing surpluses to pay down existing debts.

Figure 3 shows the projected everyday operational costs against revenue.

**Figure 3: Everyday costs and Revenues**



## Prudence benchmarking

In determining true operating surpluses or deficits, capital items like vested assets, financial contributions, capital subsidies, and gains/losses are excluded. This yields an accurate picture of sustainable everyday finances.

The council is currently budgeted to eliminate this deficit by year 7 of this plan. The table below shows a revenue deficit in Years 1-6 ranging from \$333,000 to \$10,428,000. Council is working towards bringing this in line earlier through a full revenue and rates review in Years 1-2, in addition to ongoing efficiency and cost reduction work.

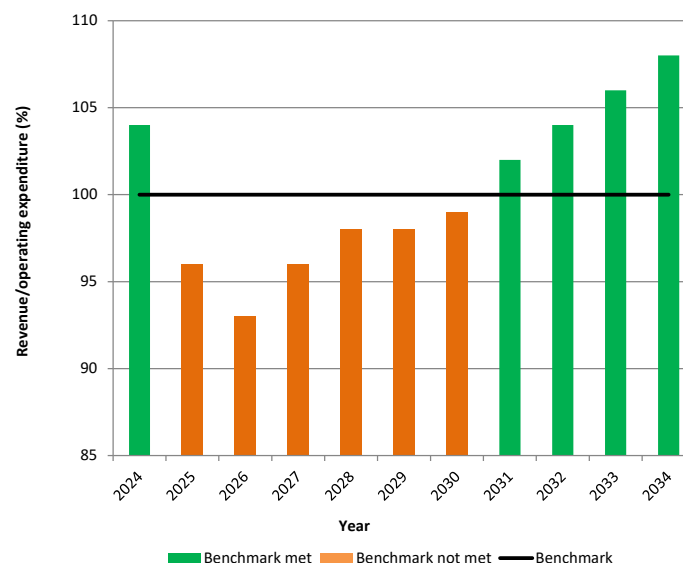
The most significant driver of the deficit is moving to be fully funding depreciation from Year 6 of this plan.

### Balanced budget benchmark

The following graph (Figure 4) displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a percentage of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

Figure 4: Balanced Budget Benchmark



Balanced Budget Benchmark	2024 \$000's	2025 \$000's	2026 \$000's	2027 \$000's	2028 \$000's	2029 \$000's	2030 \$000's	2031 \$000's	2032 \$000's	2033 \$000's	2034 \$000's
Total Revenue	128,432	147,167	146,087	159,130	166,573	173,826	181,193	188,661	196,389	204,328	212,701
Less - Vested Assets		(5,508)	(5,629)	(5,758)	(5,890)	(6,020)	(6,147)	(6,269)	(6,395)	(6,517)	(6,641)
<b>Revenue for Benchmark</b>	<b>128,432</b>	<b>141,659</b>	<b>140,458</b>	<b>153,371</b>	<b>160,682</b>	<b>167,806</b>	<b>175,047</b>	<b>182,391</b>	<b>189,994</b>	<b>197,811</b>	<b>206,060</b>
Total Expenditure	122,796	146,168	150,886	159,227	163,798	169,958	175,379	177,788	181,719	185,952	189,741
<b>Expenditure for Benchmark</b>	<b>122,796</b>	<b>146,168</b>	<b>150,886</b>	<b>159,227</b>	<b>163,798</b>	<b>169,958</b>	<b>175,379</b>	<b>177,788</b>	<b>181,719</b>	<b>185,952</b>	<b>189,741</b>
<b>Revenue Shortfall</b>	<b>5,637</b>	<b>(4,509)</b>	<b>(10,428)</b>	<b>(5,855)</b>	<b>(3,115)</b>	<b>(2,152)</b>	<b>(333)</b>	<b>4,604</b>	<b>8,276</b>	<b>11,859</b>	<b>16,319</b>

## Rates

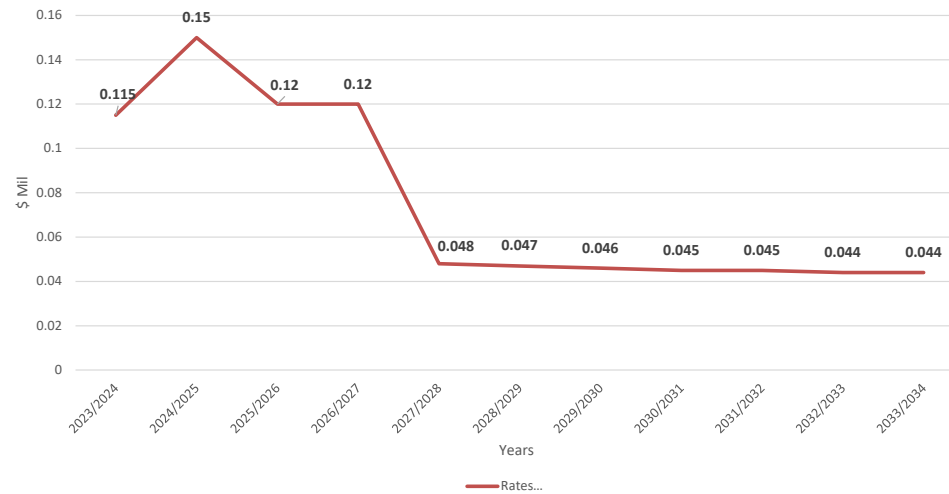
For context, Timaru District Council currently has the third lowest rates of all 23 provincial councils as per the 2023 Ratepayers Report. While service levels do vary, this indicates historical under-rating across the district. With rising costs of living the nation is facing, our lower comparative rating base from the historical practice of keeping rates artificially low has resulted in a community expectation to keep rates low. This puts further pressure on Council's available rate income. However, we have room to make judicious adjustments coming from this low starting point to set rates at a level that better reflect the service levels Council provides, whilst still being comparatively modest in our rankings nationwide for our rate levels.

### Rates Increases

Average rates increases to existing ratepayers are proposed to be 15% in 2024/25, 12% in 2025/26 and a further 12% in 2026/27. From 2027/28 onwards, rate increases will not exceed 5%. The 2021/31 Financial Strategy had a rates limit set at 7%, the 2024-34 strategy proposes to maintain this level. Note the 7% limit is the limit that applies over the 10 year LTP period, and is not an annual rates limit.

After making budget decisions, capping debt and agreeing that paying for everyday costs with everyday revenues was a priority, we have determined our rates limits. The Council's rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city (see Figure 5).

Figure 5: Average Rates Increases



One new targeted rate has been introduced for 2024/25 onwards, and a change to the Community Board Targeted Rate:

The Timaru CBD Group, in partnership with the Timaru District Council has developed a Business Improvement District (BID) that aims to create a stronger town centre and business district, which maximises economic opportunities and enhances the lifestyle and wellbeing of the local community. A targeted rate will be established to fund promotional initiatives within that area.

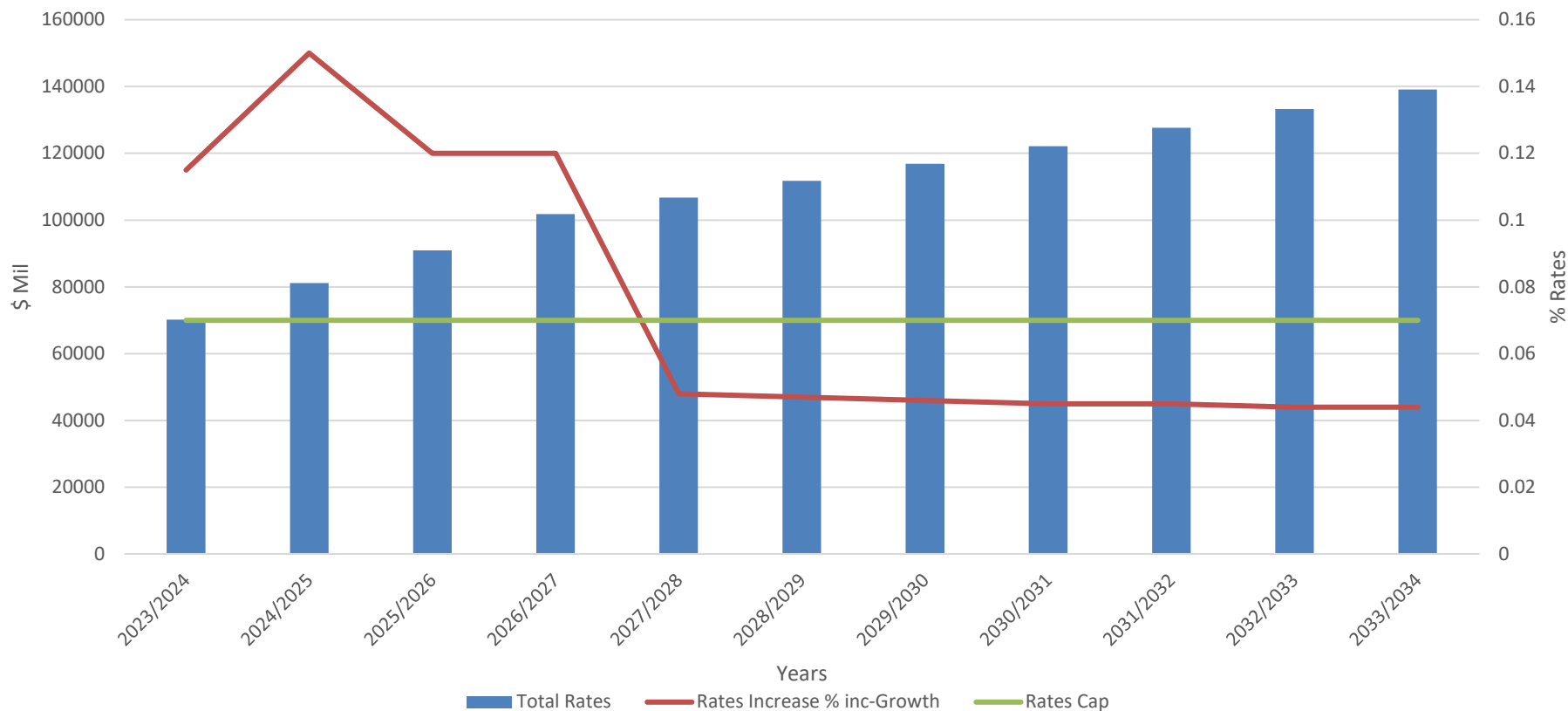
The three Timaru District Community Boards (Geraldine, Temuka, and Pleasant Point) are increasing their targeted rates by \$1 each per annum. This is to fund community-specific projects managed by each Community Board.

The average rates increase represents the minimum viable levels to fund planned capital investments. Since borrowing capacity depends on debt ratios, rising interest costs would necessitate higher rates obligations. These budgets allow completing capital projects, sustaining services, and generating surpluses for debt payments within debt constraints. Council has struck a prudent balance enabling investments for the future while maintaining affordability.

## Financial Strategy

Rates from district growth (new housing and business investment) are pivotal within the Financial Strategy. Inclusive of this anticipated growth, total rates revenue grows an average 0.5% annually over the 10-year span. Slowing growth would constrain capital plans, as baseline rates from existing properties could not solely fund intended investments. Based on the preceding 10-year growth rate, new commercial and residential ratepayers are thus factored materially into budgeting and affordability considerations, as shown in Figure 6 below.

**Figure 6: Rates Increase Limits vs Projected Rates Increases**



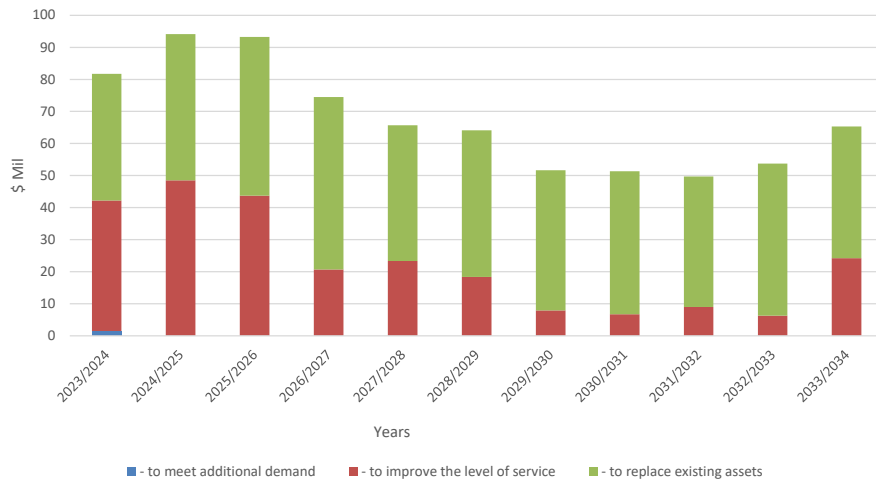
### Capital Expenditure

To achieve its vision and foster community wellbeing, Council provides both vital infrastructure and recreation and cultural assets that improve quality of life. In addition to basic water and transportation systems, Timaru provides libraries, recreation centres, cultural hubs, the port, and the airport. These amenities help attract residents and businesses, driving economic growth and cementing Timaru's reputation as a vibrant, inviting place to live. Council's strategic investments in infrastructure and public assets cultivate social, economic, and cultural wellbeing across the community.

Council has budgeted \$650 million towards capital projects over the next decade. All costs include future inflation estimates. The bulk of capital investments centre on renewing and upgrading foundational infrastructure such as water, sewer, roads, footpaths, and the landfill. This will enable Council to uphold and elevate service levels guided by its Activity Management Plans.

Figure 7 exhibits the 10-year capital expenditure categorised by investment drivers. Growth spending provides new and upgraded assets supporting future population increases. Service level improvements deliver new assets for existing residents. Renewals restore assets to original function. Added assets incur operating costs (like depreciation) which are factored into rates increases.

Figure 7: Capital Expenditure by Investment Driver



Additionally, Council acknowledges the value of cherished community venues such as the Theatre Royal, Museum, Stadium, and Art Gallery for bolstering wellbeing. This Strategy supports funding key facility upgrades and initiatives over the next decade to elevate lifestyles across the district's communities. Figure 8 below shows capital spending plans categorised across each Group of Activities. Investments in these spaces aim to enrich community wellbeing and enrich our lifestyle.

Figure 8: Capital Expenditure Split by Group of Activities

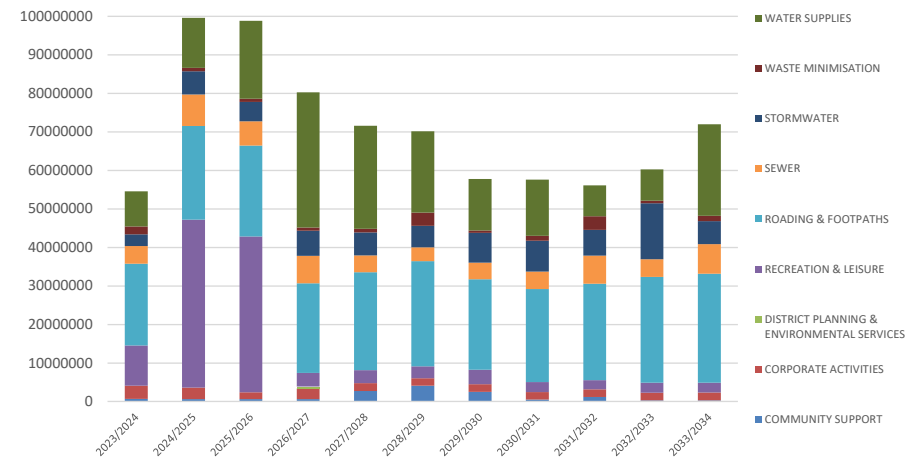
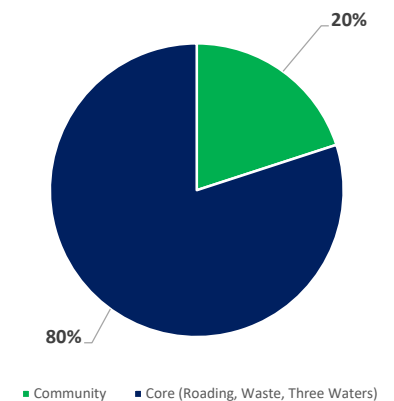


Figure 9: Capital Expenditure Split Between Core and Community Activities



Council prioritises its capital investment into providing the core services to the community that provides the foundation for the district's vitality and community wellbeing. This includes the three waters (water supply, wastewater, and stormwater), roading and footpaths, and waste services. Figure 9 shows that for the next ten years, around 4/5 of the capital expenditure is in these areas, with the remaining funding going into the community services such as recreational facilities, cultural facilities, the airport, and public amenities such as toilets, campgrounds, and community halls.

## Depreciation Funding

Responsible financial management necessitates planning and budgeting for asset replacements and renewals at end-of-life to maintain service levels. The intergenerational equity principle suggests each generation of ratepayers should fund their fair share of asset lifecycles consumed. Councils can achieve this in three key ways:

### Pay as you go

- Capital can be funded through annual rates charges that existing ratepayers cover in a given year. This approach works best when capital spending remains steady over time, reducing the risk of today’s ratepayers paying less than their fair share versus future generations.

### Saving for asset replacement

**(charge rates over the life of the asset – spend later)**

- One option is to charge ratepayers annually to build up depreciation reserves, which would fund future asset replacements. However, this approach becomes difficult if ratepayers are still paying off debt from the initial purchase of those assets. In such cases, current ratepayers would essentially pay twice - both servicing present debts and saving for future replacements, which is unfair. An alternative could be to postpone aggressive depreciation savings until initial debts are first repaid, thus avoiding double-charging the present generation of ratepayers.

### Borrowing to fund asset replacement

**(spend now – charge rates over the life of the asset)**

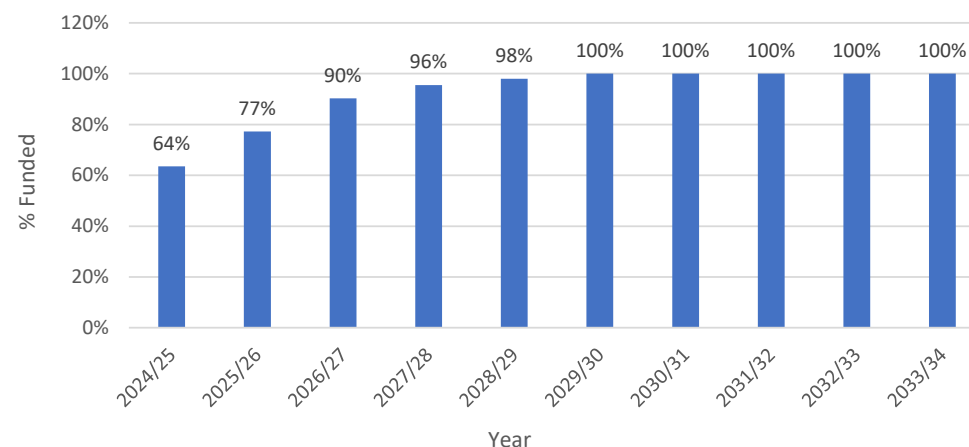
- Ratepayers can be rated annually to service debt tied to assets’ useful lives based on asset valuations, covering both interest and principal payments. Future asset replacements could utilise similar debt financing models. This approach works if overall debt levels can accommodate the necessary borrowing without over leveraging.

Legally, councils need not accumulate dedicated depreciation reserves. However, under the Local Government Act 2002, they must achieve balanced budgets where revenues exceed operating costs (including depreciation). Since budget balance applies at the whole-authority level, an activity-level deficit can occur if offset by a surplus elsewhere. Therefore, retaining standalone renewal funds annually is unnecessary provided financial strategies demonstrate rates can amply future-fund asset renewals as needed.

In setting rates, affordability implications for various community groups are weighed carefully. Where principles collide, redistribution through the financial strategy may provide balance.

This Strategy phases in fully funding depreciation by 2029 as shown in Figure 10. Once achieved, excess rates can service debts. This approach still supports renewals while considering affordability.

**Figure 10: Depreciation Funded Over 10 Years**





## Financial Strategy

### Investments

Our primary investments are in equity, property, and cash. We intend to maintain the value of these investments in the long term.

#### Equity Investments

We have shareholdings in a number of entities primarily to achieve efficiency, to help meet our community wellbeing outcomes, and for a financial return on our investment.

The largest equity investment held by Council is its investment in Timaru District Holdings Limited (TDHL) which in turn holds the Council's interests in Alpine Energy Limited and PrimePort Timaru Limited as well as a property portfolio.

We also have a shareholding in Civic Financial Services which is a local authority collective providing insurance and KiwiSaver services to its members.

Our target for returns on these investments is a dividend of \$1 million per annum (minimum) from TDHL, with any potential surpluses aligned to the annual Statement of Intent.

#### Property Investments

Council also owns a number of properties that we don't use for Council business. Our objective is to only own property that is required to be held, or necessary to achieve our strategic objectives and meet operational requirements. We will be reviewing our property portfolio in Years 1-3 of the LTP.

#### Cash Investments

Investments of cash held for specific purposes (special funds) are usually held as short-term deposits or in bonds.

The Council maintains cash investments for the following primary reasons:

- To provide liquidity in the form of readily available cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams;
- To invest amounts allocated to special funds, bequests, and reserves;
- To invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations;
- To invest proceeds from the sale of assets; and to invest surplus cash, and working capital funds.

Our target for return on these investments is between 1.1% and 1.5%.

### Other Investments

Council also holds 235 hectares of forestry woodlots which are held as a long-term investment to support cashflow, and to help maintain the Council land where the woodlots are situated.

We assume no return on our forestry investments in the short-term due to the state of maturity of the current forestry stock in the growth cycle. In the longer term (beyond this LTP timeframe, there may be future cashflows that accrue.

### Disclosure Statement

We have included the Disclosure Statement in this LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings. Our LTP budget meets or exceeds all measures of financial management as determined by the government. Our target of everyday revenues paying for everyday costs is more appropriate than the regulation measure for balancing the books. This is because it excludes capital revenue. Capital revenue is used for building assets and not to pay for everyday costs. The result is a more transparent view of what it would normally cost to run the district. The following benchmarks are reported against in this LTP (details of which can be found within the Financial Section of the LTP itself):

- Rates affordability benchmark – how rates compare to the financial strategy limit imposed.
- Debt affordability benchmark – planned debt compared to financial strategy debt-to-revenue limit.
- Balanced budget benchmark – planned revenue as a proportion of planned expenses – shows surplus/deficit at a cash level. (Revenue is defined as revenue less development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).
- Essential services Benchmark – planned capital expenditure on network services as a proportion of expected depreciation on network services.
- Debt servicing benchmark – planned borrowing costs as a percentage of planned revenue.

### Other Considerations

#### Local Water Done Well

Over the next ten years, legislative changes regarding the ownership, management and delivery of three waters are inevitable, but it is unclear what the final outcome will be. We have assumed that delivery of three waters will continue as usual, but with more changes required to meet new standards and compliance requirements.

If water services are ultimately delivered by larger entities such as Council-Controlled Organisations or other means, it is expected that funding will be available to renew or replace ageing water assets.

#### Climate Change

Climate change is primarily affecting our infrastructure through extreme weather events such as floods, fires, droughts, heat waves, cold and wind. Sea-level rise is already impacting some of our coastal areas such as roading, with flooding impacts impacting a broad array of infrastructure such as bridges, culverts, water pipes, and closed landfills in danger of breaching into waterways.

Our wastewater and stormwater networks are more likely to overflow and flood during wet weather. Warmer weather puts more demand on our water supply, and increased fire risk can also strain our rural water supply network. As a result of seasonal weather pattern changes, our “green” assets, such as parks, forestry, and gardens may need enhanced pest control, new planting schemes, and more irrigation during droughts, stressing water supply systems.

Managed retreat is not a key focus for the life of this Long-Term Plan as coastal erosion or sea-level rise projections are not indicating a risk to any key infrastructure assets near coastal areas.

#### Unplanned Events

This Long-Term Plan provides for the everyday maintenance of assets and the renewal of assets at the end of their economic life. Unplanned events require earlier than planned investment (e.g. Civil Defence emergencies, natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs.

The Council has mitigations that can be executed in the case of such an event. Over the life of the LTP, the Council has budgeted \$1 million for civil defence emergencies and \$5 million for Roading emergency works (based on the \$2.6 million spent in the June 2022 floods) and can call on an additional \$5 million bank facility. Council has the ability to urgently reprioritise and reduce capital spending.

#### Inflation Costs

All financial forecasts in this strategy include inflation unless otherwise stated. There is a high degree of uncertainty due to long-term inflation forecasts that are likely to change over time. A change in inflation could have a significant impact on financial forecast accuracy. This would require either decreasing or increasing funding to continue the same levels of service. The Long Term Plan assumptions for 2024-34 outline inflation rates for the first 10 years.

#### Growth and Land Use Changes

Population and household growth in the Timaru District is slow and steady. We are projecting a 0.2% annual population growth over the next ten years. The number of households in the district is projected to increase from 21,000 in 2023 to 23,800 in 2043. The average household size will decrease from 2.34 individuals per household in 2023 to 2.30 in 2043. We have factored the rates contribution of this growth into our forecast rates increases.

While Council is not assuming significant land-use change over the next ten years, past and future land use change has, and will continue to impact on Council’s delivery of services particularly for road maintenance in rural areas and the provision of services for new development on urban fringes.

Dwelling projections have been used to prepare a 30-year demand forecast for the 2024-2054 Infrastructure Strategy and the related capital expenditure programme for the Long-Term Plan has been prioritised from this forecast.

Should growth be lower than forecast, revenue budgets for rates, building consents and resource consents may not be met. This will constrain borrowing as the debt limit is calculated based on revenue levels, and we would need to reconsider the appropriateness of the capital programme. Should growth be higher than forecast, then revenue would be higher. We would then need to consider the speed and timing of the capital programme. These impacts are further considered in the Significant Forecasting Assumptions section of this Long-

## Financial Strategy

Term Plan.

### **Other Revenue**

Council has a number of other sources of revenue aside from rates, including fees and charges, and funding assistance from Waka Kotahi (New Zealand Transport Agency), and interest and dividends from investments. The NZTA FAR amount is 51%, but we assume the actual revenue from NZTA will be between 30-40% of approved project costs. Previous funding requests versus what has been eventually approved by Waka Kotahi would demonstrate that this approach would be a more prudent one, enabling a refocusing of available investment from NZTA onto continuous programme activities, without needing to do a plan variation and reduce the Level of Service provided under the asset management plan.

Our Revenue and Financing Policy details how these revenue streams contribute to all the services we provide. Our Financial Strategy is based on an assumption that these revenue streams will remain consistent.

### **Security of Borrowing**

Council provides security on its borrowing. This provides our lenders with a charge over the Council's rates income and means that, if we defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority would default on its obligations.

Council has obtained a credit rating from Fitch Ratings. This is currently AA- with a stable outlook. It is expected that this will be maintained as a minimum during the 10-year period.

# Financial Information: Statement Concerning Balanced Budget

## Balancing everyday costs and revenues

Under the Local Government Act 2002 (Section 100), Council is required to set a balanced budget where operating revenue is equal to operating expenditure. Council may only operate an unbalanced budget where this can be shown to be financially prudent. Council resolves to operate an unbalanced budget in Years 2-3 of the Long Term Plan. Officers have assessed the matters under Section 100 and the Long Term Plan has set projected operating revenues for some years at levels less than would be required to meet projected operating expenditure.

Over the next three years Council will be working to balance the budget and reduce the deficit.

The deficit is driven from a few factors: revenue being set at levels that do not cover the costs; depreciation not being 100% funded until Year 6; high use of consultants vs. in house staff resources; and ensuring the staff mix is matched to level of service delivery.

Timaru District Council completed a revaluation of some of its infrastructure assets in 2022/23 financial year which led to an increased depreciation charge. This, together with interest rate increases and a reduction in staff turnover, has led to running at a deficit for 2025/26 through to 2026/27 financial years. Over the next three-year period the following will be prioritised:

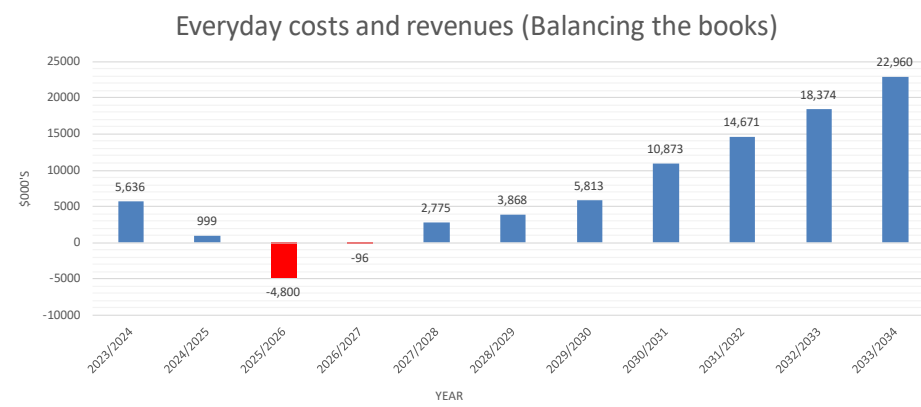
- Revenue review will be completed to ensure that the Fees and Charges meet the operating costs of the related service.
- A rate review will also be completed to ensure that the settings are in line with the Council strategy.
- In addition, throughout the plan timeframe, Council will persistently pursue improved expenditure control and efficiency gains across all services.

Generating consistent budget surpluses is imperative to service existing debts and continue investing in infrastructure for the district's future. The Financial Strategy targets a balanced budget or surplus from the fourth year onward.

Projected rates increases from 2030 forward will produce growing surpluses to pay down existing debts.

Figure 1 shows the projected everyday operational costs against revenue.

Figure 1: Deficits and Surpluses



If you would like more information about balanced budgets and benchmarking please refer to pages 140-154: Accounting Policies and Benchmarks.

# Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on 1 July 2024. Timaru District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Timaru District Council's planning processes are governed by the Local Government Act 2002. The Act requires Council to prepare a ten year Long-Term Plan (LTP) every three years and an Annual Plan, which updates the LTP by exception, in the intervening years. This is Timaru District Council's LTP for the period 2024 to 2034 and is prepared in accordance with the Act. The Council and management are responsible for the preparation of the prospective financial statements and the appropriateness of the underlying assumptions.

The information contained within this document is prospective financial information in terms of PBE FRS 42. The forecast financial statements have been prepared based on assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until Dec 2023 have been taken into account in preparation of these prospective financial statements. Prospective Group financial statements have not been prepared as information for all entities in the group is not available.

The purpose for which this plan has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Timaru District Council to its community for the year, and to provide a broad accountability mechanism of Council to the community. This information has been prepared for the Council's budgeting and financial planning purposes. It may therefore not be appropriate to be used for any other purpose. Actual results are likely to vary from the information presented and the variations may be material.

These prospective financial statements will not be updated.

# Forecast Statement of Comprehensive Revenue and Expense

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Revenue</b>											
Rates Excluding Metered water Supply Rates	70,228	81,177	90,914	101,822	106,708	111,721	116,859	122,115	127,607	133,219	139,078
Targeted Rate for Metered Water Supply	2,114	2,822	3,020	3,230	3,385	3,544	3,707	3,873	4,047	4,223	4,409
Fee and Charges	20,560	20,492	21,999	23,750	25,230	26,446	27,583	28,732	29,939	31,158	32,436
Subsidies and Grants	27,782	25,907	13,249	13,148	13,689	14,207	14,742	15,296	15,871	16,467	17,086
Finance Revenue	1,781	3,902	3,949	4,000	4,051	4,102	4,151	4,199	4,248	4,296	4,344
Dividend Revenue	1,115	1,115	1,140	1,166	1,193	1,219	1,244	1,269	1,295	1,319	1,344
Other Revenue	4,852	11,718	11,782	11,980	12,282	12,552	12,872	13,141	13,346	13,609	13,967
Other Gains / (Losses)	-	34	34	34	35	35	35	36	36	36	37
<b>Total Operating Revenue</b>	<b>128,432</b>	<b>147,167</b>	<b>146,087</b>	<b>159,130</b>	<b>166,573</b>	<b>173,826</b>	<b>181,193</b>	<b>188,661</b>	<b>196,389</b>	<b>204,327</b>	<b>212,701</b>
<b>Expenditure</b>											
Personnel Costs	26,742	33,132	34,458	35,836	37,271	38,762	40,312	41,926	43,602	45,345	47,157
Other Expenses	56,381	59,917	58,146	59,020	60,848	62,780	63,587	65,162	66,279	67,425	69,768
Finance Costs	6,672	14,298	16,968	20,399	21,384	22,674	23,755	22,839	22,786	22,408	21,967
Depreciation and Amortisation Expense	33,001	38,821	41,315	43,971	44,295	45,742	47,726	47,861	49,051	50,775	50,849
<b>Total Operating Expenditure</b>	<b>122,796</b>	<b>146,168</b>	<b>150,887</b>	<b>159,226</b>	<b>163,798</b>	<b>169,958</b>	<b>175,380</b>	<b>177,788</b>	<b>181,718</b>	<b>185,953</b>	<b>189,741</b>
<b>Operating Surplus (Deficit) Before Tax</b>	<b>5,636</b>	<b>999</b>	<b>(4,800)</b>	<b>(96)</b>	<b>2,775</b>	<b>3,868</b>	<b>5,813</b>	<b>10,873</b>	<b>14,671</b>	<b>18,374</b>	<b>22,960</b>
Income Tax Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Surplus (Deficit) After Tax</b>	<b>5,636</b>	<b>999</b>	<b>(4,800)</b>	<b>(96)</b>	<b>2,775</b>	<b>3,868</b>	<b>5,813</b>	<b>10,873</b>	<b>14,671</b>	<b>18,374</b>	<b>22,960</b>

Forecast Statement of Comprehensive Revenue and Expense

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Other Comprehensive Revenue and Expense</b>											
Items that could be reclassified to surplus (deficit)	-	-	-	-	-	-	-	-	-	-	-
Gain on Revaluation of Property, Plant and Equipment	-	81,303	69,580	-	57,441	64,559	-	58,604	63,074	-	58,798
Gain on Revaluation of Financial Instruments	-	-	-	(48)	-	-	-	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>	<b>-</b>	<b>81,303</b>	<b>69,580</b>	<b>(48)</b>	<b>57,441</b>	<b>64,559</b>	<b>-</b>	<b>58,604</b>	<b>63,074</b>	<b>-</b>	<b>58,798</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>5,636</b>	<b>82,302</b>	<b>64,780</b>	<b>(144)</b>	<b>60,216</b>	<b>68,427</b>	<b>5,813</b>	<b>69,477</b>	<b>77,745</b>	<b>18,374</b>	<b>81,758</b>

## Forecast Statement of Changes in Net Assets/ Equity

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
Equity balance at 1 July	1,676,497	1,756,187	1,838,490	1,903,317	1,903,174	1,963,388	2,031,817	2,037,630	2,107,106	2,184,853	2,203,227
Comprehensive Income for year	5,636	82,302	64,780	(144)	60,216	68,427	5,813	69,477	77,745	18,374	81,758
<b>Equity Balance 30 June</b>	<b>1,682,133</b>	<b>1,838,489</b>	<b>1,903,270</b>	<b>1,903,173</b>	<b>1,963,390</b>	<b>2,031,815</b>	<b>2,037,630</b>	<b>2,107,107</b>	<b>2,184,851</b>	<b>2,203,227</b>	<b>2,284,985</b>
<b>Components of Equity</b>											
Retained Earnings at 1 July	766,234	761,823	767,851	763,915	765,471	764,911	764,352	767,715	776,267	790,112	811,484
Transfers to/(from) Retained Earnings	(28,114)	5,082	865	1,651	(3,334)	(4,429)	(2,450)	(2,320)	(828)	2,998	(2,405)
Net Surplus/(Deficit)	5,636	999	(4,800)	(96)	2,775	3,868	5,813	10,873	14,671	18,374	22,960
Retained Earnings 30 June	743,756	767,850	763,916	765,470	764,912	764,350	767,715	776,268	790,110	811,484	832,039
Asset Revaluation Reserves at 1 July	892,416	948,403	1,029,706	1,099,286	1,099,286	1,156,726	1,221,285	1,221,285	1,279,889	1,342,963	1,342,963
Revaluation Gains	-	81,303	69,580	-	57,441	64,559	-	58,604	63,074	-	58,798
Revaluation Reserves 30 June	892,416	1,029,706	1,099,286	1,099,286	1,156,727	1,221,285	1,221,285	1,279,889	1,342,963	1,342,963	1,401,761
Special Funded Reserves at 1 July	43,965	45,961	40,933	40,068	38,417	41,751	46,180	48,630	50,950	51,778	48,780
Transfers to / (from) Reserves	1,996	(5,082)	(865)	(1,651)	3,334	4,429	2,450	2,320	828	(2,998)	2,405
Council Created Reserves 30 June	45,961	40,933	40,068	38,417	41,751	46,180	48,630	50,950	51,778	48,780	51,185
<b>Equity at 30 June</b>	<b>1,682,133</b>	<b>1,838,489</b>	<b>1,903,270</b>	<b>1,903,173</b>	<b>1,963,390</b>	<b>2,031,815</b>	<b>2,037,630</b>	<b>2,107,107</b>	<b>2,184,851</b>	<b>2,203,227</b>	<b>2,284,985</b>



# Forecast Statement of Financial Position

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	5,648	14,628	14,748	14,876	15,007	15,135	15,260	15,381	15,505	15,625	15,747
Debtors and Other Receivables	20,495	13,583	13,882	14,201	14,528	14,847	15,159	15,462	15,772	16,071	16,377
Other Financial Assets	38,129	35,040	35,040	35,040	35,040	35,040	35,040	35,040	35,040	35,040	35,040
<b>Total Current Assets</b>	<b>64,272</b>	<b>63,251</b>	<b>63,670</b>	<b>64,117</b>	<b>64,575</b>	<b>65,022</b>	<b>65,459</b>	<b>65,883</b>	<b>66,317</b>	<b>66,736</b>	<b>67,164</b>
<b>Non-Current Assets</b>											
Plant, Property and Equipment	1,840,987	2,043,245	2,170,383	2,206,670	2,291,427	2,380,397	2,390,486	2,458,876	2,529,008	2,538,526	2,618,447
Intangible Assets	4,148	5,075	5,075	5,075	5,075	5,075	5,075	5,075	5,075	5,075	5,075
Forestry	975	1,401	1,415	1,429	1,443	1,457	1,472	1,487	1,502	1,517	1,532
Investment Property	1,560	1,994	2,014	2,034	2,055	2,075	2,096	2,117	2,138	2,160	2,181
Investment in CCOs and other similar Entities	66,830	55,589	55,589	55,589	55,589	55,589	55,589	55,589	55,589	55,589	55,589
<b>Total Non-Current Assets</b>	<b>1,914,500</b>	<b>2,107,304</b>	<b>2,234,476</b>	<b>2,270,797</b>	<b>2,355,589</b>	<b>2,444,593</b>	<b>2,454,718</b>	<b>2,523,144</b>	<b>2,593,312</b>	<b>2,602,867</b>	<b>2,682,824</b>
<b>Total Assets</b>	<b>1,978,772</b>	<b>2,170,555</b>	<b>2,298,146</b>	<b>2,334,914</b>	<b>2,420,164</b>	<b>2,509,615</b>	<b>2,520,177</b>	<b>2,589,027</b>	<b>2,659,629</b>	<b>2,669,603</b>	<b>2,749,988</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade and Other Payables	25,181	18,586	18,828	19,091	19,355	19,603	19,833	20,040	20,251	20,437	20,621
Employee Benefit Liabilities	2,816	3,938	4,095	4,259	4,430	4,607	4,791	4,983	5,182	5,389	5,605
<b>Total Current Liabilities</b>	<b>27,997</b>	<b>22,524</b>	<b>22,923</b>	<b>23,350</b>	<b>23,785</b>	<b>24,210</b>	<b>24,624</b>	<b>25,023</b>	<b>25,433</b>	<b>25,826</b>	<b>26,226</b>

Forecast Statement of Financial Position

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Non-Current Liabilities</b>											
Provisions	3,947	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292
Employee Benefit Liabilities	441	496	516	536	558	580	603	628	653	679	706
Borrowings	264,254	306,754	369,145	405,563	430,139	450,718	455,028	453,977	446,400	437,579	435,779
<b>Total Non-Current Liabilities</b>	<b>268,642</b>	<b>309,542</b>	<b>371,953</b>	<b>408,391</b>	<b>432,989</b>	<b>453,590</b>	<b>457,923</b>	<b>456,897</b>	<b>449,345</b>	<b>440,550</b>	<b>438,777</b>
<b>TOTAL LIABILITIES</b>	<b>296,639</b>	<b>332,066</b>	<b>394,876</b>	<b>431,741</b>	<b>456,774</b>	<b>477,800</b>	<b>482,547</b>	<b>481,920</b>	<b>474,778</b>	<b>466,376</b>	<b>465,003</b>
<b>NET ASSETS</b>	<b>1,682,133</b>	<b>1,838,489</b>	<b>1,903,270</b>	<b>1,903,173</b>	<b>1,963,390</b>	<b>2,031,815</b>	<b>2,037,630</b>	<b>2,107,107</b>	<b>2,184,851</b>	<b>2,203,227</b>	<b>2,284,985</b>
<b>EQUITY</b>											
Retained Earnings	743,756	767,850	763,916	765,470	764,912	764,350	767,715	776,268	790,110	811,484	832,039
Asset Revaluation Reserves	892,416	1,029,706	1,099,286	1,099,286	1,156,727	1,221,285	1,221,285	1,279,889	1,342,963	1,342,963	1,401,761
Special Funded Reserves	45,961	40,933	40,068	38,417	41,751	46,180	48,630	50,950	51,778	48,780	51,185
Trust Funds	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>1,682,133</b>	<b>1,838,489</b>	<b>1,903,270</b>	<b>1,903,173</b>	<b>1,963,390</b>	<b>2,031,815</b>	<b>2,037,630</b>	<b>2,107,107</b>	<b>2,184,851</b>	<b>2,203,227</b>	<b>2,284,985</b>

# Forecast Cashflow Statement

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Cashflows from Operating Activities</b>											
Receipts from Rates Revenue	70,228	80,807	90,616	101,502	106,381	111,402	116,547	121,812	127,298	132,919	138,772
Receipts from Other Revenue	54,865	55,431	44,421	46,344	48,689	50,722	52,751	54,759	56,795	58,920	61,238
Interest Received	1,781	3,902	3,949	4,000	4,051	4,102	4,151	4,199	4,248	4,296	4,344
Dividends Received	1,124	1,115	1,140	1,166	1,193	1,219	1,244	1,269	1,295	1,319	1,344
Financial and Development Contributions	-	-	-	-	-	-	-	-	-	-	-
Payments to Suppliers and Employees	(82,886)	(92,531)	(92,185)	(94,409)	(97,661)	(101,095)	(103,462)	(106,664)	(109,448)	(112,350)	(116,497)
Interest paid	(6,918)	(14,298)	(16,968)	(20,399)	(21,384)	(22,674)	(23,755)	(22,839)	(22,786)	(22,408)	(21,967)
<b>Net Cashflow from Operating Activity</b>	<b>38,637</b>	<b>39,934</b>	<b>36,602</b>	<b>43,968</b>	<b>47,166</b>	<b>49,703</b>	<b>53,629</b>	<b>58,819</b>	<b>63,810</b>	<b>69,233</b>	<b>73,894</b>
<b>Cashflow from Investing Activity</b>											
Receipts from Sale of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
Receipts from Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of Property, Plant and Equipment	(81,701)	(94,121)	(93,244)	(74,494)	(65,714)	(64,127)	(51,661)	(51,364)	(49,701)	(53,756)	(65,312)
<b>Net Cashflow from Investing Activity</b>	<b>(81,701)</b>	<b>(94,121)</b>	<b>(93,244)</b>	<b>(74,494)</b>	<b>(65,714)</b>	<b>(64,127)</b>	<b>(51,661)</b>	<b>(51,364)</b>	<b>(49,701)</b>	<b>(53,756)</b>	<b>(65,312)</b>
<b>Cashflow from Financing Activities</b>											
Proceeds from Borrowings	43,064	59,843	62,391	36,418	24,576	20,579	4,310	-	-	-	-
Repayment of Borrowings	-	-	-	-	-	-	-	(1,051)	(7,577)	(8,820)	(1,800)
<b>Net Cashflow from Financing Activity</b>	<b>43,064</b>	<b>59,843</b>	<b>62,391</b>	<b>36,418</b>	<b>24,576</b>	<b>20,579</b>	<b>4,310</b>	<b>(1,051)</b>	<b>(7,577)</b>	<b>(8,820)</b>	<b>(1,800)</b>
Net Increase (Decrease) in Cash Held	-	148	120	128	131	128	125	121	124	120	122
Add Opening Cash Bought Forward	5,648	14,480	14,628	14,748	14,876	15,007	15,135	15,260	15,381	15,505	15,625
<b>Closing Cash Balance</b>	<b>5,648</b>	<b>14,628</b>	<b>14,748</b>	<b>14,876</b>	<b>15,007</b>	<b>15,135</b>	<b>15,260</b>	<b>15,381</b>	<b>15,505</b>	<b>15,625</b>	<b>15,747</b>
<b>Closing Balance made up of Cash and Cash Equivalents</b>	<b>5,648</b>	<b>14,628</b>	<b>14,748</b>	<b>14,876</b>	<b>15,007</b>	<b>15,135</b>	<b>15,260</b>	<b>15,381</b>	<b>15,505</b>	<b>15,625</b>	<b>15,747</b>

# Forecast Funding Impact Statement

This Funding Impact Statement has been prepared in compliance with Part 1: Clause 20 of Schedule 10 of the Local Government Act 2002.

In general terms, the Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends and fees and charges. Revenue from targeted rates is applied to specific activities. The following table outlines Council expenditure and sources of funds.

Rates are assessed on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

## Forecast Funding Impact Statement

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Sources of Operating Funding</b>											
General Rates, Uniform Annual General Charges, Rates Penalties	41,602	46,183	52,999	59,896	62,038	64,755	67,072	72,386	77,762	81,845	87,819
Targeted Rates	30,740	37,817	40,935	45,156	48,055	50,511	53,493	53,602	53,892	55,597	55,668
Subsidies and Grants for Operating Purposes	5,405	9,278	6,192	6,412	6,683	6,920	7,164	7,414	7,675	7,942	8,220
Fees and Charges	20,560	20,492	21,999	23,750	25,230	26,446	27,583	28,732	29,939	31,158	32,436
Interest and Dividends from Investments	2,896	5,017	5,089	5,165	5,244	5,320	5,396	5,468	5,543	5,615	5,688
Local Authorities Fuel Tax, Fines, Infringement Fees and Other Receipts	4,409	6,210	6,153	6,216	6,385	6,525	6,719	6,858	6,938	7,072	7,307
<b>Total Operating Funding (A)</b>	<b>105,612</b>	<b>124,997</b>	<b>133,367</b>	<b>146,595</b>	<b>153,635</b>	<b>160,477</b>	<b>167,427</b>	<b>174,460</b>	<b>181,749</b>	<b>189,229</b>	<b>197,138</b>
<b>Applications of Operating Funding</b>											
Payments to Staff and Suppliers	82,877	93,048	92,603	94,857	98,119	101,541	103,899	107,087	109,883	112,769	116,925
Finance Costs	6,918	14,298	16,968	20,399	21,384	22,674	23,755	22,839	22,786	22,408	21,967
Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>89,795</b>	<b>107,346</b>	<b>109,571</b>	<b>115,256</b>	<b>119,503</b>	<b>124,215</b>	<b>127,654</b>	<b>129,926</b>	<b>132,669</b>	<b>135,177</b>	<b>138,892</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>15,817</b>	<b>17,651</b>	<b>23,796</b>	<b>31,339</b>	<b>34,132</b>	<b>36,262</b>	<b>39,773</b>	<b>44,534</b>	<b>49,080</b>	<b>54,052</b>	<b>58,246</b>
<b>Sources of Capital Funding</b>											
Subsidies and Grants for Capital Expenditure	22,377	16,628	7,057	6,736	7,006	7,287	7,578	7,882	8,197	8,525	8,865
Development and Financial Contributions	444	-	-	-	1	-	-	-	-	-	-
Increase/(Decrease) in Debt	43,064	56,782	61,526	34,767	27,910	25,008	6,760	1,269	(6,749)	(11,818)	605
Gross Proceeds from the Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>65,885</b>	<b>73,410</b>	<b>68,583</b>	<b>41,503</b>	<b>34,917</b>	<b>32,295</b>	<b>14,338</b>	<b>9,151</b>	<b>1,448</b>	<b>(3,293)</b>	<b>9,470</b>

Forecast Funding Impact Statement

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Applications of Capital Funding</b>											
Capital Expenditure											
- to meet additional demand	1,501	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	40,710	48,511	43,713	20,730	23,365	18,374	7,930	6,739	8,985	6,304	24,263
- to replace existing assets	39,491	45,611	49,531	53,763	42,350	45,754	43,731	44,626	40,715	47,453	41,048
Increase/(decrease) in reserves	-	(3,061)	(865)	(1,651)	3,334	4,429	2,450	2,320	828	(2,998)	2,405
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>81,702</b>	<b>91,061</b>	<b>92,379</b>	<b>72,842</b>	<b>69,049</b>	<b>68,557</b>	<b>54,111</b>	<b>53,685</b>	<b>50,528</b>	<b>50,759</b>	<b>67,716</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(15,817)</b>	<b>(17,651)</b>	<b>(23,796)</b>	<b>(31,339)</b>	<b>(34,132)</b>	<b>(36,262)</b>	<b>(39,773)</b>	<b>(44,534)</b>	<b>(49,080)</b>	<b>(54,052)</b>	<b>(58,246)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation to Statement of Comprehensive Revenue and Expense

	Annual Plan 2023/24 \$000	Budget 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000	Forecast 2031/32 \$000	Forecast 2032/33 \$000	Forecast 2033/34 \$000
<b>Surplus/(deficit) of operating funding</b>	<b>15,817</b>	<b>17,651</b>	<b>23,796</b>	<b>31,339</b>	<b>34,132</b>	<b>36,262</b>	<b>39,773</b>	<b>44,534</b>	<b>49,080</b>	<b>54,052</b>	<b>58,246</b>
Add / (deduct)											
Subsidies and Grants for Capital	22,377	16,628	7,057	6,736	7,006	7,287	7,578	7,882	8,197	8,525	8,865
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	444	-	-	-	-	-	-	-	-	-	-
Vested Assets	-	5,508	5,629	5,764	5,897	6,027	6,153	6,283	6,408	6,537	6,660
Other Gains / (Losses)	(1)	33	33	36	34	34	35	35	37	35	38
Landfill Post Closure											
Movement in Rates Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	(33,001)	(38,821)	(41,315)	(43,971)	(44,295)	(45,742)	(47,726)	(47,861)	(49,051)	(50,775)	(50,849)
<b>Surplus / (deficit) Statement of Comprehensive Income</b>	<b>5,636</b>	<b>999</b>	<b>(4,800)</b>	<b>(96)</b>	<b>2,775</b>	<b>3,868</b>	<b>5,813</b>	<b>10,873</b>	<b>14,671</b>	<b>18,374</b>	<b>22,960</b>

### Rating information (all amounts are shown inclusive of GST)

Rates are set and assessed on properties in accordance with the Local Government (Rating) Act 2002. The Funding Impact Statement provides information on the general rates and targeted rates, including how the liability for rates is calculated and the activities that targeted rates fund.

#### Definition of separately used or inhabited parts of a rating unit

For the purposes of setting and assessing rates, the following definition of 'a separately used or inhabited part of a rating unit' is used:

'Every rating unit is a separately used or inhabited part. Separately used or inhabited parts will be added to the rating unit for any additional part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement'.

#### Examples include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as "granny flats".
- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor's surgery attached contains two parts).
- In the case of retirement villages and similar types of properties, each separately used or inhabited residential unit and each other major use (such as halls, libraries etc) are separate parts.

### Rates Examples

The following examples show how the adopted changes will affect properties in different areas. The examples show the rates proposed for 2024/25 compared with the actual rates for 2023/24.

In the following examples the variables are used to demonstrate the potential impacts on rateable properties in different locations:

- Standard waste management rates have only been used.
- Targeted rates for sewer, waste management and water have not been included for rural properties and where applicable will be additional to the rates identified.
- Metered water is not included and where applicable will be additional to the rates identified.
- Community centre rates are not included and where applicable will be additional to the rates identified.



# Funding Impact Statement – Rates Examples

## Timaru – residential, recreational, community

	Actual 2023/24	Rates 2024/25
Land Valuation	\$203,400	256,284
Uniform Annual General Charge (UAGC)	\$996.00	\$1,029.00
General Rates	\$630.54	\$709.91
Community Works and Services	\$278.66	\$325.48
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$3,037.47</b>	<b>\$3,469.51</b>

## Timaru – residential multi-unit

	Actual 2023/24	Rates 2024/25
Land Valuation	\$265,500	334,530
UAGC	\$996.00	\$1,029.00
General Rates	\$1,585.40	\$1,789.74
Community Works and Services	\$363.74	\$424.85
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$4,077.04</b>	<b>\$4,648.71</b>

## Timaru – commercial, industrial, accommodation

	Actual 2023/24	Rates 2024/25
Land Valuation	\$536,100	622,948
UAGC	\$996.00	\$1,029.00
General Rates	\$7,215.91	\$7,506.53
Community Works and Services	\$734.46	\$791.14
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$10,078.64</b>	<b>\$10,731.79</b>

## Timaru – primary

	Actual 2023/24	Rates 2024/25
Land Valuation	\$400,000	540,400
UAGC	\$996.00	\$1,029.00
General Rates	\$832.00	\$1,005.14
Community Works and Services	\$548.00	\$686.31
<b>Total</b>	<b>\$2,376.00</b>	<b>\$2,720.45</b>

### Geraldine – residential, recreational, community

	Actual 2023/24	Rates 2024/25
<b>Land Valuation</b>	<b>\$175,100</b>	<b>220,626</b>
UAGC	\$996.00	\$1,029.00
General Rates	\$542.81	\$611.13
Community Works and Services	\$241.64	\$266.96
Community Board	\$6.00	\$7.00
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$2,918.72</b>	<b>\$3,319.21</b>

### Temuka – residential, recreational, community

	Actual 2023/24	Rates 2024/25
<b>Land Valuation</b>	<b>\$132,000</b>	<b>166,320</b>
UAGC	\$996.00	\$1,029.00
General Rates	\$409.20	\$460.71
Community Works and Services	\$208.56	\$251.14
Community Board	\$5.00	\$6.00
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$2,751.03</b>	<b>\$3,151.97</b>

### Pleasant Point – residential, recreational, community

	Actual 2023/24	Rates 2024/25
<b>Land Valuation</b>	<b>\$161,500</b>	<b>203,490</b>
UAGC	\$996.00	\$1,029.00
General Rates	\$500.65	\$563.67
Community Works and Services	\$8.08	\$10.17
Community Board	\$5.00	\$6.00
Waste Management	\$238.00	\$378.00
Water	\$548.00	\$671.00
Sewer	\$346.27	\$356.12
<b>Total</b>	<b>\$2,642.00</b>	<b>\$3,013.96</b>

### Rural – Primary

	Actual 2023/24	Rates 2024/25
<b>Land Valuation</b>	<b>\$1,571,400</b>	<b>2,122,961</b>
UAGC	\$996.00	\$1,029
General Rates	\$3,286.51	\$3,948.71
Community Works and Services	\$78.57	\$106.15
<b>Total</b>	<b>\$4,343.08</b>	<b>\$5,083.86</b>

For more information on different types of rates see pages 123-128.

# Funding Impact Statement – Rating Information

## Uniform Annual General Charge (UAGC)

The cost of providing community amenities, such as libraries, swimming pools (including Caroline Bay aquatic centre), parks and the cost of governance and leadership, civil defence, environmental health, the roading network, street lighting, road/streets landscapes, refuse disposal, footpaths, dog control, economic development and promotion, property costs (non commercial), and the airport, is recovered from all ratepayers in the form of a uniform annual general charge assessed as a fixed amount per rating unit.

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Uniform Annual General Charge	\$996	\$1,029	22,077

## General Rates

The general rate includes that portion of the above activities not recovered by the uniform annual general charge, plus costs associated with building control and district planning. It is assessed on all rateable land within the District in the form of a differential general rate assessed on the Land Value of the rating unit. Information about the categories of rateable land and the differentials can be found under the heading Differential Rating.

	Differential Factor	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Timaru District Accommodation	4.35	\$0.01346	\$0.01205	468
Timaru District – Commercial General	4.35	\$0.01346	\$0.01205	3,338
Timaru District – Community Services	1	\$0.00310	\$0.00277	76
Timaru District – Industrial	4.35	\$0.01346	\$0.01205	6,198
Timaru District – Primary	0.67	\$0.00208	\$0.00186	7,135
Timaru District – Recreational	1	\$0.00310	\$0.00277	36
Timaru District – Residential General	1	\$0.00310	\$0.00277	13,008
Timaru District – Residential Multi	1.93	\$0.00597	\$0.00535	390

## BID Targeted Rate

A targeted rate on 275 properties within the Timaru CBD for a Business Improvement District Rate of \$120,000 per annum; to be used for Timaru CBD specific activities.

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
BID Targeted Rate	\$0	\$436.36	120

## Community Works and Services Rates

The cost of stormwater drainage is recovered from each community in which the service is provided in the form of a targeted community works and services rate assessed on the Land Value of the rating unit. The communities in which these rates are assessed are:

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Geraldine	\$0.00138	\$0.00121	456
Rural	\$0.00005	\$0.00005	243
Temuka	\$0.00158	\$0.00151	601
Timaru	\$0.00137	\$0.00127	4,656

## Community Board Charges

The cost of providing specific Council services as determined by the Temuka, Geraldine and Pleasant Point Community Boards, is recovered from those ratepayers in the form of a targeted fixed amount per rating unit in each of the Temuka, Pleasant Point and Geraldine communities (see description of these areas below).

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Geraldine	\$6.00	\$7.00	20
Pleasant Point	\$5.00	\$6.00	8
Temuka	\$5.00	\$6.00	17

## Wastewater Charge

The cost of providing sewage disposal is recovered from those ratepayers who receive the service, and are not subject to tradewaste charges, in the form of a targeted uniform wastewater rate. This is a fixed amount on each water closet or urinal connected either directly or through a private drain to a public sewage drain subject to the proviso that every rating unit used primarily as a residence of not more than one household shall be treated as having not more than one water closet or urinal.

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Wastewater Charge	\$346.27	\$356.12	7,997

### Differentiated Annual Waste Management Charge

The cost of providing waste collection is recovered from rating units which receive the service in the form of a targeted differential annual waste management charge of a fixed amount per set of 4 bins for all rateable and non-rateable land (see description of waste categories below).

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Standard Set	\$238.00	\$378.00	6,940
Large Set	\$310.00	\$491.00	1,473

Additional bins are charged for as a targeted differential annual waste management bin charge of a fixed amount per additional bin:

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Small Recycling - 140 litres / Small Glass - 80 litres	\$60.00	\$95.00	6
Large Recycling - 240 litres / Large Glass - 240 litres	\$67.00	\$106.00	65
Small Compost - 140 litres	\$93.00	\$148.00	8
Large Compost - 240 litres	\$108.00	\$170.00	91
Small Rubbish - 140 Litres	\$115.00	\$182.00	60
Large Rubbish - 240 litres	\$162.00	\$257.00	192

## Annual Water Charges

The cost of providing a water supply is recovered from those ratepayers who receive or could receive the service in the form of a targeted annual water charge.

- “Connected” means those rating units which receive an ordinary water supply.
- “Serviceable” means those rating units which are situated within 100 metres from any part to the water works to which water can be but is not supplied.

All references to a “Water Supply” are references to schemes defined by a Special Order. Water rates are assessed as below:

### a Urban

- I. Urban water is supplied at Geraldine, Pleasant Point, Peel Forest, Temuka, Timaru and Winchester.
- II. A differential targeted rate of fixed amounts in accordance with the following differentials (excluding those rating units supplied through a meter):
  - a) per separately used or inhabited part of a Connected residential rating unit;
  - b) per rating unit for other Connected rating units (being the same amount assessed per separately used or inhabited part of a Connected residential rating unit);
  - c) per Serviceable rating units (being 50% of the above amount) assessed on rating units as below:

### b Rural

- I. A targeted rate of a fixed amount per hectare within the rating unit located in the Rangitata-Orari Water Supply District.
- II. A targeted rate in the Te Moana Downs Water Supply District of a fixed amount per unit of water supplied and a targeted rate of a fixed amount for each tank.
- III. A targeted rate of a fixed amount per unit of water supplied in the Orari Water Supply District.
- IV. A targeted rate in the Seadown Water Supply District of a fixed amount per hectare within the rating unit and a targeted rate of a fixed amount per separately used or inhabited part of a rating unit for each domestic supply.
- V. A targeted rate per rating unit of a fixed amount per hectare in the Beautiful Valley Water Supply District.
- VI. On so much of the rating units appearing on Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District the following targeted rates.
  - a) a fixed amount for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.
  - b) a fixed amount per rating unit for rating units used as schools within the Pareora Township.

Urban supplies	Actual Rate 2023/24		Rate 2024/25		Estimated revenue 2024/25 (\$000)
	Connected	Serviceable	Connected	Serviceable	
Urban supplies	\$548.00	\$273.90	\$671.00	\$335.50	12,248

## Funding Impact Statement - Rating Information

c) in addition a fixed amount for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.

d) in addition to the charge assessed in (c) a fixed amount per unit of water or where water supplied in one half units a fixed charge (being 50% of the amount per unit) per half unit.

Rural Supplies	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Rangitata-Orari (Area charge)	\$18.70	\$22.80	416
Te Moana (Unit charge)	\$396.00	\$447.00	553
Te Moana (Tank charge)	\$826.00	\$935.00	620
Orari (Service charge)	\$487.70	\$546.70	66
Seadown (Area charge)	\$35.50	\$46.40	234
Seadown (Domestic charge)	\$887.00	\$1,160.00	423
Beautiful Valley (Area charge)	\$22.40	\$23.60	44
Downlands (Domestic charge)	\$958.00	\$1,010.00	196
Downlands (School charge)	\$1,641.00	\$1,732.00	2
Downlands (Service charge)	\$684.00	\$722.00	1,417
Downlands (Unit charge)	\$274.00	\$289.00	1,323

### c Water by Meter

Targeted rates for water supply per cubic meter of water consumed to any rating unit situated in the following areas which has been fitted with a water meter:

Water by Meter	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Seadown	\$1.08	\$1.24	3
Urban	\$0.83	\$1.02	4

## Uniform Community Centre Charges

To provide funding for community centres uniform targeted rates of a fixed amount per separately used or inhabited part of a rating unit situated in the following Community Centre Areas:

	Actual Rate 2023/24	Rate 2024/25	Estimated revenue 2024/25 (\$000)
Claremont Community Centre	\$19.00	\$18.00	5
Fairview Community Centre	\$29.00	\$29.00	6
Kingsdown Community Centre	\$35.00	\$34.00	5
Otipua Community Centre	\$18.00	\$19.00	2
Seadown Community Centre	\$33.00	\$32.00	6

## Lump sum contributions

Lump sum contributions will not be invited in respect of any targeted rates.

## Differential Rating

The Council proposes to differentiate the general rate based on land use (Schedule 2 Local Government (Rating) Act 2002).

For the general rate, the relationship between the rates set on rateable land in each different differential type is shown below. A rating unit can be partitioned into property parts that can be put into different differential categories.

The differential is applied under the following nine types:

Type	General Rate factor
1 Accommodation	4.35
2 Commercial General	4.35
3 Community Services	1.00
4 Industrial	4.35
5 Primary	0.67
6 Recreational	1.00
7 Residential – General	1.00
8 Residential – Multi Unit	1.93

## Description of differential categories

### Type 1- Accommodation

All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

### Type 2 – Commercial General

All properties used primarily for commercial purposes.

### Type 3 – Community Services

All properties used primarily for education, religious and/or community purposes.

### Type 4 - Industrial

All properties used primarily for industrial purposes.

### Type 5 - Primary

All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.

### Type 6 - Recreational

Properties used primarily for active or passive indoor/ outdoor recreational activities.

### Type 7 – Residential – General (including baches)

All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.

### Type 8 – Residential – Multi- Unit

All properties used primarily for multi unit residential accommodation, for example, purpose built rental flats



## Funding Impact Statement - Rating Information

**Timaru** means the area defined by so much of the rating units appearing on valuation rolls number 24930, 24941, 24942, 24950, 24960, 24971, 24972, 24981, 24991, 25000, 25011, 25021, 25022, 25023, 25032 and 25033.

**Geraldine** means the area defined by so much of the rating unit appearing on valuation rolls number 24751 and 24752.

**Temuka** means the area defined by so much of the rating unit appearing on valuation rolls number 24770 and 24780.

**Pleasant Point** means the area defined by so much of the rating unit appearing on valuation roll number 24821.

**Rural** means all that area excluding Geraldine, Pleasant Point, Temuka and Timaru.

**Standard waste charge** is for 4 bins: a 140 litre rubbish bin, a 240 litre compost bin and recycling bin, and an 80 litre glass bin or a 3 bin stacker set and glass bin.

**Large waste charge** is for a 240 litre rubbish bin, a compost bin, recycling bin and glass bin.

## Rates payable by instalment

Rates and charges (except for metered water) are due and payable on the following dates:

### All Ratepayers

Instalment	Due Date
1	20 September 2024
2	20 December 2024
3	20 March 2025
4	20 June 2025

Ratepayers may elect to pay on a more regular basis if they choose. Rates may be paid using any one of a number of payment methods acceptable to the Council including direct debits (weekly, fortnightly, monthly or annual instalments), or cash or EFTPOS at Council offices, credit card via Council website, direct credits or other bank transfer methods.

The due dates for metered water targeted rates are as follows:

Month Invoice Raised	Due Date
July 2024	20 August 2024
August 2024	20 September 2024
September 2024	20 October 2024
October 2024	22 November 2024
November 2024	20 December 2024
December 2024	20 January 2025
January 2025	21 February 2025
February 2025	21 March 2025
March 2025	20 April 2025
April 2025	20 May 2025
May 2025	20 June 2025
June 2025	20 July 2025

## Penalties

A penalty under section 58 (1)(a) of 10% of the amount of the instalment that remains unpaid, after the due date of that instalment, will be added on or after the following dates:

Instalment	Penalty Date
1	24 September 2024
2	13 January 2025
3	24 March 2025
4	23 June 2025

A further penalty under section 58(1)(b) and 58(1)(c) of 10% of the amount of any rates from previous financial years remaining unpaid at 5 July 2024 will be added on 5 July 2024. An additional penalty of 10% will be added to any unpaid rates from previous financial years that remain unpaid on 13 January 2025. This penalty will be added on 13 January 2025.

Penalties will not be applied to the metered water targeted rates.

# Rating Base

	Estimate 2023/24	Projection 2024/25	Projection 2025/26	Projection 2026/27	Projection 2027/28	Projection 2028/29	Projection 2029/30	Projection 2030/31	Projection 2031/32	Projection 2032/33	Projection 2033/34
Number of rating units at end of preceding year	23,222	23,463	23,706	23,953	24,201	24,452	24,706	24,962	25,221	25,483	25,748

# Reserve Funds Summary

## 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. 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.

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
Cemetery Future (Timaru) Fund	Community Support	Development of future cemetery for Timaru.	96	0	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	0	0	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
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,325	0	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	0	0	107
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	5,703	(3,394)	2,310
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
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding subsidised roading in the event of a natural disaster.	408	0	0	408
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	793	0	0	793

## Reserve Fund Summary: Designated Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
Economic Development Fund	Community Support	For economic development support.	207	0	0	207
Election Expenses Fund	Democracy	To provide for meeting election expenses.	87	0	0	87
Forestry Development Fund	Recreation and Leisure	To provide funding for the development of forests within the District.	325	269	(595)	0
Grants & Donations Fund	Community Support	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	526	0	0	526
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	0	0	13,917
Main Creative Communities NZ Fund	Community Support	Carried forward balance of Creative Communities NZ fund – main committee.	11	0	0	11
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,500	0	0	1,500
Mayor's Welfare Fund	Democracy	Assist with vulnerable community members on an individual basis as determined by the Mayor.	31	0	0	31
National Libraries Partnership	Recreation and Leisure	For the purpose of funding for the National Libraries Partnership	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	0	0	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	0	0	319
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	1,891	0	0	1,891

## Reserve Fund Summary: Designated Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
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
Safer Community Funds	Community Support	For Safer Communities projects.	361	0	0	361
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	0	0	897
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	0	0	22
Winchester Domain Fund	Recreation and Leisure	For maintenance and Development of the Winchester Domain area	43	0	0	43
<b>Total Designated Reserves</b>			<b>22,694</b>	<b>187,087</b>	<b>(122,960)</b>	<b>86,821</b>

## Reserve Fund Summary: Restricted 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. 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.

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2024 (\$000s)	Funds Withdrawn 2024-2024 (\$000s)	Forecast Balance 30 June 2024 (\$000s)
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
Collett Bequest (Museum)	Recreation and Leisure	For museum items.	602	0	0	602
Dowling Bequest	Recreation and Leisure	For the purchase of Christian fiction literature for the library.	20	0	0	20
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	75	14,060	(14,136)	0
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	0	0	0	0
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	539	0	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
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
Jordan Bequest (Art Gallery)	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.	497	0	0	497
Jordan Bequest (Museum)	Recreation and Leisure	For the purchase of articles for the Museum.	245	0	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
Mackay Bequest - Art Gallery	Recreation and Leisure	For the purchase of paintings.	228	0	0	228

## Reserve Fund Summary: Restricted Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
Mackay Bequest - Library	Recreation and Leisure	For the purchase of books relating to art for the Timaru Library.	133	0	0	133
McCarthy Bequest - Library	Recreation and Leisure	For general purposes at the Timaru Public library	15	0	0	15
McCarthy Bequest - Parks	Recreation and Leisure	For general purposes at the Timaru gardens	53	0	0	53
Museum Acquisition Fund/Alan Ward Fund	Recreation and Leisure	For the purchase of articles for the Museum.	11	0	0	11
Russell C Hervey Fund	Recreation and Leisure	For providing improved services to the Timaru Library.	85	0	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	0	0	294
Sevicke-Jones Bequest	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery	3	0	0	3
Timaru Maritime and Transportation	All of Council	For the purpose of Timaru Maritime and Transportation	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	0	0	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	0	0	75
Geraldine Community Board	Democracy	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	0	0	54

## Reserve Fund Summary: Restricted Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
Pleasant Point Community Board	Democracy	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	0	0	30
Temuka Community Board	Democracy	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	0	0	62
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.	0	0	0	0
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	0	0	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	0	0	0
Kingsdown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	0	0	0	0



## Reserve Fund Summary: Restricted Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
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	0	0	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	0	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	1,487	(1,487)	0
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.	342	609	(951)	0
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.	790	2,647	(3,437)	0
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.	4,165	44,502	(44,047)	4,620

## Reserve Fund Summary: Restricted Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
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.	8,538	74,776	(66,825)	16,490
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.	122	156	(188)	90
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.	308	66	(9)	366
Rangitata Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	0	255	(255)	0
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.	1,529	2,974	(4,501)	2
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	3,113	(3,113)	0

Reserve Fund Summary: Restricted Reserves

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2024 (\$000s)	Funds Deposited 2024-2034 (\$000s)	Funds Withdrawn 2024-2034 (\$000s)	Forecast Balance 30 June 2034 (\$000s)
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	79,883	(79,883)	0
Dog Control	District Planning and 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.	492	116	(608)	0
<b>Total Restricted Reserves</b>			<b>20,108</b>	<b>224,645</b>	<b>(219,439)</b>	<b>25,314</b>

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

## Basis of Preparation

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

## Statement of Compliance

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

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

## Standards Issues and not yet Adopted

There are no standards and amendments issued but not yet effective or adopted.

## Presentational Currency and Rounding

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

## Revenue Recognition

Revenue is measured at fair value.

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

### Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- 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 are not recognised in the financial statements, as the Council is acting as an agent for Environment Canterbury.

### Vested Assets

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

The fair value of vested 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.

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

### Government grants, including NZ Transport Agency Waka Kotahi roading subsidies

The Council receives funding assistance from the government, including NZ Transport Agency Waka Kotahi, subsidising costs, including operating costs and capitals costs, such as part of the costs of maintenance and capital expenditure on the local roading infrastructure. The grants are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### Interest

Interest revenue is recognised using the effective interest method.

## Accounting Policies

### Dividends

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

### Agency Revenue

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

### 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.

### Borrowing Costs

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

### Foreign Currency Transactions

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

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

### Income Tax

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

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

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

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

Current tax and deferred tax are usually recognised against the surplus or deficit.

### Leases

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

are added to the amount recognised as an asset. Subsequently assets leased under a finance lease are depreciated as if the assets are owned.

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

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call in bank accounts, other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown with borrowings in current liabilities in the Statement of Financial Position.

### Trade and other Receivables

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

The Council 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

## Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. The Council does 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.

## Inventories

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value.

## Investments in Financial Assets

Investments in 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'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 may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

## 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.

## Other financial assets, including unquoted equity investments

Other financial assets held by Council 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.

## Non-Current Assets Held For Sale

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

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

## Property Plant & Equipment - Valuation

### Note 17: Property plant and equipment

Property, plant, and equipment consist of:

Operational assets: These include land, buildings, landfill post-closure, library books, plant and equipment, playground equipment, motor vehicles, airport improvements, furniture and office equipment, art works and heritage assets.

Operational assets include all assets not specifically included elsewhere utilised by the Council 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.

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

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

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 now 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.

The net revaluation results 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.

### 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.

### 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.

### Airport Improvements

Airport improvements, including runway, have been stated at deemed cost less depreciation and impairment losses, which is optimised depreciated replacement cost as valued by B Dench ANZIV of QV Valuations as at 1 July 2005.

### 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.

### Library Books

Library collections are valued annually at depreciated replacement cost calculated by the Council's library staff 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.

## Accounting Policies

Elements of the library collection which are considered to be retained as heritage assets are not included in the valuation as they are not readily measurable on a replacement cost basis and are not depreciated.

### Art Works

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.

### Wastewater, Stormwater, Water

Wastewater, Stormwater and Water assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 1 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.

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

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. No opportunities for optimisation were identified within the 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 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 Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

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

### Roads, Bridges, Footpaths, Street Furniture and Lighting

Roads, bridges, footpaths, street furniture and lighting assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 1 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.



## Accounting Policies

- 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.

### Heritage Assets

Heritage buildings are included in the buildings asset class.

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 added back and the assets are stated at either their valuation as determined at 1 July 2005 or at cost subsequent to that date. Heritage assets are assessed for impairment.

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

Artworks, primarily held by the Aigantighe Art Gallery, are separately valued (see "**Art Works**").

The Timaru District Library heritage collection is valued at cost less impairment (see "**Library Books**").

### 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 the cost of the item can be measured reliably and is greater than \$1,500, subject to individual asset assessment and with specified exceptions. Unless each individual asset exceeds the cost threshold, bulk purchases which exceed the specified cost

threshold do not constitute an asset purchase and should be 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 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.

## Accounting Policies

### Leased assets

Leases in which substantially all of the risks and rewards of ownership are transferred are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if these assets are owned.

Where the value of an individual leased asset is assessed as being outside of the asset capitalisation parameters the lease is treated as an operating lease (see Note 6: Other Expenses) in accordance with the asset capitalisation materiality specifications.

### 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:

Depreciation has been provided at the following rates:

Land	Nil
Buildings and building improvements	1%-30% Straight Line
Airport improvements	1%-50% Straight Line
Plant and equipment: pools and parks	2%-33% Straight Line
Plant and equipment: motor vehicles	20% Straight Line
Plant and equipment: other	10%-50% Straight Line
Furniture and office equipment	4%-50% Straight Line
Library collection: permanent retention	Nil
Library collection: current	12.5% Straight Line
Artworks	Nil
Water: plant and facilities	1%-50% Straight Line
Water: reticulation	1%-50% Straight Line
Sewerage: plant and facilities	1%-50% Straight Line
Sewerage: reticulation	1%-50% Straight Line
Stormwater: plant and facilities	1%-50% Straight Line
Stormwater: reticulation	1%-50% Straight Line
Roading	1%-50% Straight Line
Bridges	1%-3% Straight Line
Lighting	6%-8% Straight Line
Land under roads	Nil
Uncapped landfill cells	10% Straight Line
Capped landfill cells	1% Straight Line
Heritage assets (excluding those specifically depreciated at 0%)	1%-10% Straight Line
Statues and monuments	Nil
Museum collection	Nil

### Landfill assets

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

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

## 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.

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 written off 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 have been estimated as follows:

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Computer software	20%-33.3%	Straight line
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### 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.

### Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Potential future carbon credit liabilities which may occur in the event of permanent deforestation are not included in the valuation.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in surplus or deficit.

Forestry maintenance costs are recognised in surplus or deficit when incurred.

The generation of carbon credits from the forestry holdings are separately identified and valued as current intangible assets as required however currently no carbon credits are being generated as the forests are all pre-1990.

### Investment Property

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

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

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

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

### 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 has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### 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 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.

### 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, taking into account 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.

### Equity and Reserves

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. 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. 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.

## Goods and Services Tax

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

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

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 are those approved by Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan and Long Term Plan process. The budget figures have been prepared in accordance with generally accepted account practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## Overhead Allocation

The Council has derived the net cost of services for each significant activity of the Council using the cost allocation system outlined below. This involves the cost of internal service type activities being allocated to the external service type activities. External activities are those which provide a service to the public and internal activities are those which provide support to the external activities.

### Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

### Criteria for direct and indirect costs

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

### Cost drivers for allocation of indirect costs

The costs of internal services not directly charged to activities are allocated based on the services provided. This is allocated based on a historical costing analysis which utilised a number of cost drivers, including staff numbers, area and transaction volumes.

### Internal Charges

Are eliminated at the Council level.

## Statement of Cashflows

Cash and cash equivalents include cash on hand, deposits held at call in bank accounts, other short-term highly liquid investments with original maturities of three months or less (as above).

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

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

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

## Changes in Accounting Policies

There have been no changes in accounting policy.

# Long Term Plan Disclosure Statement

## Long Term Plan disclosure statement for period commencing 1 July 2024

### What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Timaru District currently has the third bottom level of rates from provincial councils in New Zealand. This was unsustainable in the long term as we were not bringing in enough income to pay for everything we need to do, including depreciation. Financial modelling has shown the amount we need to put our rates up to cover all our operating costs (day to day expenses) and even though the first three years have higher rates, we still won't break even until Year 4. Although this is higher than benchmarked in years 1-3, we need that income so we can get to our balanced budget as soon as possible and pay down the debt, and the average over the 10 year plan does not breach the 7% benchmark.

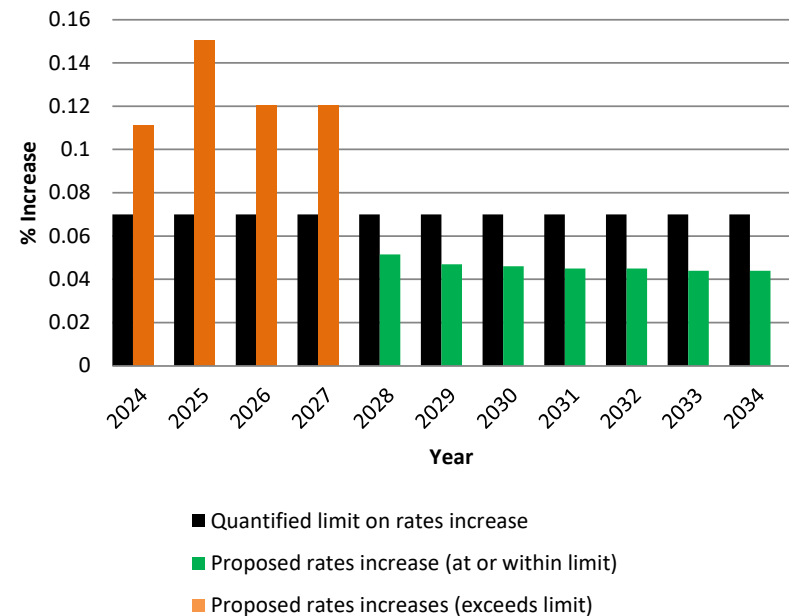
### Rates affordability benchmark

The council meets the rates affordability benchmark if its planned rates increases equal or are less than each quantified limit on rates increase.

#### Rates (increase) affordability

The following graph compares Council's planned rates increase with the quantified limit on rates increases contained within the Financial Strategy. The quantified limit is 7% from 2024/25 to 2033/34,

Rates (increases) Affordability



## Debt affordability benchmark

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

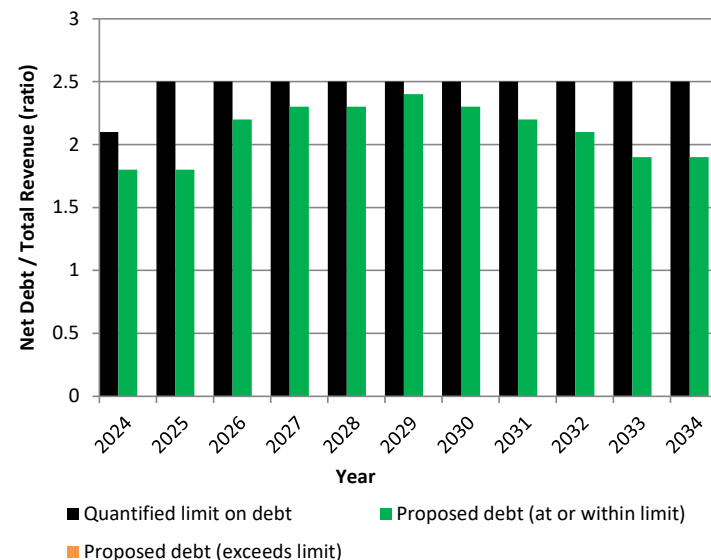
The following graph compared the council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is a ratio of Net Debt/ Total Revenue of 2.5.

Net Debt – is the overall amount of debt that the council owes minus any cash held in the bank or any cash equivalents that we could access within a short period. It doesn’t include assets such as pipes and roads that can’t be converted into cash.

### The Council has set the following limits on its total borrowing:

- Net annual interest expense as a percentage of rates revenue limit is 30%
- Net annual interest expense as a percentage of total revenue limit is 20%
- Liquidity limit is 110%

## Debt Affordability Benchmark





### Balanced budget benchmark

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

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

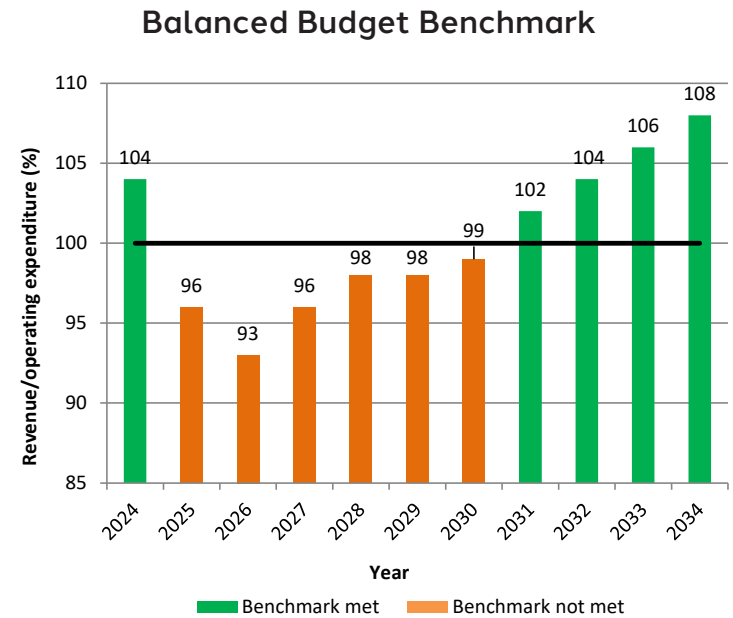
In determining true operating surpluses or deficits, capital items like vested assets, financial contributions, capital subsidies, and gains/losses are excluded. This yields an accurate picture of sustainable everyday finances.

The council is currently budgeted to eliminate this deficit by year 7 of this plan. The table below shows a revenue deficit in Years 1-6 ranging from \$333,000 to \$10,428,000. Council is working towards bringing this in line earlier through a full revenue and rates review in Years 1-2, in addition to ongoing efficiency and cost reduction work.

The most significant driver of the deficit is moving to be fully funding depreciation from Year 6 of this plan.

### Balanced Budget Benchmark

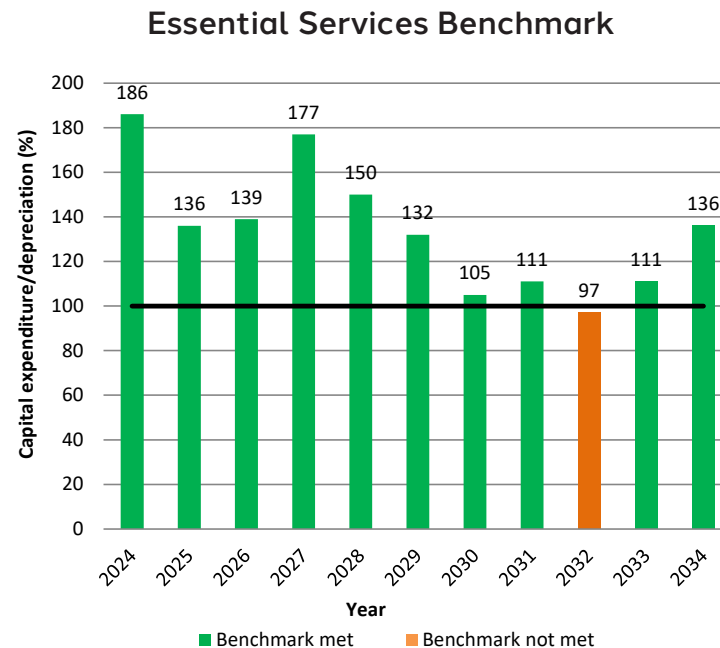
The Balanced Budget Benchmark graph displays Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a percentage of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).



### Essential services benchmark

The following graph displays Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

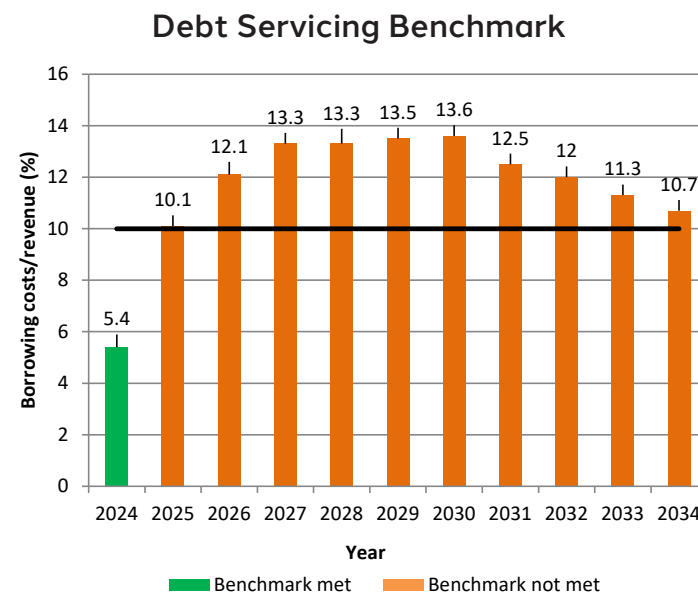


### Debt servicing benchmark

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

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

The Council considers this approach prudent as it is using this debt to ensure our industry and residential sectors have the infrastructure and facilities to grow. This will begin to trend downwards as the council fully funds depreciation from year 6 onwards.



# Fees and Charges 2024/25

Fees and charges are one of the ways the Council passes on some of the costs directly to those that benefit from Council services and facilities.

This means those who benefit from these services pay for them. Council has approved some small increases to fees for 2024/25 in some areas to meet the increased costs of some services and reflect required cost recovery.

## **Fees and Charges are in place for:**

Airport  
Animal Control  
Art Gallery  
Assignment of Other Leases (Residential / Commercial / Rural)  
Building Control Services  
Cemeteries  
Council and Standing Committee Agendas  
Infrastructure Group Administration Fees  
Facility Hire  
Fishing Huts  
Land Information Memorandum  
Land Transport  
Latter Street Car Park

Library  
Licence Fees  
Museum  
Motor Camps  
Parking  
Planning  
Research and Information Services Charges  
Sewer  
Social Housing  
Sports Grounds  
Stormwater  
Swimming Pools  
Water  
Waste Minimisation

Full details of all fees is available from the Council, and on the Council website

**[www.timaru.govt.nz](http://www.timaru.govt.nz)**

An aerial photograph of a town under a clear blue sky. In the background, a prominent white church with a tall, pointed spire stands out against the horizon. The town is filled with various buildings, including residential houses and commercial structures. In the foreground, a roundabout with a central landscaped island is visible, surrounded by trees with autumn-colored foliage. A road with a white van and other vehicles is seen to the right of the roundabout. The overall scene is bright and clear.

# **Policies and Supporting Information**

# Significance and Engagement Policy Summary

## 1. Overview

For every decision Timaru District Council (Council) makes, whether big or small, we need to consider how important that decision is to our communities and how it might impact them. Sometimes we are already aware of people's views on a matter, or are very limited in our choices about a decision, but at other times, we need to hear your thoughts before we decide what to do, and at other times it may be appropriate that we collaborate with the community to reach a decision together, or empower the community to make decisions themselves.

Often when Council is making an important, or significant decision, the way we engage is set by legislation and there is a process we must follow, but other times we determine how to engage. When deciding how significant a decision is for our communities, we look at a number of factors, including:

- a) Who is affected by, or interested in the decision;
- b) What the costs will be, and;
- c) What the overall impact of the decision will be.

These factors are part of working out the best way to engage with our communities on the issue. Do we need to just tell the community it's happening? Do we need to ask the community for feedback on a draft proposal? Or will the best outcomes be reached if we involve the community every step of the way to design solutions to issues and make decisions?

The Significance and Engagement Policy guides Council's assessment of the significance of matters and sets out how and when our communities can expect us to engage, before making a final decision on both significant and less significant matters.

## 2. Legislative Framework

Council, under the Local Government Act 2002 (LGA), is an organisation of representative democracy. The LGA gives Council authority to make decisions for, and on behalf of the community and makes it accountable for those decisions through the election process.

Councils are also directed by the LGA to seek out and take account of community views in the process of decision-making.

One of the purposes of local government is "to enable democratic local decision-making and action by, and on behalf of, communities".

Sections 76-81 of the LGA provide a framework which applies to all decision-making processes, including the consideration of community views. For each decision, Council determines how those requirements apply.

Council's decision-making is further framed by other things, such as the requirements of government policy, technical matters and financial implications. These matters can also influence engagement on an issue (e.g., if there is only one, or very limited viable options, such as a specific change required by new legislation).

Some decisions of Council are made under legislation with specific consultation processes for plans, policies or other matters. Examples of these are District Plans under the Resource Management Act 1991 (RMA) and Reserve Management Plans under the Reserves Act 1977. For most other matters there is a prescribed consultation process and Council must follow the requirements of the LGA. These are explained in the following section.

Regardless of the level of significance, if the decision is about a matter that has a prescribed legal process, Council must follow that process. However this does not mean that Council is limited to only engaging in accordance with the legislation. Council can choose to undertake additional engagement activities to support the decision-making process if this is considered appropriate.

**A full copy of  
Council's Significance  
and Engagement Policy  
is available on Council's  
website at:  
[www.timaru.govt.nz](http://www.timaru.govt.nz)**

### 3. Local Government Act 2002 Consultation Requirement

Consultation is one of the ways we engage to find out about community views and preferences before making a decision. We consult on certain decisions because we recognise how important they are to our communities, or because we are required to by statute, or both.

The LGA contains principles which guide consultation as well as some specific requirements. It refers to consultation in two different, but closely related ways: 'consultation' and the 'special consultative procedure' (SCP). As the name implies, the 'special consultative procedure' is a specific kind of consultation.

#### Section 82 and 82A Local Government Act

Section 82 of the LGA provides some overarching principles for consultation. This includes:

- Identify people who will be affected by, or have an interest in the decision;
- Provide them with reasonable access to relevant information in an appropriate format on the purpose and scope of the decision;
- Encourage people to give their views;
- Give people a reasonable opportunity to give their views in an appropriate way;
- Listen to, and consider those views, with an open mind, and;

After the decision, provide access to the decision and any other relevant material. Section 82A details some additional obligations if the consultation is a specific requirement under the LGA. Where this section applies Council also develops:

- A description of what we want to do and why;
- An analysis of the practical options (with advantages and disadvantages), and;
- A draft of the policy or relevant document (or details of the changes to any policy or document).

#### Section 83 – the Special Consultative Procedure (SCP)

The SCP builds on the principles of section 82 of the LGA as well as detailing additional requirements, including developing a 'statement of proposal' (SOP). An SOP is a document that provides detailed information on what the proposal is about and how people can provide their feedback. Depending on what the consultation is about, for example a Long Term Plan or a bylaw, the exact content requirements are further prescribed in the LGA. In some cases it requires the development of a specific consultation document, such as that required for the LTP or Annual Plan (in certain circumstances). In addition to meeting the principles of section 82, Council will:

- Make the SOP publicly available;
- Allow feedback to be provided for a minimum of one month;
- Ensure people are given an opportunity to present their views to Council through spoken interaction (or using sign language).

#### 4. What is 'consultation' and what is 'engagement'?

Often the two terms 'consultation' and 'engagement' are used interchangeably, however, this is not accurate. Consultation is just one of the engagement options available, depending on the matter. Because Council is required by the LGA to undertake consultation for a range of reasons, it has become an easily recognisable term and process, for both Council and the community.

Consultation generally is when we develop a proposal, often a draft policy or plan, and then ask for the public's views on the draft proposal. Council then considered these views before deciding on what the final policy or plan should say.

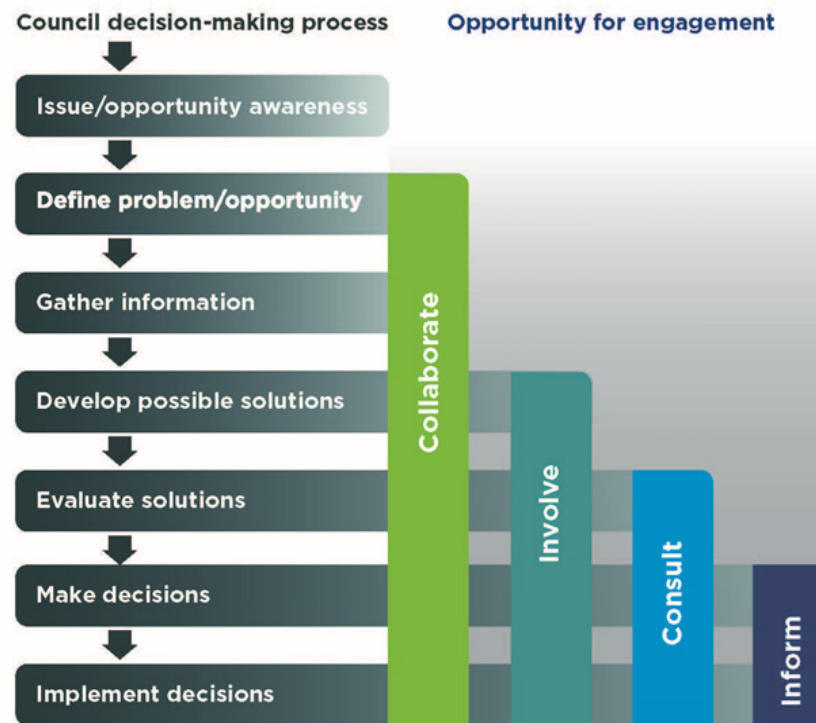
Most councils in New Zealand, including Timaru District Council, apply the principles developed by the International Association of Public Participation (IAP2) when talking about these matters.

The IAP2 developed the Spectrum of Public Participation to assist with the selection of the appropriate level of participation, or 'engagement' for the issues or problem. The graph below provides a summarized version of the Spectrum.



This means that engagement can range from letting the community know about the decisions, to supporting others to make their own decisions that Council then implements.

Another way of looking at the different types of engagement is to look at the steps in the decision-making process as an issue, proposal or decision progresses from development to final decision. The diagram below outlines the steps and the associated types of opportunities for participation.



The highest level of engagement, 'Empower' is not included in the above graph, nor in the flow-chart in Appendix B. This is because it is a non-standard engagement method that is generally used in exceptional circumstances, or outside of Council's formal decision-making process where Council's role is assisting others to make a decision. Often this kind of engagement is supported by Council through a framework of grants, advice and support.

Very occasionally, and in certain circumstances, Council may choose to empower the community to decide through a binding referendum. Council can also delegate decisions to a group of people, for example a reserve management committee, or by allowing for the establishment of a Business Improvement District.

## 5. Māori

The Council recognises Kati Huirapa o Arowhenua holds manawhenua status from the Rakaia to Waitaki rivers, including the Timaru District. As Crown partners under Te Tiriti o Waitangi the Timaru District Council recognises its obligations and responsibilities to enable manawhenua priorities and leadership.

Māori have a unique relationship with Councils through the Treaty of Waitangi and supporting legislation. This relationship is reflected in the requirements of the LGA to recognise and respect the Crown's responsibility to the principles of the Treaty of Waitangi by maintaining or improving opportunities for Māori in local authority decision-making process.

The LGA requires Council to:

- Take into account Māori interests where any significant decisions are to be made affecting 'land or a body of water';
- Establish and maintain processes to provide opportunities for Māori to contribute to council decision-making processes;
- Consider ways to foster the development of Māori capacity to contribute to council decision-making processes;
- Put in place processes to consult with Māori; and
- Assist Māori to better participate generally in decision-making.

Aside from the legislative requirements, the Council appreciates that Māori perspectives may offer different views of local issues and is keen for those views to be included in its deliberations.

Council considers it important to further develop relationships with Kati Huirapa o Arowhenua (Arowhenua) who represent those who hold manawhenua within the Timaru District. In doing so, the Council acknowledges the role of Arowhenua as the manawhenua. The Council; however, encourage both formal and informal opportunities for developing a closer relationship with groups representing local Māori who are not manawhenua.

The Council will ensure all its significant policy and decision-making processes include opportunities for discussion with mana whenua, through their mandated representatives, at the earliest opportunity and before decisions are made; and endeavor to provide resources to help facilitate that engagement. The Council acknowledges that the involvement of manawhenua in the Council decision making process is not restricted to matters directly affecting the Arowhenua.

The Council will respect the views expressed on behalf of mana whenua and foster close collaboration at an operational level. Council will offer places for rūnunga representatives on Council Committees, including the Environmental Services Committee, the Safer Communities Committee and the Local Arts Assessment Committee, and other bodies as appropriate, and seek regular engagement with manawhenua to discuss matters of common interest and foster general relationships.

Opportunities are also considered for appointments on planning and resource consent hearing committees.

To assist in this commitment and extending this relationship, Council has signed a Service Level Agreement with Aoraki Environmental Consultancy Ltd (AECL). AECL is mandated by Te Rūnanga o Arowhenua to help advise councils and other agencies on issues of interest to Arowhenua Rūnunga, to facilitate consultation with Arowhenua Rūnunga, and to ensure timely and appropriate input into policy, plans and processes on behalf of Te Rūnanga o Arowhenua.

The Mayor may enter into a Memorandum of Understanding to formally recognise the relationship with AECL and the expectations of it. Council's Senior Management will also make themselves available to meet with Arowhenua.



# Revenue and Financing Policy

## 1. Purpose

- 1.1. The purpose of this policy is to detail Timaru District Council's approach to funding its operating and capital expenditure.
- 1.2. It determines who pays for Council activities, and on what basis, with a view to achieving the fairest funding mix for the community as whole.
- 1.3. The overall objective of this policy is to ensure users and beneficiaries of Council services pay what is fair and equitable.

## 2. Glossary

**Note:** The definitions provided are intended to explain terms used on this policy in plain English.

**Benefit:** refers to the positive effect able to be gained as a result of a Council-provided activity or service, regardless of whether this is taken up or not.

**Capital expenditure:** means expenditure on new assets or on assets that increase the level of service provided, or extend the level of service – for example the replacement of assets.

**Community-wide benefit:** means a benefit that applies to the whole community, irrespective of property location or value.

**Council:** means Timaru District Council

**Exacerbator:** those who contribute to, or create the need for a Council service or facility, and should, therefore contribute to the cost of the service or facility.

**General Rate:** is a rate levied on all rateable properties within Council's jurisdiction. A general rate is based on:

- Land value of a property
- How the property is used

**Intergenerational equity:** is the principle that the cost of an asset or service should be spread over its life, so that both current and future residents who benefit contribute a fair share of the costs, and not just current residents.

**Land Value (LV):** Means the assessed value of land, excluding capital improvements, at the time of valuation.

**Operating expenditure:** means the costs incurred to provide normal day-to-day services and the maintenance of services and assets.

**People benefit:** is a benefit that people and residents can enjoy without owning a property. Council looks to fund people benefit through uniform annual charges.

**Private good:** means goods or services that directly benefit an individual rather than the community as a whole. Private good is an indicator that users who directly benefit should pay.

**Property benefit:** is a benefit that accrues to a property or to property owners. This may be a service to a property, or an activity that benefits property values. Council looks to fund property benefit through general rates based on land value.

**Public good:** means goods or service that one individual can consume without reducing the availability to another individual. Public good is usually both non-rival and non-excludable. An example of public good is a community park.

**Rates:** are funds collected by Council through taxes on property within the district.

**Targeted rates:** a rate charged for a specific service through a tax on each rateable unit or separately used or inhabited portion of a rating unit to ensure that the cost of a service or activity is borne by those who derive most benefit from it, or who contribute to the need for the service or activity.

**Uniform Annual General Charge:** a charge of an equal amount on each rateable unit or separately used or inhabited portion of a rating unit to ensure that all ratepayers make a minimum contribution to Council activities and services. This charge is applied to fund services where community benefits apply across the district.

**User charges:** a council charge paid by those who use specific services provided by Council.

### 3. Policy Context

#### Local Government Act 2002

- 3.1. The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy.
- 3.2. Sections 102 and 103 of the LGA require the policy to demonstrate how operational expenditure and capital expenditure are funded from:
  - a) General rates, including –
    - i. Choice of valuation system; and
    - ii. Differential rating; and
    - iii. Uniform annual general charges:
  - b) Targeted rates;
  - c) Lump sum contributions;
  - d) Fees and charges;
  - e) Interest and dividends from investments;
  - f) Borrowing;
  - g) Proceeds from asset sales;
  - h) Development contributions:
  - i) Financial contributions under the Resource Management Act 1991;
  - j) Grants and subsidies;
  - k) Other sources of income
- 3.3. Section 101(3)(a) of the LGA requires that Council has, for each activity funded, shown it has given consideration to the:
  - a) Community outcomes to which the activity primarily contributes; and
  - b) Distribution of benefits between the community as a whole, and identifiable part of the community, and individuals; and
  - c) The period in or over which those benefits are expected to occur; and

- d) The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity; and
  - e) Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- 3.4. In accordance with section 101(3)(b), Council must also consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

#### Related Council Plans, Policies and Strategies

- 3.5. Council's Revenue and Financing Policy provides a high level funding framework that links with other Council documents that impact on funding decisions for the wider community and, in some cases, or individual ratepayers. These documents include:

**Financial Contributions Policy:** Details the basis on which Council charges financial contributions to offset or mitigate any adverse impacts on the natural or physical environment including utilities, services or a new development.

**Timaru District Plan:** Section 6 of the District Plan details Council's approach to charging financial contributions for new developments under the Resource Management Act 1991.

**Significance and Engagement Policy:** Details Council's approach to determining the level of significance of a particular proposal or decision, and how Council will engage with the community based on the level of

significance. Decisions about the funding of Council activities will be assess in accordance with this policy.

**Rates Policy:** Details the circumstances in which Council will provide a rate remission or postponement, including on Maori Freehold Land, and the rationale for this.

**Infrastructure Strategy:** Details Council's approach to the provision of core infrastructure, how much it intends on investing over the next 30 years, and how this investment will be funded. Activities included in the strategy are: roads and footpaths, drinking water, sewer, stormwater, waste management and large community facilities (for example, CBay Aquatic Centre).

**Financial Strategy:** Details Council's approach to delivering its high-level funding requirements, including limits on rates and borrowing. The Financial Strategy considers the impact of expected changes in population and the use of land, the expected impact of Council's Infrastructure Strategy and other significant factors affecting Council's ability to maintain and meet demands for services.

**Funding Impact Statement:** Provided in each Long Term Plan and Annual Plan, the funding impact statement details the application and impact of the Revenue and Financing Policy for each financial year.

## 4. Rating Framework

4.1. Councils are able to use a variety of approaches in their overall rating framework. These approaches are how Council applies rates in the district, and include the following:

### Valuation System

- 4.2. When applying rates based on property values councils can rate according to land value, capital value, or annual value.
- 4.3. Timaru District Council uses the land value rating system. The land values are determined by an independent valuer who is audited by the Valuer General.

### Differential Rating

- 4.4. When applying rates councils can rate properties using a differential according to a range of categories detailed in schedule 2 of the Local Government (Rating) Act 2002.
- 4.5. Council's general rate is set based on a rate per dollar of rateable land value, and differentiated on the use to which the land is put. The objective of differential rating is to ensure a fair and equitable proportion of rates are paid by the various differential categories.
- 4.6. Council uses differentials to distribute the general rate between particular categories of the community, as listed below. This does not change the total amount of general rates funding required annually, but rather, the proportion of overall funding of the general rate from each category differs according to the differential factor applied.

### Unit of rating – separately used or inhabited parts of a

4.7. The differential is applied to the following nine categories:

Category	Definition
<b>Accommodation</b>	All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.
<b>Commercial General</b>	All properties used primarily for commercial purposes.
<b>Community Services</b>	All properties used primarily for education, religious, and/or community purposes.
<b>Industrial</b>	All properties used primarily for industrial purposes.
<b>Primary</b>	All properties used primarily for agriculture, horticulture or pastoral purposes, including the grazing of animals.
<b>Recreational</b>	All properties used primarily for active or passive indoor/outdoor recreational activities.
<b>Residential – General</b>	All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.
<b>Residential – Multi Unit</b>	All properties used primarily used for multi-unit residential accommodation, for example, purpose built rental flats.

### rating unit

- 4.8. Under the Local Government (Rating) Act 2002 charging separately used or inhabited parts of a rating unit is an option for a uniform annual general charge and for targeted rates.
- 4.9. A separately used or inhabited part of a property or building includes any part of a rating unit inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.
- 4.10. For the purpose of this policy, vacant land and

vacant premises offered or intended for use or habitation by a person, other than the owner, and generally used as such are defined as 'used'.

4.11. Examples of separately used or inhabited parts of a rating unit include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as "granny flats".

- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor's surgery attached contains two parts).
- In the case of retirement villages or farms with workers' accommodation and similar types of properties, each separately used or inhabited residential unit and each other major use (such as halls, libraries etc) are separate parts.

### 5. Rate Revenue Sources

- 5.1. The rates charged by Council as sources of funding are:

#### General Rate

- 5.2. A rate charged on all rateable properties in the district on the basis of land value, and differentiated by the use of the property.

#### Uniform Annual General Charge (UAGC)

- 5.3. A rate charged on all separately used or inhabited portions of a rating unit on a uniform basis. This rate enables all ratepayers to make a minimum contribution to Council's costs. The annual increase in the UAGC will be an overall percentage increase as the general rate increase within a margin of 5% in any given year or as per section 13 – Funding Analysis for Council Activities.

#### Targeted Rate

- 5.4. A rate charged on specific properties in the district on the basis of the property or owner

being able to receive benefit from the service provided that is not available to all. Targeted rates may be charged on the basis of land value, differentiated or as a uniform annual charge.

- 5.5. A Business Improvement District (BID) targeted rate is being introduced as part of the 2024-34 Long Term Plan, consistent with the BID Policy.

### 6. Non-Rate Revenue Sources

- 6.1. Council has a range of funding sources available which are often suited to a particular type of funding requirement. While rates are often the most appropriate source of funding for a particular requirement, Council may decide to use other sources of funding, if appropriate.

#### Grants and subsidies

- 6.2. Council expects to continue to receive substantial subsidies from Waka Kotahi (New Zealand Transport Agency – NZTA) for road and footpath maintenance and renewal and other expenditure related to transportation and its land transport networks.
- 6.3. Council can receive grants and sponsorship for projects which are eligible for particular grant and sponsorship schemes.

#### Investment income, dividends and interest

- 6.4. Interest and investment returns from Council's investments, including annual dividends from Timaru District Holdings Limited (TDHL) are generally used to offset the general rate and the uniform annual general charge.
- 6.5. Interest earned on special funds and separate reserves is used only for the purpose of the fund or reserve.

#### Financial contributions

- 6.6. Council's existing Financial Contributions Policy allows Council to apply a charge for water, sewer, stormwater and open space and recreation. Minor amounts of capital expenditure budget for the Parks and Recreation activity have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

#### Proceeds from asset sales

- 6.7. Council may sell assets that are deemed to be surplus to requirements or that are not providing satisfactory returns. Proceeds may be invested, used to fund capital expenditure or operating expenditure associated with the activity which held the original asset.
- 6.8. Council may, in exceptional circumstances, choose to use proceeds of asset sales for expenditure in another activity.

#### Fees and Charges

- 6.9. Council charges for some services it provides and this revenue funds all or part of the cost of service delivery for these activities. Examples include resource and building consent fees, dog registration fees and facility admission or hire.
- 6.10. Council will amend its fees and charges annually (or more frequently as appropriate) to reflect increases in costs as measured by the assumed rate of inflation and/or to maintain the cost recovery levels underlying the basis for setting the fee levels.

### Bequests

6.11. Council occasionally receives bequests that can be used, normally for a specific purpose. Examples include bequests for the purchase of library books or art work.

### Borrowing

6.12. Council generally borrows to fund capital expenditure as a way of promoting intergenerational equity and as a way to make the significant cost of some capital projects affordable. Borrowing may be internal (i.e. Council borrowing from itself by using its own reserves) or external.

6.13. Council does not borrow for operational expenditure unless this is deemed to be prudent and is approved by Council on that basis.

### Lump Sum Contributions

6.14. Council may offer the option for ratepayers to pay their share of a capital project through a lump sum payment rather than through rates over a longer period of time. This can be beneficial for all parties as it reduces the interest paid by ratepayers over the life of the loan, and Council can retire a portion of debt earlier or reduce the need for borrowing.

## 7. Funding Operational Expenditure

7.1. Operating expenditure is the day-to-day cost Council incurs to provide services, including the maintenance of existing assets.

7.2. Council has determined that the following sources may be used to fund operating expenditure:

- Rates revenue (including general rates and UAGC)
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Proceeds from asset sales
- Financial contributions
- Grants and subsidies
- Borrowing (noting 6.13 of this policy)
- Other operating revenue

7.3. Council may choose not to fully fund operating expenditure in any activity in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

7.4. An operating deficit will only be budgeted when considered prudent to avoid significant fluctuations in rates, fees or charges. Council will consider the requirements of section 100 of the LGA (Balanced Budget requirements).

7.5. Council may choose to fund more than is necessary to meet its operating expenditure in any particular year. Council will only budget for an operating surplus to fund an operational deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when deciding whether it is prudent to budget for an operating surplus for debt repayment.

## 8. Funding Capital Expenditure

8.1. Capital expenditure is expenditure on new or existing assets that maintains or increases their value and the level of service to the community.

8.2. Council usually borrows, either internally

or from capital markets, to fund capital expenditure. Borrowing for capital expenditure enables Council to spread the cost of providing a capital asset over the expected life of the asset. Council may choose to fund capital expenditure through borrowing and repay the loan over a shorter or longer period if this is considered prudent.

8.3. Borrowing for capital expenditure reduced peaks and troughs in the funding required each year and promotes intergenerational equity. This ensures today's ratepayers are not required to fund the whole cost of assets with a long useful life and subsequent users of the assets also make a contribution to its cost by contributing to the interest and principal repayments in those subsequent years.

8.4. Council's borrowing requirements and the cost of servicing loans for capital expenditure may be reduced to the extent that other funding sources can be used.

8.5. Council has determined that the following sources may be used to fund capital expenditure:

- Rates revenue (including general rates and UAGC)
- Targeted rates
- Lump sum contributions
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Financial contributions
- Grants and subsidies
- Reserve Funds
- Other sources

- 8.6. Borrowing for capital expenditure is undertaken in accordance with Council's Financial Strategy.

### 9. Funding of Depreciation

- 9.1. Depreciation is the process of recognising that an asset is progressively used up over its useful life. By funding depreciation Council has the ability to provide funding to replace assets at the end of their useful life, or reduce the amount borrowed against the assets. Depreciation is funded within each activity as part of the operating expenditure each year.
- 9.2. In general, Council will fully fund depreciation over the life of an asset in order to systematically allocate the use or consumption of the asset, unless this is not considered to be in the best interests of the community. If Council decides not to fully fund depreciation of an asset it will provide the community with information on why it has decided not to fully fund depreciation and the likely impact of this decision.

### 10. Activity Funding Analysis

- 10.1. Council has considered each activity, and in some cases discrete items within an activity, to determine the most appropriate funding approach.
- 10.2. Council endeavours, where possible, to allocate cost to the primary beneficiary of any function or activity it provides.
- 10.3. The following matters considered in the assessment are:

#### Distribution of benefits

- 10.4. The benefits provided by each activity are assessed to establish to whom these flow.

Benefit distribution is assessed using three categories; private benefit, group benefit and community-wide benefit.

- 10.5. **Private Benefit:** accrues to identifiable individuals. Activities that provide a high level of private benefit will normally be funded from fees and charges.
- 10.6. An example of a Council service that provides a high level of private benefit is the processing and granting of a consent. This enables the applicant applying for a consent to undertake an activity that primarily benefits them.
- 10.7. **Group Benefit:** accrues to identifiable groups within the community. Activities that provide a high level of group benefit will normally be funded from a targeted rate or charge on properties able to receive the service.
- 10.8. An example of a Council service that provides a high level of group benefit is the provision of drinking water. Only those able to connect to the drinking water supply are able to benefit.
- 10.9. **Community-wide Benefit:** accrues to the community as a whole. Activities providing a high level of community-wide benefit will normally be funded from the community as a whole, through the general rate or the UAGC.
- 10.10. An example of a Council service that provides a high level of community-wide benefit is the provision of the roading network. Everyone has the opportunity to access and use the service.

#### Period of Benefit

- 10.11. Council considers the period over which the benefit provided by an activity flows. This provides a rationale for deciding the period over which the expenditure should be funded.
- 10.12. If the benefit an activity provides relates wholly or largely to the immediate year then the activity will normally be funded from rates or other income in the year the expense is incurred.
- 10.13. If the benefit is available over a longer period of time Council will normally borrow to fund the activity or asset to ensure future ratepayers who will enjoy some benefit will pay a fair proportion of the cost.

#### Control of negative effects (exacerbator pays)

- 10.14. Council may incur expenditure to protect the community from actual or potential problems. Council looks to identify the cost to the community of controlling negative effects caused by individual or group actions and to recover any costs directly from those causing the problem. Examples are animal control (funding through dog registrations and impoundment fees) and parking enforcement (funding through parking meter fees and infringement fees).
- 10.15. Where a fee or charge is not practical or efficient the cost will normally be funded as if it provides a community-wide benefit – through the general rate or UAGC.

## Revenue and Financing Policy

### Distinct Funding

- 10.16. Transparency and accountability are more evident when an activity is funded separately from other activities. This allows ratepayers, or payers of user charges to see how much money is being raised and spent on the activity, and whether or not the cost of the activity represents value for money.
- 10.17. Council will consider the costs and benefits of distinct funding of an activity, including the consequences of the chosen funding method in terms of transparency and accountability. Council will fund activities distinctly where this is practical and efficient.
- 10.18. All activities that are funded distinctly are detailed in section 12 of this policy.

### Property versus people benefit

- 10.19. When deciding on the appropriate funding mechanism, Council will consider whether the benefit provided by an activity flows primarily to the value of the property or to the people who live at the property.
- 10.20. In general, Council will look to fund property-related benefit through the general rate, based on land value, and people-related benefit through the UAGC rate (all properties being charged a uniform amount).

### Community Impact

- 10.21. Council must consider the overall impact the allocation liability has on the social, economic, environmental and cultural wellbeing of the community.
- 10.22. In considering community impact and the allocation of costs, Council will have regard to:

- The impact a particular funding approach may have on the achievement of community outcomes;
  - Fairness and equality issues arising from the allocation of costs; and
  - Any other impacts on the community, such as affordability of rates for some or all ratepayers.
- 10.23. Council may decide to fund an activity in a way other than generally prescribed in this policy if this approach to funding will promote the achievement of community outcomes or will address perceived affordability issues.

### Practicality

- 10.24. Council may choose to make minor variations to the funding approach detailed in this policy for reasons of practicality. This is particularly the case for activities that are partly funded from fees and charges, or from external sources.
- 10.25. In some cases, the funding from fees and charges and external sources may vary from year to year or may be uncertain at the time of budgeting. In these cases Council may choose to adjust the funding from rates to accommodate changes or uncertainty.
- 10.26. For activities funded partly from fees and charges, the revenue generated from this source is often dependent on the demand for services at the time. Council may decide to adjust the level of funding from rates to smooth the level of fees and charges from year to year.
- 10.27. Surplus revenue generated from fees and charges will normally be credited

- to Council's general reserves, or to the appropriate specified purpose reserve fund.
- 10.28. For activities with specified purpose reserve funds, these funds may be used for rates smoothing purposes if Council is able to use the fund in this way and deems this a prudent approach.
- 10.29. Council may fund minor capital expenditure from operating revenue in the year it is expended. Non-minor capital expenditure items will be funded from reserves or loan funded so as to minimise extreme rate movements and more accurately reflect intergenerational costs.

## 11. Wellbeing

- 11.1. Council will give consideration for the overall impact this policy has on the current and future social, economic, environmental and cultural wellbeing of the Timaru District Community.

## 12. Policy Review

- 12.1. This policy will be reviewed every three years, as part of the development of the Long Term Plan.
- 12.2. The policy may be amended at any time, as long as the review process provides for community engagement in accordance with Council's Significance and Engagement Policy and section 82 of the LGA.

### 13. Funding Analysis for Council Activities

#### Democracy

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity supports and guides all activities carried out by Council and includes; all work associated with elected members (including community board members); community engagement; communications; strategy; policy and plan development; elections; governance functions; performance and accountability reporting.</p>	<p>Connected Citizens</p>	<p><b>Community-wide Benefit:</b> Benefits the whole community by supporting the decision-making function, representation, advocacy, communication and engagement for all residents.</p>	<p><b>Operating Expenditure</b>  <b>Rates: 90-100%</b>                      50% Uniform Annual General Charge (UAGC)                      50% General Rate                      0-10% Targeted Community Board Rates</p> <p><b>User Charges: 0-10%</b>                      Hearings fees etc</p> <p><b>Capital Expenditure</b>  <b>Borrowing:</b>                      Loan costs are funded in the same way as operating expenditure.</p>



**Community Support**

Airport

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the management of the Richard Pearse Airport	Enhanced Lifestyle Diverse Economy	<p><b>Private Benefit:</b> Users of the airport receive the primary benefit from the provision and management of the airport enabling travel, or storage and operation of personal aircraft.</p> <p><b>Community-wide Benefit:</b> The whole community receives a secondary benefit through access to the airport and the economic benefits the airport provides the district.</p>	<p><b>Operating Expenditure</b></p> <p><b>User Charges: 30-50%</b> Airport charges e.g. landing fees and lease income</p> <p><b>Rates: 50-70%</b> 40% UAGC 60% General Rate</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Cemeteries

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the maintenance and development of cemeteries across the district, including burials and interments.	Resilient Infrastructure Enhanced Lifestyle	<p><b>Private Benefit:</b> Users of cemetery facilities, largely family and friends of deceased, receive the primary benefit.</p> <p><b>Community-wide Benefit:</b> The whole community receives benefit through ensuring the deceased are interred in a sanitary way maintaining public health, cemeteries as well maintained public spaces, and the district's social history is preserved in cemetery records.</p>	<p><b>Operating Expenditure</b></p> <p><b>User Charges: 40-70%</b> Plot purchases and interment fees</p> <p><b>Rates: 30-60%</b> 60% UAGC 40% General Rate</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Community Development and Funding

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides for funding, by way of grants and loans, to support individuals, community groups, facilities and events. The activity also provides for rates remissions and swimming concessions.</p>	<p>Connected Citizens Enhanced Lifestyle</p>	<p><b>Group Benefit:</b> Recipients of the grants and loans receive the primary benefit.</p> <p>Note: Council has determined that charging these groups for this activity would not meet the purpose of this activity or the Community Wellbeing Outcomes.</p> <p><b>Community-wide Benefit:</b> The funding criteria for the grants and loans is designed to support groups which provide benefits through their activities to the whole community.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 85-95%</b> 80% UAGC 20% General Rate</p> <p><b>Grants: 5-15%</b> Funding received from various funding agencies</p> <p><b>Interest: 5-15%</b> Interest on loans provided to community groups</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Emergency Management

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides for the development of resilient communities through planning, training, education, co-ordination with partner agencies. This activity also includes provision for the Emergency Response Fund.</p>	<p>Connected Citizens Resilient Infrastructure</p>	<p><b>Community-wide Benefit:</b> The primary benefit is to the people and property of the whole district, enabling planning to mitigate the harm, and to recover from emergencies.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 100%</b> 50% UAGC 50% General Rate</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Climate Change

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides development of climate change mitigation and adaptation strategies and action plans for the district.	Sustainable Environment Resilient Infrastructure Connected Citizens	<b>Community-wide Benefit:</b> The primary benefit is to the people and property of the whole district, enabling the planning to mitigate the harm caused by climate change and to assist the whole district to adapt to both climate change and zero carbon living.	<b>Operating Expenditure</b> <b>Rates: 100%</b> 80% General Rate 20% UAGC  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.

Economic Development

Service Provided - Venture Timaru	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity promotes and assists economic development and visitor opportunities in the district.	Diverse Economy Enhanced Lifestyle	<b>Private Benefit:</b> Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. tourism operators.  <b>Community-wide Benefit:</b> This activity provides community-wide benefit through supporting the economic growth and development of the district.	<b>Operating Expenditure</b> <b>Rates: 90-100%</b> 80% General Rate 20% UAGC  <b>User Charges: 0-10%</b> User fees for services provided by Economic Development Agency.  <b>Other: 0-10%</b> Government grants or subsidies  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.

Service Provided - Business Improvement District	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity promotes and assists economic development and visitor opportunities in the central business district of Timaru.	Diverse Economy Enhanced Lifestyle	<p><b>Private Benefit:</b> Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. central business owners.</p> <p><b>Community-wide Benefit:</b> This activity provides community-wide benefit through supporting the economic growth and development of the central business district in Timaru.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 100%</b> 100% Targeted Rate</p>

Public Toilets

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains public toilets across the district.	Enhanced Lifestyle Resilient Infrastructure	<p><b>Private Benefit:</b> Users of the public toilets, including visitors to the district benefit, and create the need for this activity. Note: Council does not believe a user pays funding model to be practical or appropriate.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through the provision of public toilets and maintaining public hygiene.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 90-100%</b> 70% UAGC 30% General Rate</p> <p><b>User Charges: 0-10%</b> User pays may be achievable at some facilities.</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Council Housing

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains affordable housing across the district for those in need.	Connected Citizens Enhanced Lifestyle	<b>Private Benefit:</b> The tenants of the social housing units benefit from this activity.	<b>Operating Expenditure</b> <b>User Charges: 100%</b> Rental income from tenants.  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.  <b>Grants:</b> Council may seek grant funding and sponsorship to support capital works.

Environmental Services

Animal Control

Service Provided - Venture Timaru	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for animal control services including the confining of stray animals and managing aggressive animals.	Enhanced Lifestyle	<b>Private Benefit:</b> The owners of animals, particularly dogs, benefit from, and create the need for this activity.  <b>Community-wide Benefit:</b> The whole community benefits from this activity minimising the negative impact of wandering and aggressive animals.	<b>Operating Expenditure</b> <b>User Charges: 90-100%</b> Dog registrations, impounding, infringement and other fees and fines.  <b>Rates: 0-10%</b> 100% General Rate  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.

District Building Control

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the administration and implementation of the Building Act, including processing and granting consents and inspecting and monitoring building work across the district.	Diverse Economy Resilient Infrastructure Sustainable Environment	<p><b>Private Benefit:</b> The benefits from this activity mainly accrue to building owners through ensuring they have met legislative requirements.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through this activity ensuring buildings across the district are safe, sanitary and accessible.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 70-80%</b> Various fees and charges relating to building control services.</p> <p><b>Rates: 20-30%</b> 100% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

District Planning

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the development, adoption and amendment of the Timaru District Plan.	Sustainable Environment Diverse Economy Resilient Infrastructure	<p><b>Private Benefit:</b> When individuals seek private plan changes they accrue the benefit.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from a District Plan that enables sustainable development within the district.</p>	<p><b>Operating Expenditure</b> <b>Borrowing:</b> Council will borrow for the operating costs of developing the District Plan, recognising the period benefit for this activity. Loan costs will be funded in the same way as other operating expenditure.</p> <p><b>Rates: 90-100%</b> Rate funding will be utilised for all other policy work. 100% General Rate</p> <p><b>User Charges: 0-10%</b> Fees for private plan changes</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

District Plan Administration

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity includes all aspects of the resource consenting process and other district planning requirements, including receiving and processing the applications, monitoring consents and responding to public enquiries, other permissions and Land Information Memorandums.</p>	<p>Sustainable Environment Diverse Economy Resilient Infrastructure</p>	<p><b>Private Benefit:</b> Those individuals seeking resource consent or other services primarily benefit from this activity.</p> <p><b>Community-wide Benefit:</b> There is some benefit to the whole community to ensure consents are processed and monitored through enabling sustainable development.</p> <p><b>Exacerbators:</b> Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 80-90%</b> Various fees and charges relating to the resource consenting and other district planning process. <b>Rates: 10-20%</b> 100% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

District Health

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This service provides for the administration and monitoring of food safety, liquor licensing, hazardous substances and enforcing the district bylaws.</p>	<p>Enhanced Lifestyle Diverse Economy Sustainable Environment</p>	<p><b>Private Benefit:</b> The benefits accrue to the individuals and businesses that require the services of this activity to meet legislative requirements.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through the provision of a safe and healthy environment and standards of operation being enforced.</p> <p><b>Exacerbators:</b> Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 50-60%</b> Various fees and charges associated with this activity. <b>Rates: 40-50%</b> 50% UAGC 50% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Recreation and Leisure

Aigantighe Art Gallery

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains the Aigantighe Art Gallery and collection, including exhibits, research and education	Enhanced Lifestyle Connected Communities	<p><b>Private Benefit:</b> Users of the Aigantighe Art Gallery benefit for their use of the facility.</p> <p>Note: Council considers that allocating costs only to the users of this facility would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from access to the Aigantighe Art Gallery and a location to exhibit, store and restore art works and to enable the public consumption of art.</p>	<p><b>Operating Expenditure Rates: 90-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 0-10%</b> User charges and donations</p> <p><b>Capital Expenditure Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Bequests:</b> Bequests and donations also fund the purchase of some art pieces and may be used to support other capital works.</p> <p><b>Grants:</b> Council may seek grant funding and sponsorship to support capital works.</p>

Fishing Huts

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity manages two fishing hut sites; Rangitata Huts and Stratheona Huts.	Enhanced Lifestyle	<p><b>Private Benefit:</b> The owners of the huts on these sites benefit from this activity.</p>	<p><b>Operating Expenditure User Charges: 100%</b> Lease income</p> <p><b>Capital Expenditure Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>



Forestry

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity manages Council's forestry portfolio.	Diverse Economy Sustainable Environment	<p><b>Community-wide Benefit:</b> The whole community benefits from the income generated from the harvest of the trees and the carbon credits provided.</p>	<p><b>Operating Expenditure</b></p> <p><b>Proceeds from asset sales: 100%</b> Harvest of Trees</p> <p><b>User Charges: 100%</b> Lease income for forestry blocks</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Halls and Community Centres

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity manages and maintains community halls and centres, including Aorangi Stadium.	Enhanced Lifestyle Connected Citizens	<p><b>Private Benefit:</b> The users of the halls and community centres accrue benefits.</p> <p>Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of halls and community centres for recreation, events and civil defence.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 80-90%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 10-20%</b> Hire fees for the facilities Lease and sponsorship income</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

District Libraries

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains three district libraries including library books, resources and other services.	Enhanced Lifestyle Connected Citizens	<p><b>Private Benefit:</b> Users of the library accrue benefits.</p> <p>Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the access to the district libraries through access to information, community resources and a hub for social interaction.</p>	<p><b>Operating Expenditure Rates: 90-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges:</b> Charges for some services and fines.</p> <p><b>Capital Expenditure Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Bequests:</b> Bequests and donations also fund the purchase of some library resources..</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

Motor Camps

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides five motor camps across the district. Four of these camps are leased under management arrangements.	Diverse Economy Enhanced Lifestyle	<p><b>Private Benefit:</b> The individuals who lease the motor camps and those who visit the motor camps accrue benefits from this activity.</p> <p><b>Community-wide Benefit:</b> The community as a whole benefits through the provision of these facilities for visitors to the district and wider economic benefits.</p>	<p><b>Operating Expenditure User Charges: 90-100%</b> Lease income and camping fees</p> <p><b>Rates: 0-10%</b> 60% UAGC 40% General Rate</p> <p><b>Capital Expenditure Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

South Canterbury Museum

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides for management of the South Canterbury Museum facility and services, including displays, archives and educational services.</p>	<p>Enhanced Lifestyle Connected Citizens</p>	<p><b>Private Benefit:</b> Users of the museum and its services accrue benefits. Note: Council considers that allocating costs only to the users of this facility would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the access to the South Canterbury Museum through cultural enrichment, education and preservation of district heritage.</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 0-10%</b> User Charges and donations</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Bequests:</b> Bequests and donations also fund the purchase of some museum resources and some operating expenses.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works and some operating expenses (e.g. Learning Experiences Outside The Classroom (LEOTC)).</p>

Parks and Recreation

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides and maintains parks, reserves, sports grounds, gardens and off-road tracks across the district.</p>	<p>Enhanced Lifestyle Sustainable Environment Connected Citizens</p>	<p><b>Private Benefit:</b> Individuals and groups that use the parks and sports facilities accrue benefits, some from specific facilities (e.g. skateparks, sportsgrounds). Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from provision and access to parks facilities across the district such as for active and passive recreational pursuits, health, education and wellbeing. Facilities contribute to community pride and perception of the district.</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 0-10%</b> Sport ground leases and user charges</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Lump Sum Contributions:</b> Some capital contributions paid for facilities (e.g. sports surfaces) by user groups. <b>Financial Contributions:</b> Council charges financial contributions for the acquisition and development of recreation and open space under the provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure. <b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

Swimming Pools

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides, maintains and manages four swimming pools across the district, including the gym and café facilities at CBay Aquatic Centre.</p>	<p>Enhanced Lifestyle Connected Citizens</p>	<p><b>Private Benefit:</b> Users of the swimming pool and gym facilities accrue benefits from this activity.</p> <p>Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of swimming pools in the district.</p>	<p><b>Operating Expenditure - Rural Summer Pools</b></p> <p><b>Rates: 70-80%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 20-30%</b> Pool user fees, hire fees and other user fees</p> <p><b>Operating Expenditure - CBay</b></p> <p><b>Rates: 40-50%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 50-60%</b> Pool and gym fees and membership, hire fees, café sales and other revenue, and other user fees.</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

Theatre Royal / Heritage Centre

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides and manages the Theatre Royal.</p>	<p>Enhanced Lifestyle Connected Citizens</p>	<p><b>Private Benefit:</b> Users who either hire the Theatre Royal for events and performances, or those who attend events and performances accrue benefits. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of the Theatre Royal.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 80-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 0-20%</b> Facility hire fees (Note: Currently the facility is closed, with no revenue being generated. The existing policy will be reviewed for when the new facility is opened).</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

Roading and Footpaths

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides and maintains the road and footpath network across the district, including bridges and street lighting.</p>	<p>Resilient Infrastructure Diverse Economy</p>	<p><b>Community-wide Benefit:</b> The whole community and visitors benefit from access to the roading and footpath network.</p> <p><b>Group Benefit:</b> Group benefit is provided to residents where footpaths and street lighting and decorative lighting is available.</p>	<p><b>Operating Expenditure - Subsidised works</b></p> <p><b>Rates: 40-50%</b> 70% General Rate 30% UAGC</p> <p><b>Subsidies: 50-60%</b> NZ Transport Agency Waka Kotahi Financial Assistance</p> <p><b>Operating Expenditure - Non-subsidised works</b></p> <p><b>Rates: 80-90%</b> 60% General Rate 40% UAGC</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Council may decide to loan fund specific projects on a case by case basis. Projects will be assessed based on the expected life of the asset and the impact on rates. Loan costs are funded in the same way as operating expenditure.</p> <p><b>NZ Transport Agency Waka Kotahi Funding:</b> Council receives funding from NZ Transport Agency Waka Kotahi for qualifying capital projects. The level of funding depends on the annual “financial assistance rate” for TDC and on the work programme approval by NZ Transport Agency Waka Kotahi.</p> <p><b>Private Contributions:</b> Council may agree to undertake specified work in addition to its planned work programme at the request of a resident if there is a private contribution.</p>

Cycleways and Walkways

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides and maintains on- and off-road cycleways and walkways throughout the district.</p>	<p>Enhanced Lifestyle Resilient Infrastructure Sustainable Environment</p>	<p><b>Private Benefit:</b> Users of the walkways and cycleways accrue benefits.</p> <p>Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of walkways and cycleways for recreational and commuting purposes.</p>	<p><b>Operating Expenditure</b></p> <p><b>Rates: 90-100%</b> 50% UAGC 50% General Rate</p> <p><b>Subsidies: 0-10%</b> NZ Transport Agency Waka Kotahi provide some financial assistance for active transport routes</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial contributions:</b> Council charges financial contributions for the acquisition and development of recreation and open space under the provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure.</p> <p><b>Waka Kotahi Funding:</b> Council receives funding from NZ Transport Agency Waka Kotahi for qualifying capital projects. The level of funding depends on the annual “financial assistance rate” for TDC and on the work programme approval by NZ Transport Agency Waka Kotahi.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>



Parking Services

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity develops parking facilities across the district and includes the enforcement of Council’s parking bylaw and policy.</p>	<p>Resilient Infrastructure Diverse Economy Enhanced Lifestyle</p>	<p><b>Private Benefit:</b> Vehicle users visiting or working in CBDs across the district benefit from the provision of parking.</p> <p><b>Group Benefit:</b> District businesses located within CBD areas benefit through the existence of a service that facilitates business custom.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 100%</b> Parking income from fees and infringements</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>User Charges:</b> Parking income from fees and infringements.</p>

Wastewater

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides for sewer services including the treatment and disposal of sewerage in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point, and Timaru’s industrial wastewater.</p>	<p>Resilient Infrastructure Sustainable Environment</p>	<p><b>Group Benefit:</b> Group benefit is provided to residents, businesses and industries able to connect to Council’s sewer network and trade waste scheme and dispose of wastewater.</p> <p><b>Community-wide Benefit:</b> There is community benefit provided through the health, economic and environmental benefits of having treated sewerage and industrial waste disposed of safely.</p> <p><b>Exacerbator:</b> Additional costs may be caused through overloading of systems, disposal of hazardous material, illegal connections or incorrect disposal. Costs will be recovered if possible or prosecutions may be taken.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p> <p>Note: Council does not consider it equitable to fund the community-wide benefit across the district, as residents not able to receive this service must provide their own sewerage collection and disposal.</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 70-80%</b> Targeted rate for all connected to the sewer services.</p> <p><b>User Charges: 20-30%</b> Trade waste charges and other sewer charges.</p> <p><b>Capital Expenditure</b></p> <p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for wastewater services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>

Stormwater

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides and maintains the stormwater network including treatment and disposal management of stormwater in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point, and some smaller rural schemes.</p>	<p>Resilient Infrastructure Sustainable Environment</p>	<p><b>Group Benefit:</b> Group benefit is provided to the residents and businesses in areas where stormwater facilities are provided and reduce risk from flooding for residents' properties and communities.</p> <p><b>Community-wide Benefit:</b> Community-wide benefit accrues through protection of assets such as roads and public facilities, and by enabling safe transit for residents within urban areas during rainfall events. There is also community-wide benefit through improved environmental outcomes in stormwater treatment.</p> <p><b>Exacerbator:</b> Additional costs may be caused through illegal connections and incorrect disposal of wastewater. Costs will be recovered if possible or prosecutions may be taken.</p> <p>Due to benefits being primarily community specific, it is appropriate to fund the activity separately by community.</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 100%</b> 100% Community Works and Services Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for stormwater services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>

Waste Minimisation

Waste Collection

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the kerbside collection of green waste, rubbish and recycling to urban and some rural residents and businesses.	Sustainable Environment Enhanced Lifestyle	<p><b>Group Benefit:</b> Group benefit is provided to owners of properties receiving kerbside collection.</p> <p><b>Community –wide Benefit:</b> The whole community benefits from a system that enables waste separation, reduces illegal or incorrect disposal and encourages improved environmental outcomes.</p> <p><b>Exacerbator:</b> Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 100%</b> Targeted rate for collection service, additional bins are charged for as a targeted differential (by service type) collection charge.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Waste Management

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the provision and management of the Redruth Resource Recovery Park and the Geraldine, Pleasant Point, Temuka and Timaru transfer station facilities, waste minimisation education and monitoring, and closed landfill remediation and monitoring.	Resilient Infrastructure Sustainable Environment	<p><b>Private Benefit:</b> Benefit is accrued by individuals who use the Resource Recovery Park and transfer stations to dispose of household and business waste, green waste and recycling.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from education and monitoring, a system in place to enable safe and efficient waste management, public health and improved environmental outcomes.</p> <p><b>Exacerbator:</b> Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 60-100%</b> Resource Recovery Park and transfer station charges.</p> <p><b>Rates: 0-40%</b> 100% General Rate.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

Water Supply

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
<p>This activity provides for safe and effective abstraction of water from the source, and the treatment, storage and distribution of water to urban and rural residents and businesses.</p>	<p>Resilient Infrastructure Enhanced Lifestyle Diverse Economy</p>	<p><b>Group Benefit:</b> Group and Private benefit is provided to all those residents able to connect to Council’s drinking water networks.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through safe drinking water being provided in areas of the district that are serviced, maintenance of public health and availability of water for key public services (e.g. firefighting) and amenities (e.g. swimming pools).</p> <p><b>Exacerbator:</b> Additional costs may be caused through illegal connections. Costs will be recovered if possible or prosecutions may be taken.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p> <p>Note: Council does not consider it equitable to fund the community-wide benefit across the district, as residents not able to receive this service must provide their own drinking water source.</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 70-80%</b> Urban and rural scheme targeted rates for urban schemes and rural scheme targeted rates.</p> <p><b>User Charges: 20-30%</b> Charges for water supplied to properties with water meters (per cubic meter) and a small rental contribution.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for water supply services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>

# Financial Contributions Policy

## Introduction

Council is required to adopt a Development or Financial Contributions Policy under section 102 of the Local Government Act 2002 (the Act).

Development Contributions provide Council with a method to obtain contributions to fund infrastructure required due to growth.

The Timaru District Council does not currently have a Development Contributions Policy as outlined in Section 106 of the Act. However the Resource Legislation Amendment Act 2017 removes Financial Contributions from section 108 of the Resource Management Act and from section 102 of the Local Government Act with effect from April 2022. As a result Council is considering the implementation of a Development Contributions Policy.

Timaru District Council has an operative Financial Contributions Policy as set out in Part D, Section 6 of the Timaru District Plan. The existing Financial Contributions Policy allows the Council to apply a charge for water, sewer, stormwater and open space and recreation.

The financial contribution is a contribution from developers of cash or kind, or a mix of these. Financial contributions are provided for under the Resource Management Act 1991 and are used to offset or mitigate any adverse impacts on the natural and physical environment including utilities, services or a new development.

Minor amounts of the capital expenditure budget for parks and recreation have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

## Financial Contributions Policy

A summary of the existing Financial Contributions provisions under the Timaru District Plan is included below. The full provisions can be found in the District Plan document under Section D: General Rules - 6.5: Water, Sewer, Stormwater and Open Space and Recreation Contributions.

### 6.5.1.2 Water supplies: rules for financial contributions for water schemes

#### 1. Within the boundaries of an urban water scheme

Where proposed allotments, sites or buildings are intended for human habitation or occupation within the boundaries of an urban water scheme (Timaru, Temuka, Geraldine, Pleasant Point) the following contributions are payable:

- a. Where water from a water network utility service is able to be delivered to the subdivision or land concerned from an existing water network utility:
  - i. the full actual cost of all necessary reticulation within the subdivision or development for each allotment, site or building; plus
  - ii. the full actual cost of connections between the reticulation in the subdivision or development and the existing water network utility system; plus
  - iii. the full actual cost of any additions or modifications to the existing water network utility system that are required to provide for the expected effects of the subdivision, development or building on that utility system; plus
  - iv. an equitable share of the cost of the existing water network utility system where additional

capacity has been created in anticipation of future development to a maximum value of \$3,000 for each allotment.

- b. When calculating (a)(iii) and (iv) above, the Council shall give consideration to whether any part of the cost of any additions or modifications to the existing network should be borne by Council or other subdividers or developers, and whether the subdivision or development benefits the present residents of the community or District to a degree that some or all of the cost of the existing network need not be charged.
- c. The contribution may be in cash or kind or a mix of these, but in all cases the amount to be paid shall be based on an analysis of actual costs and be able to be substantiated by Council.

#### 2. Within the boundaries of a rural water scheme

- a. The Council shall not grant its consent to any subdivision application which identifies a Rural Water Supply Scheme as its source of water without evidence of approval by the water supply authority for that connection.
- b. Completion of the required connection works shall be achieved prior to sealing the survey plan.
- c. Where a source of water supply other than a Rural Water Supply Scheme is identified a consent notice shall be placed on the title of each allotment stating that the provision of water to the site is the owner's responsibility on a continuing basis.

## Financial Contributions Policy

[NOTE: Rural water supply schemes have capital contributions for new connections, additional water, the cost of connecting from the existing pipe work to the tank or property connection, and upgrading of mains upstream of the consumer to enable connection to be made. Connection to the rural water supply is not possible without approval from the water supply authority. The appropriate capital contribution will be advised when approval is given].

### 3. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where water from a water network utility service is able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.1.2 (1) of this plan. Council shall advise the amount of contribution at the time of development.

#### 6.5.2 Open space and recreation: rules for open space and recreation

##### 1. Subdivision for Residential Activities

For subdivisions resulting in additional allotments for residential purposes, a fee of \$500.00 shall

be payable for each additional allotment, except where any additional allotment has an existing household unit.

##### 2. Household Units

- a. At the time of uplifting a building consent for a household unit, a payment of \$500.00 shall be made, except where this is the first or will be the only household unit on the site. This fee may be reduced by up to 50% if the household unit is part of a complex or institution where specific community and recreational facilities are provided on the site.
- b. Where there are existing household units on a site to be replaced by new household units, the total fees for the new household units are to be reduced by \$500.00 for each existing household unit being replaced.
- c. A contribution of land or payment of cash shall be required for any development solely or principally for multi-unit residential purposes. This contribution shall be \$500.00 for each unit, except for the final unit.
- d. Allotments over two hectares in area, subdivided after 7 October 1995, shall be subject to a contribution of \$500.00 when a household unit is placed on the site.
- e. If the household unit is of a relocatable construction and caters for dependent relatives a refund will be available if the building is removed within 10 years. This refund will reduce by 10% of the original fee paid per annum up until year 10 when no refund will be given.

##### 3. Discretionary Activity

Any application to have General Rule 6.5.2.2.1 or 6.5.2.2.2 varied or waived is a discretionary activity.

##### 4. Residential 6 Zone – Proposed Neighbourhood Park

The new Proposed Neighbourhood Park and all stormwater swales identified on Appendix A – Gleniti Indicative Development Plan shall be vested in the Timaru District Council at the time of subdivision in lieu of open space and recreation contributions payable at the time of subdivision on the land described as Lot 1 DP 53112, Lot 19 DP 334402, Lots 6 and 8 DP 342480, Lots 6 and 7 DP 346964, and Lot 20, DP 334402 as at 1 December 2006.

#### 6.5.3.2 Stormwater systems for urban areas: rules on financial contributions

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
2. Where a financial contribution has not been taken at the time of subdivision Council may require a financial contribution to be taken as a condition of land use.
3. Where a connection to an existing stormwater drainage network utility system is not available to serve the subdivision or development the maximum amount of the financial contribution should be the full and actual cost of providing:

## Financial Contributions Policy

- a. A system for the disposal of stormwater; and
  - b. Connections between the reticulation in the subdivision or development and the existing stormwater drainage network utility system; and
  - c. All necessary reticulation and control structures within the subdivision or development; and
  - d. A stormwater connection for each allotment, site or building.
4. When calculating the financial contribution and to avoid disproportionate costs falling on developers at the lower end of catchments a cost sharing system shall apply as set out below:
- a. Each area affected by the need for a cost sharing arrangement will be defined and treated separately to determine the share of costs to be borne by subdividers. The Council's proposals for the basis of cost sharing will be made available to the subdividers in broad terms, i.e. rate of levy on defined areas, basis of adjustment and details of services proposed.
  - b. The contribution is to be based on estimated costs of providing the services, the estimates to be prepared on the basis of present day costs and supported by detailed engineering plans and formal detailed costing procedures for each service in each catchment area; costs are to include design fees. The date of the estimates is to be stated.
  - c. The contribution shall be allocated by spreading the estimated cost of each service for the catchment on an area basis over the land in that catchment and the contribution charged as it is subdivided. The result to be a levy per hectare for stormwater and main drains.
  - d. Although the contribution is to be calculated on an area basis, it shall be adjusted to allow for the direct benefit to be obtained by any one land owner. For example: the reticulation necessary in a subdivision is reduced considerably where a main drain goes right through that subdivision. In contrast the fringe areas do not receive such a benefit as the main drain comes only to the boundary. The method of adjustment is to be a deduction from the gross cost for the catchment of an estimate of the direct benefit pertaining throughout the catchment before determining the contribution per hectare.
  - e. Where a subdivision is to receive a direct benefit the estimated amount is to be added back to the basic levy. The direct benefit received by any subdivision will reflect the projected load due to anticipated land use. This applies where a catchment has land which is zoned for different purposes. The direct benefit shall be calculated on the estimated cost of providing the necessary services for that subdivision ie a certain size drain.
  - f. The contribution is to be applied on the basis of the catchment envisaged in the defined area referred to under Rule 6.5.3.2(4)(a) above, even if the final link for that subdivision is to services in another catchment. This provision is to ensure equity between different parts of the catchment.
  - g. The contribution rate per hectare will be updated according to the most recently published quarterly figure of the Works Construction Cost Index (WCCI) to cover the increase in costs which will have taken place between the time the estimate is prepared and the subdivision approval given.
- h. The levied amount shall be made a condition of subdivisional approval. Payment to be required or a suitable bond entered into before the plan is sealed with such levy not subject to escalation during the period of approval.
  - i. Where agreements such as those set out above exist they shall continue to be applied to further development within the specific catchment.
5. Where an existing stormwater drainage network utility system is available to serve the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
- a. All necessary reticulation in the subdivision or development and a stormwater connection for each allotment, site or building; and
  - b. Connections between the reticulation in the subdivision utility system; and
  - c. Any upgrading of the existing network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
6. At Gleniti, where open drainage channels are to be established and managed as stormwater swales (with or without associated detention dams) as part of a comprehensive stormwater management system, financial contribution shall be calculated in accordance with all of the above provisions.



### Washdyke Industrial Expansion Area

#### 7. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where stormwater utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.3.2 (4) of this plan. Council shall advise the amount of contribution at the time of development.

8. Rules no. (2) to (5) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

#### 6.5.4.2 Sanitary sewer systems: rules on financial contributions

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.

2. Where a financial contribution has not been taken at the time of subdivision, Council may require a financial contribution to be taken as a condition of land use.
  - i. In proportion to Volume m<sup>3</sup>/day
  - ii. Peak flow rate/sec
  - iii. All equally weighted
3. Where a connection to an existing sewerage system is not able to be made to the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
  - a. Providing a sanitary sewerage system for the subdivision, development or building; and
  - b. All necessary reticulation within the subdivision or development for each allotment, site or building.
4. Where a subdivision creates the need for a sanitary sewage system and adjoining land or buildings are discharging sanitary or trade wastes which are adversely affecting the environment then the sewage system constructed shall service both the land subject to the resource consent and the other lands.
5. The cost of the sewage system in Rule 6.5.4.2(4) shall be shared equitably between the lands served and calculated as follows:
  - a. Treatment plant capital and operating:
    - i. In proportion to Biological Oxygen Demand (BOD) kg/ day
    - ii. Suspended Solids (SS) kg/day
    - iii. Volume m<sup>3</sup> day
    - iv. All equally weighted
  - b. Pumping installations capital and operating:
    - i. In proportion to Volume m<sup>3</sup>/day
    - ii. Peak flow rate/sec
    - iii. All equally weighted
6. Where a connection to an existing sanitary sewerage network utility is available to serve the subdivision or land use the maximum amount of the financial contribution shall be the full and actual cost of:
  - a. All necessary reticulation within the subdivision or land use for each allotment, site or building.
  - b. Connections between the reticulation in the subdivision or development and the existing sanitary sewerage network utility system.
  - c. Any upgrading to the existing sanitary sewerage network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
  - d. An equitable share of the cost of the new sanitary sewerage utility systems or upgraded (sewerage utility) systems, including design costs, where additional capacity will be required by the cumulative effects of the development of an area. The share will be calculated by dividing the cost of the work by the new or upgraded system.
- c. Reticulation
  - i. See criteria in Rule 6.5.3.2(4).

### **Washdyke Industrial Expansion Area**

#### 7. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where sanitary sewer utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.4.2 (6) of this plan. Council shall advise the amount of contribution at the time of development.

8. Rules no. (2) to (6) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

# Rates Policy

## Purpose

1. Provide for rates remissions and postponements, including on Māori Freehold Land.
2. Details the objectives, conditions and criteria for each remission or postponement provided.
3. Allow a mechanism where halls and community centres can request a rate to be established around the facility to fund the operation of the facility, and in which the community bear the costs.
4. Recognise that District Halls and Community Centres create spaces for activities that increase community wellbeing and engagement.
5. Promote Council's community wellbeing outcomes by providing a rating system that is both responsive and transparent to the community.

## Background

6. This policy is divided into two parts; the first relates to rate remissions and postponements, including on Māori Freehold Land, and the second relates to Rating District Halls/ Community Centres.
7. In determining this policy, Council has considered the matters set out in schedule 11 of the Local Government Act 2002 (LGA) and how it supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

## Part One - Rates Remissions and Postponements

8. The LGA allows for Council to adopt either or both a rates remission policy and a rates postponement policy, and requires Council

to adopt a policy on the remission and postponement of rates on Māori Freehold Land.

9. This document combines all Council's policies on remissions and postponements.
10. The LGA sets out the requirements of these policies including:
  - i. The objectives sought to be achieved by the remission or postponement;
  - ii. The conditions and criteria to be met in order for rates to be remitted or postponed, and;
  - iii. That the policies must be reviewed at least once every six years using a consultation process that gives effect to the requirements of section 82 of the LGA.
11. The Local Government (Rating) Act 2002 (LGRA) states that Council:
  - i. May remit all or part of the rates on a rating unit (including penalties for unpaid rates) if Council is satisfied that the conditions and criteria of this policy are met;
  - ii. Must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if the ratepayer has applied in writing, and Council is satisfied that the conditions and criteria of this policy are met.
12. Sections 10 and 11 above also apply to the remission and postponement of Māori Freehold Land.

## Definitions

13. Māori Freehold Land – land that has had the status determined as Māori Freehold Land by order of the Māori Land Court.

14. Rates Postponement – a delay of payment of rates to a date determined by this Policy.

15. Rates Remission – a reduction in the amount of rates to be paid, as determined by this Policy.

## Policy Statements

### General Policy

16. Council has decided to remit all or part of the rates of rating units as detailed below provided that the criteria and conditions of this policy have been met.
17. Rates remissions will be provided for the following categories of rating units or under the following circumstances:
  - i. Community halls; sporting organisations; branches of the arts; community care organisations; volunteer organisation;
  - ii. Land protected for natural, historical or cultural conservation purposes;
  - iii. Rating units with penalties;
  - iv. Dwellings that were subject to a special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003;
  - v. School sewerage rates;
  - vi. Rating units with excess water charges;
  - vii. Low value properties;
  - viii. Land affected by natural disaster;
  - ix. Separate self-contained flats;
  - x. Urban residential development land;
  - xi. Buildings undergoing earthquake strengthening, and;
  - xii. Māori Freehold Land.

## Rates Policy

18. The objectives for these remissions and the conditions and criteria to be met in order to receive the remission are detailed for each category below.

### Delegations

19. Council has delegated authority to postpone or remit rates per this policy to the Chief Financial Officer and the Rates Remission Subcommittee.

20. In the case of any appeal, where an application for a remission or a postponement has been declined or only partly remitted, Council has delegated decision-making authority to the Rates Remission Subcommittee.

21. Council has delegated authority to the following officers to approve remissions on rates penalties in accordance with this policy:

- i. Chief Financial Officer;
- ii. Senior Rates Officer;
- iii. Rates Officer;

## Policy on Refund of Property Rates

### Eligibility

22. Council may provide refunds for property rates if the current instalment period has been cleared and:

- i. a rates rebate has cleared the rates balance to 30 June and put the applicant in credit, or;
- ii. the rates account has been overpaid, or;
- iii. the rates have been adjusted resulting in a credit balance for the year, or;

- iv. there has been a change in property ownership.

## Policy on Remission for Community Halls; Sporting Organisations; Branches of the Arts; Community Care Organisations; Volunteer Organisations - Section 8 LG (Rating) Act.

### Objective

23. The remission of rates for the community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Timaru District.

24. The purpose of granting rates remission to an organisation is to:

- i. Recognise the public good contribution made by such organisations.
- ii. Assist the organisation's survival.
- iii. Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically/ socially disadvantaged people.

### Conditions and Criteria

25. The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for pecuniary profit.

26. The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

27. Organisations making applications should include, but not limited to, the following documents in support of their application:

- i. Statement of objectives.
- ii. Financial assets.
- iii. Information on activities and programmes.
- iv. Details of membership or clients.
- v. Organisation constitution.

### Remissions

28. 100% remission on non-service rates;

29. 50% remission on water charges, except water charged by the meter;

30. Recreational Organisations, excluding chartered clubs receive 50% remission on sewer charges.

## Remissions of Rates on Land Protected for Natural, Historical or Cultural Conservation Purpose

### Objective

31. Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natural, historical or cultural purposes.

## Rates Policy

### Conditions and Criteria

32. Ratepayers who own rating units that have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.
33. Land that is non-rateable under Section 8, Schedule 1 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.
34. Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanisms.
35. In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:
  - i. The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
  - ii. The degree to which feature of natural, cultural and historic heritage are present on the land.
  - iii. The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.
  - iv. The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.

- v. The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- vi. The degree to which feature of natural, cultural and historic heritage are present on the land.
- vii. The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.

### Remissions

36. 100% remission on non-service rates.
37. 50% remission on water charges, except water charged by the meter.

### Remission on Penalties

#### Objective

38. The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

#### Conditions and Criteria

39. Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.
40. Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so, once funds are received to clear outstanding monies. This includes:

- i. Humanitarian grounds.
- ii. Address problems which resulted in the rate account going to the wrong address.
- iii. The ratepayer did not receive an account.
- iv. Due to a procedure at the bank that delayed or prevented payment.
- v. The Council made a mistake.
- vi. A property has changed ownership and the invoice has been issued in the name of the previous owner and/or timing issues associated with the change.
- vii. Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.
- viii. Where no penalty has been remitted in the last two years and that ratepayer provides a reasonable explanation for the delayed payment.

41. Additionally, in the case of a deceased estate, Council may remit rates penalties from the time of death upon receipt of a letter from a Solicitor who has been granted probate, provided full payment of outstanding rates is expected within six months of the date of the letter.
42. Penalty remission may be considered as part of an agreed repayment plan for ratepayers with significant arrears as a result of financial hardship or difficulties, with remission limited to the agreement period. An agreed repayment plan requires all rates to be paid within 18 months of the agreement commencement. The remission will apply at the completion of the repayment plan, provided the terms of the plan have been adhered to.

## Rates Policy

43. Where the Council has accepted an application for payment by direct debit that will clear the rates by 30 June in the current rating year, the property will not be charged penalties.

### Remissions

44. All penalties incurred will be remitted. No penalties previously incurred will be remitted.

## Partial Remission on Dwellings Subject to a Special Rateable Value

### Objective

45. The remission of general rates is to provide relief for rating units in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer, or the private dwelling of a tenant of the ratepayer. In the opinion of Council's valuation service provider, the rateable land value of the rating unit, has been inflated due to the location of the property in relation to surrounding properties zoning and land uses.

### Conditions and Criteria

46. Rating units must be situated in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of Council's valuation service provider the rateable land value of the rating unit has been inflated due to the zoning of the property.

47. Applications for remission must be made to Council prior to the commencement of a rating year. Applications received during a rating year

will apply from the commencement of the following rating year.

48. Where an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district.

49. Values allocated under this policy are final and there is no right of objection or appeal against the level of valuation.

50. This policy will apply to all properties to which special rateable values applied at 30 June 2003 provided the use of the property has not changed.

### Remissions

51. Remissions will be granted on all rates that are levied on the rateable land value of the rating unit, and the remission will be the difference between the rates that would have been struck on the rateable land value and the rates struck under the special land value allocated under this policy.

## Remission of School Sewerage Charges

### Objective

52. To provide relief and assistance to education establishments as defined Schedule 1, clause 6 of the LGRA.

### Conditions and Criteria

53. The remission will apply to the following educational establishments:

- i. a State school, or
- ii. a State integrated school, or
- iii. specialist school;
- iv. a special institution, or
- v. an early childhood education and care centre, except an early childhood education and care centre that operates for profit, or
- vi. a private school, except a registered school that operated for profit, or
- vii. an institution.

54. The sewage disposal rate in any one year may not exceed the amount calculated in the clause immediately below.

55. The sewage disposal rate is the rate that will be levied using the same mechanism as is applied to other separately rateable rating units within the District; the number of toilets determined will be charged with the full charge.

56. The number of students in an educational establishment is the number of students on its roll on 1 March immediately before the year to which the charge relates.

57. The number of staff in an educational establishment is the number of administration and teaching staff employed by the educational establishment on 1 March immediately before the year to which the charge relates.

### Remissions

58. Educational institutions will be levied for sewage disposal on the basis of one charge per 20 pupils and staff or part thereof.

## Remission of Rates and Charges on Land and/or Improvements Affected by Natural Exceptional Circumstances

### Objective

59. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances, due to natural exceptional circumstances, which affect their ability to pay rates.

### Conditions and Criteria

60. Only rating units, where the use that may be made of the land or improvements has been detrimentally affected by erosion, subsidence, submersion or other natural disaster will be eligible for consideration for rates remission.
61. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on land or improvements affected by natural exceptional circumstances.
62. The ratepayer must be the current owner of the rating unit which is subject to the application. The application should be supported by documented evidence that the rating unit has been detrimentally affected by natural exceptional circumstances.
63. All applications will be considered on a case by case basis.
64. When considering whether extreme financial circumstances exist, all of the ratepayer's personal and business circumstances will be

relevant including the following factors: age, physical or cognitive ability, injury, illness and family circumstances, or any other factors considered as necessary for consideration under this policy.

65. Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for regular health care, proper provision for maintenance of their home and chattels at an adequate standard, as well as making provision for regular day to day living expenses.

### Remissions

66. Council may, where it considers it to be fair and reasonable to do so, remit wholly or in part, any rate or charge made and set in respect of the land and/or improvements.

## Remission of Excess Water Charges

### Objective

67. To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

### Conditions and Criteria

68. The Council may remit all or part of the excess water rates where the application meets the following criteria:
- i. The policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation;

- ii. That all applicants are requested to submit their application in writing;
- iii. That proof of the repairs to the internal reticulation be submitted for verification (i.e. plumbers repair account);
- iv. That proof be submitted for verification of the repairs being carried out promptly once the existence of a fault has been identified;
- v. That the ratepayer be charged the full amount for regular consumption;
- vi. That part or all of the excess amount be remitted.

69. The ratepayer will be charged the full amount for regular consumption of water, and the excess amount will be remitted.

## Remission on Rates for Low Value Properties

### Objective

70. To assist ratepayers who own more than one property in the district, with at least one property of very low value.

### Conditions and Criteria

71. Council may partially remit the Uniform Annual General Charge (UAGC) for ratepayers who own more than one property in the district.
72. The ratepayer must have paid at least one full UAGC, and any remission will only apply to subsequent low value properties.

## Rates Policy

### Remissions

73. The remission will be based on:

Capital Value (\$)	UAGC
0 - 20,000	\$30 contribution to UAGC
20,001 - 26,000	70% remission
26,001 - 30,000	50% remission
30,001 - 55,000	30% remission
Over 55,001	Full UAGC

74. Council may remit the UAGC where the Capital Value of a property is \$5,000 or less.

### Remission on Separate Self Contained Flats

#### Objective

75. To assist ratepayers who own properties with separate inhabitable unit/self-contained flat used only for private, non-profit purposes.
76. To remit multiple use differential on value based rates and additional service charges for separately used or inhabitable part of rating unit.

#### Conditions and Criteria

77. The Council may remit the rates where the application meets the following criteria:
- The ratepayer has submitted an application stating that the separate inhabitable unit/self contained flat is used for extended family members or private use only and is not leased, or rented for any period of the previous year and not intended so for the next rating year.

- An application has to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.

78. Where an application is approved, the Council could direct its valuation service provider to inspect the rating unit to confirm the status of the property.

#### Remission

79. Where an application is approved Council may partially remit general rates, water, sewer and refuse charges, and the property will be rated as a single residential unit.

### Remission of Rates for Development Land

#### Objective

80. To assist ratepayers who undertake significant development of land.
81. To ensure that unsold development land which is in more than one parcel, but has separate valuation assessment numbers, does not pay more than one Uniform Annual General Charge (UAGC).

#### Conditions and Criteria

82. The Council may remit the rates where the application meets the following criteria:
- Ratepayers who apply in writing providing details of the multiple lot subdivision.

- An application is submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
- The remission will only apply to development (defined as one deposited plan) where there are more than two allotments.
- The remission will be for a maximum period of three rating years.
- The remission shall cease for any allotment if:
  - Any interest in the land is passed by the developer to another party, or
  - An application for a building consent is granted, or
  - The land is developed in some other way.

#### Remissions

83. The ratepayer will receive a 100% remission on the UAGC on the second and subsequent allotments.

### Remission on Buildings Undergoing Earthquake Strengthening

#### Objective

84. To assist ratepayers who are unable to occupy their property while earthquake strengthening is being undertaken.



## Rates Policy

### Conditions and Criteria

85. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on buildings undergoing earthquake strengthening.
86. Only properties where buildings have been determined by Council to be an Earthquake Prone Building will be eligible for a remission.
87. While receiving any remission, the property (rating unit) must not be used for any purpose, apart from the earthquake strengthening work and not generate any revenue stream.
88. An application needs to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
89. The remission will only be available for a maximum of two rating years.

### Remissions

90. A remission of up to 75% of the general rate will be granted.

### Remission of Rates on Māori Freehold Land

#### Objectives

91. To ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori-owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

92. The remission of rates on Māori Freehold Land is to:

- i. Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- ii. Set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- iii. Recognise matters related to the physical accessibility of the land.
- iv. Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.
- v. Grant remission for the portion of land not occupied where part only of a block is occupied.
- vi. Facilitate the development or use of the land where Council considers rates based on actual land value make the actual use of the land uneconomic.
- vii. Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- viii. Recognise and take into account the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment.
  - The protection of outstanding natural features.

- The protection of significant indigenous vegetation and significant habitat of indigenous fauna.

### Conditions and Criteria

93. Māori Freehold Land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
94. Owners or trustees making application should include the following information in their applications:
- i. Details of the property.
  - ii. The objectives that will be achieved by providing a remission.
  - iii. Documentation that proves the land, which is the subject of the application, is Māori Freehold Land.
95. Council will maintain a register titled the Māori Land Rates Relief Register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:
- i. The Māori Land General Remissions List.
  - ii. The Māori Land Economic Adjustment Remissions List.
96. Council will review the register annually and may add properties that comply, or remove properties where circumstances have changed and they no longer comply.

## Rates Policy

97. Remissions are applied at the sole discretion of Council and may be cancelled and reduced at any time.

### Māori Land General Remissions List

98. Council will consider remission of rates on land that comes within the following criteria:

- i. The land is unoccupied and no income is derived from the use or occupation of that land, or;
- ii. The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land, or;
- iii. The land is inaccessible and is unoccupied, or;
- iv. Only a portion of the land is occupied.

### Māori Economic Adjustment Remissions List

99. Council will consider remission for land that carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

100. The remission for land recorded in the Māori Land Economic Adjustment Remissions List will be the difference between the rates as assessed and the rates that would be assessed based on the actual use of the land.

### Remissions

101. A full remission of any rates except targeted rates made for water supply, sewage disposal or waste management.

## Postponement of Rates on Māori Freehold Land

### Objective

102. To facilitate the development and use of Māori Freehold Land for economic use.

103. The policy will be applied where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

### Conditions and Criteria

104. Māori Freehold Land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for postponement under this policy.

105. Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

106. Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of Council.

107. Owners or trustees making application should include the following information in their applications:

i. Details of the property.

ii. The objectives that will be achieved by providing postponement.

iii. Details of the proposed development.

108. Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

## Rates Postponement Policy

### Objective

109. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

### Conditions and Criteria

110. Only rating units used solely for residential purposes will be eligible for consideration.

111. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances.

112. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application.

113. The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

## Rates Policy

114. The ratepayer (or authorised agent) must make an application to Council.
115. Council will consider, on a case by case basis, all applications received that meet this criteria.
116. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
117. Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
118. Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
119. Any postponed rates will be postponed until:
- i. The death of the ratepayer(s); or
  - ii. Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
  - iii. Until the ratepayer ceases to use the property as his/her residence; or
  - iv. Until a date specified by the Council.

120. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating depending on the circumstances.
121. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
122. Postponed rates will be registered as a statutory land charge on the rating unit title. This allows Council to have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

### Fees and Charges

123. Council will charge an annual administrative fee of \$100 on postponed rates for the period between the due date and the date they are paid.
124. The ratepayer will be required to pay the first \$1,000 of the rate account.

### Waiver of small debt

125. The Rates Team Leader may make an application to the Chief Financial Officer to waive a small debt deemed not cost effective for Council to recover.
126. The Chief Financial Officer must give consideration to the size of the debt, the likelihood of collection, the ability of viable collection avenues and amount of exertion required to collect the debt.

127. A waiver is abandoning the right to not collect on this debt; it does not disestablish the debt. It does not preclude Council from re-raising or re-seeking this debt at a future point in time, if the conditions in this policy no longer prevail or circumstances change.

## Part Two – Rating District Halls/ Community Centres

### Background

128. There are a number of halls and community centres across the district that are owned by not for profit organisations. This mechanism of utilising a Community Centre Rating District allows the cost to be spread across the community that uses and benefits from the halls and centres.

### Definitions

129. Community Centre Rating District – is the area defined on a map that indicates all properties surrounding the hall or community centre that receive a targeted rate.

### Policy Statements

130. That the minimum community support required before a Community Centre Rating District can be considered and established be 80% of the ratepayers within the particular area concerned.

## Rates Policy

131. That the amount of the targeted rate be reviewed in conjunction with the communities' five years from the date is first set and thereafter every three years in conjunction with the preparation of the Long Term Plan.
132. That Community Centre and Hall Communities Committees be able to amend the amount of the targeted rate provided 80% of ratepayers in the Community Centre Rating District agree with the change.
133. One ratepayer from each rating unit is able to represent the view of the ratepayers for the rating unit.
134. New rates are only to be added in conjunction with the Council preparing a Long Term Plan.
135. That a 2% administration charge be received for all Community Centre Rating Districts.

# Summary of Significant Forecasting Assumptions

The Long Term Plan and its supporting documents rely on certain assumptions about anticipated changes in our district. However, it's important to note that all assumptions inherently carry a degree of uncertainty. The level of uncertainty depends on two key factors: the likelihood of the assumed event occurring and its potential financial impact. Consequently, the reliability of the forecasts within our plan may vary across different aspects. In preparing our financial projections, we have made several significant assumptions, drawing upon industry expertise and best practices.

The financial information presented is based on the best available estimates and assumptions about potential future events, economic shifts, and the overall domestic and global economic climate. These estimates and assumptions represent our most informed projections given the current circumstances.

The cost forecasts were based on price change projections from BERL and Infometrics, who provide such forecasting services for councils' Long-term Plans. Their price indices were used to adjust both

operating and capital budgets to account for expected future cost increases. The assumptions for borrowing and investing interest rates were derived from projections provided by Bancorp Treasury, a financial advisory firm specialising in such forecasts. Additional assumptions have been made by considering data and projections from Statistics New Zealand (Stats NZ) and Infometrics. The significant forecasting assumptions we have employed aim to provide a consistent and well-justified foundation for the development of our Long Term Plan.

The following significant general and financial forecasting assumptions are assumed for the life of this Long Term Plan (2024-34):

Assumption	Source of Base Information	Confidence Level	Risk Level	Uncertainty Level	
<b>Population and Growth Assumptions</b>					
1.1	Population Growth	Stats NZ & Infometrics	High	Low	Low
1.2	Demographic Change	Stats NZ & Infometrics	High	Low	Low
1.3	Household Change	Stats NZ & Infometrics	Moderate	Low	Low
1.4	Economic, Industry & Employment Growth	Infometrics, Venture Timaru, Dot Loves Data	Low	Moderate	High
<b>Council Operational Assumptions</b>					
2.1	Council Political Structure	Future for Local Government Review	High	Low	Low
2.2	Joint or Shared Service Arrangements/CCOs	Statement updated to reflect current status & Parliament	Moderate	Moderate	Moderate
2.3	Levels of Service	Statement updated to reflect current status	High	Moderate	Moderate
2.4	Resource Consents	Statement updated to reflect current status	High	High	Low
2.5	Staffing Levels & Accommodation	New Assumption	High	High	Moderate
2.6	Strategic & Significant Assets	Activity Management Plans (AMPs)	Moderate/High	Low	Low

Assumption	Source of Base Information	Confidence Level	Risk Level	Uncertainty Level	
<b>External Assumptions</b>					
3.1	Three Waters Service Models	Local Water Done Well Policy	Moderate/Low	Moderate	Moderate
3.2	Forecast Costs	New Assumption	Moderate	Moderate	Low
3.3	Legislative Requirements on Council	Parliament, Taituarā Guidance for Local Government Series	High	Moderate	Moderate
3.4	Climate Change	NIWA Climate Change Projections, IPCC Assessment Meteo	High	Moderate	Moderate
3.5	Pandemics	World Health Organisation R&D Blueprint for Epidemics	High	High	Low
3.6	Natural Hazards & Emergency Events	Ministry of Civil Defence & Emergency Management	High	High	Moderate
3.7	Disruptive Technology/4th Industrial Revolution	National Cyber Security Centre (Te Tira Tiaki)	High	Moderate	Moderate
3.8	Resource Availability	International Monetary Fund (IMF) and New Zealand Trade and Enterprise (NZTE)	High	Moderate	Moderate
<b>Financial Assumptions</b>					
4.1	Inflation	BERL Economics (Taituarā prepared)	Moderate	Moderate/High	Moderate
4.2	Interest Rates on Borrowing	Bank Information	Low	Moderate	Moderate
4.3	Return on Investments	Portfolio advisors and Timaru District Holdings	Low	Moderate	Low
4.4	Funding Sources	Statement updated to reflect current status	Moderate	Moderate	Low
4.5	NZTA Waka Kotahi Funding Assistance	NZTA Waka Kotahi	Moderate	Moderate	Moderate
4.6	Credit Availability	Statement updated to reflect current status	Moderate	Low	Low
4.7	Rating Base	Rating Database	Moderate	Low	Low
4.8	Landfill Aftercare (Closed Landfills)	Statement updated to reflect current status, WOL modelling	Moderate	Moderate	Moderate
4.9	Emissions Trading Scheme	EPA & Market basis	High	Moderate	Moderate
4.10	Costs	Statement updated to reflect current status	Moderate	Low	Moderate
4.11	Capital Delivery	Statement updated to reflect current status; AMPs	Moderate	Moderate	Moderate
4.12	Theatre Royal and Heritage Centre Project Commencement and Funding		High	Low	Low
4.13	Non-Current Asset Revaluation	Statement of Accounting Policy	High	Low	Low

## Significant Population & Growth Forecasting Assumptions

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>1.1 Population Growth</b></p> <p>Assumption: Timaru’s population is projected to increase to 49,700 by 2033, reaching 51,600 in 2053 (0.2% average annual increase).</p> <p>Population growth has been slow in the Timaru District with an increase of 5,000 people over the past 27 years. After peaking at 1.6% in 2016, it has slowed significantly from 2021-23 due to COVID-19 impacts, resulting in zero growth for 2022 calendar year, but rising to 0.8% Year on Year (YoY) to Sept 2023. As immigration picks up, population growth is projected to resume but will likely be at a slower rate than previous projections. A lower rate of growth is projected in the 2040s as employment growth wanes, reaching an estimated population of 51,600 in 2053.</p> <p>Population projections do not represent forecasts but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail.</p> <p>In recent years the ‘natural’ population increase has been negative, with the number of deaths exceeding births. This reflects the age makeup of the Timaru District population. Growth will be reliant on net migration, which was at 0.00% in 2021-22 (attributed to the effects of Covid-19 with closed international borders) but did increase to 0.8% in 2022-23.</p> <p>Based on medium population projections from Stats NZ (2018 Census data updated in December 2022).</p>	<p>Population change across the district occurs at a higher or lower rate than expected, or shows no change at all.</p>	<p>A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community. A stable population with no significant or consistent growth may impact on future service provisions, requiring Council to consider changes in service levels to maintain affordable rates for the existing population.</p> <p>A significant and consistent rise in population may adversely affect the ability of Council to deliver some services to existing service levels.</p>	<p>Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service. Declines in population will not necessarily result in a lower number of ratepayers as the number of people per household is declining.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work.</p> <p>Costs over this amount may result in additional Council expenditure which is likely to be funded out of debt.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
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**1.2 Demographic Change**

Assumption: The District’s population will age significantly and become more ethnically diverse over the next thirty years.

Timaru District has a higher than average ageing population compared to all of New Zealand, showing a projected increase of close to 30% of seniors aged 65+yrs. The consecutive decrease of younger people, particularly those in the workforce from ages 15-39, has implications for delayed retirements and burdens on aged care services, including housing stock, health care, and pensions. Ethnic diversity will increase with the largest projections for Asian peoples; however increases of ethnic populations will not change their minority status, as 85% of the population in 2053 is projected to be European or Other.

Based on medium population projections from Stats NZ (2018 Census data updated in December 2022).

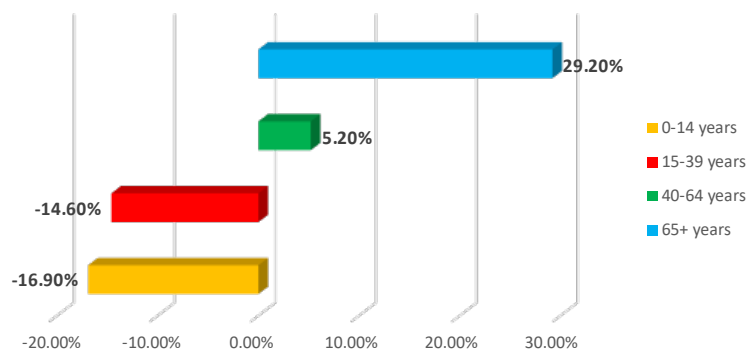
Demographic changes across the district occur at a higher or lower rate than expected.

Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower levels of service. It could also lead to a mismatch of service levels to the community expectations. As the population ages, this may lead to increasing affordability issues due to increasing numbers of residents on fixed incomes.

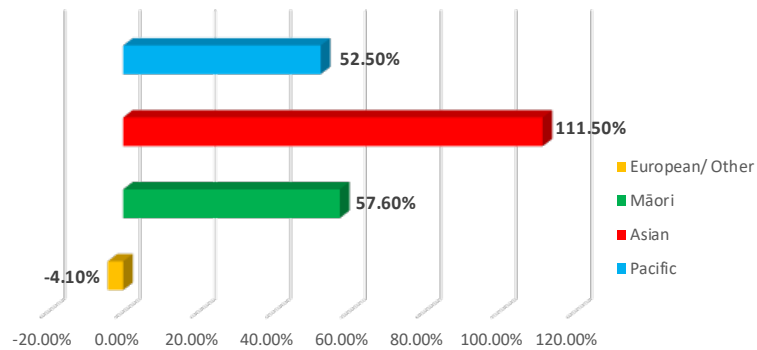
Council will continue to monitor demographic change in the District and adapt or redirect service levels and activity provision to meet needs where possible within reasonable costs. It will consult with targeted groups on service levels where necessary.

Council’s Age Friendly Strategy will provide frameworks to alter services to suit the changing demographic profile of the community. Options exist where affordability issues may arise including rates postponement.

Age Demographic Change 2023-2043



Ethnic Diversity Change 2023-2043





Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
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**1.3 Household Change**

Assumption: The number of households in the district is projected to increase from 21,000 in 2023 to 23,800 in 2043. The average household size will decrease from 2.34 individuals per household in 2023 to 2.30 in 2043.

Timaru District household change has historically been characterised by steady growth of households, with pockets of stronger growth in urban centres in Timaru, Geraldine, Temuka, and Pleasant Point. Household size is declining due to a combination of factors including an ageing population, increasing life expectancy and societal trends including couples having fewer children. Household projections do not represent forecasts but indicate what future households will be if the underlying assumptions prevail.

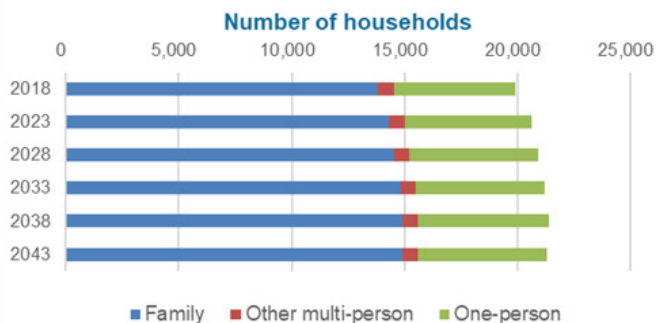
Based on medium population projections from Stats NZ (2018 Census data updated in December 2022).

Household change across the district occurs at a higher or lower rate than expected.

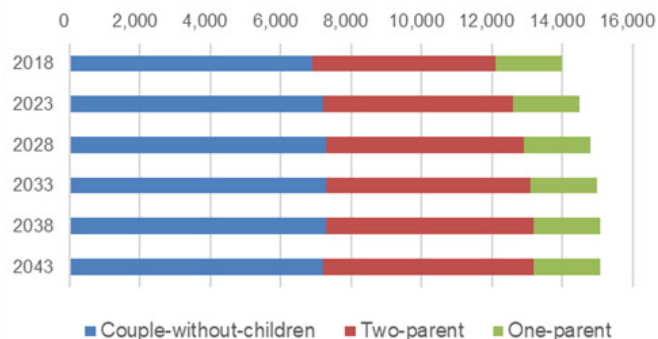
A slower rate of household growth may mean some activities have over invested in infrastructure resulting in over-capacity. A higher rate of growth in households may mean some activities have under invested in infrastructure and services resulting in having a lack of capacity for the community.

Council will continue to monitor household change in the District. Existing infrastructure is being managed to address specific growth factors associated with an activity (e.g. traffic demand) which may be generated from an increase in households. Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work.

**Household numbers and type, Timaru District  
Medium projection, 2018(base)–2043**



**Family numbers and type, Timaru District  
Medium projection, 2018(base)–2043**



Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>1.4 Economic, Industry &amp; Employment Growth</b></p> <p>Assumption: Economic growth will continue to stay strong in Timaru District, driven by local industry and contributing to the District’s low unemployment levels.</p> <p>Economic projections are highly uncertain due to the extenuating global and national factors that have impact on the local economy. Government regulations can, and do, change with changes in governments and these have trickle down effects in areas like Timaru that rely heavily on the primary sector for its GDP and employment.</p> <p>In 2022, Timaru’s GDP growth was greater than the NZ national figures, up 5.8% from the previous year. Unemployment figures were lower than the national average, with a 14.3% drop in 2023 from the previous year to a low of 3.4% on the job seeker support.</p> <p>Disparity exists in the disproportionate number of Māori and Pasifika on either the means-tested benefit or single parent support, which shows no sign of reduction over time. It is projected that employment in the healthcare, education, training, and social assistance sectors will grow over the next thirty years. This reflects the shift from other industries that adopts more technology to replace manual labour, which will require education and training to upskill into new career pathways, and the projected growth in the health industry with an ageing population.</p> <p>Based on projections from Infometrics 2020 Timaru Report, Venture Timaru’s Economic Development Strategy 2021, and Dot Loves Data Community Compass Quarterly Report for Timaru District (March 2023)</p>	<p>Economic, Industry and Employment growth is lower or higher than forecast due to external factors, such as a slower or quicker than predicted global recovery from the global recession (lingering Covid-19 supply chain issues which have been exacerbated by the Russian invasion of Ukraine), or other limitations to accessing the global market affecting export demand for primary produce, and limiting overseas migration which the primary sector relies upon for workers.</p>	<p>Changes to projected growth may impact on the demand for certain Council services (e.g. water supply, sewer, waste). This may impact on the cost of the service or provision of over/under capacity (depending on the nature of the change).</p>	<p>Council continues to support employment growth and address disparities through the Mayoral Taskforce for Jobs initiative. Ongoing monitoring of the economic climate of the Timaru District to help position Council to support any changes to the industry profile. Council supporting local industry through the Business Improvement District initiative for Central Timaru businesses.</p>

## Significant Council Operational Forecasting Assumptions

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.1 Council Political Structure</b></p> <p>Assumption: The outcome of the Representation Review in 2024 will result in no significant changes to the Council’s political structure and there will not be any amalgamation with other councils within the next ten years.</p> <p>Representation Reviews are required every six years and Timaru has shown to have adequate representation for its population in previous reviews. Due to the lack of population growth, It is unlikely that there will be any need to adjust the representation numbers. With the low Māori population in the District (~10%), it is not thought that the threshold to establish a Māori Ward is feasible for this Representation Review.</p> <p>The Future for Local Government Review outlines 17 recommendations including adopting a four-year election term, lowering the thresholds for Māori wards, appointing Māori representation onto councils, and changing voting systems to lower the voting age to 16 and adopting the universal STV system for all councils. However, amalgamation is not amongst the recommendations, and it is unlikely this will be pushed by any government for this LTP period.</p> <p>Based on the Review into the Future for Local Government Report (2023) He piki tūranga, he piki kotuku.</p>	<p>Changes in the political structure are made either through amalgamation with other councils, legislative changes to the LGA, the community votes for changes through the Representation Review, or a Māori Ward is established.</p>	<p>Changes in the political structure could either be minor or major depending on the nature of the changes. For example, an amalgamation will have a significant impact on the delivery of Council services.</p>	<p>Any changes in political structure will occur through either the Representation Review processes, or formal processes driven either by the community, Council, or central government. Council will monitor the community and legislative sentiment regarding changes to political structure.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.2 Joint or Shared Service Arrangements/CCOs</b></p> <p>Assumption: Existing joint arrangements or shared service arrangements or Council Controlled Organisations (CCOs) are expected to remain and new joint arrangements, shared service arrangements or CCOs are likely to happen over the life of this LTP.</p> <p>The findings of the Coalition Government’s Working Advisory Group (WAG) for the Local Water Done Well Policy may result in joint/shared service arrangements for drinking water, waste water, and/or stormwater services. Should legislation be passed to empower councils to voluntarily establish joint entities (such as CCOs) that enables better borrowing capacity for core water infrastructure, it is possible this could be seriously considered as an option for Timaru to join with neighbouring councils.</p> <p>Based on current legislation and the Local Water Done Well Policy.</p>	<p>New joint arrangements are proposed due to circumstances beyond the Council’s control or existing arrangements become no longer tenable.</p>	<p>Additional costs may be created as the result of the failure of an existing arrangement, or the desire or need for a new arrangement. Efficiencies may be made through shared services and CCOs.</p>	<p>Joint arrangements or shared service arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis. Council will have a robust performance management system in place for all joint or shared service or CCO arrangements. Where government legislation is involved, this will be monitored for any impacts on joint or shared service arrangements.</p> <p>Under Section 17A of the Local Government Act 2002, Councils are required to review the cost-effectiveness of current arrangements including governance, funding and delivery of activities every six years. The full review for water services due in 2023 has been deferred until 2024/25 due to resource constraints and lack of capacity.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.3 Levels of Service</b></p> <p>Assumption: Service levels will likely change for some activities to reflect value for money to ratepayers, with rating adjustments made accordingly to enable the delivery of those services at those levels.</p> <p>Service level increases may be initiated from increased community expectations or demand, or there may be a need to reduce levels of service within the district due to affordability issues, or significant service level changes may be required as a result of government legislation, regional or district policy. The way that services are provided or delivered may change and this may subsequently have a significant effect on service levels.</p> <p>Based on Council discussions and community feedback.</p>	<p>Changed service levels are demanded by the community or required by the government on local authorities in one or more areas of activity, which may also be driven by focusing on the value for money in some services. Levels of service may decrease due to the impacts of climate change, where the cost of maintaining the level is prohibitive, or due to physical changes the service is no longer possible.</p>	<p>Service levels continue to rise without consideration of value for money, which increases rates and need for additional resources.</p>	<p>Council regularly monitors existing service provision within its operations and reviews and sets levels of service through activity management planning and corporate planning processes.</p> <p>Service levels may change due to technology enhancements.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.</p> <p>Significant changes in service levels will be confirmed with the community via consultation. These may require increases to fees or rates, depending on how the service involved is funded, or by reducing the levels of service to stay within current budget limits.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.4 Resource Consents</b></p> <p>Assumption: The conditions of new and renewed resource consents required by Council during the period of this plan will be more rigorous and will likely take longer to obtain.</p> <p>Resource consents due for renewal can be found within the relevant Activity Management Plans for individual activities. National Policy Statements and National Environmental Standards have increased the work required to process consents, and compounded with staff attraction and retention issues, has resulted in a backlog of consents and significant delays in processing.</p> <p>With legislation changes on the horizon from the Coalition Government around RMA, the professional development requirements to stay abreast of new processes and legislative changes will put further pressure on planning professionals and could impact consent processing times and increase costs.</p>	<p>A resource consent is not obtained or renewed or conditions imposed are unacceptable.</p>	<p>The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity.</p> <p>A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of resource consents may delay project benefits or increase Council's risk.</p>	<p>Appropriate planning for resource consent applications/renewals should ensure that they are obtained. All project planning will include planning and a risk assessment of resource consenting. Council will maintain the resource consent database.</p> <p>Monitoring compliance with existing resource consent conditions will provide a record of compliance for future processes and renewals. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.5 Staffing Levels and Accommodation</b></p> <p>Assumption: Staff numbers will increase to more FTEs being needed by the end of 2033/34, associated with changing local government responsibilities, economic growth, and increasing customer expectations.</p> <p>Timaru District Council has experienced challenges with recruitment and retention in a tight labour market during times of low unemployment within the District. This has resulted in Council contracting external support as necessary to ensure statutory deadlines are met and key milestones on capital and operational projects are achieved; however Timaru has fewer staff and consultants than neighbouring councils or councils of a similar size throughout the country.</p> <p>With the current growth in staff numbers due to increased responsibilities and legislative standards to be met, pressures on accommodating staff are evident and space is at a premium with a high number of vacancies in positions. Council’s current office buildings are not adequate to meet the need for existing staff to operate productively and the future growth in staff numbers. No budget provision has been made for a substantial change for the current building footprint for the King George Place facilities, with earthquake strengthening required for the South Block building.</p> <p>With the uncertainty about the long-term future of the Three Waters portfolio being out of Council, it cannot be assumed that the office space pressures will be alleviated by the relocation of the Three Waters units. If Council continues to offer hybrid working-from-home arrangements, space pressures can be managed but it is not likely this can be sustained indefinitely as more staff are needed for future requirements.</p>	<p>Staffing requirements grow to a lesser extent or more slowly because of efficiencies, improved information technology, or changes to Council’s functions; alternatively, the staffing requirements grow to a greater extent or more rapidly than assumed.</p>	<p>If the staffing level remains as is currently with several vacancies and the staffing numbers grow slowly, earthquake strengthening, and potential expansion/ refurbishment of the South Block could occur to expand available office space.</p> <p>If staffing levels increase more rapidly, there will be an urgent need to supplement existing capacity through additional office accommodation. This may have to be funded either through increased rates or borrowing for capital expenditure to earthquake strengthen and refurbish South Block or defer another capital works project to accommodate this need.</p>	<p>Council will continue to monitor the office space allocation and allow for flexible working arrangements to relieve pressures of needing desk space.</p> <p>A workforce planning assessment to help determine the staffing and space needs, with a timeline, will be conducted in 2024/25 to better inform future civic office needs.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>2.6 Strategic and Significant Assets</b></p> <p>Assumption: Council will retain its involvement in the management of strategic and significant assets (as listed in the Significance and Engagement Policy), including the Three Waters assets post-July 2026. Council will maintain various reserve funds for cash-funded depreciation of assets, addressing extreme weather events damage, and will borrow if there is a shortfall in the total funding required for asset renewals, upgrades, or replacements..</p> <p>The management of assets will include maintaining the asset information to ensure it is reliable and accurately reflects the condition and performance of those assets. It is assumed no assets will fail but will require ongoing renewal and upgrades before being replaced at the end of their economic life, save for damage from extreme weather events.</p> <p>Council has moved to a fair value measure for its revaluation system of property, plant, and equipment assets. Useful lives of significant assets are detailed in Asset Management Plans which provide information to support the replacements and renewal of Council infrastructure. Useful lives used in the calculation of depreciation are stated in the Council's Accounting Policies under depreciation.</p> <p>Significant Assets refer to key infrastructure assets such as sewer, water supply, stormwater, waste management, roading and key community facilities.</p>	<p>Significant assets fail sooner or later than estimated or are not adequately covered for the replacement cost during revaluation, or there is a change made in legislation around the ownership of assets (such as water assets).</p>	<p>A major change in the useful life of a significant asset or a flawed revaluation may have significant financial and community repercussions, including increasing the cost of repairing or replacing the asset to current or improved service levels and the loss of use of the asset for the period it is out of action. If a new entity was established to look after existing Council water assets, such as a CCO, there is likely to be a loss of control of data and information.</p>	<p>Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing and many are subject to regular "fair value" revaluations. Annual revaluations are undertaken for investment properties and forestry assets.</p> <p>Where an asset wears out earlier than anticipated, mitigation may also involve reprioritisation of the capital work programme.</p> <p>Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.</p> <p>Council will continue to invest in and gather good quality asset data. Where there is potential for failure of an asset, intensive data work should be funded. Council will continue to operate a risk management system across all its activities and is planning on its water assets remaining in its control.</p>



## Significant External Factors Forecasting Assumptions

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.1 Three Waters Service Models (Local Water Done Well)</b></p> <p>Assumption: Timaru’s Three Waters assets ownership and management will remain within Council’s control for the life of this LTP.</p> <p>The changes made to legislation over the past few years has been tumultuous for long-term planning over Water Services within councils; however, the repeal of the previous government’s acts has resulted in Timaru’s plan to keep all three water activities within its LTP to be prudent.</p> <p>Currently the Coalition Government has established a Local Water Done Well Working Advisory Group to help implement its policy for local authorities to explore different ways to deliver water services that will meet the higher standards, including joint service delivery arrangements or establishing CCOs.</p> <p>Timaru is well positioned to retain full ownership and management of its water assets, establish its own CCO to manage it on its behalf, or to consider shared service models with neighbouring councils either through joint arrangements or a jointly-owned CCO.</p>	<p>Legislation changes are passed under urgency in Parliament that Council must implement immediately.</p>	<p>Legislative changes require a set service delivery method for water services that does not serve the Timaru community’s best interests.</p> <p>If a reform goes ahead that removes the control of these assets from Council, it will have a significant impact on the services that are provided and therefore potentially the funding available.</p>	<p>We are planning for the future of water services assets in this Long-Term Plan under the assumption that we will continue to own and operate them, albeit with higher standards of both water quality and reduction in environmental impact, and asset management practices. We will continue to monitor proposed changes as they develop.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.2 Forecast Costs</b></p> <p>Assumption: Forecast costs for the capital programme will be close to those actually incurred, noting that the significant variations is heightened by a combination of the size of the proposed programme, the programme including several relatively large projects which the Council has very limited recent experience with, and a competitive contracting market. The Council will adjust its capital programme so there is no impact on rates and borrowings.</p>	<p>Market volatility may affect prices received as part of tendering processes for future work.</p>	<p>Significant cost increases for major projects may undermine the viability of those projects and affect overall council capital delivery.</p>	<p>Ensuring that our project forecasts are based on solid experience and knowledge based data, or in the absence of this that a proper independent Quantity Surveyor (QS) process is followed on major projects with a high level of uncertainty.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.3 Legislative Requirements on Council</b></p> <p>Assumption: The dynamic landscape around legislative changes will have implications for the potential increase in responsibilities of Council to implement and manage these changes.</p> <p>The new coalition Government had a 100-day plan that signalled changes (and reversal of planned changes) to legislation. These changes may have a significant impact on Council’s day-to-day work, so agility and adaptability is paramount. We also facing more pressure to comply with increasing standards The costs of meeting these changes can be significant, such as the upgrades to our drinking water treatment plants that are required to meet health standards or health and safety regulations that require immediate implementation.</p> <p>Changes made to the Waste Minimisation Act require additional commitment from Council to allocate almost six times the total of Waste Levy Funds for Waste Minimisation initiatives for the Timaru District. Climate Change legislation is requiring stricter reporting requirements on Council’s carbon footprint and how it is reducing this to meet New Zealand’s commitment to meet its carbon reduction targets, and new Building Act and Building Code legislation strengthen safety requirements.</p> <p>Based on reform legislation currently passed by Parliament and Taituarā’s Guidance for Local Government Series.</p>	<p>Legislation changes passed under urgency in Parliament that Council must implement immediately.</p>	<p>Council will need to adjust quickly to new requirements by either hiring additional resource or contracting support services in order to meet legislative requirements.</p>	<p>Where legislation requires review of our processes or staffing, we will seek to achieve the most efficient and cost-effective way forward. However, if we are required to provide additional services or increased levels of service, this may require increases to rates or user fees.</p> <p>We will submit on legislation where appropriate to encourage reduced or improved impacts on our operations and value for money for ratepayers. We will also continue to participate in the planning, development, revision, implementation, monitoring and reporting related to regional strategies and policies and to represent the district’s interests and contribution to the region.</p> <p>Any changes in political structure will occur via the representation review processes or through formal processes driven either by the community, Council, or central government.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.4 Climate Change</b></p> <p>Assumption: There will be an increase of extreme weather events that will challenge traditional expectations and responses; hence Council is integrating the risks of climate change and mitigating actions in all its relevant activities and infrastructure management.</p> <p>Timaru’s climate is becoming warmer, with record high temperatures in autumn 2023, an average 1.5°C increase in July, and projections showing further warming expected. There is also an increase in heavy rainfall events.</p> <p>This climate change makes Timaru susceptible to infrastructure damage like bridges, roads and utilities being impacted during extreme weather. Coastal areas, farmland and infrastructure face threats from rising sea levels and increased coastal flooding.</p> <p>Some communities may struggle to adapt due to limited land availability for retreat and financial constraints like higher energy and insurance costs.</p> <p>The agricultural sector may need to transition as traditional crops become less viable and pest control needs increase, though new opportunities could emerge.</p> <p>Recent floods have damaged bridges, roads and exposed landfill waste near rivers. Coastal erosion also threatens old landfills near the shoreline.</p> <p>With Timaru’s coastal location, sea level rise severely threatens residents and the port, jeopardising major local industries.</p> <p>Based on NIWA Climate Change Projections for NZ (IPCC Assessment), Meteo.com Timaru Climate Change information.</p>	<p>Climate change impacts on Council critical infrastructure, public utilities, and core services across the district at a higher and more severe rate than expected.</p>	<p>A higher rate of climate change effects may mean Council has under invested in infrastructure protection, so facilities and assets are not able to withstand higher temperatures and/or severe weather events.</p> <p>Poor planning for business continuity, or not taking the threats of climate change seriously, could result in disrupted services that creates a lack of capacity for the community, with vulnerable people more at risk of suffering the consequences.</p>	<p>Council has in-house climate change resource to track data and measure the council’s carbon footprint, with the goal of reducing greenhouse gas emissions. Council aims to protect communities through asset management, CDEM planning, and district planning that accounts for extreme weather events.</p> <p>Emergency planning focuses on developing community response plans across the district. There are fewer risks to critical infrastructure from sea level rise since most assets are not coastal, aside from Redruth Landfill. River mouth communities have evacuation plans for flooding.</p> <p>The district plan considers increased coastal hazards and localized climate risks, including improving stormwater infrastructure in flood-prone areas. The council adopted a Climate Change Response Policy and is developing an action plan. It funded a Climate Change Strategy to coordinate a multi-agency approach to reducing climate risks and meeting emission reduction targets.</p> <p>All council divisions have evaluated climate risks and mitigation for their planning over the LTP period, and will work to incorporate climate change mitigation into daily operations.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.5 Pandemics</b></p> <p>Assumption: Viral and bacterial outbreaks creating global pandemics will occur again.</p> <p>The World Health Organisation (WHO) has identified the nine viruses and bacteria with pandemic potential that it is advising governments and organisations to prepare for in future. These include the Nipah virus, Crimean—Congo haemorrhagic fever, Lassa fever, Rift Valley fever, Zika, Ebola &amp; Marburg viruses, MERS, SARS, and allowing for future genetic mutations the WHO highlights potential for an as-yet unknown disease to become a pandemic that it calls Disease X.</p> <p>New Zealand’s experience with the Covid-19 pandemic was an effective but costly response that saw the mortality rate far below other developed countries, including island nations. The high vaccination rate helped to limit the spread and reduce the mortality rate, but showed the flaws in the public health system.</p> <p>The WHO recommend the bolstering of the public health system by the governments for all countries, and for organisations to have adequate planning to accommodate future pandemics with regards to workforce pressures, vaccinations, and business continuity measures in place as much as practicable should universal lockdowns occur in future.</p> <p>Based on World Health Organisation R&amp;D Blueprint for Epidemics, 2022.</p>	<p>Pandemics occur more frequently and interrupt business operations and wider society through preventative measures to contain spread.</p>	<p>International lockdowns and immigration freezes impact adversely on Council’s resourcing (for staff and materials due to supply chain issues), plus sickness and quarantines impact on Council’s ability to deliver services.</p> <p>Demand for service levels change and could create more logistical mechanisms to help contain disease spread which creates more demand on staff resources.</p> <p>Lockdowns and business closures could increase unemployment which could impact on ratepayer’s ability to pay their rates, creating financial downturns and further impacting on Council’s ability to maintain service delivery.</p>	<p>Council will continue to work on its pandemic planning and business continuity planning, and maintain monitoring global trends and health updates as necessary.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.6 Natural Hazards &amp; Emergency Events</b></p> <p>Assumption: Natural hazards such as flooding, erosion, drought and other extreme weather events will be regular occurrences and make up a large part of civil defence emergencies throughout New Zealand, and particularly for Timaru’s braided rivers and river mouth communities.</p> <p>Timaru District is prone to natural hazards due to its proximity to the Alpine Fault (a 75% probability in next 50 years) and being located on the Canterbury Plains which has always been susceptible to flooding and erosion. Communities are becoming more challenged by regular events directly impacting their own wellbeing or by witnessing extended whanau being displaced or impacted by the economic realities of increased insurance costs or other fiscal requirements.</p> <p>Emergency Management’s role is increasing with the need to support other agencies in coordination during complex events. Flooding events in the past few years have had impacts on the District’s infrastructure programme, requiring repairs and replacement of critical infrastructure as well as support for displaced residents who have had to be evacuated from their homes.</p> <p>As these events can occur suddenly without warning, Council has had to provide for emergency funding and interrupt its normal service delivery programme on many occasions to respond to the immediate and urgent needs of the community, compromising the likelihood of being able to deliver levels of service for normal activities. Additionally, staff wellbeing for personnel undertaking EOC duties on top of normal workloads in high stress response situations is a critical aspect that impacts on service delivery.</p> <p>Based on information from Ministry of Civil Defence and Emergency Management and CDEM Canterbury.</p>	<p>Emergency events due to natural hazards or pandemics could occur more frequently and more severely than expected.</p>	<p>Council is unable to respond adequately to the increased needs of its community during emergency events from flooding, erosion, drought, earthquakes, tsunamis, or pandemics and cannot complete its planned work programme or sustain levels of service to the community without additional support from central government.</p>	<p>Council will continue to protect the community through its asset management, CDEM, and district planning activities. The vulnerability of any infrastructure to coastal erosion or inundation is taken into account in all asset planning and replacement, and coastal communities have evacuation plans in place to help in times of flooding.</p> <p>Community resilience and facilities will continue to be strengthened by education and strategic improvements. Council also monitors the geological science updates from GNS (i.e. Project AF8) and is an active member of the Canterbury CDEM Group.</p> <p>The Local Authority Protection Programme Disaster Fund Trust (LAPP) which Council belongs to provides a level of assurance in addition to Council’s insurance cover that emergency works and infrastructure repairs (except for roads) will be done as necessary.</p> <p>Council would also expect in extreme emergencies under declaration that central government support would be provided.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.7 Disruptive Technology (4th Industrial Revolution)</b></p> <p>Assumption: Technology will continue to improve and develop at a pace faster than the public sector can keep up with, presenting challenges for cybersecurity and data integrity.</p> <p>Technology is progressing at a rate that is faster than local government’s ability to adapt, and in the Fourth Industrial Revolution the technological advances are replacing cognition instead of replacing physical labour as in previous times. Some technologies such as Artificial Intelligence (AI) like ChatGPT, Virtual Reality (VR), or cybersecurity attacks may disrupt Council’s processes if not adequately safeguarded against. Tools such as ChatGPT or VR have legitimate uses to enhance or streamline some communication tactics, but without clear protocols of how and when they can be used, they may misrepresent information to or about the Council as there are no security measures to ensure accuracy or truthfulness in these technologies at present time.</p> <p>Cybersecurity attacks are becoming more sophisticated and diverse; they can potentially cost millions (on average they cost \$16m per year of financial loss nationally) and shut down core systems which can affect Council’s levels of service. The Russian invasion of Ukraine presents the most significant threat to New Zealand through an indirect malicious cyberattack that affects a critical supply chain. New Zealand has also been the recipient of Chinese state- sponsored cyberattacks that affected Microsoft emails of local national organisations; with the GCSB identifying 30% of serious malicious cyber activity attributed to various state- sponsored actors.</p> <p>Based on National Cyber Security Centre (Te Tira Tiaki) Cyber Threat Report 2021/22.</p>	<p>Council could suffer from a cyber security attack to its IT systems which may result in a compromise of personal privacy or financial records and/or is inadequately prepared to manage the transition towards the Fourth Industrial Revolution.</p>	<p>If Council does not commit the resource into enhancing the IT unit’s function, it could potentially be vulnerable to misuse of data or a misrepresentation of information from advanced technologies such as ChatGPT or VR.</p> <p>Cyber security threats are evolving as the international political landscape becomes more volatile and Council’s IT systems could be compromised by malicious malware, ransomware, phishing/credential harvesting, scams and fraud, and unauthorised access.</p>	<p>Council will continue to keep abreast of technological developments and use the appropriate systems to help provide communities with data and give them a way to engage with Council safely. By ensuring the cyber security protocols are adhered to (updated licences, staff training on phishing and email scams, etc.),</p> <p>Council can help reduce the risks posed by external cyber-attacks and help to protect Council’s data. Council needs to ensure sufficient resourcing is invested into IT to enable the agility to respond to new technologies appropriately over the next ten years.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>3.8 Resource Availability (Contractors and Materials)</b></p> <p>Assumption: Resources will be under pressure for a considerable amount of time due to the lengthy issues with supply chain logistics, having enough contractors, and the availability of materials.</p> <p>Supply chain issues arose from the Covid-19 pandemic which caused disruption to shipping routes and the supplying of goods to remote places like New Zealand. The Russian invasion of the Ukraine has exacerbated the supply chain issues, creating a long-term situation where shortages of materials from overseas is a dominant theme for most contractors.</p> <p>Additionally, with low unemployment and the lack of international migration of workers, most organisations and contract companies face staff shortages and delays in the delivery of projects.</p> <p>Project management for all infrastructure activities, including vertical infrastructure, must now allow for delays of arrivals of materials or increased prices, and take this into account when determining timelines and milestones.</p> <p>Based on International Monetary Fund and New Zealand Trade and Enterprise information.</p>	<p>Council is unable to deliver key projects or programmes of work on time or on budget due to supply chain issues, the unavailability or increased costs of materials, and lack of staffing by contractors.</p>	<p>Supply chain issues delay projects for extended periods of time as necessary materials cannot be supplied to meet key project milestones, and/or contracting staff shortages create delays to projects or work programmes and impact on Council's levels of service.</p>	<p>Council will update its procurement information to keep up-to-date with supply chain issues, and ensure adequate project planning allows for variations of materials (if possible) or incorporates longer supply timeframes within projects.</p> <p>Enhanced contract management will enforce minimum staffing levels needed for contracted projects to ensure milestones are met and the levels of service are maintained.</p>



## Significant External Factors Forecasting Assumptions

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
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### 4.1 Inflation

Assumption: The LTP is prepared on the inflation rates assumed in the table below for periods beyond 2024/25 which is based on Local Government Cost Index (LGCI) legacy scenario prepared by BERL.

This scenario is modelled using the previous 'basket of goods' and assumes Councils will retain 3 waters functions, i.e. status quo for the life of the LTP.

BERL quote the index at 30 June for each year:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operational	2.9%	2.2%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%
Capital	3.0%	2.2%	2.4%	2.3%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%
Total	2.9%	2.2%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%

### 4.2 Interest Rate on Borrowing

Assumption: Interest on borrowing is assumed to be between 4.8% and 6.2%.

For each \$10 million of borrowing a 1% increase in interest rates increases Council's borrowing costs by \$100,000.

Interest rates on borrowing are higher or lower than forecast.

Council costs could increase or decrease as interest rates fluctuate up and down. Based on Council's projected debt levels, interest cost would increase/decrease by \$3.5M per year for each 1% movement in effective interest rate.

Council hedges interest rate exposures as per the Treasury Management Policy.

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>4.3 Return on Investments</b></p> <p>Assumption: Bank deposits and bond portfolio assumed return is between 5.4% and 5.7%. Timaru District Holdings Limited assumed dividend is \$1M per annum. Forestry assumed return is \$0 over the 10 years due to the growth cycle of current forest plots.</p> <p>This scenario is modelled using the previous ‘basket of goods’ and assumes Councils will retain three waters functions, i.e. status quo for the life of the LTP.</p> <p>BERL quote the index at 30 June for each year.</p>	<p>Forecast returns are higher or lower than forecast.</p>	<p>Council income could increase or decrease as investment returns fluctuate up and down.</p>	<p>Council maintains a long-term investment portfolio with fixed interest rates which minimises fluctuations.</p> <p>Investments are also managed using the Treasury Management Policy to minimise risks. Changes in investment returns are generally partially offset by a change in borrowing costs.</p>
<p><b>4.4 Funding Sources</b></p> <p>Assumption: Current funding sources (including NZTA as the external funding source for Land Transport) do not change over the first three years of this plan.</p> <p>Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets Council currently does not collect Development Contributions.</p>	<p>Projected revenue from user charges or financial assistance is not achieved.</p> <p>Levels and sources of funding differ from those forecast.</p>	<p>Revenue could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year. Project and asset funding could result in projects being revised or alternative funding sources used.</p>	<p>Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy. There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g. extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers.</p> <p>Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>4.5 NZTA Waka Kotahi Funding Assistance</b></p> <p>Assumption: The Funding Assistance Rate (FAR) received from NZTA Waka Kotahi for qualifying and approved road works remains at 51% for the 2024-34 period, but Council budgets for less due to historical trends. Future reviews will occur within the LTP cycle.</p> <p>We will not know for certain the Waka Kotahi funding approved for the District until after this LTP is adopted due to the different time frames for the NZTA Waka Kotahi budget process and the development of this LTP. Previous funding requests versus the actual revenue received from NZTA Waka Kotahi show the amount to be closer to 30-40% of the roading programme. This enables Council to refocus the available investment from NZTA onto continuous programme activities without needing to do plan variations.</p>	<p>Changes in subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget.</p> <p>Further changes in Waka Kotahi FAR will affect Council's transport budget.</p>	<p>Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted.</p> <p>If sufficient funding is not available, it may mean that projects are delayed or scrapped.</p>	<p>The Council will review this financial assumption when it reviews its budget annually through the LTP/ Annual Plan process and may adjust work programmes/budgets where necessary.</p>
<p><b>4.6 Credit Availability</b></p> <p>Assumption: Credit can be obtained from financial markets on competitive terms and conditions.</p>	<p>Required credit cannot be obtained from financial institutions.</p>	<p>Funding would need to be obtained from alternative sources or work programmes adjusted.</p>	<p>Council is a borrower from LGFA and that institution has a level of government support made available evident in the COVID-19 responses which is winding down.</p> <p>Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets. Council's AA- credit rating is maintained.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
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**4.7 Rating Base**

Assumption: There will be a modest increase in the rating base over the 10 years of this LTP, given predicted increase in household growth – specifically more smaller housing units because of a growth in the 1-2-person household numbers.

Council’s Financial Strategy is based on a modest 0.5% annual growth in the rating base for smaller housing units and industrial and/or commercial properties.

Based on medium population projections from Stats NZ (2018 Census data updated in December 2022).

Rating units change across the district occurs at a higher or lower rate than expected.

An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates.

The rating base is reviewed annually when determining the rates for the year.

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Rating Units (Estimated projections)	23,167	23,283	23,399	23,516	23,634	23,752	23,871	23,990	24,110	24,231	24,352

**4.8 Landfill Aftercare (including Closed Landfills)**

Assumption: Council assumes there will be significant restoration work on the most vulnerable closed landfills in the district but Redruth Landfill has no material changes to post-closure costs as all landfill cells are actively monitored.

Council has budgeted \$100k for Years 1-2 to address closed landfill planning, but should removal and restoration be required, there may need to be additional funding allocated which will be consulted on at that time with the community.

Landfill restoration work is required earlier than planned or higher than budgeted.

Landfill restoration work being required earlier than planned could result in a higher funding requirement earlier than anticipated.

Council reviews the basis for the provision it makes for these costs on an annual basis. Active monitoring of landfill cells to enable ongoing landfill aftercare post closure. Review of possible impacts on closed landfills via climate change work in next three years.

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>4.9 Emissions Trading Scheme</b></p> <p>Assumption: Council assumes that we will hold a consistent value of carbon credits.</p> <p>Council has an ETS liability each year (a requirement to surrender NZUs) in relation to its landfill operations, and in some years due to deforestation. Council surrenders approximately 45,000 NZUs annually for its operations and purchases units at ETS auctions when able rather than the secondary market to reduce costs. The landfill gas capture system at Redruth enables Council to apply for a Unique Emissions Factor to also reduce the cost of carbon credits.</p>	<p>The carbon price could be higher or lower than expected.</p>	<p>Council could hold more or less NZUs for forestry assets and landfill costs and user charges could vary.</p>	<p>Forestry assets are maintained with a long term view but programmes are reviewed annually.</p> <p>Any sale of forestry land will compensate for the loss of NZUs and associated benefits.</p> <p>Landfill costs and waste volumes are monitored continuously.</p>
<p><b>4.10 Costs</b></p> <p>Assumption: Costs will remain stable over the period of the Long Term Plan (refer also to inflation assumption) with maintenance expenditure based on historical trends.</p> <p>For each \$10 million of borrowing a 1% increase in interest rates increases Council's borrowing costs by \$100,000.</p>	<p>Costs are higher or lower than anticipated.</p>	<p>Variability of prices, such as for oil, could cause variability in costs which would result in Council either having to borrow to make up the shortfall of funding, or defer projects to the next financial year.</p>	<p>The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/ budgets where necessary.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>4.11 Capital Delivery</b></p> <p>Assumption: For any given year in the 10-year 2024-34 LTP period, 100% of the capital work programme will be delivered and the financial model was developed based on this assumption.</p> <p>Council's capital works programme has increased in recent years, going from approximately \$30M of Capex spend per annum to over \$50M in 2022/23. In Year 1 of the LTP this is raised higher with two community projects being delivered as well as the increase in water services projects for resilience. With increased pressures around ageing infrastructure, increasing costs, and limited capacity of contractors, Council rationalises and prioritises its capital delivery programme to ensure critical services are maintained for the district.</p>	<p>The delivery of the capital work programme is below 100%.</p>	<p>If less than 100% is delivered, this may result in the creation of a backlog of capital projects that will delay the completion of other capital projects in the next Annual Plan or LTP period. Potential for increased budget required for capital projects, due to delays in completion. Increased operating expenditure due to increase in the maintenance costs as not all planned renewals are completed. Risk of losing grant / subsidy due to non-delivery and therefore increase in borrowings required to fully fund and complete the project, resulting in higher costs to ratepayers.</p>	<p>Close and regular monitoring and reporting of the work programme internally. Ongoing liaison with the construction sector to ensure resources availability and responsiveness of the market. Renewal plan prepared in a conservative way and based on asset condition and useful life of asset to ensure assets are being replaced before they pose a significant risk of failure.</p> <p>Include renewals as part of maintenance and renewals contracts to mitigate risk of non-delivery for renewals programme. Resourcing has been allocated for all large projects with dedicated managers overseeing key projects. Ongoing monitoring and re-forecast of project delivery if required. External project support where required.</p>
<p><b>4.12 Theatre Royal and Heritage Centre Project Commencement and Funding.</b></p> <p>Assumption: The final contract price and decision around the finishing of this project will be made in the month following adoption of this plan. The plan has been written with the assumption that the project will be within the \$57 million overall budget, and will commence building in year one, and also that it will still be eligible for the remaining \$6.5M of the \$11 million of MBIE funding and meets the agreed conditions of contract associated with this funding.</p>	<p>The final contract comes in at a level higher than budgeted and the council decides not to go ahead with the current plan for the Theatre Royal and Heritage Centre.</p>	<p>If the council decides not to go ahead with this project, borrowings will be significantly less in years 1-3. However, there is a risk that we will have to return any grants provided by MBIE against the project, approximately \$4 million to date. We will also not have approximately \$7 million in grant income in year 1 of this plan.</p>	<p>We have worked to ensure that our budget is as realistic as possible and there is confidence the project can be delivered within the fiscal envelope.</p> <p>The final decision lies with Council, who will be presented with the final contract price as well as all the positive and negative mitigating factors to help them with their decision.</p>

Assumption	Risk Statement	Consequence of Variation to Assumption	Approach to Mitigation of Risk
<p><b>4.13 Non-Current Asset Revaluation</b></p> <p>Assumption: 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.</p> <p>Revaluations of Road and Three Waters Assets are programmed to take place in year 2 of this plan (FY 25/26) and every three years after (Years 5 &amp; 8), unless indexing shows a 10% or above change in value in intervening years.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>

# Council Controlled Organisations

## Venture Timaru

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

### Subsidiary Companies

- Nil

### Nature and Scope of Activities

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

Venture Timaru's strategic approach is to:



### Policies and objectives relating to ownership and control

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

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

### Key performance targets

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

The objectives, nature and scope of activities and measurements for the 2024/25 year are:

### Non-Financial Performance Targets and other measures

The Monitoring, Performance and Success Indicators align to Venture Timaru's objectives and the nature of Venture Timaru's scope and activities in the year ahead. They also align to longer term priorities and opportunities identified within the Economic Development Strategy and Destination Management Plan.

The Monitoring Indicators are largely beyond the control of Venture Timaru as they are influenced by the wider economy. By monitoring progress within these indicators, a health check on the performance of the district's local economy against the national economy is maintained, which in turn highlights areas of focus.



<p><b>Three Year Operational Objectives</b></p>	<p><b>Support EXISTING BUSINESS to innovate and grow.</b></p>	<p><b>Attract &amp; assist NEW BUSINESS to the District.</b></p>	<p><b>Assist business to attract, develop &amp; maintain a skilled WORKFORCE.</b></p>	<p><b>PROMOTE the district as a “destination of choice”</b></p>	<p><b>Facilitate enabling &amp; new to district INVESTMENT in Infrastructure&amp; Community assets</b></p>
<p><b>2024/25 Prioritised Operational Activities</b> <i>NB a variety of other economic &amp; visitor activities are as detailed within this SOI – these represent our main workstreams for 2024/25</i></p>	<p>Realign a targeted industry engagement plan as to future plans, challenges, barriers, productivity improvements, decarbonisation etc..</p>	<p>Establish a Business &amp; Investment attraction "hunter/gatherer" role.</p>	<p>Renew workforce attraction resources for industry and recruitment agencies.</p>	<p>Own and implement a Caroline Bay Plan for the future that maximises visitor experience and community engagement.</p>	<p>Assist with identifying and processing key infrastructural opportunities of benefit to the district – (airport/port/transport &amp; logistics)</p>
	<p>Identify &amp; assist existing business and industry expansion plans - access to key enablers water, power, people &amp; supporting infrastructure &amp; services</p>	<p>Develop enhanced Business Attraction resources for the district.</p>	<p>Amplify activity to “Expose Educate &amp; Excite” our future workforce on local career pathways. (MyNextMove student transition initiative)</p>	<p>Further develop existing event offering, and attract new in/out of season events.</p>	<p>Facilitate new residential development investment that provides typography diversity - property owner, developer, investor introductions.</p>
	<p>Key stakeholder participation in the development of a South Canterbury Energy Strategy.</p>	<p>Assist TDHL to secure 100% tenancy for 13ha Washdyke Industrial Park.</p>	<p>Workforce Training – facilitate improved alignment of local training delivery that meets the needs of local industry.</p>	<p>Develop a Cruise Strategy in partnership with Primeport, tourist operators and community to grow Cruise Sector by providing the best possible experience for all cruise visitors.</p>	<p>Coordinate and foster Central Government relationships to attract new investment to support local initiatives and prioritised projects.</p>
	<p><b>Key Performance Indicators</b></p>	<ul style="list-style-type: none"> <li>Energy Strategy Completed &amp; Implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Commitments in place for min 50% tenancy of TDHL Washdyke Industrial Park.</li> </ul>	<ul style="list-style-type: none"> <li>Detail successes of students into local employment</li> </ul>	<ul style="list-style-type: none"> <li>Cruise Sector Economic Benefit reported on.</li> </ul>
<p><b>Operational Success Indicators</b></p>	<ul style="list-style-type: none"> <li>Detail expansion plan assistance provided to local business</li> </ul>	<ul style="list-style-type: none"> <li>Min 4 New Medium/Large Businesses committed to establish in Timaru District.</li> </ul>	<ul style="list-style-type: none"> <li># of new industry aligned locally provided training opportunities</li> <li>20 pathway events, min 3500 students and 150 local businesses</li> </ul>	<ul style="list-style-type: none"> <li>Event ROI Economic Benefit for every \$ invested via Major Events Fund</li> <li>Plan for Caroline Bay completed &amp; implementation underway.</li> </ul>	<ul style="list-style-type: none"> <li>\$\$ of new to district investment.</li> <li>Detail facilitated investment/development introductions made.</li> </ul>
<p><b>Monitoring Indicators</b></p>	<p>GDP Contribution Timaru District v NZ</p>	<p>Unemployment Rate Timaru District v NZ</p>	<p>Housing Affordability Timaru v like areas</p>	<p>Consumer &amp; Visitor Spend trends v same period last</p>	<p># Jobs Year on year improvement</p>
<p><b>Timaru District Towards 2050 Performance Indicators</b></p>	<p>Operationalising our “Timaru District Toward 2050” long term strategic focus will occur over the 2023-26 period and be completed in time to inform the Council’s Long Term Plan cycle in 2026. As the districts Economic Development and Visitor Agency we will champion this aspirational vision for our district that, whilst challenging, will aim to ensure we maximise our potential across social, economic, and cultural areas. Engagement with key stakeholders and our wider communities will be a key feature of this work.</p> <p>Progressing this work can be broadly divided into three key parts:</p> <ol style="list-style-type: none"> <li>1) Key stakeholder identification and engagement – complete 2024/25</li> <li>2) Identifying which industries (existing/adjacent/new) might offer the best opportunities for delivering this ambition? complete 2024/25</li> <li>3) What are the big levers and enabling factors necessary to support transformational growth in Timaru’s economy?</li> <li>4) What activities should be focussed on, by who, and how will we measure success?</li> </ol> <p>It is proposed that these steps are undertaken sequentially, with the findings of the first three steps used to inform step four.</p>				

## Timaru District Holdings Limited (TDHL)

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

### Associate Companies

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

### Nature and Scope of Activities

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

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

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

### Policies and objectives relating to ownership and control

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

reports to the company's Board of Directors. TDHL reports progress to Council every quarter.

### Key performance targets

TDHL agrees its key financial and non-financial performance indicators with its shareholder, Timaru District Council. These are included in TDHL's Statement of Intent, available from [www.timaru.govt.nz](http://www.timaru.govt.nz) or [https://tdhl.co.nz/wp-content/uploads/2023/06/FINAL\\_TDHL\\_Statement-of-Intent-2023-24.pdf](https://tdhl.co.nz/wp-content/uploads/2023/06/FINAL_TDHL_Statement-of-Intent-2023-24.pdf).

The annual Statement of Intent is finalised by 30 June.

The performance indicators are:

	2023/24	2024/25	2025/26	2026/27
	Forecast	Budget	Budget	Budget
EBITDA* (excluding revaluations)	\$3,040,215	\$3,250,972	\$3,660,705	\$3,832,131
Net profit to Shareholder Funds (RoE)	6.9%	7.2%	11.05	7.6%
Net tangible assets per share	\$6.20	\$6.64	\$7.41	\$7.96
Earnings per share	\$0.43	\$0.48	\$0.82	\$0.60
Dividends per fully paid share	\$0.03	\$0.04	\$0.05	\$0.05
Shareholder Funds to total assets	87%	86%	87%	88%

\* Earnings before Interest, Taxes, Depreciation and Amortisation

## Potential Negative Effects on Community Wellbeing

Council's activities are provided with the aim of maintaining or improving community wellbeing. The positive contributions to wellbeing are outlined in the description of each Activity. Some activities can also cause negative effects that need to be managed or mitigated.

The following table lists the potential significant negative effects that have been identified, and actions that are taken to mitigate these effects. Where an activity is not listed, the Council has not found any significant negative effects on the community.

Activity	Effect	Mitigation
Airport	Noise nuisance caused by airport activities.	Monitor activities to ensure standards set in the District Plan are met and respond to any complaints promptly.
Social Housing	Neighbours to Council housing units may have concerns about particular tenants.	Council as landlord ensures it meets legislative responsibilities and where possible maintains a suitable tenant mix.
Public Toilets	Location of public toilet blocks can be unwelcomed by neighbouring property owners.	New toilet blocks are constructed as far away as is practical from urban housing. Where possible screening from neighbouring properties will be provided.
Cemeteries	Leachate from cemeteries can enter the groundwater and waterways.	Consent requirements for a new cemetery will require effects on the environment and neighbouring properties to be mitigated.
Swimming pools	Swimming pool facilities are high energy users.	Swimming pool facilities use solar heating, heat recovery technology, insulating pool covers and recycle water. This reduces water usage and retains heat, thereby using less energy and lowering the Council's carbon footprint. CBay uses a wood fired boiler to meet some of its energy needs.
Roading	Contaminated road water runoff causing environmental degradation  Road deterioration where renewals are not completed affects vehicles through increased wear and associated costs.	Stormwater management treatment initiatives e.g. rain gardens. Monitor work done and possible contaminated road water runoff. Encourage off road stock corridors and road underpasses.  Good Road Assessment and Maintenance Management (RAMM) data. Timely renewals and forward planning of works. Condition monitoring of assets.

## Potential Negative Effects on Community Wellbeing

Activity	Effect	Mitigation
<b>Sewer (wastewater)</b>	Wastewater can have negative environmental effects due to odour, noise, overflows and effluent discharge.	Effects are managed through complying with resource consents, monitoring and effective prioritisation of infrastructure upgrades.
<b>Stormwater</b>	<p>Stormwater may contain contaminants such as sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces.</p> <p>Highly engineered stormwater systems may result in the loss of connected community greenspace along waterways in urban centres, which is of increasing value to communities.</p> <p>Localised adverse impacts for property result from blocked or damaged stormwater drains during storm events.</p>	<p>Systematic identification, prioritisation and implementation of network improvements will be used to help address environmental effects.</p> <p>Alternatives to traditional stormwater control using low impact design techniques (e.g. swales, retention dams) are used where possible in new developments or retrofitting existing areas.</p> <p>Renewals, maintenance, and prompt responses to reactive issues minimise the impacts.</p>
<b>Waste Management</b>	Landfills (existing and closed) can potentially have negative effects on the environment and public health, such as leachate, contamination, odour, dust, vermin and litter.	<p>Site operational plans include actions to mitigate any negative effects.</p> <p>Landfills are managed to comply with resource consents. These include monitoring gas and leachate.</p>
Water	Increasing demand for water, and ensuring consistency of supply during drought periods can negatively affect the natural water resources of the district.	Council adheres to the conditions of resource consents, and implements water efficiency measures including urban water metering, timely water maintenance and repair work, and community water conservation education.

2024-2054

# 30 Year Infrastructure Strategy



# Part One: Executive Summary

## Introduction

This is Timaru District Council's fourth Infrastructure Strategy that sets out the 30 year vision and plan for our community's infrastructure.

As a District, we face many challenges due to ageing infrastructure, a lack of investment in depreciation and renewals to artificially deflate rates in previous years, impending regulatory changes for water services, and increasing demands from the community to provide high quality service at the lowest possible price, which negatively impacts affordability.

In presenting this Infrastructure Strategy, Council seeks to ensure that a balanced work program protects public health, promotes economic growth, and supports our community wellbeing.

## Overview

To achieve its vision and promote community wellbeing, Timaru District Council must provide both essential infrastructure services and quality-of-life assets.

Aside from the district's core infrastructure, such as its water services, waste facilities, and roads, Timaru is home to amenities such as libraries, parks, recreational amenities, cultural facilities, the port, and the airport. These assets attract businesses and residents, facilitating economic growth and enhancing the region's reputation as a desirable place to live. Therefore, they account for a substantial portion of the Council's operating budget. By investing wisely in community assets and maintaining robust infrastructure, Timaru District Council promotes the social, economic, environmental, and cultural wellbeing of its residents. Due to this, our infrastructure is essential for achieving our five Strategic Priorities.



# Our Challenges

## Resilient and Compliant Infrastructure

Developing infrastructure is vital to meet heightened legislative and community standards that safeguard public health and the environment. Further upgrades and renewals are needed at water and wastewater treatment plants and pipe networks, roading networks and bridges, and waste management assets to achieve impending regulatory compliance. Additionally, industrial zone stormwater capacity and discharge treatment must undergo major improvements to mitigate environmental impacts.

## Ageing Infrastructure

Much of the district's infrastructure is approaching end-of-life and due for replacement over the next 30 years-plus. These ageing assets span water supply and wastewater pipes, bridges, culverts, and community buildings. Partly since depreciation accounting was not mandated until 1990 and subsequent unfunded depreciation post-1990, renewal funding gaps emerge. Hence, Council must borrow substantially for imminent renewal projects, but hitting debt ceilings may constrain capacity despite needs.

## Climate Change & Natural Hazards

Ongoing climate change influences infrastructure needs – both to curb associated emissions and mitigate local impacts like heightened coastal erosion. Additionally, natural hazard risks from proximity to the Alpine Fault and as a coastal district necessitate building resilience against earthquakes, droughts, fires, and flooding.

## Affordability

These infrastructure issues manifest against a more pervasive funding challenge plaguing councils nationwide. With planned rate rises already outpacing inflation and income growth, Timaru particularly faces intensifying financial constraints over this strategy's timeline.

Putting into effect enduring solutions demands transformational shifts in infrastructure planning, delivery, and financing - incremental tweaks will no longer suffice. Significant innovations are imperative to sustainably fund our community's infrastructure lifecycle.

## Resilient and Compliant Infrastructure

Council faces rising community expectations around quality of life and technology coupled with stricter resource consent requirements, regulations on water and land use, health and safety compliance, traffic management needs, and demand shifts like heavier freight impacting roads. Balancing heightened standards against affordability poses an ongoing challenge. Improving service levels must weigh against ratepayer cost burdens.

# Our Options

## Option One:

### Maintain the Status Quo

When Timaru District Council was formed in 1989, it inherited infrastructure assets from the different borough councils, some of which were built and managed by central government back in the 1930s. This has resulted in assets of different quality, ages, conditions, and functionality. Council has monitored and assessed its assets over the past few decades, responding to urgent renewals or repairs as necessary to keep its services operational, but has not fully funded depreciation costs for the replacement of the assets to help offset rate rises. Many assets have also been “sweated out” which means they have remained in place and run past their reported end-of-life in order to get a few more years out of them and to delay replacement costs, which increases the operational costs to keep them running and also increases the likelihood of higher costs to replace them when they do fail.

Council could continue to underfund depreciation and keep rates low and continue to sweat out the assets, but this comes with a higher risk of asset failure and increased costs over time, with higher operational and capital costs. In order to fund the capital work needed to do this approach, Council borrows up to 2.1 times its revenue (210%), which is lower than the legal limit of 2.8 times (280%). Maintaining the status quo would keep its debt limit at 2.1 times its revenue (or 210%), and keep rates artificially low, but does create problems for future generations having to deal with expensive asset failures.

## Option Two:

### Invest in the Asset Renewal Programme and Increase Debt Cap

Council has identified the capital works needed for the next 30 years to renew its water assets and roading assets and is still assessing its community infrastructure to plan for future asset management planning. Since the last LTP/Infrastructure Strategy, asset conditional assessments have shown the increased investment needed to upgrade its water assets for resilience and future compliance, and highlighted the upcoming wave of renewals needed for the district’s bridges over the next 30 years. This has required a re-prioritisation of projects from the previous LTP, requiring some community asset renewals and resilience projects such as water metering to be deferred in order to deliver on the enhanced core infrastructure upgrades and renewals.

In order to deliver the capital work programme for its core assets and some of the major community assets identified and approved in the previous LTP (Aorangi Stadium and Theatre Royal/Heritage Centre), Council can raise its debt cap to 2.5 times (250%) its income and raise its rates to fully fund depreciation within the first four years of this LTP. This still allows for Council to have further borrowing capacity if needed for urgent situations such as emergencies, but increases interest costs and the amount of debt to be repaid. However, this option enables Council to achieve its main goals of delivering on some of the previously decided capital works, replace critical infrastructure assets, upgrade the two major facilities needed for the community, and lower the operational expenditure required for maintaining end-of-life infrastructure.

**Note:** Council has selected this option, and this is reflected in this LTP.



### Option Three:

#### Reduce Capital Investment and the Debt Cap

Council can choose not to upgrade or renew assets in both the core and community infrastructure areas with the sole purpose to reduce the debt it owes and to lower its debt cap as result. This would require a significant drop in the levels of service to the community, including in critical areas such as water supply or keeping roads maintained, as well as community facilities running the risk of not being operational or able to provide safe venues for events in future.

This option would not address the critical assets nearing the end-of-life and may rely upon asset failure being the driver behind the capital works programme, which is not an acceptable asset management system for modern NZ standards. However, it would reduce the Council's debt and would save on interest costs, but with operational costs increasing to maintain stressed assets to go further, the effect on rates could be minimal as operational costs have a more direct impact on rates on an annual basis.

Adopting this option would mean Council's previous decisions on implementing key projects such as the microfiltration plant, the introduction of water metering, or rebuilding the community assets would need to be revoked and those projects would cease.

### Option Four:

#### Accelerate Asset Renewal Programme and Increase Debt Cap to the Highest Limit

The previous LTPs and Infrastructure Strategies have identified known issues around water supply and wastewater, with specified projects such as water metering and upgrades to plant and equipment approved for implementation in future years. However, legislation passed by the previous government, with subsequent revision and revoking from the current government, has necessitated a re-prioritisation and enhanced water services capital works programme to address resilience and future compliance issues. This LTP and Infrastructure Strategy has taken a conservative approach towards the implementation of many initiatives to ensure a balanced work programme that delivers on key projects in other areas such as roading and community facilities. The water services capex programme was developed working on a basis of focusing on the major projects within the first ten years that would net the gains in building resiliency within the water supply and wastewater networks.

Council can choose to increase its debt to the legislative limit in order to accelerate its upgrades and asset renewals within the water services activities, but it would not have enough borrowing capacity to do this and complete its capex work programme for all the roading and community facilities needing upgrades over the next thirty years. Raising the debt cap to the legal limit also makes Council vulnerable to being unable to borrow for emergencies in the future, and potentially affecting its credit rating which would negatively impact on its ability to obtain favourable interest rates on long-term borrowings.

# Our Response

## Prioritising Our Asset Renewals

Our priority is to maintain and renew our assets in order to meet current and anticipated community needs. Many of the District's assets are getting to the point where they need to be replaced as they reach the end of their useful lives. Over the next 30 years, Council plans to renew its existing assets. We continuously prioritise the renewal of assets based on the greatest need and risk. We have identified the specific actions needed for our renewals and upgrades, most of which are non-negotiables, it's just a matter of timing and affordability.

## Asset Information Focus

In anticipation of potential transitions of water assets, Council invested heavily in updating all its information on water assets and identifying transition needs. Due to the changes in government direction, the current information has informed the comprehensive work programme developed that will require heavy investment in renewals and asset replacements. Roadking has invested in data gathering upgrades with pavement modelling, and Waste Management regularly updates its Whole of Life model for landfill life assessment at Redruth landfill. Keeping rates affordable requires a measurable plan to amortise this expenditure.

## Considering Climate Change as BAU

Resilient infrastructure is vital to addressing climate change impacts. The Council has been working to quantify the carbon emissions from its activities and explore ways to reduce them. TDC's Climate Change Advisor provides expert advice to all asset managers, and all activities are working towards improving their practices and systems to reduce carbon emissions.

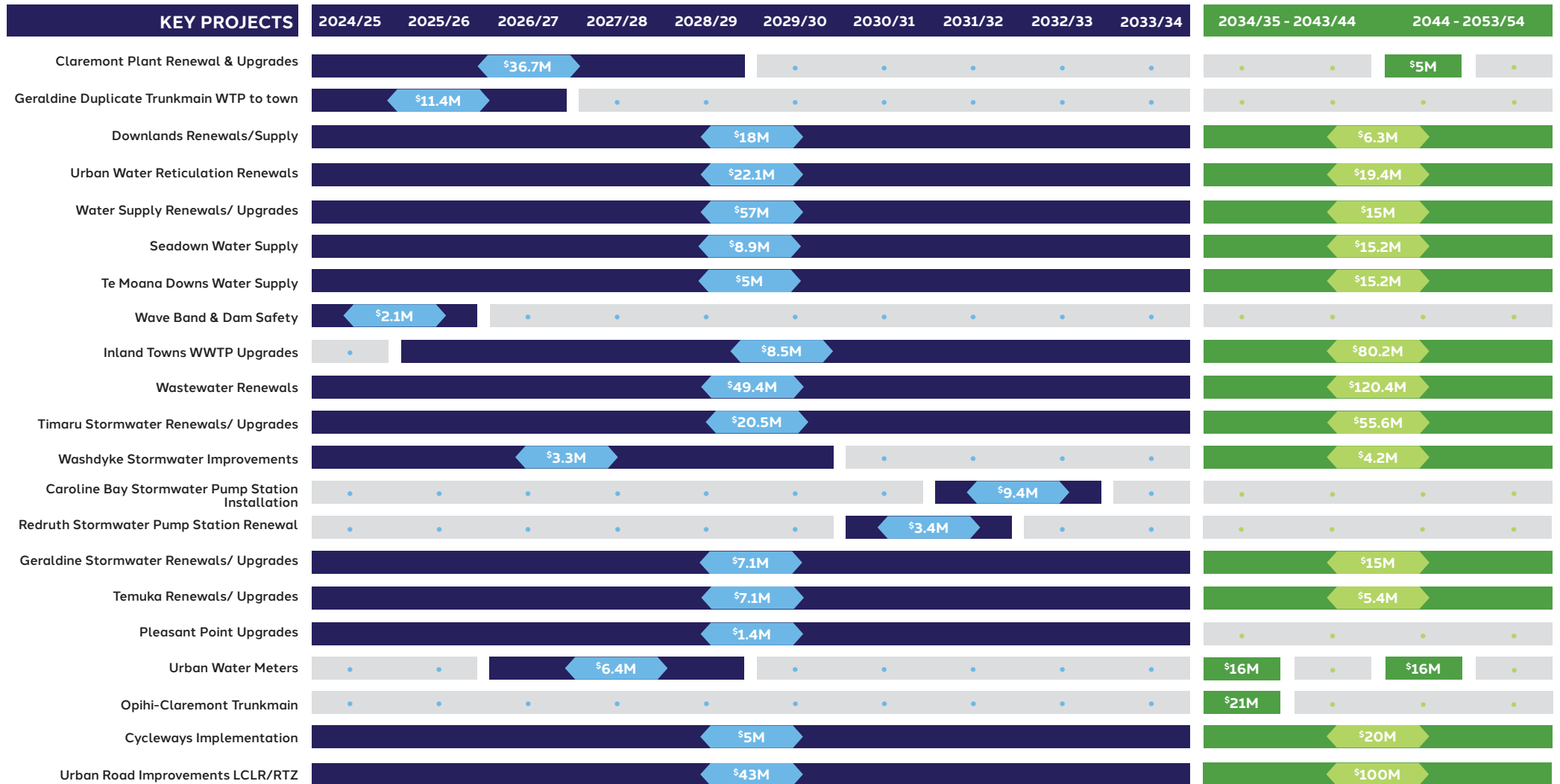
Infrastructure assets are routinely evaluated whether they are vulnerable to climate change impacts, and renewals are planned accordingly. Some of Council's key projects in water supply, like the Claremont Treatment Plant upgrades and installation of the microfiltration plant, are a direct mitigation to enhance resilience to extreme weather events caused by the changing climate.

## 30 Year Capex Plan

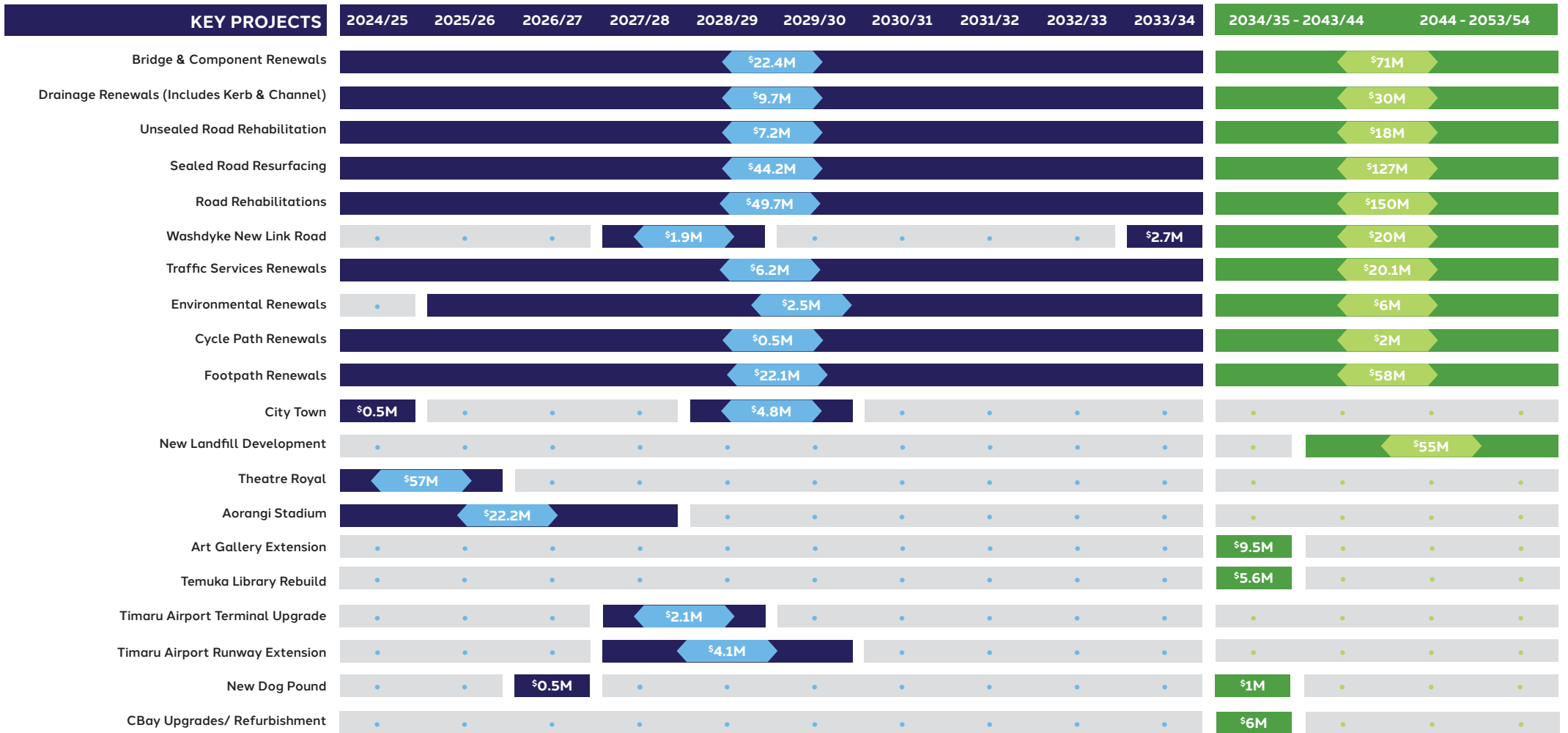
It will be challenging for Council to achieve all its goals over the next 30 years. Overleaf is a proposed work schedule that gives an indication of what capital expenditures will be planned for infrastructure assets, including some community facilities. This Roadmap shows the different capex projects and programmes over the course of the next 30 years, with the colours indicating decisions already made as part of this LTP (blue), decisions yet to be confirmed in future LTPs (red), and decisions needing to be considered post 2034 as the financials are estimates based on current dollar values.

Traditionally the community facilities have not been included within the Strategy, and for this edition we have introduced a high level summary of the main ones currently needing investment and identified the major capital projects ahead in the Roadmap. Work is currently underway to provide accurate and updated conditional assessments on our community assets so proper Asset Management Plans can be developed and they will be part of future Infrastructure Strategies. At present, there is not enough detail known about the community assets to develop Asset Management Plans in the detail required to provide enough information to be included properly within the current Strategy.

# Updated 30 Year Infrastructure Roadmap



Updated 30 Year Infrastructure Roadmap



## Links to the Financial Strategy

The Financial Strategy defines the financial direction of the Council over the 10 year period of the Long Term Plan and aims to balance affordability against the levels of service that Council aims to provide, many of which are determined by the capital works programme outlined within the Infrastructure Strategy.

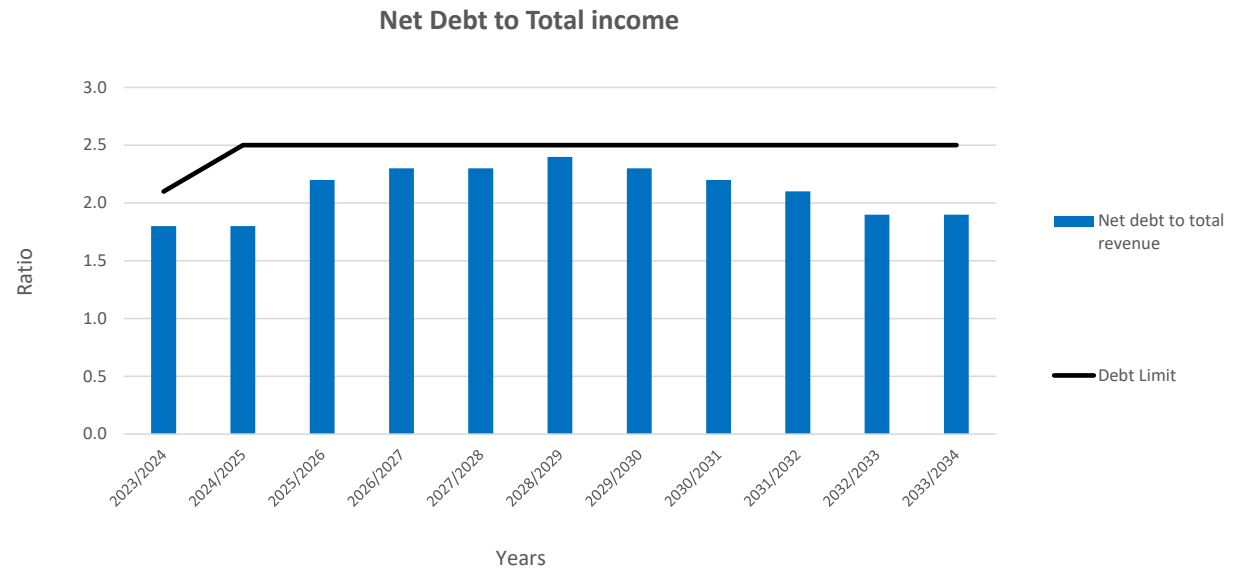
There is a two-way relationship between the Infrastructure and Financial Strategies. Where the Financial Strategy focuses on the funding implications to ratepayers for the next 10 years, the Infrastructure Strategy outlines the work requiring that funding to deliver core services to the community for water services, roading & footpaths, and waste services over the next 30 years. Hence, the two strategies are developed in tandem to ensure the community has transparency over the amount of funding and debt financing that is needed to deliver on the commitments Council has made to its residents.

### Debt

Council expects to increase its debt over the next ten years but will remain below a prudent 250% debt-to-revenue limit for years 1-10. This is a self-determined debt cap to allow Council to have some borrowing headroom for emergencies.

The loan requirements to fund the 30-year capital programme were modelled to determine our ability to deliver the projects within the limits prescribed within the Treasury Management Policy.

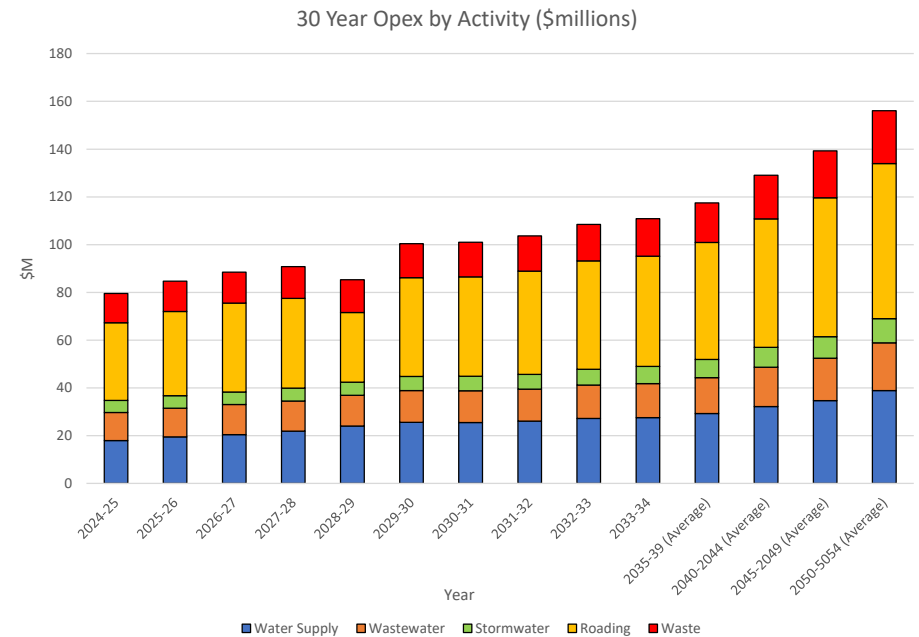
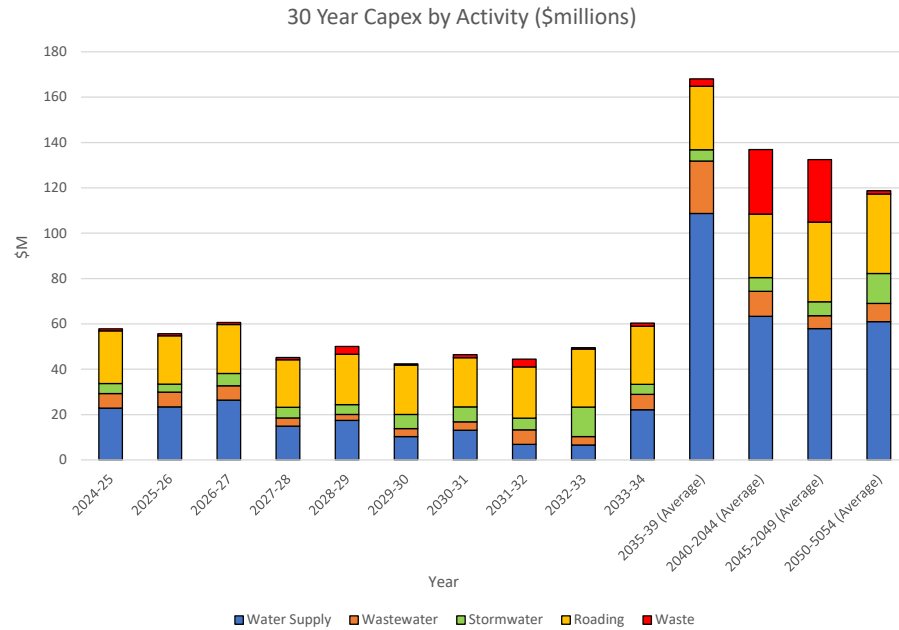
The modelling calculations over the 30 years show that debt to total revenue ratio remains below the self-imposed policy debt limit of 2.5 during this period as follows:



Revenue	Debt Limit	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Borrowing ratio to Total Revenue	2.5	1.81	2.25	2.29	2.33	2.35	2.28	2.19	2.06	1.94	1.85
Revenue	Debt Limit	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Borrowing ratio to Total Revenue	2.5	1.98	2.06	2.13	2.20	2.26	2.24	2.22	2.19	2.16	2.13
Revenue	Debt Limit	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Borrowing ratio to Total Revenue	2.5	2.09	2.05	2.00	1.95	1.90	1.87	1.83	1.79	1.75	1.71

## Capital Investment

The estimated requirements for capital investment over the next 30 years is \$2.1 billion, as shown in the graph below.



## Operational Forecasts

In line with the increase in asset value, operating expenditures are estimated to increase over the next thirty years. The projected Opex forecast is \$1.96 billion over the next 30 years. We have included estimates of the costs associated with delivering the services we currently provide in our forecasted operational costs. Interest, depreciation, and maintenance costs associated with new assets have increased significantly. The following graph shows the operational expenditure by activity over the next 30 years.

## New Funding Models

It is generally accepted that local government funding is not keeping pace with the needs of a dynamic political and economic environment. Although the LTP has been developed under the assumption there would be no change to the current funding model for the 30-year life of the Infrastructure Strategy, Council is open to exploring better and more sustainable ways of funding infrastructure outside of rates. There are a number of new funding models that could be explored, especially for infrastructure expansion. It is possible that other parties such as CCOs for water may end up providing and charging for necessary infrastructure under these models, as this is currently being discussed in the government's Working Advisory Group for Local Water Done Well Policy. While this might give rise to development, the infrastructure will come at a cost. We are also working on ways to capture the land value increases from Council zoning decisions and use these for infrastructure development, and any future Development Contributions Policy will offer a new funding mechanism.

As well as delivering improvements, we also like to collaborate on, support and enable community driven projects.

# Part Two: Setting the Scene

## Timaru Context

The Timaru District is located in the South Canterbury Region, about midway between Christchurch and Dunedin on the eastern coast. It has a land area of around 2,732 square kilometres and is crossed by State Highway 1. We have a population estimated to be 48,900, of which around 31,000 people live in our largest town – Timaru. Other urban centres in our district include Temuka (around 4,500 people) and Geraldine (around 2,300 people). There are also a number of smaller villages around the district. The township of Geraldine is located along the Inland Scenic Highway and attracts many tourists.

The Timaru District is located at the heart of the takiwā of Te Rūnanga o Arowhenua (Arowhenua) who hold mana whenua status from the Rakaia River in the north to the Waitaki River in the south and from the main divide to the coast. With their principal kāika (settlement) located at Arowhenua, southwest of Temuka, Council recognise mana whenua have strong connections to the whenua (land) within the Timaru District, and with this a deep sense of responsibility to ensure the whenua and wai (water) will continue to provide for their mokopuna – ‘for those who come after us’.

Our district’s economy is heavily influenced by manufacturing, forestry, agriculture and fishing sectors, alongside a strong health and social services sector, and construction. Timaru has experienced strong economic growth in recent years due to the expansion of these sectors, with employment growth exceeding the national average.

We have seen a small amount of population growth of approximately 0.5% per year between 2006 and 2023 in our district, with recent years showing immigration being the key driver for population growth. In the next 30 years, the growth rate will remain steady and

slow at 0.5-0.8% per year, but the demographic changes will be more pronounced as more people reach retirement age. In Timaru, Temuka, and Geraldine, more housing stock of smaller units will be needed for single or couple occupants as a result of the ageing population. Our infrastructure will be put under more pressure as a result of the increased levels of service for water services and accessible transportation options.

## Strategy Purpose

The 30-Year Infrastructure Strategy (the Strategy) is designed to identify significant infrastructure challenges that Timaru District Council will face over the next 30 years, as well as identify the principal options for managing those challenges and their implications. This Strategy describes how the Council intends to manage its infrastructure assets, including how it will respond to the growth or decline in demand for services and ensure that they are resilient. The Strategy takes a long-term view of the district’s infrastructure needs over the next 30 years, and it reflects current assumptions and thinking about what will be needed.

This is not a comprehensive programme of works for 30 years. The document follows the long-term planning activities of the Asset Management Plan for Council, but the fundable and unfunded programs for the first 10 years are more complete and reliable than the indicative estimates beyond that year. Future infrastructure strategies will refine and change these estimates.

## Role of Mana whenua

The Council recognises Kati Huirapa o Arowhenua holds mana whenua status from the Rakaia to Waitaki in the south including the Timaru District Council. In recognising its relationship with mana whenua, 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 2004 (LGA) and the Resource Management Act 1991 (RMA). The relationship between mana whenua and the Council at a local level, the partnership between the Crown and its Treaty Partners at a national level.

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

Through this Infrastructure Strategy, Arowhenua supports and promotes a coordinated, co-operative, and collaborative approach to the management and protection of natural and physical resources from climate change, natural hazards, and a lack of financial resourcing and environmental planning. Arowhenua envisages a consistent approach to the management of local and regional infrastructure through building resiliency whilst also undertaking appropriate forecasting and planning to safeguard public health and the environment.

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

### Strategy Structure

The Strategy outlines the Council's approach to managing and investing in the District's infrastructure including what will be required, when, and how much it will cost across the following infrastructure categories:

- Water
- Wastewater
- Stormwater
- Land Transport
- Waste Management

The Strategy draws together information from five Activity Management Plans and Four Asset Management Plans from the core infrastructure -related activities of Council. Due to limited information available, vertical infrastructure (i.e. community facilities) are not included in the asset planning for this strategy, but efforts are being made to improve our understanding of asset conditions so that future strategies will include these.

#### This Strategy is divided into five parts:

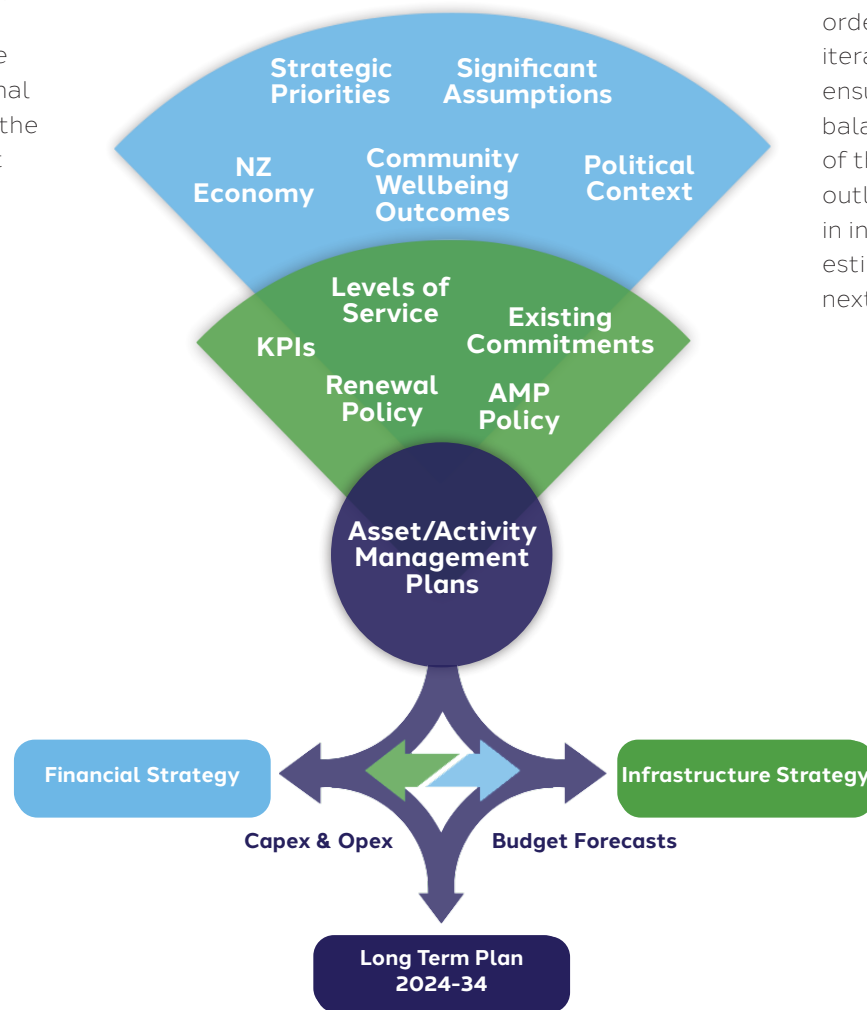
- **Part One:** Executive Summary with highlights of main points.
- **Part Two:** Context and background information to the Strategy, including the key significant decisions to be made for infrastructure projects, projected financials, Council's Infrastructure Portfolio, key drivers for the investment into infrastructure, and how the Strategy was developed.
- **Part Three:** Three Waters Infrastructure programme showing the issues and demand on water supply, wastewater, and stormwater assets, with the key risks identified and the financial forecasts for the planned capital works and operational expenditure required to deliver these services.
- **Part Four:** Land Transport infrastructure programme showing the same as above for roading, footpaths, bridges and culverts.
- **Part Five:** Waste Management infrastructure programme showing the same as above for operational landfill(s), transfer stations, and closed landfills.





## Strategy Development

An integrated approach has been taken to develop the Council's Infrastructure Strategy. This means that Council creates a 30-Year Infrastructure Strategy that considers the strategic context as well as the external environment in which infrastructure exists, at the same time as developing operational requirements, responses and forecasts through the development of asset and activity management plans.



Asset and activity management plans begin with capital and operational forecasts that are moderated by the Council's Financial Strategy in order to make them affordable. There may be several iterations of optimising the programme before it ensures that the 10 years of the Long-Term Plan balance the wants, needs, risks, and affordability of the community. The Infrastructure Strategy outlines both funded and unfunded investments in infrastructure in the first ten years as well as estimates of investments in infrastructure over the next few decades.

# General Assumptions

All long-term planning involves assumptions that affect future operations and capital expenditure. Our Infrastructure Strategy highlights the most significant assumptions at a local, national, or global scale that we regard as directly relevant to our capital projects and asset management, as well as our ability to deliver community services. As part of our Environmental Scan supporting the Long-Term Plan 2024-34, we list all our forecasting assumptions that are consistent with these assumptions.

The following are key assumptions that directly affect infrastructure planning.

## Local Water Done Well

Over the next ten years, legislative changes regarding the ownership, management, and delivery of Three Waters are inevitable, but it is unclear what the final outcome will be. We have assumed that delivery of Three Waters will continue as usual, but with more changes required to meet new standards, higher levels of service than existing ones, and stronger compliance requirements.

If water services are ultimately delivered by larger entities such as Council Controlled Organisations or other means, it is expected that funding will be available to renew or replace ageing water assets.

## Climate Change

Climate change is primarily affecting our infrastructure through extreme weather events such as floods, fires, droughts, heat waves, cold, and wind. Sea-level rise is already impacting some of our coastal assets such as roading, and increased weather events cause more frequent flooding that is impacting a broader array of infrastructure such as bridges, culverts, water pipes, and closed landfills in danger of breaching into waterways.

Our wastewater and stormwater networks are more likely to overflow and flood during wet weather. High rainfall events impacting water supplies with increased turbidity of water sources. Warmer weather puts more demand on our water supply, and increased fire risk can also strain our rural water supply network. As a result of seasonal weather pattern changes, our “green” assets, such as parks, forestry, and gardens may need enhanced pest control, new planting schemes, and more irrigation during droughts, stressing water supply systems.

## Inflation Costs

All financial forecasts in this Strategy include inflation unless stated otherwise. There is a high degree of uncertainty due to long-term inflation forecasts that are likely to change, and errors compound over time. A change in inflation could have a significant impact on financial forecast accuracy. This would require either decreasing or increasing funding to continue delivering the same service levels. The Long-Term Plan assumptions for 2024-34 outline inflation rates for the first 10 years. Beyond year 10, the following inflation rates have been used: Operational expenditure: 2.4% Capital expenditure: 2.1%. These figures are predicted by Business and Economic Research Limited (BERL) and is the Local Government Cost Index mechanism, as specified to Council by the Office of the Auditor General.

## Market Capacity

To undertake the capital works programme, there needs to be sufficient capacity within the market for professional services and contractors. As other central and local government agencies in Canterbury Region have high capital expenditure forecasts,

as well as strong demand for new housing, there is a high level of uncertainty that capacity will be available throughout the life of this Strategy. Budget constraints may limit the ability to carry out the works as planned. Council has mitigated this risk by including a higher capital inflation rate in its budget (predicted by BERL).

## Projected Expenditure Costs

We forecast capital expenditure based on gross costs (total projects) with moderate uncertainty as funding for some projects may come from other sources. Subsidies, grants, or developer contributions may be used to fund these projects. It could have a significant impact on Council’s final costs for projects.

Estimates of operational expenditures are based on anticipated gross costs to the Council, which include indirect costs (depreciation, interest, overhead, etc.). Revenue from operational activities is not included and it is difficult to forecast long-term. Budgets can be adjusted as revenue trends are monitored and can be predicted in the short term, minimizing the impact of this uncertainty.

## NZTA Waka Kotahi Funding

For eligible projects, NZ Transport Agency Waka Kotahi subsidies continue at the current FAR of 51%, but assume the actual revenue from NZTA assumed to be between 30-40% of approved project costs. Previous funding requests versus what has been eventually approved by Waka Kotahi would demonstrate that this approach would be a more prudent one, enabling a refocusing of available investment from NZTA on to continuous programme activities, without needing to do a plan variation and reduce the Level of Service provided under the asset management plan.

## General Assumptions

Based on assumed subsidy rates, there is a medium level of uncertainty as it is accepted based on past experience that Council will get a subsidy lower than 51%, but how much lower is unknown. The net cost of transport projects would be greatly affected by changes to subsidy rates or project eligibility criteria. There is a risk that Canterbury projects, including those specific to Timaru, may be pushed down on the priority list if a new national prioritisation schedule is implemented.

## Resource Consents

Enhanced and more stringent conditions are attached to resource consents for water activities and water extraction consents from the Pareora and Opihi Rivers which are due for renewal in 2024 and 2030 respectfully (Pareora is currently underway with its renewal process). Due to the new nature of the National Policy Statement for Freshwaters regime, which was not in place when current consents were granted, there is uncertainty about the real impact this will have. Additional unplanned expenditure will likely result from significantly higher discharge standards. In spite of potential changes in Parliament to roll back the NPS-FW, the age of existing consents means that they must be renewed according to higher standards than those that were in place almost four decades ago.

Redruth Landfill consent expires in May 2030 and will likely be subject to higher standards than the current consent conditions.

## Life Cycle of Significant Assets

Council's infrastructure assets are at varying stages of their life cycles, with many assets nearing end of their useful life, particularly with water networks, bridges, and community facilities. Conditional assessments occur regularly within the different

activities to help inform the renewal programme. The priority placed on proactively renewing infrastructure over the next three decades makes it apparent that Council is driven chiefly by a commitment to managing assets in a way that improves resilience, prepares for emerging demands, and averts reactive crisis responses down the line.

Not all assets have been thoroughly assessed with conditional assessments, particularly within the Parks & Recreational activity and in the community facilities area, and work has commenced to develop the plan for this over the next three years. This is to establish a baseline for the inclusion of these activities in future Infrastructure Strategies going forward.

## Projected Growth for Service Demand

Timaru's growth projections show a slow population growth, but the main sources of demand growth for Council's services comes from the economic growth in the district combined with the demographic changes.

Industrial growth in areas such as Washdyke, Redruth, and around the Port have impacted on the demands for water supply, wastewater treatment, and a resilient roading network. Currently, water demand is well within manageable limits, but the upgrades to Claremont and the industrial upgrades to the Aorangi Road wastewater treatment plant will enable future industrial growth whilst enhancing resilience for the district's water supply. Heavy traffic vehicles, particularly those involved in freight and/or the primary sector, have significantly increased through the economic changes over the past ten years, and the roading network has struggled to keep pace with the increased demand. Trade waste from industry has also impacted on Council's capacity to manage

the risks to consent compliance, with Council now considering different options to manage this. To this end, the wastewater treatment plant in Washdyke is planned for a significant \$70million upgrade in Year 12 (2035) to address industrial treatment needs.

Demographic changes with an older population often results in smaller housing units being built in areas with increased connections to the water networks, and also the land use changes require careful stormwater management.

## Levels of Service Changes (LOS)

Council's levels of service will change over time due to increased customer expectations, enhanced regulation, or changing demand due to growth or decline in some areas. As population growth is not the key driver for LoS changes, it is the change in the regulatory and economic environment that impact Council's service levels the most.

While the Local Water Done Well legislation is yet to be determined, higher compliance standards are already in place for water quality, driving the heavy investment in water supply network infrastructure. Consent conditions for discharges are at a much higher standard than previously, which is driving the investment into reaching those standards for many of our consents being renewed in the next few years.

Customer expectations are often mismatched with the level of funding available from rates, which presents Council with the challenge of meeting those expectations and still ensuring rates are affordable.

# Key Drivers

The Strategy takes into account a number of contextual factors affecting infrastructure planning and delivery. Many of these drivers are related to increased requirements from central government legislation and policy direction. Among the key drivers are:

- Increasing compliance, capacity, and resilience costs to deliver our business, especially in Three Waters.
- Legislative requirements for growth.
- A growing number of expectations and requirements related to climate change.
- A growing demand and expectation for transport mode shifts.
- Ageing infrastructure assets reaching end-of-life and requiring high investment for renewals and replacements.

The Long-Term Plan for 2024-34 balances the impact of these drivers and Council's financial capacities as defined by its Financial Strategy. In response to the following drivers, the Draft Long-Term Plan includes many capital projects and programmes; however, not all can be funded within available funds. Key capital projects that have not been funded in the Long-Term Plan are discussed in the activity sections.

## Increased compliance, capacity, and resilience costs to deliver Three Waters

Increased compliance costs pose a significant challenge to council budgets. Water supply, wastewater, and stormwater management are the areas of our business where this is most evident in our budgets.

Taumata Arowai is the Water Services Regulator, which oversees and enforces the new drinking water quality regulatory framework with additional oversight for wastewater networks as part of the previous government's three waters regulatory reform, and is set to remain. New legislation as part of the new government's Local Water Done Well Policy is currently being drafted, with new regulations expected to be adopted for future standards in wastewater and stormwater activities. After adoption in Parliament, the new Drinking Water Standards took effect in November 2022. There are new duties, obligations and functions for drinking water suppliers such as risk management, preparation for Te Mana o te Wai, and handling customer complaints.

In order to maintain our current level of service and meet economic growth demands, along with complying with more stringent safety, traffic management, and environmental regulations, significant additional investment is required over the next decade in both Three Waters infrastructure investments and Three Waters operations.

## Legislative Requirements to Account for Growth

Growth in cities in New Zealand has led to changes in central government policy through the National Policy Statement on Urban Development (still in effect as of this writing). Despite not having huge population growth numbers, Council must still establish a defined development capacity for potential growth and plans for the infrastructure to support this growth. Additional investment pressure has been added because of the need to invest in infrastructure in order to facilitate urbanisation, and to meet the changing needs of our communities.

Our District Plan is also undergoing changes. In the Draft Long-Term Plan, the ongoing council review is included in the early years of the District Plan review, which is still to be brought before the Hearings Panel. Although the outcome of this review is not yet clear, there is a high likelihood that additional funding will be required for infrastructure in order to support land use changes. By ageing in demographics, Timaru District is experiencing a change, resulting in more development for smaller housing stock, greater demand on the road network, and more vested assets in public spaces that require ongoing management.

## Adaptation to Climate Change Impacts

The Government enacted the Climate Change Response (Zero Carbon) Amendment Act in 2019 providing New Zealand with a framework for contributing to global efforts to limit climate change. A number of targets were included in the legislation that would reduce New Zealand's net emissions according to the Paris Agreement. As part of the act, councils were also required to disclose their adaptation actions, making climate change impacts a part of asset management.

As part of the government's commitment to becoming carbon-neutral by 2025, the Government declared a climate change emergency in December 2020. Timaru District Council resolved to invest in a dedicated resource to develop a Climate Change Programme in its Long-Term Plan 2021-31 to establish targets for our Council emissions as well as a roadmap for meeting our climate change obligations through these targets.

### Transport Mode Shifts

The Canterbury Regional Transport Committee has been involved in the preparation of the Regional Land Transport Plan, in addition to the final Government Policy Statement on Land Transport 2021 (GPS). National Land Transport Fund (NLTF) investments into the land transport system over the next 10 years are outlined in the GPS. New Zealand Transport Agency (NZTA) - Waka Kotahi will co-invest money from the NLTF with approved organisations, such as Council, to invest across activity classes. In addition, it provides guidance to local governments and NZTA on what activities and projects should be included in both the Regional Land Transport Plan and the National Land Transport Programme.

There was a significant shift in priorities for GPS 2018 toward different modes of transportation. This mirrored trends seen in the Timaru District, such as an increased proportion of our community regularly walking and biking for transport. Council was able to leverage dedicated Government funding to deliver a number of improvements for cycling safety and amenity. GPS 2024 has seen a change in priorities for the new government. To achieve the new outcomes and maximise available funding, Council's draft 2024-34 Long-Term Plan aligns its transportation investments and activities with the GPS as much as possible. With the new GPS priorities, public transport (Timaru's MyWay service), walking and cycling have reduced budgets but Council is still investing in these as they will also help to reduce carbon emissions from transportation, meet community expectations, and contribute to climate change mitigation.

### Ageing Infrastructure Renewals and Replacement

Like other councils with ageing infrastructure portfolios, Timaru District Council faces challenges in renewing and replacing its significant assets. Deferring large capital investments over decades and under-investing in depreciation led to artificially deflated rates and sweating out assets to ensure rates were affordable. Most councils throughout New Zealand took this approach, compounded by the fact that depreciation funding wasn't required for core infrastructure until 1990 (after the amalgamations). Non-core infrastructure (such as community facilities - buildings) still lack a legal driver for depreciation funding.

Councils are limited in their ability to keep rates affordable for their communities by their current funding mechanisms, which is why underfunding depreciation is often a preferred lever. Due to a lack of depreciation funding, Council is forced to borrow heavily to invest in its infrastructure renewal programme, and it is to cover the actual cost of all the renewals needed now that so many assets are nearing their end of useful lives.

As part of the current renewal strategy, Timaru District Council aims to replace outdated assets in a progressive manner. Asset renewal is intended to ensure that the district's roading and footpaths infrastructure, Three Water systems, and waste management infrastructure is maintained in a condition that reflects its age profile and maintains the community's investment in those infrastructure assets.

Funding is determined by the rate at which renewals are required. Renewals that are postponed may affect service levels and increase maintenance costs. To minimise long-term maintenance costs, maintain levels of service, and optimise renewal costs, timely renewal intervention is required in compliance with good asset management practice. Over the past few years, Council has conducted extensive revaluations of its core infrastructure. With the conditional assessments, the Council has gained a better understanding of the asset condition, leading to a higher renewal and replacement programme over the next 30 years.

# Council's Infrastructure Portfolio

Generally, Council distinguishes two types of infrastructure: core infrastructure, which pertains to the Three Waters and Land Transport activities, and non-core (community) infrastructure, which comprises of recreational and cultural facilities. In this Strategy's 30-year plan, only core infrastructure and waste management are considered. Nevertheless, Council's debt levels and rates are likely to rise over the next ten years due also to the community infrastructure's capital and operational expenditures (albeit at a significantly lesser amount than in the core infrastructure areas). These will be identified for the overall 10-year plan, but at a high level only. Up-to-date conditional asset assessments are currently being obtained for all park and recreation and community infrastructure assets, which will be incorporated into future strategies

## Core Infrastructure

This covers the water supply treatment plants and equipment, wastewater treatment plant and associated equipment, stormwater management assets, bridges and culverts, roads and footpaths, and waste management assets such as the Materials Recovery Facility and landfills.

- Timaru's water is sourced mainly from the Opihi and Paeroa Rivers, with 11 water supply schemes and over 1,800km of water supply pipes in the district.
- The district operates wastewater treatment facilities at four different locations throughout the District, plus the related conveyance infrastructure, and manages stormwater with pump stations, detention dams, and pipelines.
- There are over 300 bridges and large culverts, with many requiring repair or replacement due to their age.
- Waste management occurs at Redruth Landfill, which also hosts a Resource Recovery Park.
- The district has over 1,700km of roads and 350km of footpaths, along with associated drainage and street lighting assets.

## Community Infrastructure

In terms of community infrastructure, Timaru boasts several community facilities:

- Aorangi Stadium, which is set for a major redevelopment.
- The Theatre Royal, which is currently closed for a \$57M redevelopment with a Heritage Centre.
- 21 council-owned community halls, along with 12 rural committee-owned halls.
- Public toilets located strategically throughout the district.
- Two Holiday Parks and three campgrounds.
- Libraries and Service Centres in Timaru, Temuka, and Geraldine.
- Parks and playgrounds covering 636Ha, including 43 distinct playgrounds.
- CBay Aquatic Centre and other community swimming pools.
- Cultural facilities such as the Aigantighe Art Gallery and South Canterbury Museum.
- Richard Pearse Airport, which offers daily flights to Wellington.
- PrimePort Timaru (50% shareholding via Timaru District Holdings Ltd.)



# Council's Strategic Priorities

As a result of extensive consultation with the community, the Long-Term Plan 2021-31 contained a refreshed set of Community Wellbeing Outcomes. For this LTP, Council has opted to retain these as they were deemed to be fit-for-purpose and are still relevant. Listed below are five Wellbeing Outcomes that guide Council's goals and focus areas.

## The Five Community Wellbeing Outcomes are:

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

In each of these, there are four or five focus areas with some action statements that define the desired outcome, and these were used to establish the following priorities.

## Priority 1:

### Resilient Infrastructure - Invest for Future

We will invest in high quality infrastructure to meet the needs of our community. In order to deliver the community services and infrastructure residents expect and deserve, the Council has laid out its funding priorities in this Strategy to prioritise infrastructure renewals.

## Priority 2:

### Enhanced Lifestyle - Facilities & Services

We will provide future-proofed services and facilities to enhance the community. A key goal of this Strategy and the Draft Long-Term Plan is to update key cultural and recreational facilities as well as invest in high-quality water services infrastructure, such as membrane microfiltration plants.

## Priority 3:

### Diverse Economy - Leverage Local Strength

We will leverage local strengths to retain and grow local talent. Due to the scale of the proposed capital works programme and Council's procurement policies, Council relies heavily on external expertise within Timaru and wider Canterbury.

## Priority 4:

### Sustainable Environment - Clean Environment

We will prioritise sustainable land and water use to help regenerate our environment. Some key projects in this Strategy relate to water supply sustainability, stormwater or wastewater land protection, and ensuring access corridors meet community needs.

## Priority 5:

### Connected Citizens - Enabling Community

We will enable community ownership of projects, by supporting community groups and initiatives. Community involvement is often required for infrastructure activities, either through engagement for specific projects or by partnering with key stakeholders to deliver the assets needed.

# Climate Change and Natural Hazards

The Council considers climate change to be a critical factor in its long-term planning. Council supports its planning by following guidelines from the New Zealand government, which are based on the best climate science available at the time.

Infrastructure resilience faces climate threats. Timaru assets risk damage through floods, landslides, high groundwater, and liquefaction in seismic events - heightened over time by climate change. Impacts include intensified rainfall, storms, and flooding. Low-lying areas are especially vulnerable to rising groundwater, amplifying flood and surface ponding risks. Weather variability flattens the bell curve of extreme event frequency, meaning more regular acute impacts.

The Ministry for the Environment information on <http://www.mfe.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/canterbury> provides an overview of projected climate changes over the period 2031- 2050 and 2081-2100 compared with 1986-2005.

## Potential key impacts are likely to include:

- Water shortages – Drier conditions, reduced rainfall, and more evapotranspiration will increase the strain on water resources. The frequency and severity of droughts are likely to increase.
- More frequent storm events – Storm events can cause raw water quality to be negatively impacted in streams and shallow bores or become cloudy, requiring additional treatment in order to comply with drinking water standards.

- Fire risk – Fires are more likely to occur during periods of high winds, high temperatures, low humidity, and seasonal droughts. As a result, fire seasons are expected to last longer.
- Sea level rise – Climate change and rising sea levels will increase the risk of inundation and coastal erosion.
- Biosecurity – Pests and weeds may spread more quickly as a result of climate change. Changes in the distribution of disease vectors may also pose a threat to native species.
- Agriculture – A longer growing season, warmer temperatures, increased intensification, and fewer frosts could lead to new crops which will result in additional source water treatment mechanisms. In addition to faster pasture growth, farmers may also benefit from better crop growing conditions. Severe storms and floods, as well as prolonged droughts, may limit these benefits due to the negative effects of climate change. Water resources are also likely to be under increasing pressure through higher demand.

## Changes in average temperatures could potentially have the following effects:

- Dust on unsealed roads due to longer dry periods
- Bitumen softens due to high temperatures, causing flushing
- Changes in planting regimes for parks and reserves, resulting in greater stress on plantings and increased maintenance
- The adoption of legislative measures to mitigate the negative effects of climate change (e.g. the adoption of building codes requiring rainwater collection)
- Volumes of landfill gas and leachate.





## Land Transport (Roading & Footpaths)

**The climate change effects posing the greatest risk to some infrastructure includes:**

Adverse weather events:

- Intensity of rainfall
- Higher river flows
- Strong winds
- Droughts
- Snowfall
- Changes in average temperatures

**These have the potential to effect:**

- Unsealed roads become dustier because of prolonged dry periods
- Flushing and reduced skid resistance due to high temperatures causing bitumen softening
- Damaged roads and bridges due to increased flooding and scouring
- Blocked roads due to trees and other structures falling

Road accessibility and network resilience can be affected by all these factors. Through timely responses and repair works, these will be mitigated as needed.

## Water Supply

A key risk to water supply is the quality and availability of source water. Droughts are becoming more common, leading to an increase in the odds of severe restrictions occurring in any given year of over 5%. Rainfall that is more frequent and intense could negatively impact the quality of our raw water

sources, making it harder to treat to drinking water standards. As a result of these factors, Council plans and operates its assets with environmental considerations in mind, and measures are being put in place progressively to adapt to the impacts of climate change (e.g. in design standards).

The immediate goal is to upgrade the take, treatment, and storage options. It will allow the treatment of significantly poorer quality raw water to be appropriate and effective. Although demand is not a key issue for Timaru specifically, a demand management measure to increase water availability and efficiency in anticipation of future demand needs, universal urban water metering is proposed in the medium term. The development of new water sources and investment in additional storage and/or further treatment upgrades may be required in 20 years to enhance climate change resiliency.

## Stormwater

To quantify the impact of climate change on the district's stormwater network accurately requires significant investment which is hard to justify in the current economic environment. By using the Annual Exceedance Probability (AEP) measure against our levels of service, we need to consider the duration and type of event and its impact on our stormwater assets and system.

It is an accepted fact that the district's stormwater network is aged. Increasing rainfall intensity will result in overflows and ponding in some parts of the network, causing the network to fail at its intended capacity. The Council and the community need to develop an agreed level of service to handle higher stormwater flow rates and volumes, which

will require significant investment in network capacity upgrade and development. Stormwater improvements were included in previous Long-Term Plans, along with funding and timing decisions.

In order to meet the Canterbury Land and Water Regional Plan (CLWRP) requirements, the Council previously decided to spend \$15M over the 15 years on stormwater management improvements to address the water discharge quality as opposed to the volume or flow rates. It is planned to improve environmental outcomes gradually over time (short- and long-term) through a staged approach.

## Wastewater

Inflow and infiltration (I&I) could be exacerbated by more intense rainfall events, which could affect the asset performance. If the wastewater network's existing design capacity cannot cope with these more intense rain events, service failure could occur.

Increasing I&I rates into wastewater networks also play a critical role in determining future volumetric demands. Stormwater constitutes 20% to 40% of wastewater volume in most urban systems across New Zealand.

Overflows from wastewater networks caused by high levels of I&I increase the likelihood of resource consent breaches. Council's pipe renewal program is informed by testing results from the city's ongoing I&I assessment programme. Sewer network overflows can be mitigated by timely replacement of defective pipes.

Water treatment could become challenging with oxidation ponds that are dependent on algal growth becoming susceptible to warmer temperatures due to the climate-sensitive biological systems in place.

## Climate Change and Natural Hazards

The focus on climate change mitigations means future measuring and management of greenhouse gas emissions from wastewater is an emerging area nationwide.

### Waste Management

Climate change is exacerbated by the generation of methane gas from waste. A system of gas collection and destruction is required for Redruth Landfill under the National Environmental Standard for Air Quality. Every stage of cell development, capping, and closure is planned to accommodate landfill gas systems. By installing the new LFG capture system and burn off flare, Council has ensured compliance with the NES and is able to offset carbon credit purchases through UEF credits.

The site's stormwater flow and that of the surrounding catchment are expected to increase when there is heavy rainfall. Climate change mitigation controls will be examined as part of stormwater planning.

Landfills in coastal areas are subject to erosion over time; Redruth Landfill is actively monitored to assess the risk from sea level rise. There is, however, a railway that passes between the Redruth landfill and the coast in the South Island, which provides some protection from the sea. High bunds and swales at the Redruth site mitigate flooding risks because of their ability to divert stormwater.

Among the Council's climate change initiatives is the assessment of the impacts on its waste management assets, including the current Closed Landfill Risk Assessment.

### Coastal Erosion & Inundation

Coastal erosion and inundation pose no immediate threat to significant roading or wastewater treatment infrastructure in the district. However, low lying recreation areas such as the Otipua Wetlands and associated pathways and bridges are subject to it, along with Rangitata and Milford Hut settlements. A potential erosion or inundation of the Redruth landfill and other closed landfills in the District also exists during this strategy's lifetime.

The issue can be summarised as follows:

- Most of the South Canterbury Coastline is being eroded; however, Caroline Bay is being accreted.
- The erosion problem has worsened in recent years due to the decline in beach shingle, particularly during heavy northeasterly swells.
- Otipua Beach and Otipua Wetlands are the most at risk from current levels of erosion, along with coastal walkways, the Rail Corridor, and the South Island main trunk railway line.
- Over the next 25 to 50 years, coastal erosion may affect more significant infrastructure assets. Sea levels are predicted to rise, making erosion and flooding more frequent if extreme weather events occur more frequently. An example would be Washdyke Lagoon, which if completely eroded would put a sewer line at risk of damage from coastal erosion if the seaward side of the lagoon were completely eroded.

Environment Canterbury defines the coastal erosion zone as the area outside of which the Council Wastewater Treatment Plant and Oxidation Ponds are located. It is unlikely that the plant and ponds will be threatened within 100 years.

Within 50 years, erosion and inundation could cause damage to the Redruth landfill. KiwiRail may be able to protect the main trunk railway line in the South Island if they take measures to do so. In that case, the landfill would likely be protected. Otherwise, the landfill could be at risk depending on erosion rates.

There's no linear process to coastal erosion and inundation; it's a dynamic, variable and hard to predict event. As a result, Council needs to monitor closely and address this issue as needed.

Our infrastructure planning has taken into account these key likely impacts.

# An Achievable and Affordable Plan

Council is faced with significant infrastructure challenges, which make it difficult to deliver ongoing affordable service delivery in an appropriate manner.

As part of its Financial Strategy (FS), this strategy seeks balance between meeting the future infrastructure development and renewal needs, while maintaining affordability for residents and ratepayers. Considering the long-life expectancy of assets and the benefits they bring, they should be paid for across generations in a fair and equitable manner, which is why Council applies inter-generational equity for its debt funding for large infrastructure projects.

A two-way relationship exists between the Infrastructure and Financial Strategies.

**Ratepayer affordability is balanced in the FS with matters and issues outlined in the IS, such as:**

- Infrastructural maintenance, replacement, and renewal for ageing assets
- Standards and requirements that must be met under legislation
- To respond to community aspirations for new and better infrastructure
- In addition to climate change, we must also plan for other big issues.

Given Council's funding constraints and reliance on rates revenue to meet these demands, maintaining affordability is a significant challenge. Council's debt to revenue limits have been increased and rates funding has been increased to meet this need. Rates for Timaru District Council are very low when compared with those of similar councils, and this has affected our ability to meet these demands. As

part of its investigation, Timaru is also considering how it can reduce the rate impact in the future through other mechanisms, such as implementing development contributions. All councils face this affordability issue, and it is a major discussion point between central and local government.

As a result of deferred renewals and underfunding of depreciation, Council finds itself with a large renewal works programme that may be beyond the capacity of its local contractors. It is crucial to balance the community's increased demands for modernising community assets with a clear plan for renewing the critical core infrastructure that meets legislatively mandated levels of service. As a result, large investment decisions will be needed during the 30-year life of this strategy for projects that are not currently funded. A number of these projects have been included in previous Long-Term Plans but have been deferred because of funding constraints.



# High Level Options Analysis

Project	Options	Preferred Option
<b>Claremont Water Treatment Plant Upgrades;</b> <b>\$28.5million for years 1-4</b>	<p>Undertake works with UV treatment and installation of microfiltration membrane in Years 1-4 to address resiliency and future demand</p> <p>Delay works until later years with potential risk of failure of service (boil water notices)</p> <p>Do not undertake works with risk of failure to meet compliance standards; potentially put public health at risk for water supply</p>	<p>Council has chosen Option 1: to do the upgrades in Years 1-4 to mitigate any potential risk to the Timaru water supply and enhance resilience for future demands for industrial users in Washdyke</p>
<b>Downlands &amp; Timaru reservoir linings &amp; covers;</b> <b>\$12million for years 2-5</b>	<p>Undertake works to install new linings and roof covers for reservoirs in Timaru and for Downlands water supply networks in Years 2-5</p> <p>Delay all works for future years and risk leaks and/or contamination in reservoirs</p>	<p>Council has chosen Option 1: to address any potential issues and do the work necessary to protect the reservoirs for Timaru &amp; Downlands</p>
<b>Timaru/Washdyke Stormwater Upgrades;</b> <b>\$13.5million for years 1-10</b>	<p>Invest in stormwater upgrades for Timaru and Washdyke areas for this LTP period to improve resilience and protect the environment in times of flooding</p> <p>Delay any stormwater upgrades or works until after legislation has passed and risk damage from intense weather events until then</p>	<p>Council has chosen Option 1: to invest in the stormwater upgrades in anticipation of expected legislative standards to address immediate needs of the community</p>
<b>Caroline Bay Pump Station Installation;</b> <b>\$9.5million for years 8- 9</b>	<p>Install a pump station at Caroline Bay to address stormwater flooding issues in Year 8</p> <p>Bring forward the work to install the pump station to enhance the resilience of Caroline Bay sooner</p>	<p>Council has chosen Option 1: to install the pump station in Year 8 at Caroline Bay as a future project due to costs and will manage stormwater issues accordingly in the interim</p>
<b>Redruth Pump Station Renewal;</b> <b>\$3.4million for years 6-7</b>	<p>Invest in Redruth Landfill pump station to replace old pump to protect public from contamination from stormwater runoff on landfill</p> <p>Delay renewal and risk failure of existing pump station</p>	<p>Council has chosen Option 1: to schedule the pump station renewal at the scheduled end-of-life to ensure stormwater issues are addressed</p>

Project	Options	Preferred Option
<b>Inland Towns Wastewater Treatment Plant (WWTP); \$8.5million for years 2- 10</b>	<p>Invest in wastewater treatment plant upgrades for townships throughout the district in a sequential order over the years to ensure compliance and public health safety for all residents</p> <p>Bring forward the planned works programme to do all at once</p> <p>Delay any works on WWTP for smaller townships until after year 10</p>	Council has chosen Option 1: to phase in WWTP upgrades to all townships over the ten year plan to help spread out the costs and to prioritise based on need
<b>Washdyke New Link Road - Heaton Hayes; \$4.6 million for years 4-5 &amp; 10</b>	<p>Develop the road in accordance with roading programme to address demand from heavy vehicle traffic</p> <p>Delay or defer road development until after Year 10 and risk further deterioration on roading network in area due to heavy traffic</p>	Council has chosen Option 1: to proceed with road development and help address demand issues on roading network in adjacent area
<b>Cycleways Implementation; \$5million for years 1-10</b>	<p>Invest full amount (\$1m p.a.) in developing cycleways to help promote active transport and carbon emission reduction targets for district</p> <p>Reduce investment to \$500k p.a. to keep cycleways in development but at a slower pace than planned</p> <p>Remove cycleways investment to follow lead of central government</p>	Council has chosen Option 2: to reduce investment by half due to budgetary constraints, but still keep the commitment to developing the cycleway network as a means of active transport for the district
<b>Aorangi Road Industrial Wastewater Plant Upgrade; \$70million Year 12</b>	<p>Proactively invest in Aorangi Road WWTP upgrade for industrial wastewater projected growth in demand in Year 12</p> <p>Delay upgrade until industry growth is established and design build to respond to need; reactive approach.</p> <p>Do not upgrade plant and risk non-compliance for discharge consents</p>	Council has chosen Option 1: to proactively plan and invest in WWTP upgrades for industrial growth, with a view this decision can be revised/brought forward in future LTPs
<b>Replacement Landfill; \$55million Years 19-23</b>	<p>Council invests in developing new landfill when Redruth hits end-of- life</p> <p>Council diverts waste to Kate Valley or alternative landfill in future</p>	Council has chosen Option 1: to scope new landfill site from year 19 with Redruth's closure in year 25

# NZ Infrastructure Strategy

Rautaki Hanganga o Aotearoa, the NZ Infrastructure Strategy (NZIS), was released by the Te Waihanga (NZ Infrastructure Commission) in 2022. In many cases, there are overlaps between national infrastructure challenges facing the government and local infrastructure challenges. A growing and ageing population, coupled with climate change, aged assets requiring high expenditures in renewal, and a shortage of workers in the construction sector are a few of the common challenges identified.

In general, the NZIS makes 68 recommendations to central and local government, and the infrastructure sector. These recommendations have two main objectives:

1. Lifting the contribution that infrastructure makes to wellbeing by addressing five strategic objectives.
2. Improving the performance of infrastructure planning, funding and financing, and delivery.

## Key Recommendations for Councils

A role for local government has been identified in 20 of the Infrastructure Commission's recommendations. Briefly stated, they focus on the following key areas:

- Increasing capacity and capability of Māori in infrastructure.
- Improve water infrastructure pricing, management, and water conservation. Increase supply and use of low-emission transport options.
- Optimise the use of urban land, improve urban planning through standardisation, increase housing development in areas of infrastructure access.
- Reduce congestion, improve urban mobility, target transport investment to high priorities.
- Enhance resiliency of access to essential materials to build and maintain infrastructure (i.e. aggregates).
- Minimise waste through market intervention (increased fees and enforcement for illegal dumping), improve recycling infrastructure, improve social marketing to effect behaviour change, reduce landfill emissions from organic waste, increase use of recycled materials in infrastructure builds, improve waste data, require waste plans for infrastructure building.
- Improve transparency of long-term infrastructure planning and investment, consider non-built options for infrastructure challenges.
- Ensure infrastructure charges are inflation-adjusted.

## Timaru's Alignment to Recommendations

Council's infrastructure planning and practice already incorporate many recommendations made by the Infrastructure Commission. We engage Aoraki Environmental Consultancy (Arowhenua's entity for iwi/local government engagement) for infrastructure and planning related issues through monthly meetings and a Service Level Agreement. Waters, Land Transport, and Waste Management are continuously reviewing pricing, identifying business improvement practices, and focusing funding on Council's identified priorities. Infrastructure Services and District Planning collaborate on urban development areas to integrate urban and infrastructure planning. With Council's Financial Strategy and prudent financial management, all budget models are inflation-adjusted for infrastructure projects and future planning.

# Part Three: Three Waters

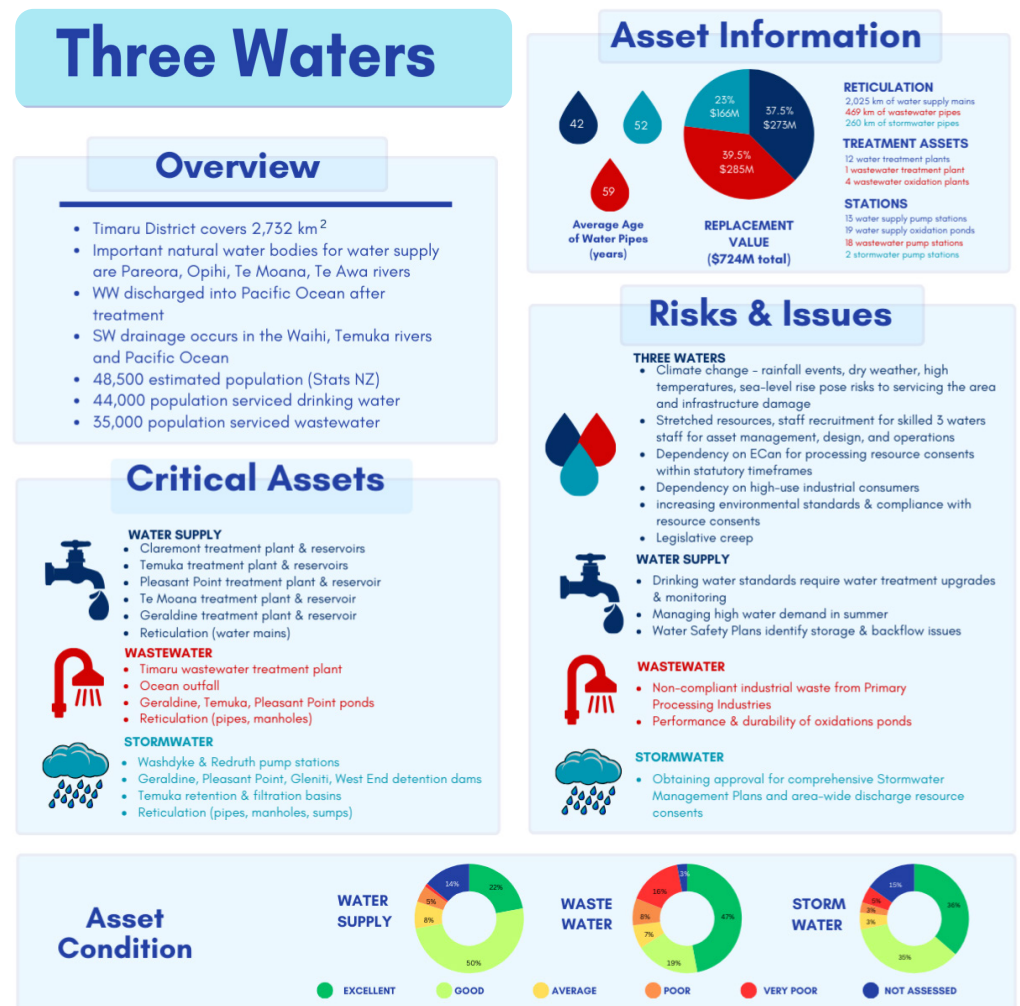
## Overview

Timaru's drinking water, wastewater, and stormwater systems fundamentally enable quality of life, health, and economy. Governing legislation spans the Health Act, Local Government Act, Water Services Regulator Act, and Resource Management Act alongside consumer protection regulations. New safety requirements around district dams, ponds and reservoirs also demand more resources for monitoring and audits. Further Three Waters legislative reform likely looms ahead, influencing this Strategy's trajectory.

Taumata Arowai, the national water regulator, oversees drinking water standards, while monitoring wastewater and stormwater discharges (ECan still regulates compliance). The Water Services Regulator Act 2020 and the Water Services Act 2021 outline its duties alongside those of drinking water suppliers and councils over drinking water supply provisions. The new government has repealed all other water reforms legislation and will be introducing bills through Parliament during 2024 that will help define.

In developing this Strategy, Council has assumed retaining ownership and operational responsibility for Three Waters for the next 30 years, but will continue working in partnership with neighbouring councils to deliver water activities where appropriate.

The infographic summarises and updates the Three Waters information sent to the National Transition Unit as part of the preparation for the former Affordable Water Reforms, which have now been superseded by the new coalition Government's Local Water Done Well Policy.



## Water Supply

### Water Supply Schemes

The Timaru District's water supply activity involves managing, operating and maintaining water supplies in a manner that safeguards and promotes community wellbeing while minimizing environmental impacts.

Timaru District Council provides drinking water and stock water across ten public water supplies and two stock-only schemes. Sources include rivers, bores, and underground aquifers. The Opihi and Pareora Rivers supply 60% of drinking water to the district. Water takes require resource consents which may restrict volumes during drought when river flows decline.

Community drinking water systems serve Timaru, Temuka, Geraldine, Pleasant Point, Winchester, Peel Forest, Orari, Te Moana, Seadown, Downlands (jointly governed with Mackenzie/Waimate District Council's but Timaru-managed), and stock-only schemes in Beautiful Valley and the Rangitata-Orari area.

### Asset Summary

For water supply, Council has plant assets including intakes, treatment plants, reservoirs, pump stations, telemetry, and land such as Pareora River Scenic Reserve where the key intake from the Pareora River occurs. Key assets comprise 16 treatment facilities, 10 pump stations, 11 reservoirs and approximately 2,025 kilometers of piping network valued at over \$350 million. In 2020, assessments found 92% of pipes in good to excellent condition and 8% in poor to very poor condition. Assessments evaluate physical sampling, expected life based on installation dates, and failure rates.

### The water supplies being managed by TDC consist of:

- Five urban drinking schemes for Geraldine, Peel Forest, Pleasant Point, Temuka (including Winchester) and Timaru;
- Four rural drinking and stockwater schemes for Downlands, Orari, Seadown and Te Moana;
- Two stockwater only schemes for Beautiful Valley and Rangitata-Orari; and
- Two smaller supplies at Upper Pareora Gorge and at Rangitata Huts, the latter being operated on behalf of TDC's Property Unit.

A map of the District's water supply network showing intakes, treatment plants, reservoirs and pump stations can be found overleaf.

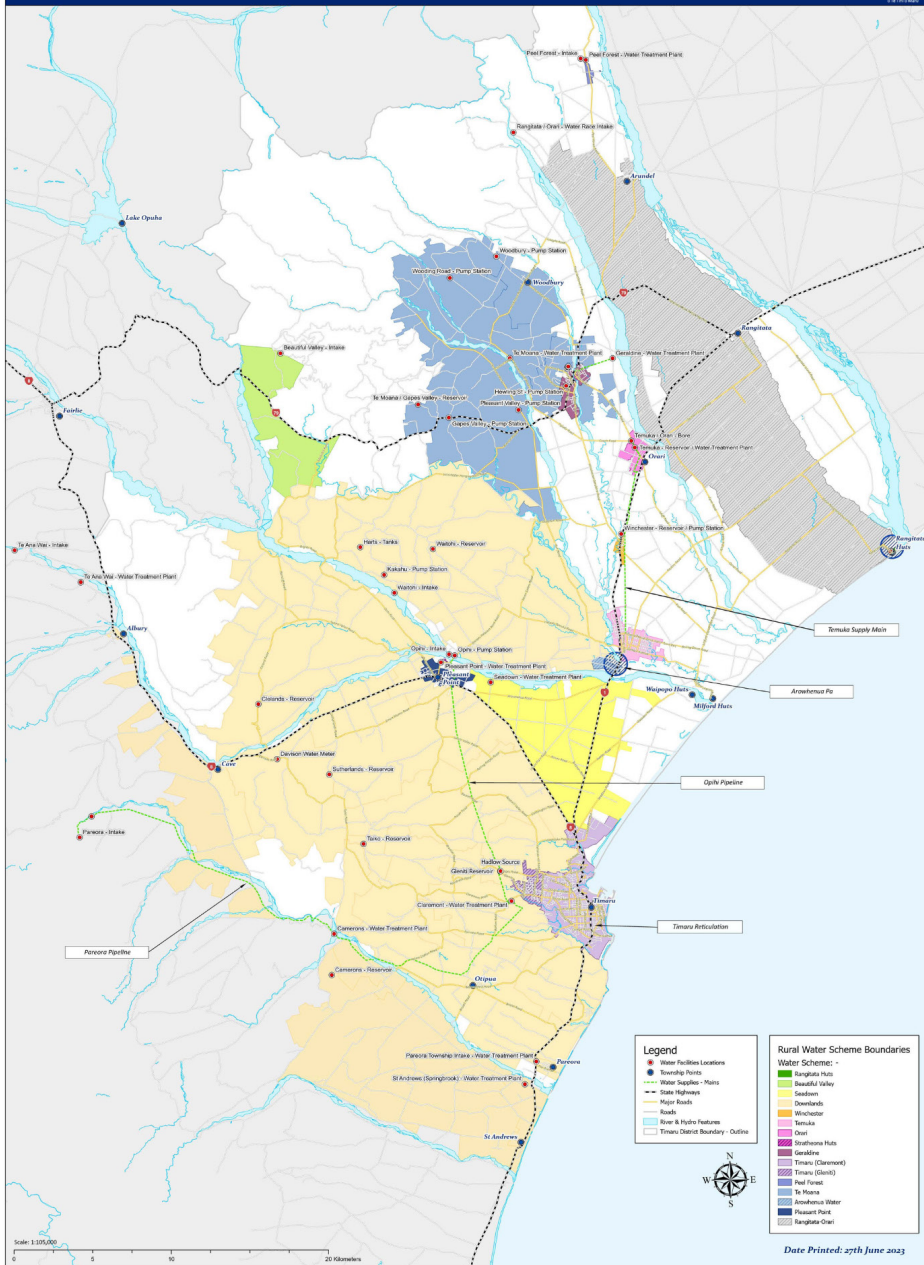
As of the year ended 30 June 2023, there were a total of over 21,000 residential and non-residential connections.

Council prioritises renewing pipes in poor condition, balancing age, condition, criticality, maintenance history, and failure rates. Where feasible, pipe renewals are coordinated with road works. Renewal priorities undergo annual review incorporating new information. Ongoing pipe maintenance also mitigates service failure risks.

Recent annual water supply asset renewal expenditure was over \$11 million (2023 Annual Report).



## Timaru District Water Scheme - Location Map



The Timaru District’s water supply assets are facing significant renewal costs in the next ten years due to age and performance issues. An assessment of the remaining life of pipe assets indicates this need for renewals. The accelerated failure of the asbestos-concrete pipes in the Temuka Water Supply in December 2017 has underscored the importance of robust data and methodologies for estimating the remaining life of pipes to prevent premature failures. The need for significant renewals suggests that some assets may be nearing the end of their service life or have performance issues. Key factors influencing the condition of these assets include compliance with Drinking Water Standards, the effects of climate change, and the need for water treatment upgrades to meet public health risks.

The general condition of water supply plant assets is typically dependent on age, with expected lifespans ranging from 5 to 100 years depending on the asset type. Methods for determining the condition of water supply assets include:

- **Operational Records:** Regular staff visits for water sampling can detect issues.
- **Maintenance Records:** Ongoing issues measured as a performance indicator.
- **Telemetry:** Continuous monitoring with alarms for anomalies.
- **Water Quality Monitoring:** Detects non-performance in treatment processes.
- **Professional Services:** Commissioned for focused condition assessments.
- **Periodic Checks:** By experienced personnel using tools like infrared cameras.
- **Specialised Contractor Maintenance.**
- **Age of Asset:** Used as an indicator of condition.

Outcomes from these assessments are used for planning renewals, replacements, or upgrades, and are summarized in reports such as the 2012 condition assessment and the 2008 and 2014 Pipe Condition Assessment Reports.

Reservoirs and water treatment/storage structures were evaluated for the 2021-2051 Infrastructure Strategy. Seismic vulnerabilities were identified in several assets. A new control/office building was constructed at the Clarendon Water Treatment Plant, while seismic strengthening and an extension were completed at Pleasant Point. Above ground asset condition assessments have generally been informal. A protocol to standardise evaluations is in development. Accessibility enables routine checks on treatment facilities, providing confidence in condition knowledge.

## Three Waters: Water Supply

Currently household and industrial usage each account for roughly 50% of supply. Climate change threatens future water security. Asset planning and management incorporate measures to meet rising demand.

There is good confidence in the condition data for pipes with about 98% of the network already assessed. However, the accuracy of data may decline with its age. For above-ground assets, the condition assessment is largely informal, but due to their accessibility, there is good confidence in the condition data. A more formal protocol for plant/facilities condition assessment is identified as an improvement action to be carried out in the short term.

The Asset Lifecycle Management Process utilised by Timaru District Council includes operation and maintenance planning for optimal asset utilisation, and programming of capital works like asset development, renewals, upgrades, and disposal to sustainably deliver the required level of service. The framework aims to provide and maintain assets economically, deliver services affordably, achieve the asset's service potential, customer levels of service, health and safety standards, and reduce Council's exposure to risk from unforeseen asset failure. This encompasses renewal/replacement, disposal, operations and maintenance (both unplanned and planned), and creation and/or development of assets.

The Asset Renewal Strategy for the Timaru District's water supply system focuses on maintaining asset integrity to ensure efficient and effective performance. This involves significant treatment upgrades for all supplies to comply with the Drinking Water Quality Assurance Rules that define the Drinking Water Standards of New Zealand (DWSNZ), including the installation of membrane filtration and UV treatment plants. Upgrades are planned for all urban water treatment plants within the next 30 years, with the possibility of schedules being accelerated by the regulator, Taumata Arowai. The strategy aims to address system losses and high demand resulting from poor asset condition and performance, which will likely have levels of service standards set by the Commerce Commission.

The process for planning capital works in the Timaru District's water supply system involves defining strategies for asset renewals/replacements, upgrades/improvements, and new capital projects, including asset disposal. The Asset Renewal Strategy follows cyclic renewal strategies for progressive replacement of assets that have reached the end of their useful life. This is based on factors like the asset's age profile, physical condition assessments, criticality, maintenance repairs, customer service issues, and performance monitoring. Key capital projects for the next 10 years are detailed in the Asset Management Plan.

The Water Supply Activity Management Plan 2024-34 does not provide specific current conditions for all water supply assets but outlines key projects and replacements for the LTP period, indicating areas of focus for asset management. These include Seadown reticulation reconfiguration and renewals, Timaru Urban Supply intake renewals, membrane treatment installation for urban water treatment plants, fluoridation considerations, Geraldine Urban Supply reservoir replacement and treatment plant upgrade, Temuka Urban Supply reservoir renewal, Downlands reservoir relining and roof covers, universal water metering rollout, and network modelling for better criticality assessment.

The Timaru District Water Supply Asset Management Plan outlines the process for planning operations and maintenance of water supply assets. The Asset Management Team within the Drainage and Water Unit of TDC's Infrastructure Group, comprising in-house personnel and contractors, is responsible for technical and administrative functions, projects, and asset maintenance services. They manage asset lifecycle, conduct periodic checks, and monitor outputs like pressure from pumps continuously. Regular visits to pump stations and treatment plants for intermediate inspections and maintenance are part of the routine. This ensures efficient and effective performance of the assets and compliance with environmental standards.

## Three Waters: Water Supply

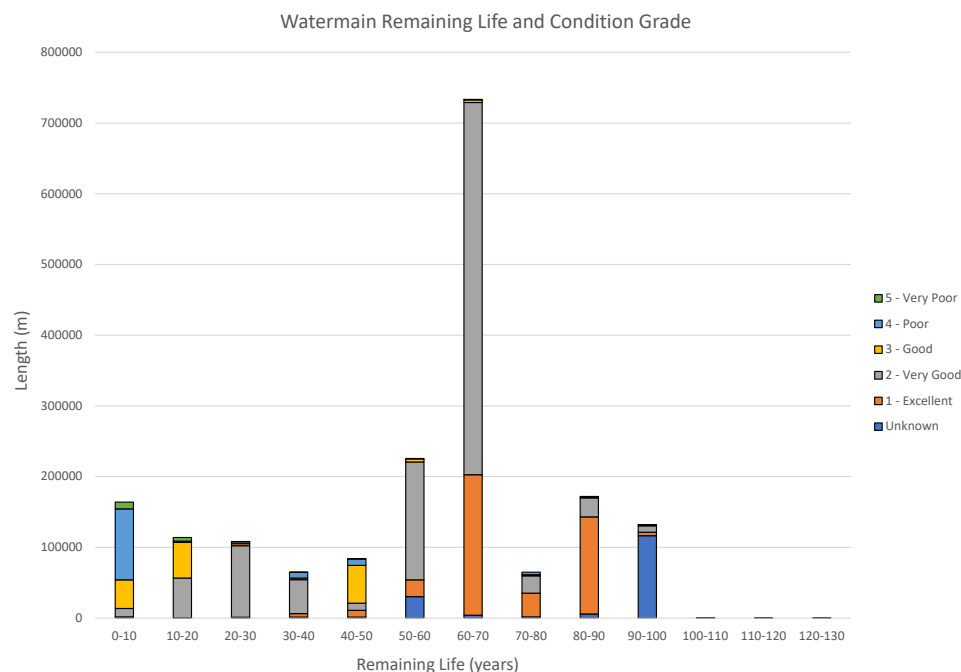
The graph below shows the remaining life of the watermains of the Timaru Water Supply Network, with the impending issues for those with less than ten years showing in the condition assessment.

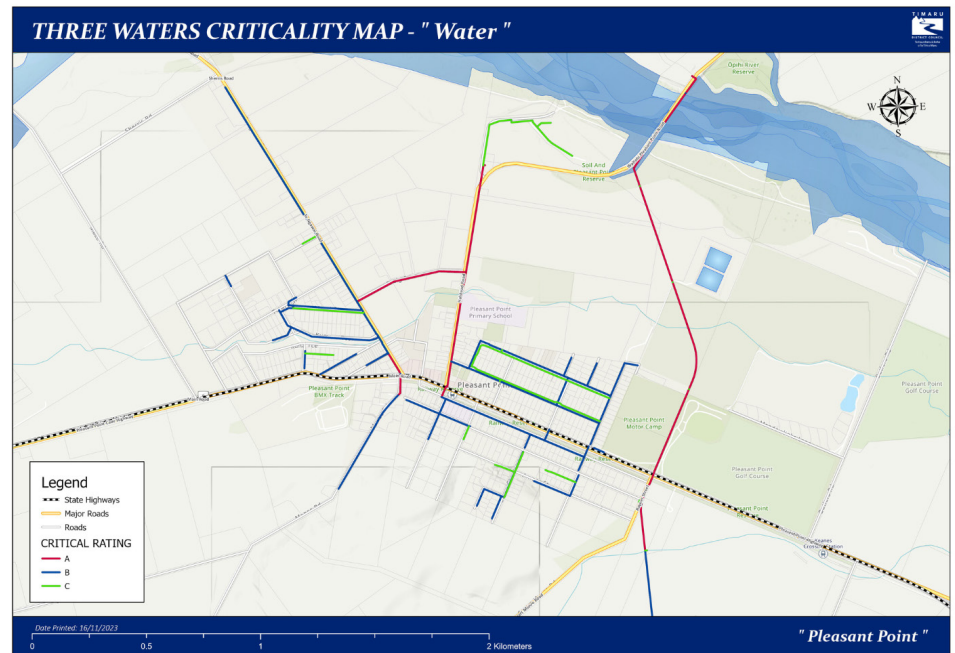
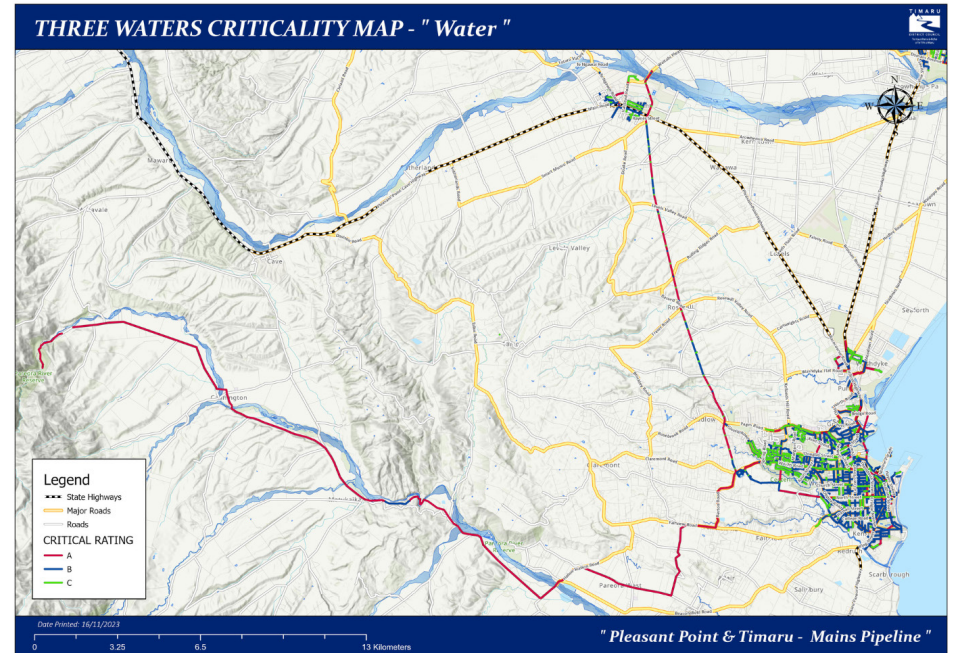
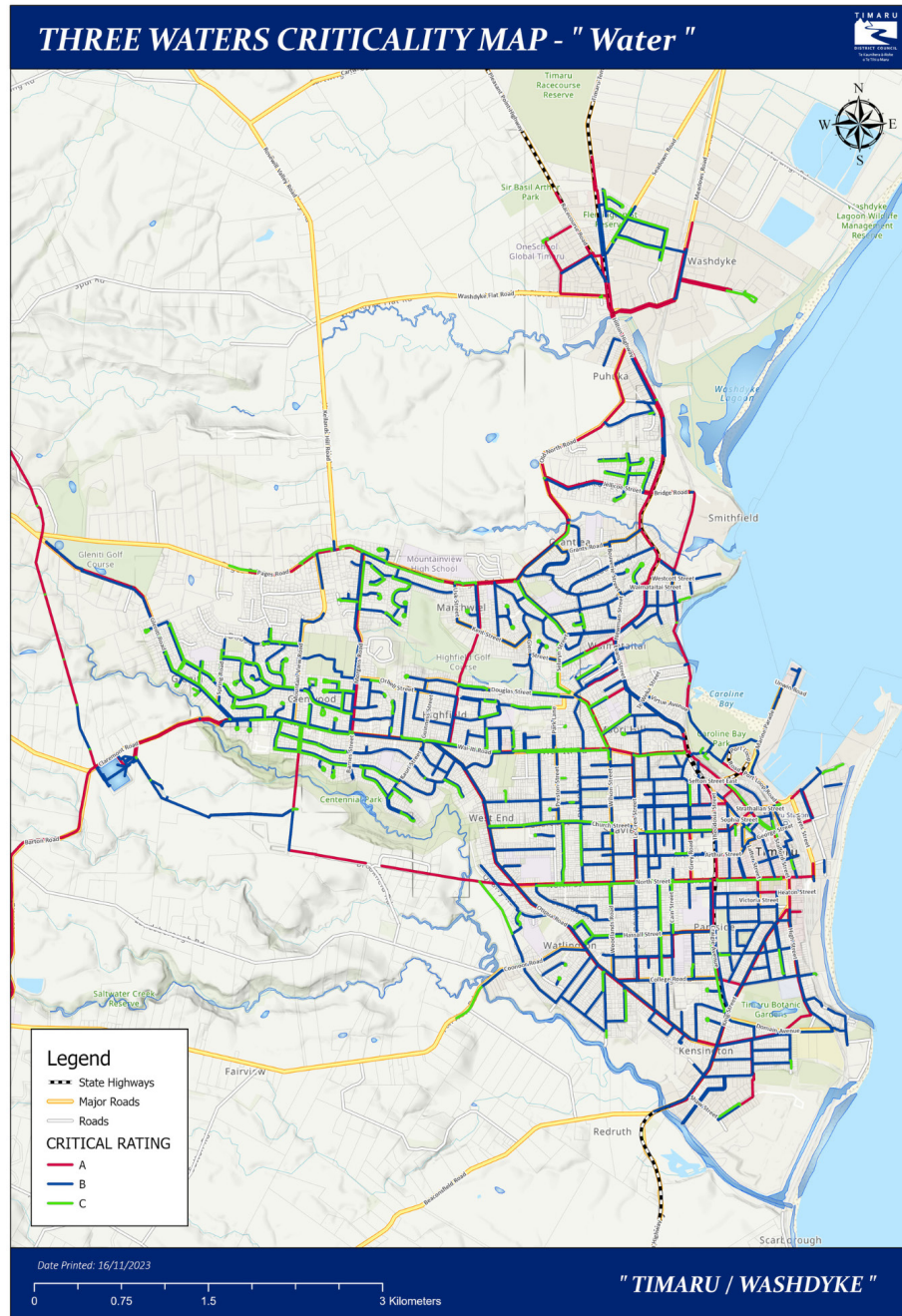
The maps overleaf shows the criticality of the Timaru Water Supply Network, with the key to decipher the different colours shown below:

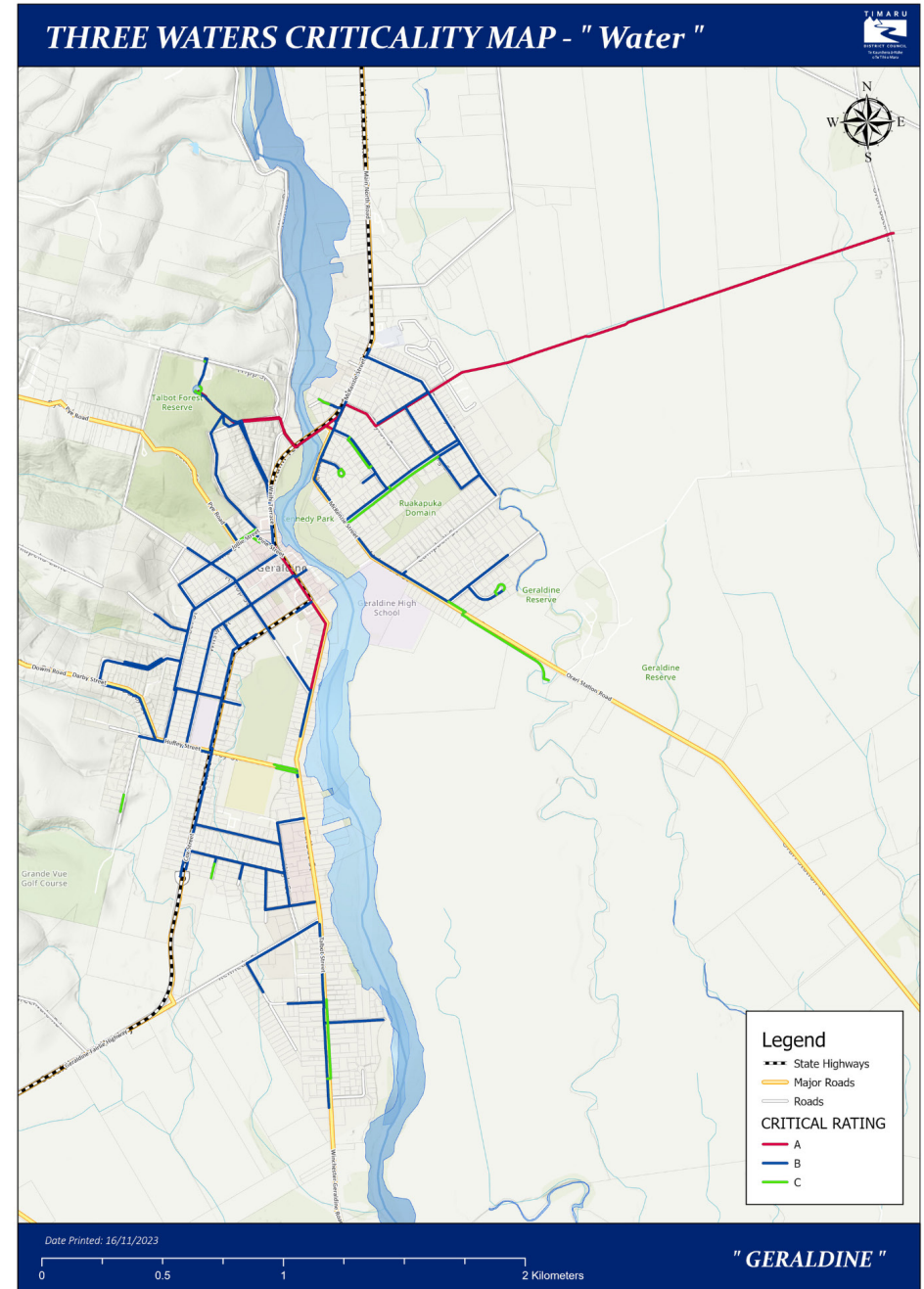
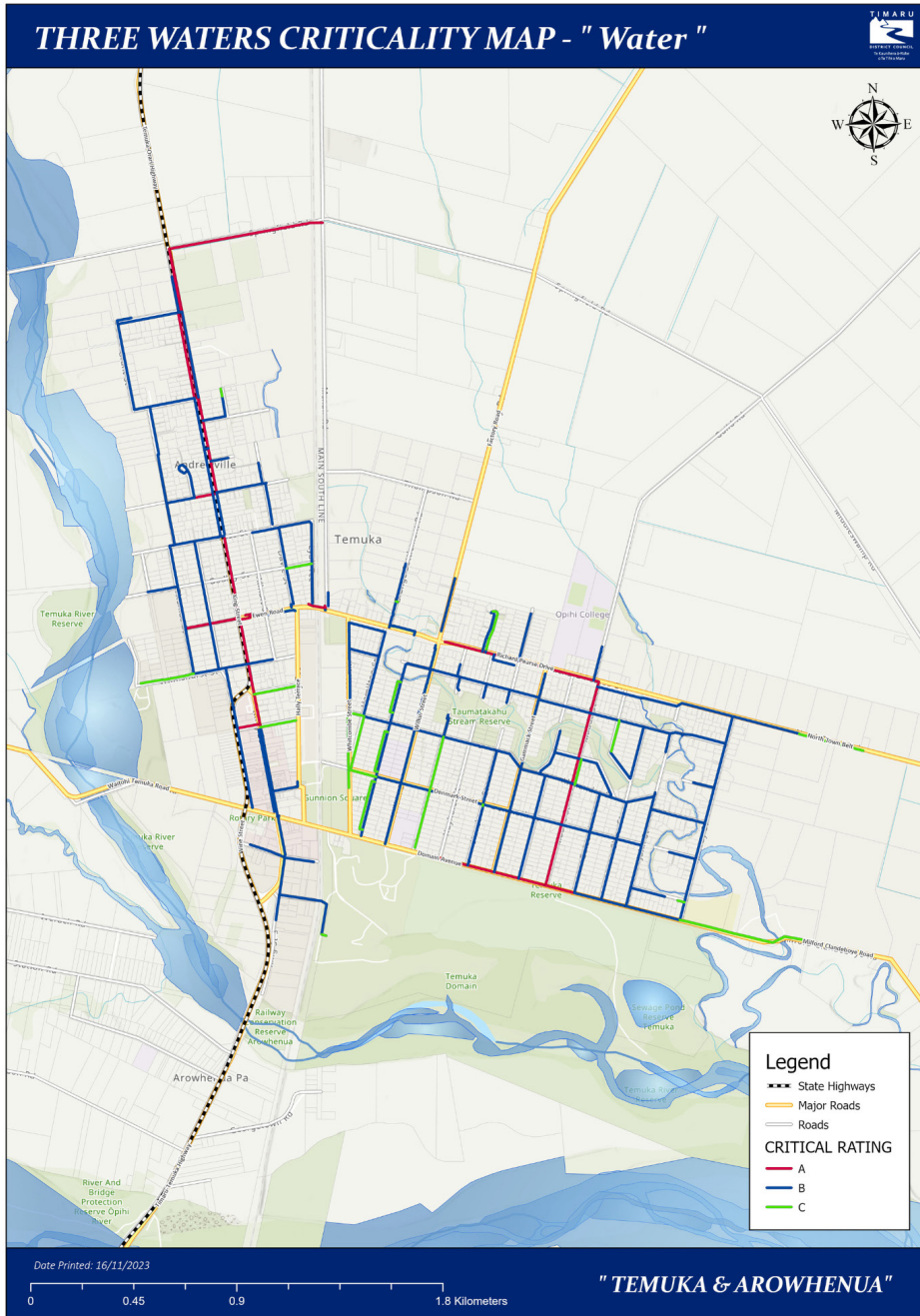
ASSET CONDITION GRADING		
Score/ Severity	Category	Description
1	Near as new condition with no defects. Asset is fully serviceable.	Excellent Condition
2	Superficial deterioration. Minor issue with reliability. Minor maintenance only is required.	Very Good Condition
3	Significant deterioration. Assets are operational but display efficiency deficiencies. Routine maintenance and/or refurbishment is required.	Good Condition
4	Major or serious deterioration is evident. Asset is not operating effectively and major problems are imminent. Major maintenance or rehabilitation is required.	Poor Condition
5	Asset has failed, is about to fail or has stopped working. The asset is unserviceable. Asset replacement or renewal is required immediately or within 12 months.	Very Poor Condition

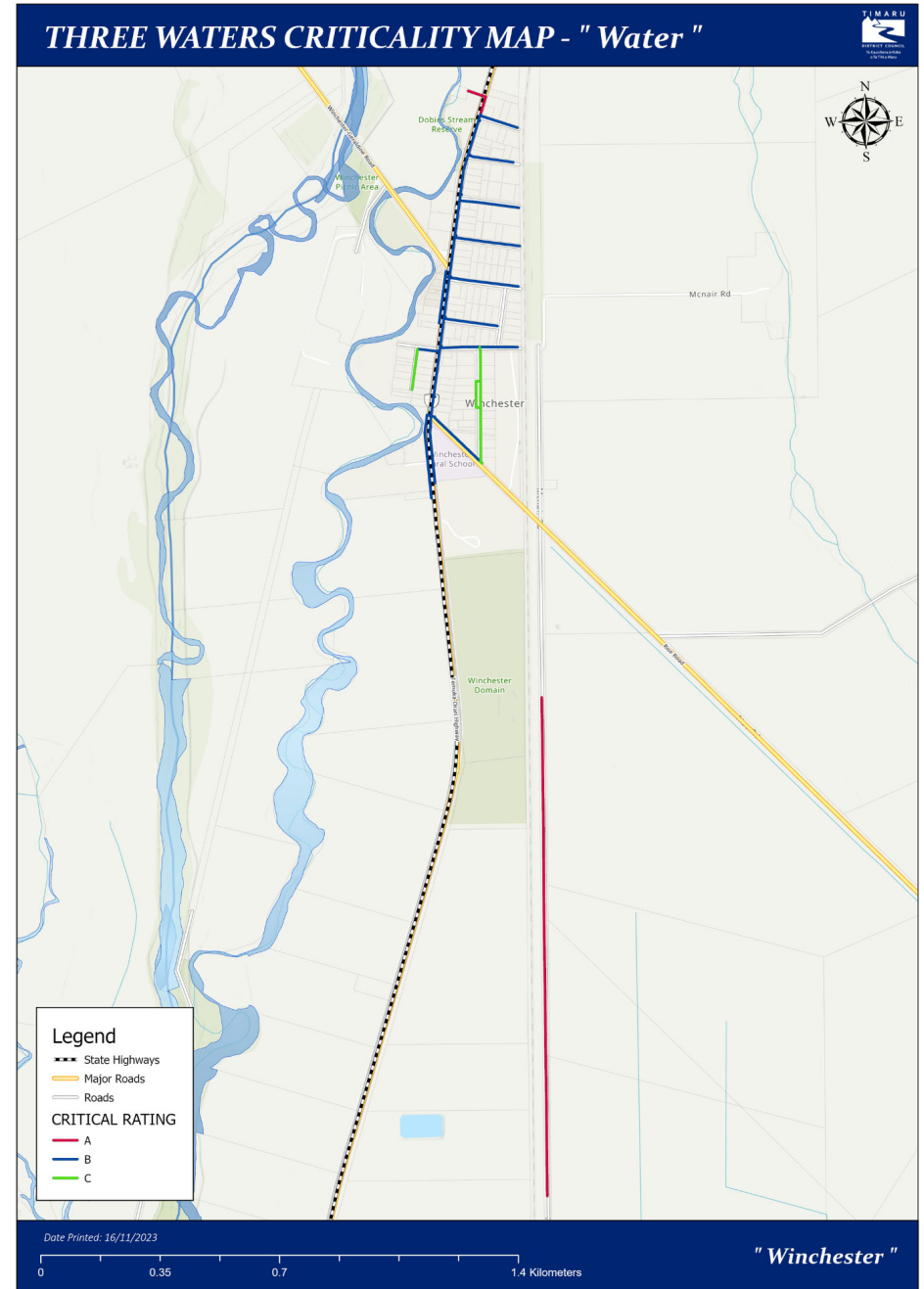
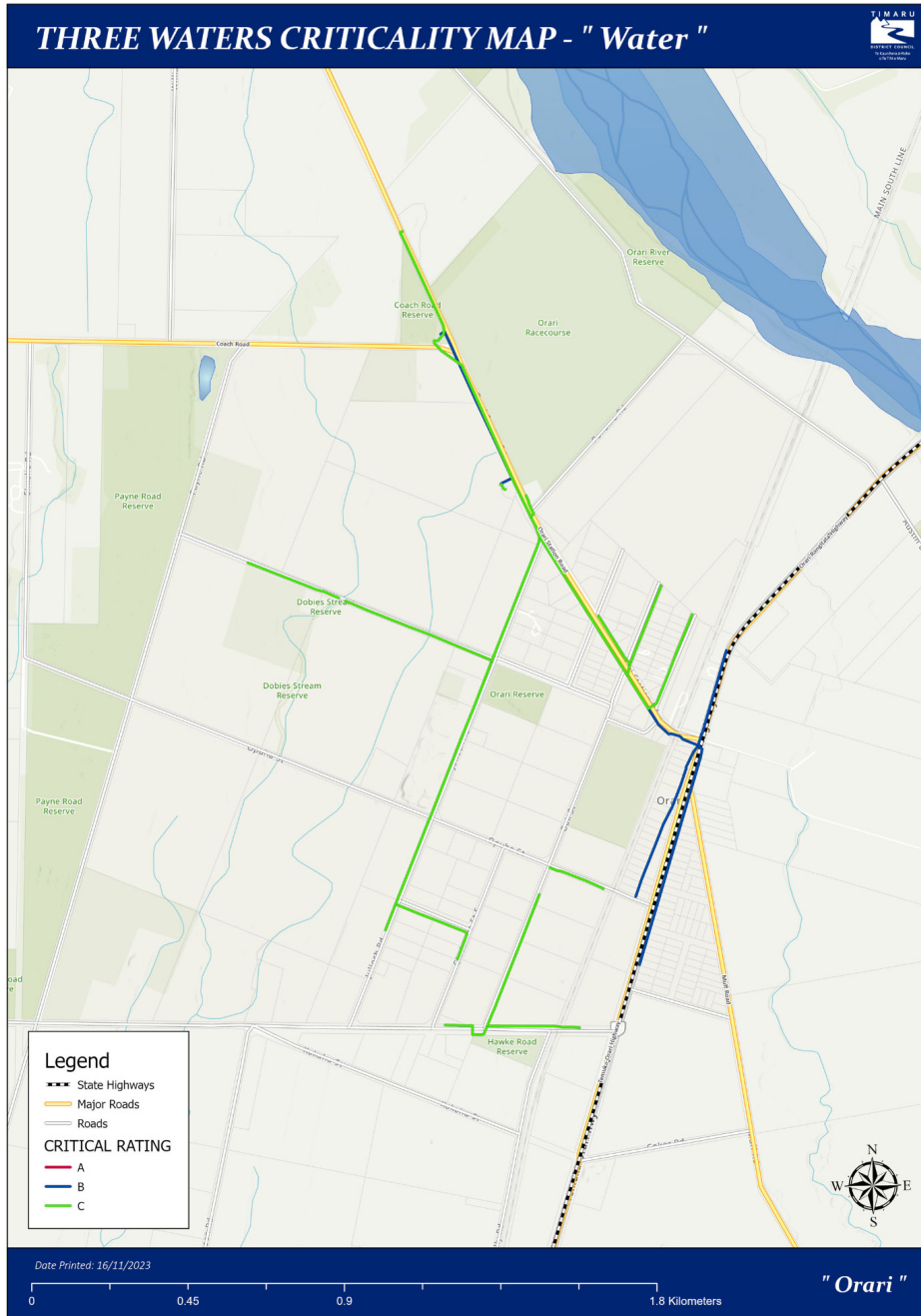
CRITICALITY	SCORE	LEVEL	DESCRIPTION
A	> 120 pts	High	Asset components considered so important that contingency plans, in the event of their failure, must be in place to avoid unacceptable loss of service.
B	101 - 120 pts	Medium	Asset components that are important to the effective day to day operation of the system where redundancy or contingency should be available for restoration of service within a reasonable timeframe.
C	< 100 pts	Low	Asset components which can fail without affecting the operation and service and where repairs or renewal can be realistically deferred.

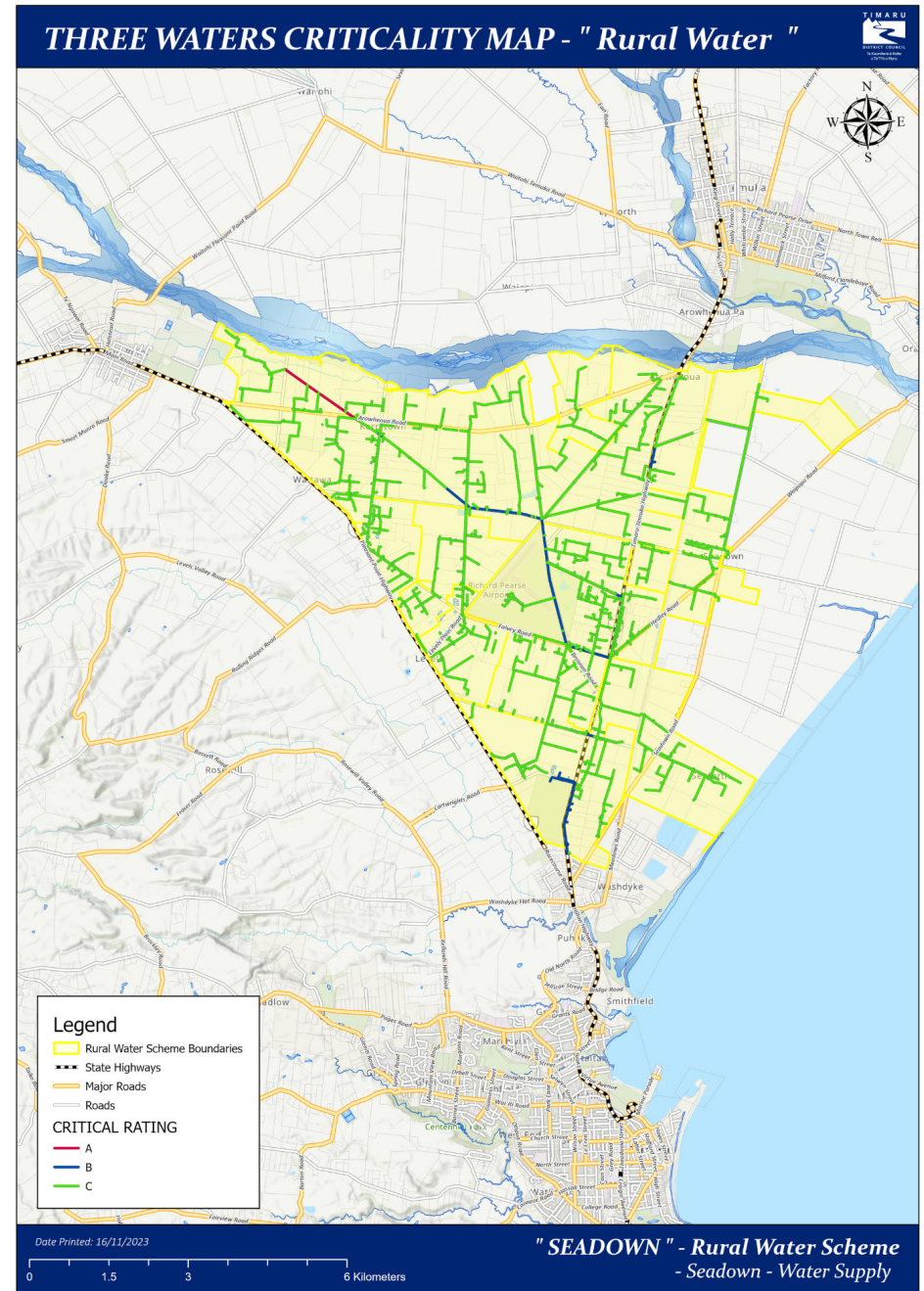
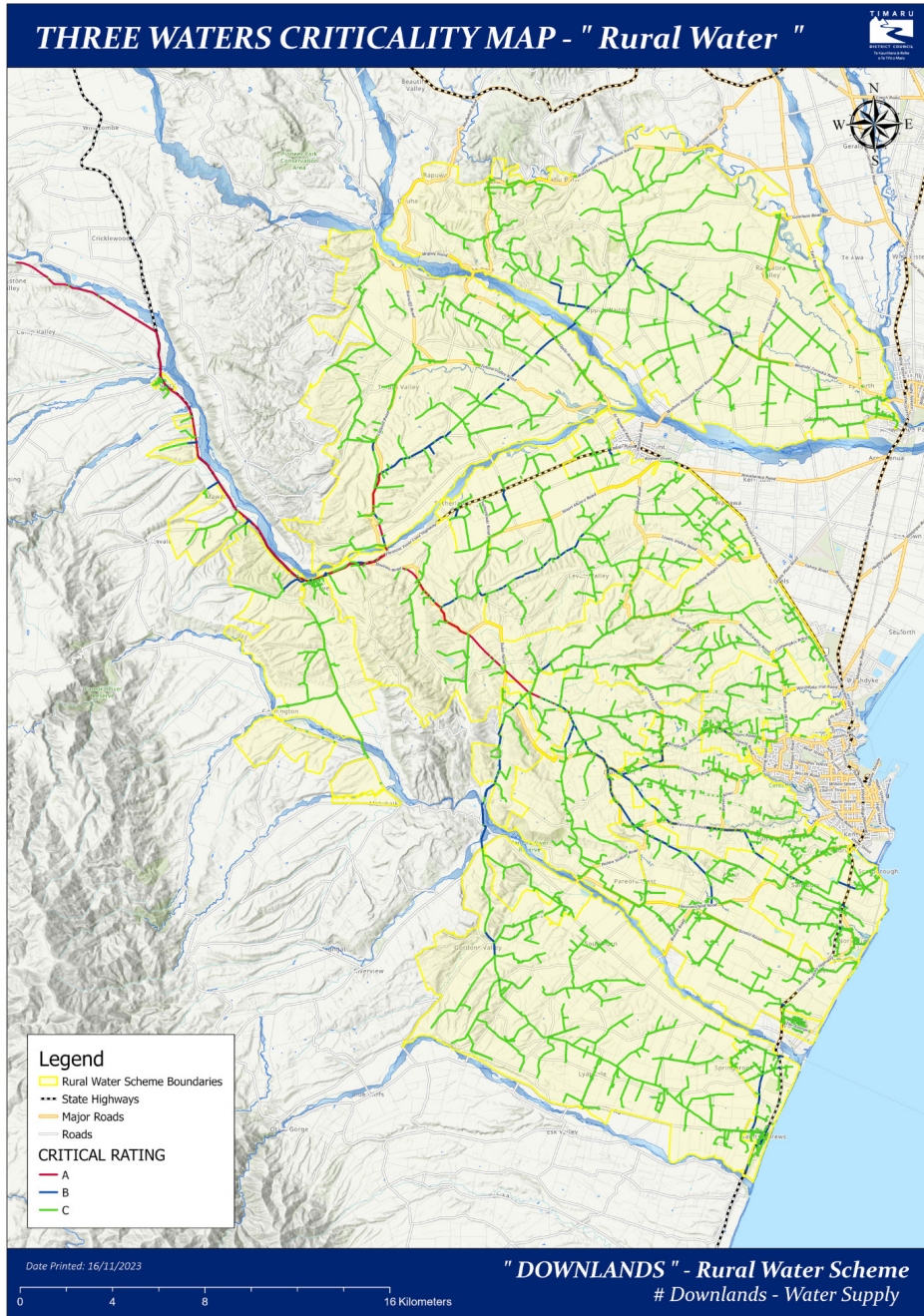
RISK RATING			CRITICALITY		
			A	B	C
			High	Medium	Low
CONDITION GRADING	5	Very Poor Condition	Extreme	High	Moderate
	4	Poor Condition	High	Moderate	Low
	3	Good Condition	Moderate	Low	Insignificant
	2	Very Good Condition	Low	Insignificant	Insignificant
	1	Excellent Condition	Insignificant	Insignificant	Insignificant















### Key Issues

#### The Council faces several key challenges in providing water supply services:

- Demographic changes leading to more connections despite stable population numbers, impacting revenue to cover water costs.
- Tighter regulations and tighter competition for suitably qualified staff.
- High demand exceeding infrastructure capacity and the need for substantial upgrades.
- Affordability of service as costs are likely to increase.
- Ensuring sufficient water supply amidst competing demands and potential industry growth.

The most critical short-term issues facing water supply systems include compliance with drinking water standards to ensure safe drinking water, managing real water loss from the network to conserve resources, and maintaining excellent customer service through timely attendance and resolution of urgent and non-urgent callouts. Additionally, addressing customer complaints regarding water clarity, taste, odour, pressure, flow, and continuity of supply is essential for maintaining public trust and satisfaction with water supply services.

The major issues impacting water supply systems include severe weather events, earthquakes, tsunamis, consent restrictions, excessive demand or leakage, asset failure, non-compliant water treatment, inadequate maintenance, power failures, third-party damage, demand growth, poor

construction of assets, third-party contamination, inadequate water source supply, insufficient pressure in reticulation, reduced storage volumes, insufficient firefighting supply, sea water intrusion, public health concerns, inability to meet abstraction limits or demands in extreme dry conditions, regulatory issues, negative social and media impacts, disruption to essential services, economic downturn, and flooding.

The key issues affecting the condition and performance of water supply assets include the age of the plant assets, as their condition is usually dependent on their expected life span. Performance is also determined by the asset's ability to produce an output, which is continuously monitored. Regular visits and inspections, along with maintenance, provide an indication of the condition of these assets. Most assets are above ground and easily accessible, except for certain items like bores and submersible pumps. Onsite inspections, pump efficiency checks, power monitoring, and flow rate tracking help evaluate plant asset condition.

### Asset Management

Council owns all the infrastructure water supply assets, with some shared ownership of the Downlands Water Supply assets with neighboring councils. Core service functions like asset operation, management, inspection, project supervision, and customer services are handled in-house by TDC's Drainage and Water (D&W) unit staff.

Private contractors are used as needed to supplement in-house capacity for tasks like maintenance/repair of water pipes, physical works to build/renew assets, some engineering design, and special studies.

Reviews of the service delivery model were done in 2017 and 2022 as required by Section 17A of the LGA. The reviews found the current approaches, including contracting arrangements, to be cost-effective.

Procurement and contract administration follows NZS3910:2013 standards. The reticulation maintenance is contracted out under a single contract.

Asset management practices adhere to Council's service quality standards, policies, procedures and adopted industry standards contained in key documents like the TDC Drainage and Water Code of Practice, Operations Manuals, and recognized NZ and international standards/best practices.

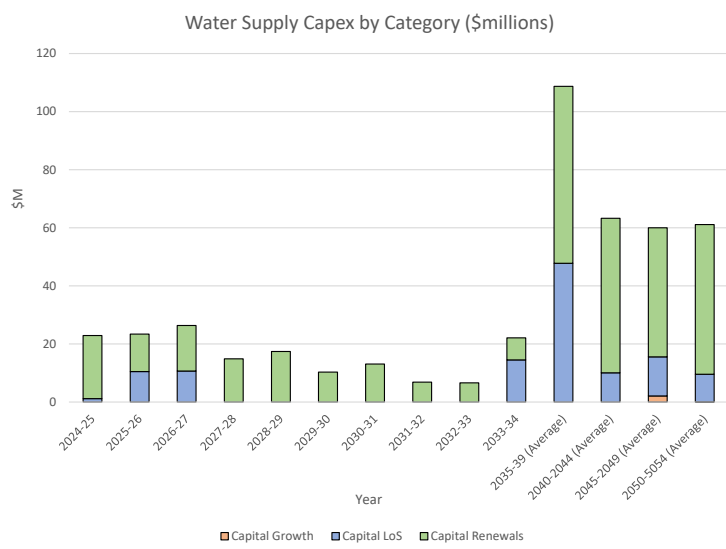
## Demand Management

Demand for water supply is influenced by various factors including population and household number changes, urbanisation, land use changes, the development of lifestyle blocks, industrial and commercial usage, tourism growth, and firefighting requirements. Additionally, water demand is affected by the need to maintain sufficient pressure in the reticulation network, especially for high elevation connections, and to provide adequate firefighting capacity. In Timaru, it's the industrial and commercial usage and the hydraulic pressure that impacts the demand for water the most, but by and large demand is not a major issue for the district. Council monitors these demand drivers and uses hydraulic modelling to assess the impact on the water supply infrastructure, ensuring sustainability and efficiency in operation.

The Demand Management Strategy (currently in development) for the water supply system includes asset-based approaches like timely repair and maintenance, asset renewal or development, and scheme modification or upgrade. Non-asset approaches involve leak detection and reduction, customer education campaigns, pressure management, and exploring additional water sources. The strategy aims to address excessive or wasteful consumption, provide for future demand, ensure efficient operation of the schemes, and optimise asset utilisation.

## Financial Forecasts

Costs (\$M Inflated)														
Water Supply	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2035-39 Average	2040-44 Average	2045-49 Average	2050-54 Average
Operations	19.8	21.4	23.9	25.9	28.0	29.8	29.9	30.3	21.0	21.2	29.3	32.2	34.7	38.9
Capital Growth	-	-	-	-	-	-	-	-	-	-	-	-	2.1	0.1
Capital LoS	1.2	-	12.5	12.8	-	-	-	-	-	14.5	47.8	10.1	13.5	9.5
Capital Renewals	10.3	18.7	20.9	12.3	17.3	11.7	12.9	6.2	6.4	7.5	60.9	53.2	44.4	51.5



## Major Projects over 30 Years

- Geraldine Duplicate Trunkmain WTP to town - \$11.4m - 2024.
- Claremont Plant Renewal & Upgrades – \$36.6M - 2024-2028.
- Seadown Water Supply Upgrades - \$8.9M – 2024-2034.
- In-Ground Reservoir Lining and Solid Roof Cover Installation – Downlands 2025 – 2029; \$5.5m.
- Pareora Pipeline Pipe Bridge Replacements & Upper Section Lindisfarne to Intake \$9.4M – 2028-2031.
- Downlands Additional Water Supply Delivery \$1.9 – 2028-2034.
- Membrane Installations to Inland Towns 2034-2036; \$13m Years 11-12.
- Consent Renewals 2034 – 2054; \$7.5M Years 11-13; \$16.8m Years 20-30.
- Ophi Duplicate Trunkmain 2035-38; \$20.5m Years 12-15.
- Water meters installation \$6.4M 2027-2029.

## Wastewater

### Wastewater Schemes

The wastewater schemes in the Timaru District are designed to provide cost-effective services that meet the needs of the community and support economic growth. The schemes include the provision of quality wastewater systems, safe sewage treatment, and disposal to protect public health and the environment.

The Timaru District Council (TDC) has developed a strategy to address wastewater management, including the transition from discharging to rivers to ocean outfall discharge, and has established individual Tradewaste Agreements with major industries. Upgrades to infrastructure, such as the Geraldine Wastewater Trunkmain and Ponds, are planned to ensure compliance with consent conditions and to accommodate future demand and growth.

TDC currently operates a total of five wastewater schemes. These include one wastewater treatment plant with associated facilities and three oxidation ponds in the inland towns of Geraldine, Pleasant Point, and Temuka. Additionally, there is a small collection scheme at Arowhenua that feeds into the Temuka oxidation pond.

A major wastewater risk involves timing of reconsenting amidst a shifting regulatory backdrop requiring heightened environmental standards, which may impact Council resourcing to achieve compliance. Upcoming application reviews fall under newly stringent expectations that necessitate upgrades from previous consent conditions, presenting financial and operational challenges.

### Asset Summary

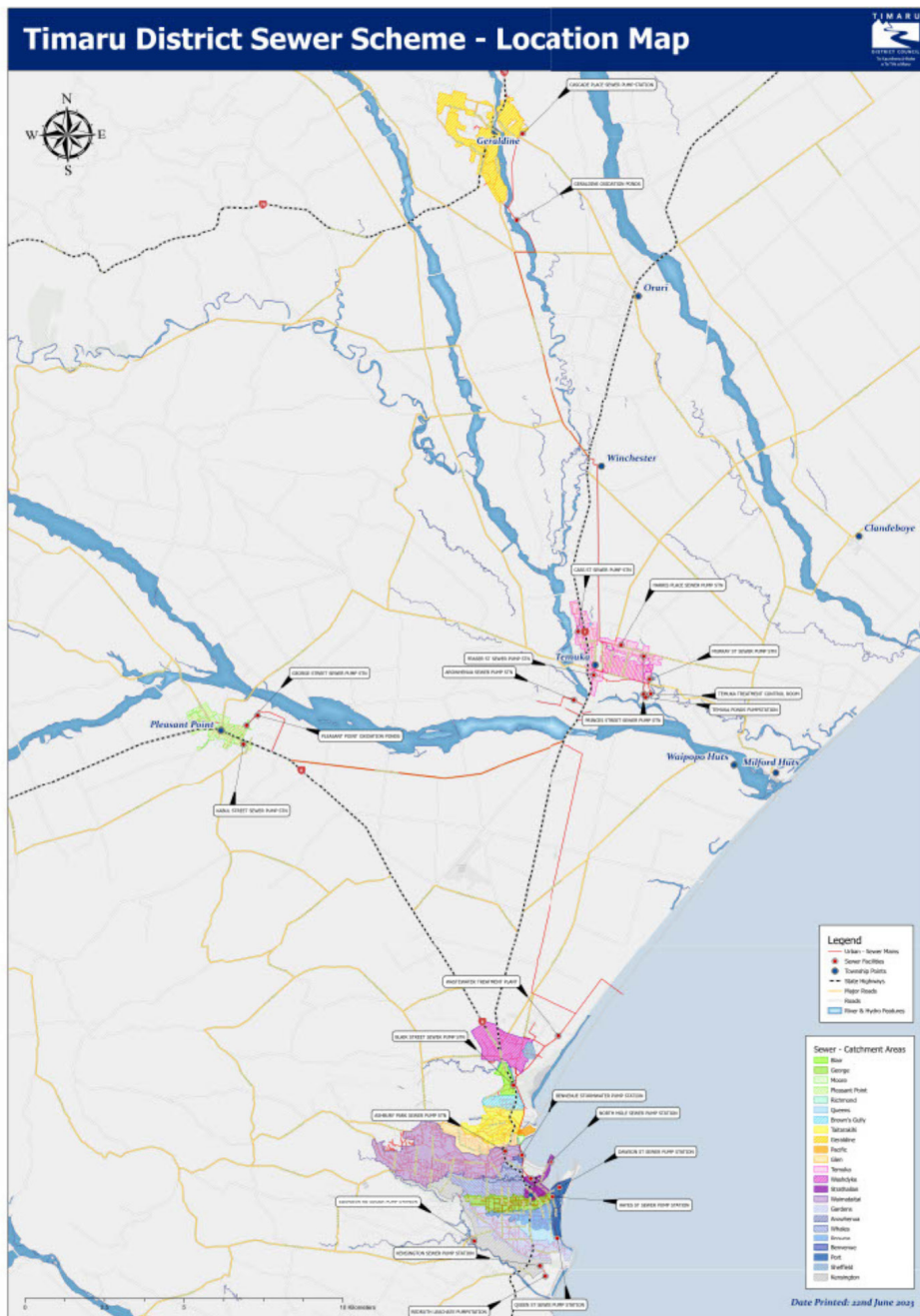
TDC provides wastewater services that include the collection and treatment of domestic and industrial wastewater. Services cover urban areas of Timaru, Temuka, Pleasant Point, and Geraldine, with pipelines to a treatment plant and ocean outfall north of Timaru. There's also a scheme at Arowhenua feeding into the Temuka oxidation pond. The Timaru sewer network serves two major industrial areas, the Port and Washdyke. These services cater to 15,326 residential and 1,103 non-residential connections as of 30 June 2023, which equates to a total of 85% of the district's population.

In rural areas and many small townships in the district, residents are responsible for managing their own effluent.

In addition to three oxidation ponds in Geraldine, Pleasant Point, and Temuka, the infrastructure base includes domestic and industrial wastewater treatment plants, 23 pump stations, a tanker discharge reception facility, a sea outfall, around 354 km of sewer pipe, and around 4,000 maintenance holes.

The District-wide Wastewater Strategy has led to upgrades to pump stations and treatment plants at different times. Generally, these assets remain in excellent condition. Renewals of the treatment plant facilities will occur at various periods within the next 30 years with a total estimated cost of around \$9.4 million.

Assets are expected to perform for a specified period of time after they receive a nominal life. By the end of the next five years, 70km of district sewer pipes are projected to reach the end of their economic lives.

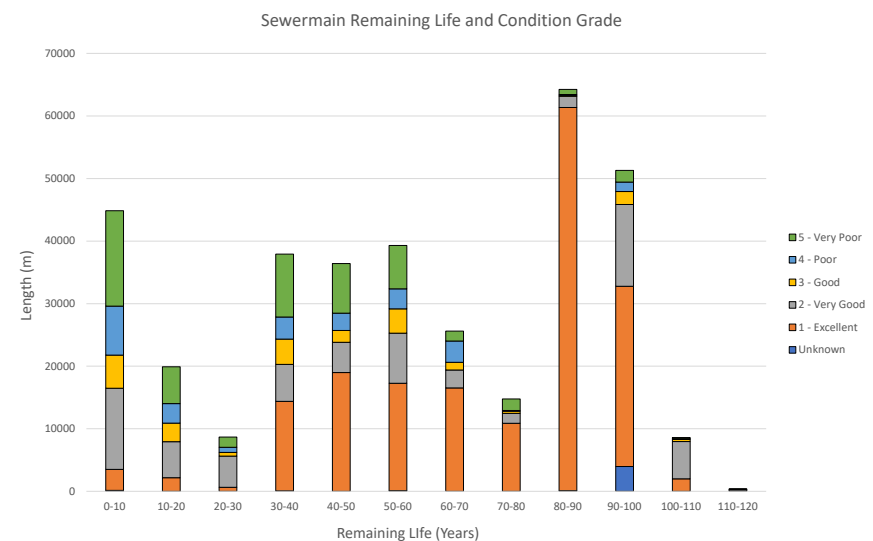


Coarse Condition Grading is used for sewer pipes without CCTV data, and CCTV Condition Grading for pipes with CCTV data. Approximately 74% of the 418km sewer pipe network (including service lines) had been inspected via CCTV by 2020. A CCTV pipe condition assessment is an ongoing program targeting ageing, high flow and high criticality sewer mains. This ensures the pipes are structurally sound and serviceable enough to deliver the LOS without harming the environment, public health, or other infrastructure. In the absence of CCTV inspection, laser and sonar inspections or other available inspection technologies are used to analyse and determine the condition of assets. CCTV results and maintenance scores indicate that around 85% of the sewer network is in good or excellent condition.

While some pipes still have significant remaining lives, they show signs of deterioration. Poorly maintained sewer pipelines are prioritized for replacement, just as they are with the water supply network. Prioritising pipe renewals is based on remaining life, criticality, condition, maintenance history, future capacity requirements, and the option of repairing rather than replacing, as appropriate. Physical sampling of pipes and additional information are taken into account when reassessing the renewal programme. In the event that a pipe fails, the ongoing reticulation maintenance programme mitigates the risks to service levels.

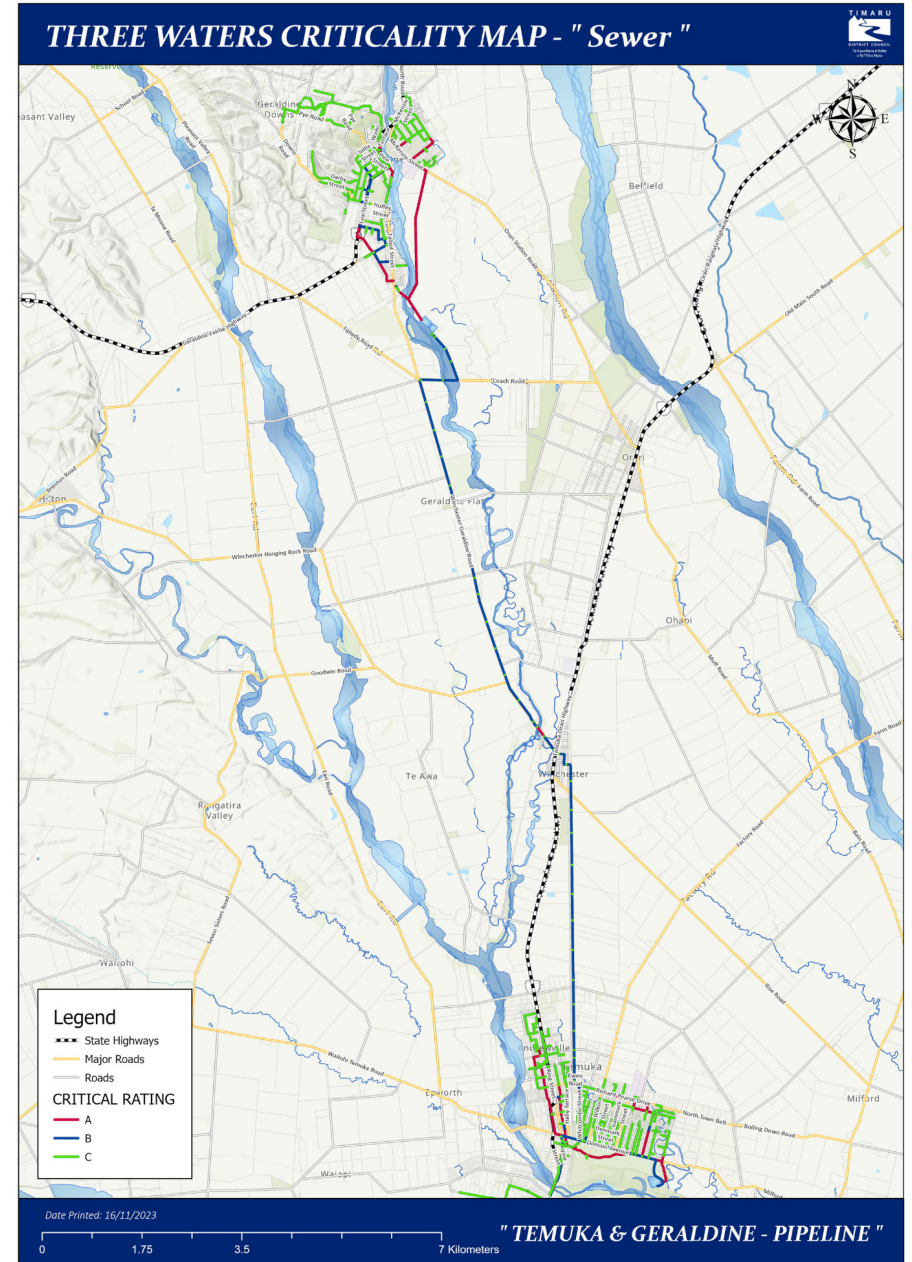
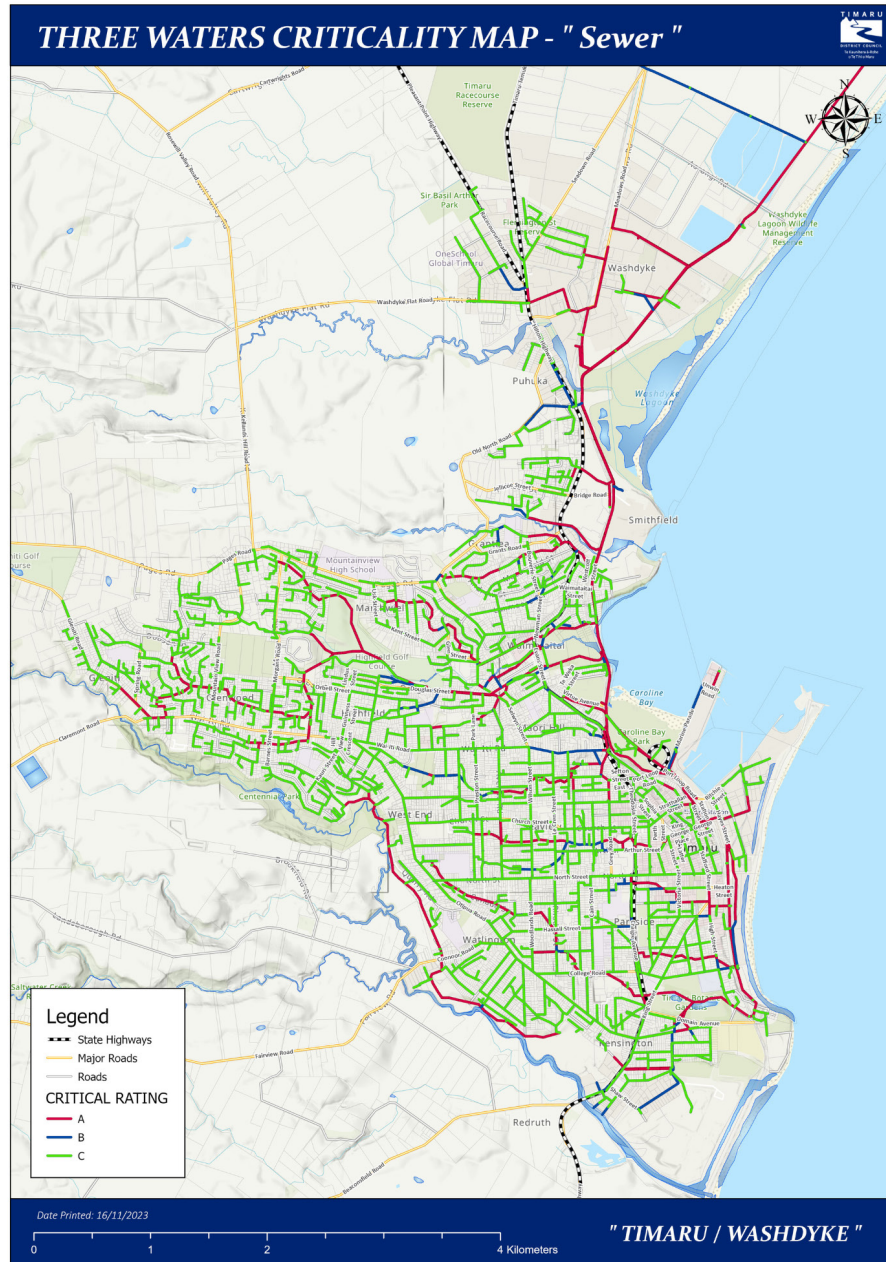
During the past three years, the annual pipe renewal program averaged \$1.7 million, with the priority placed on work needed to maintain the level of service. The estimated total replacement value of assets is around \$285 million (2021 assessment).

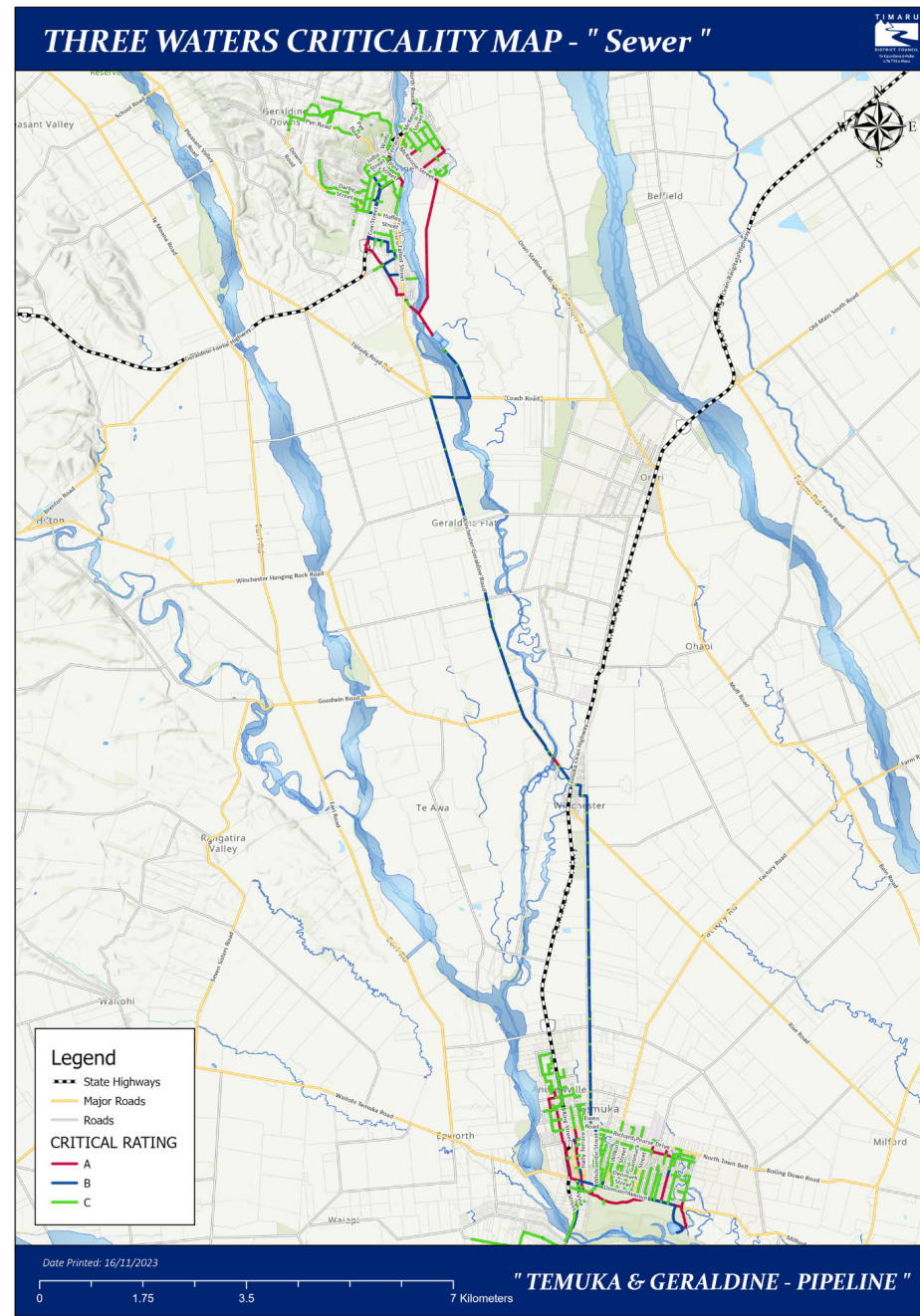
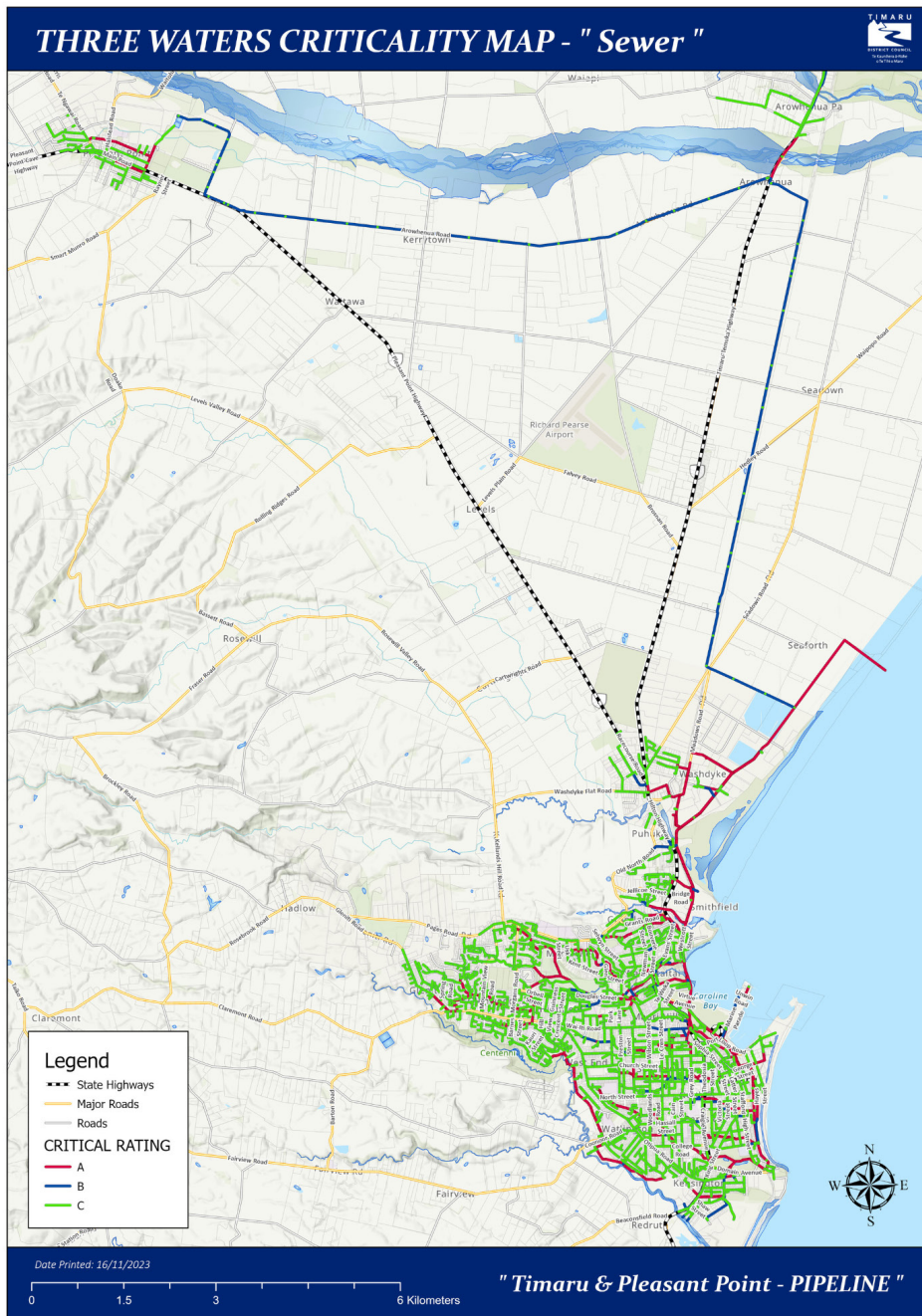
The following graph shows the remaining life of the sewer mains in the District:

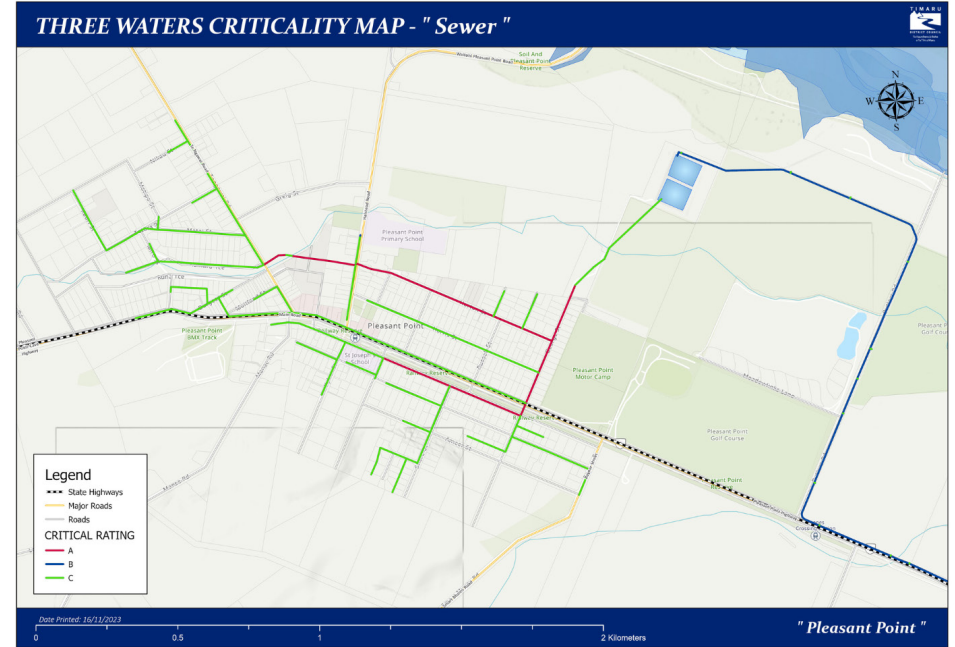
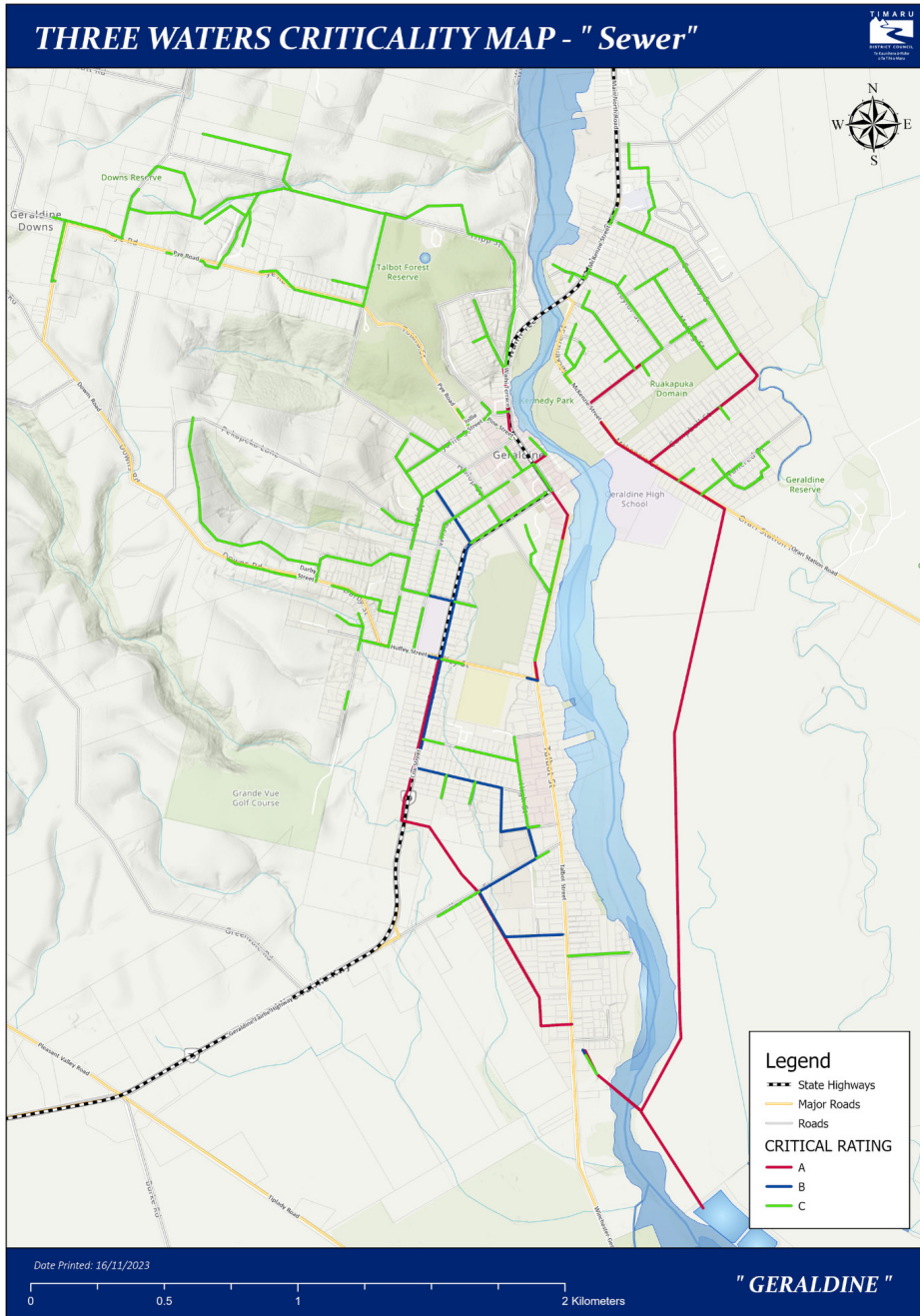


Three Waters: Wastewater

The maps overlaid show the criticality of the Timaru Wastewater Network using the same key as found in the Water Supply Section.







### Key Issues

The Timaru District Council faces several challenges in managing wastewater, including legislative and regulatory changes with Taumata Arowai oversight for performance, asset renewals due to network degradation, climate change impacting network operations and sustainability, system operations and maintenance complexity, development in the District requiring extended services, industrial and commercial growth with capacity limitations, new regulations on dam safety that now apply to the oxidation ponds, provision for additional wastewater systems in townships (Winchester, Pareora and Cave) currently using septic tanks which are negatively impacting the environment, and the need to balance affordability and fair charging for users.

The Timaru District's wastewater management faces climate change-related risks such as severe weather events, drought, and sea level rise, which could lead to asset failure, pollution of waterways, and breach of consent conditions. To mitigate these risks, the Council has implemented controls such as a Preventative Maintenance Programme, infrastructure renewal and upgrade programme, crisis and emergency response management guidelines, and monitoring telemetry and alarms. Additionally, they have backup generators and support from Civil Defence Emergency Management (CDEM), as well as consumer education on wastewater disposal to reduce the likelihood and impact of these risks. What should and should not be disposed of in wastewater drains is an ongoing issue of public education. To combat climate change impacts, Council is working towards carbon accounting and developing strategies to decrease/

mitigate emissions. The unit has already identified the main sources of carbon emissions and is working with the Climate Change Advisor to develop specific actions to lower its carbon footprint.

Staffing is a nationwide issue for the water industry, with adequately qualified candidates being in short supply and creating capacity issues. A proactive approach is being taken by Timaru District Council to attract prospective employees, and is an accredited Welcoming Community to assist newcomers.

Council's consent compliance is also challenged by industries complying with tradewaste agreements. A minority of businesses often discharge excessive amounts of tradewaste into the industrial sewermain, jeopardising Council's Ocean Outfall consent. All tanker discharges are handled by one site, requiring close monitoring to prevent biological processes from being upset. Council is currently investigating alternative mechanisms to manage tradewaste agreements with industrial customers, including using contracts and strengthening the bylaw to help address non-compliance. An Industrial Wastewater Strategy Programme is in effect to ensure compliance with consent conditions and improve discharges, with individual Tradewaste Agreements for major industries which it is looking to expand upon as mentioned previously. There is a focus on maintenance programs to address asset renewals and prevent system degradation. Operations and maintenance are prioritised to prevent consent breaches. The plan for industrial growth is to extend services and managing industrial capacity. Affordability is addressed by balancing service costs with fair charging for commercial and industrial users.

### Demand Management

Currently, domestic wastewater accounts for 40% of wastewater flows, while industrial wastewater accounts for 60%. In support of future industrial growth, there is now more capacity for industrial wastewater treatment due to the construction of a separate facility for domestic wastewater treatment. The majority of these industries are located in Timaru's Washdyke and Port areas. The demand for domestic sewer lines may increase as urban services are extended to the periphery of residential areas.

Apart from demand factors, very old pipes have issues with infiltration and inflow. There are also frequent wet weather conditions that cause groundwater and storm water to infiltrate into sewer pipe defects, resulting in overflows of the sewer network.

The Council has developed a strategy to manage wastewater which includes ongoing sampling and reviewing to ensure consent conditions are met and discharges are improved. Individual Tradewaste Agreements with major industries are a key part of the strategy's implementation. The Wastewater Activity Management Plan outlines plans for asset renewals to address the degradation of the network and maintenance programs to prevent system failures. Additionally, the plan accounts for growth and development, ensuring services cater to future demands, and manages industrial and commercial growth by planning for industrial level capacities and considering industrial growth.



## Asset Management

TDC owns all the public wastewater infrastructure assets. Core service functions such as asset operation, management, inspection, project supervision, and customer services are handled in-house by staff from TDC’s Drainage and Water Unit.

**Private contractors are used as needed to supplement in-house capacity for tasks including:**

- Maintenance and repair of the reticulation network.
- Physical works to build or renew assets.
- Some pre-engineering/engineering designs.
- Special studies to support planning/policy development.

Contracting out works/services is done when it is cost-effective or when specialist skills are required.

A review of service delivery under Section 17A of the LGA was conducted in 2017. It found services were being delivered cost-effectively under current approaches, including contracting arrangements. Another review was planned for 2022 but has not been held, pending further direction on the now-defunct Three Waters Reform.

Civil works procurement and contract administration follows NZS3930 standards. TDC is adopting the 2013 version, upgrading from the 2003 version used previously. Reticulation maintenance is contracted out under a single contract (currently Contract 2080), which expires in 2027 with an option to extend for a further 2 years.

In-house operators handle facility operations, but specialist work is often contracted out to various engineering firms.

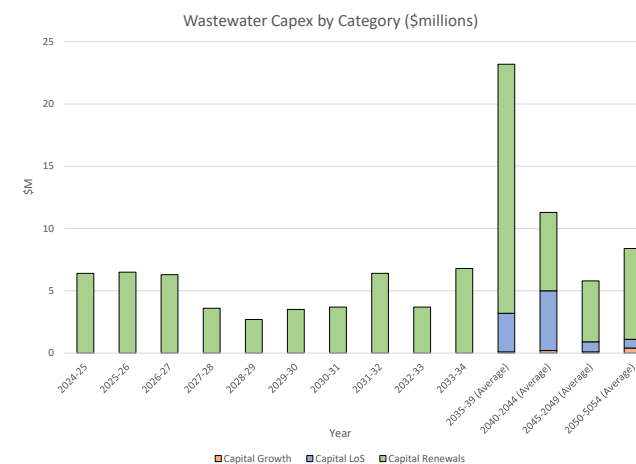
TDC maintains a register of Approved Contractors authorised to work on the reticulation with appropriate approvals. An annual Contractors Liaison Meeting is held to discuss issues and the year’s work program.

## Financial Forecasts

Costs (\$M Inflated)														
Wastewater	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2035-39 Average	2040-44 Average	2045-49 Average	2050-54 Average
Operations	11.7	12.8	14.2	14.6	14.9	15.7	15.8	15.9	16.5	16.7	15.0	16.5	17.8	20.0
Capital Growth	-	-	-	-	-	-	-	-	-	-	0.1	0.2	0.1	0.4
Capital LoS	-	-	-	-	-	-	-	-	-	-	3.1	4.8	0.8	0.7
Capital Renewals	7.3	5.5	6.3	3.6	2.7	3.5	3.7	6.4	3.7	6.8	20.0	6.3	4.9	7.3

## Major Projects over 30 Years

- Geraldine Syphon Trunkmain Upgrade 2024 – 2026; \$1.25m Years 1-2
- Arowhenua Pump Station Refurbishment 2024-25; \$500k Year 1
- Wave Band and Dam Safety Improvements 2024-25; \$2.1m Years 1-2
- Inland Towns WWTP Upgrades 2025-2034; \$2.8m Years 2-3; \$5.7m Years 7-10
- Aorangi Road WWTP Industrial Treatment Plant Upgrade 2036-38; \$70m Years 12-13
- Wastewater Consent Renewals 2042-2046; \$9m Years 19-22





## Asset Summary

Council provides stormwater services in the urban townships of Timaru, Temuka, Geraldine and Pleasant Point, equating to around 2,780 hectares of land within Stormwater Management Areas. Rural stormwater is managed mainly through land drainage with minimal infrastructure provided in Winchester, Cave and Pareora. Around 70% of the district’s population is served.

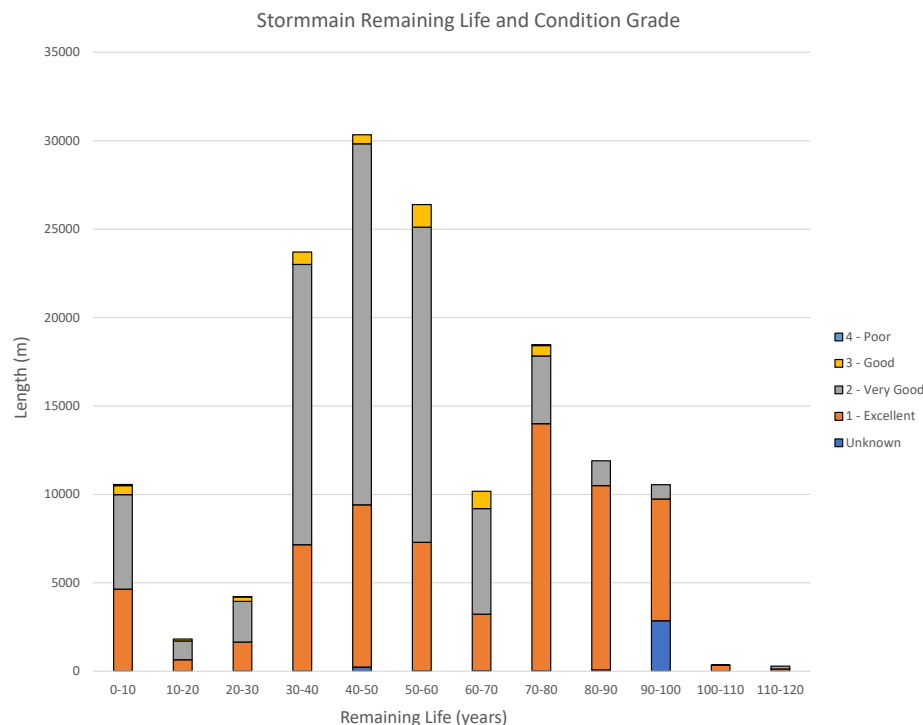
Key stormwater assets in Timaru include two pump stations at Washdyke and Redruth, 2 detention dams and basins, treatment structures like swales and around 216 soakpits, and a reticulation network consisting of 260km of pipes, 2,344 manholes, over 3,000 sumps, 112km of open drainage channels, bunds, and secondary flow paths. Overall, the network is outdated. The Council manages these assets through the Drainage and Water Unit, which maintains and updates the asset register in Infor (Hansen). This register informs renewal schedules and identifies gaps in service provision. Asset management is conducted by in-house staff for technical and administrative functions, with contractors for projects and maintenance services.

CCTV has been used to record some of the pipe network and the data is highly reliable. The Council’s piped networks are subject to an ongoing CCTV inspection programme. Unassessed stormwater networks are evaluated based on their age and repair and maintenance history. This data is largely based on desktop estimates and has lower confidence. Contrary to sewer assets, which operate every day, stormwater assets only operate when it rains. For the past decade, there have been no failure issues related to them because they lie dormant for most of their lives.

Despite still having significant theoretical lives remaining, some pipes have shown signs of wear and tear. Pipelines in poor condition are prioritised for renewal, similar to the water supply and sewer networks.

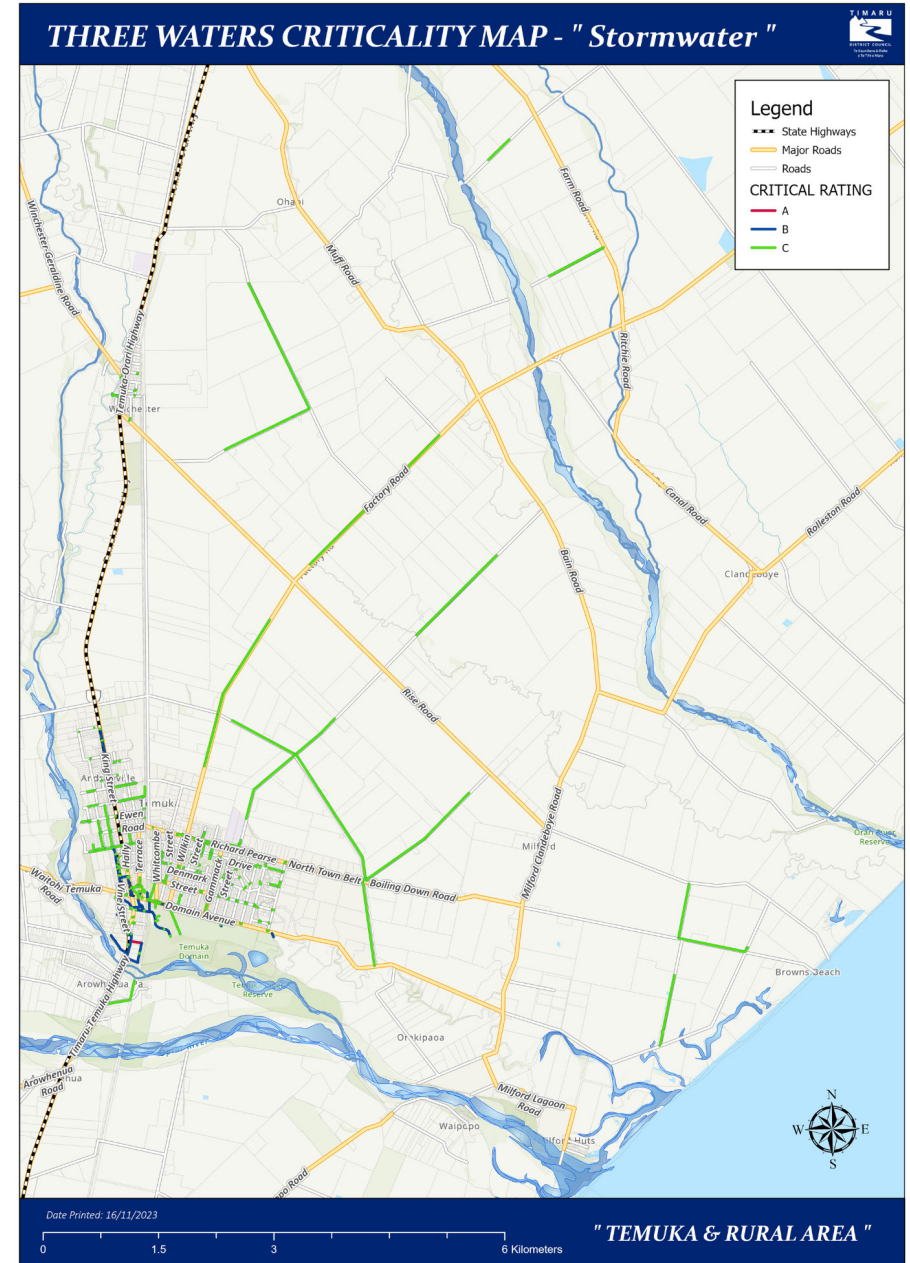
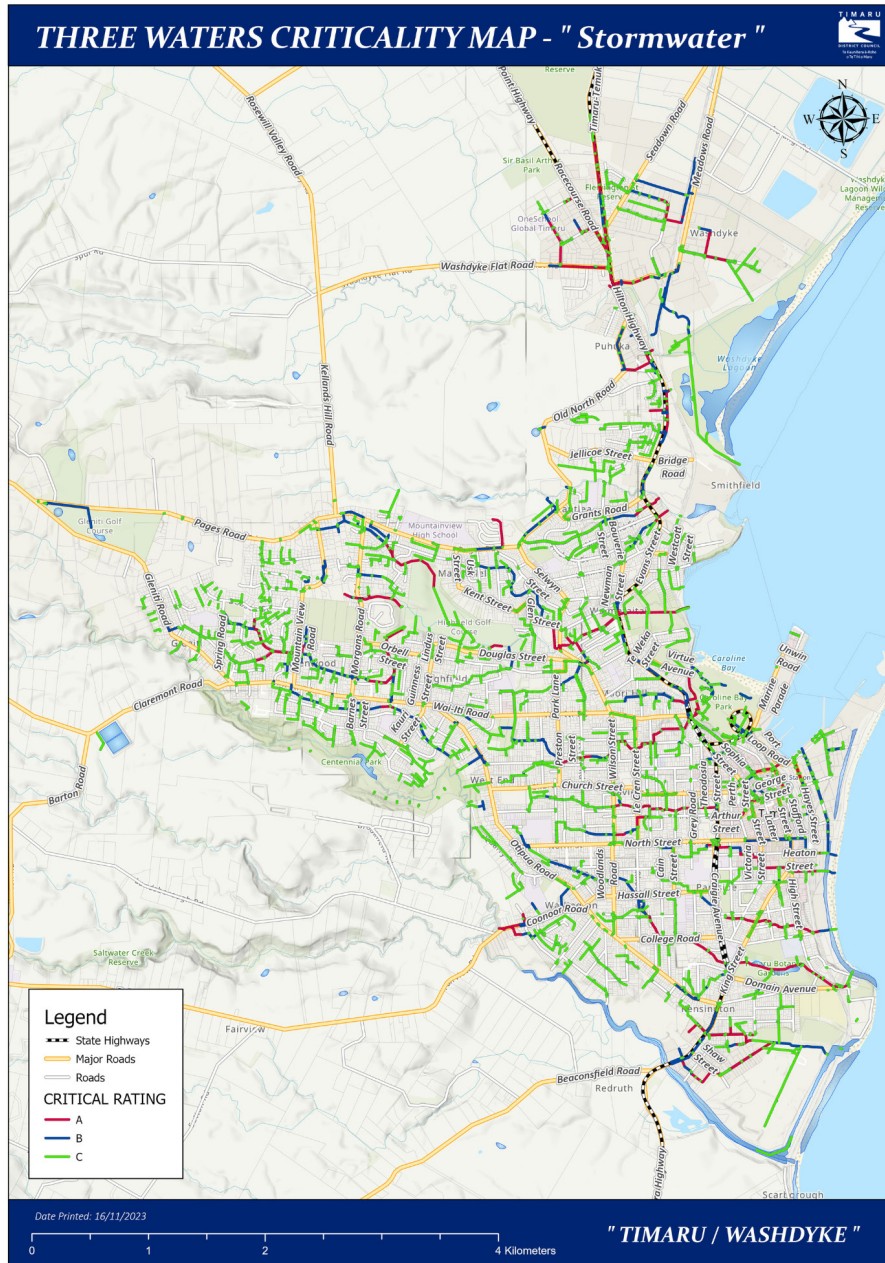
Every year, the renewal programme is re-prioritised if necessary. Continual reticulation maintenance mitigates the risk of service breakdown caused by underperforming assets. Pipe renewals are projected to cost on average \$1,800,000 per year. Stormwater assets are estimated to be worth over \$300 million in replacement.

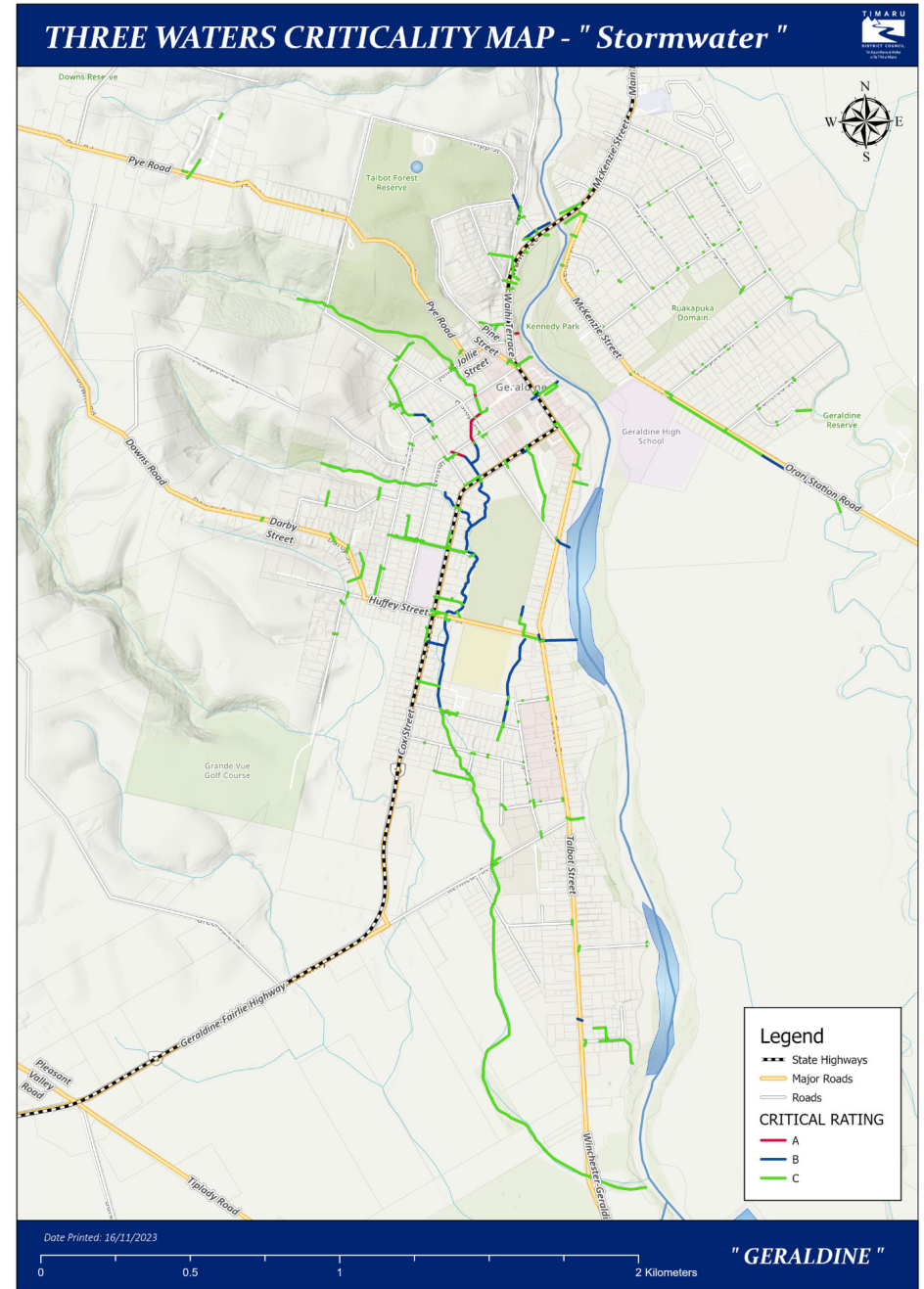
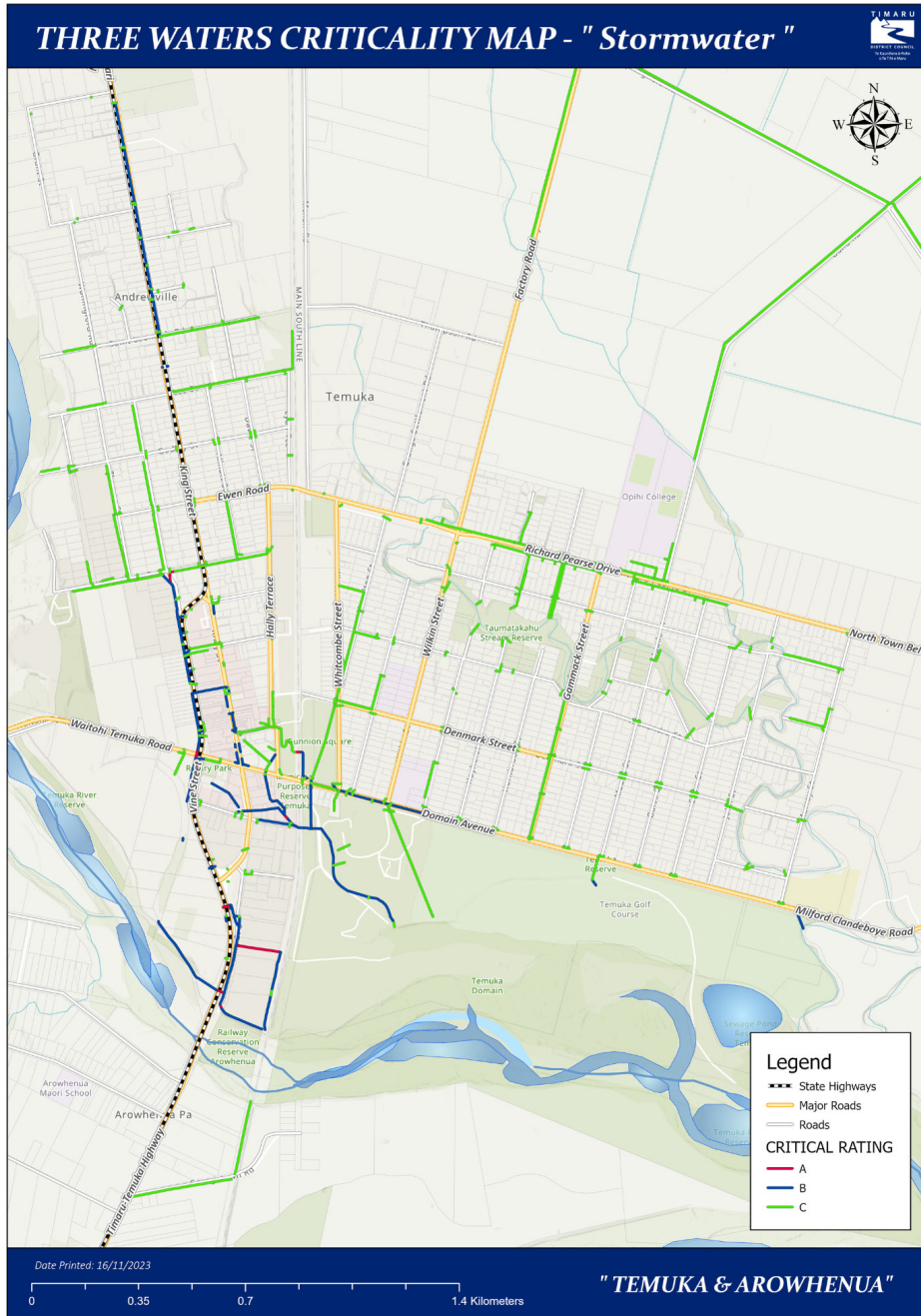
The figure below summarises the age and condition profile of the network:

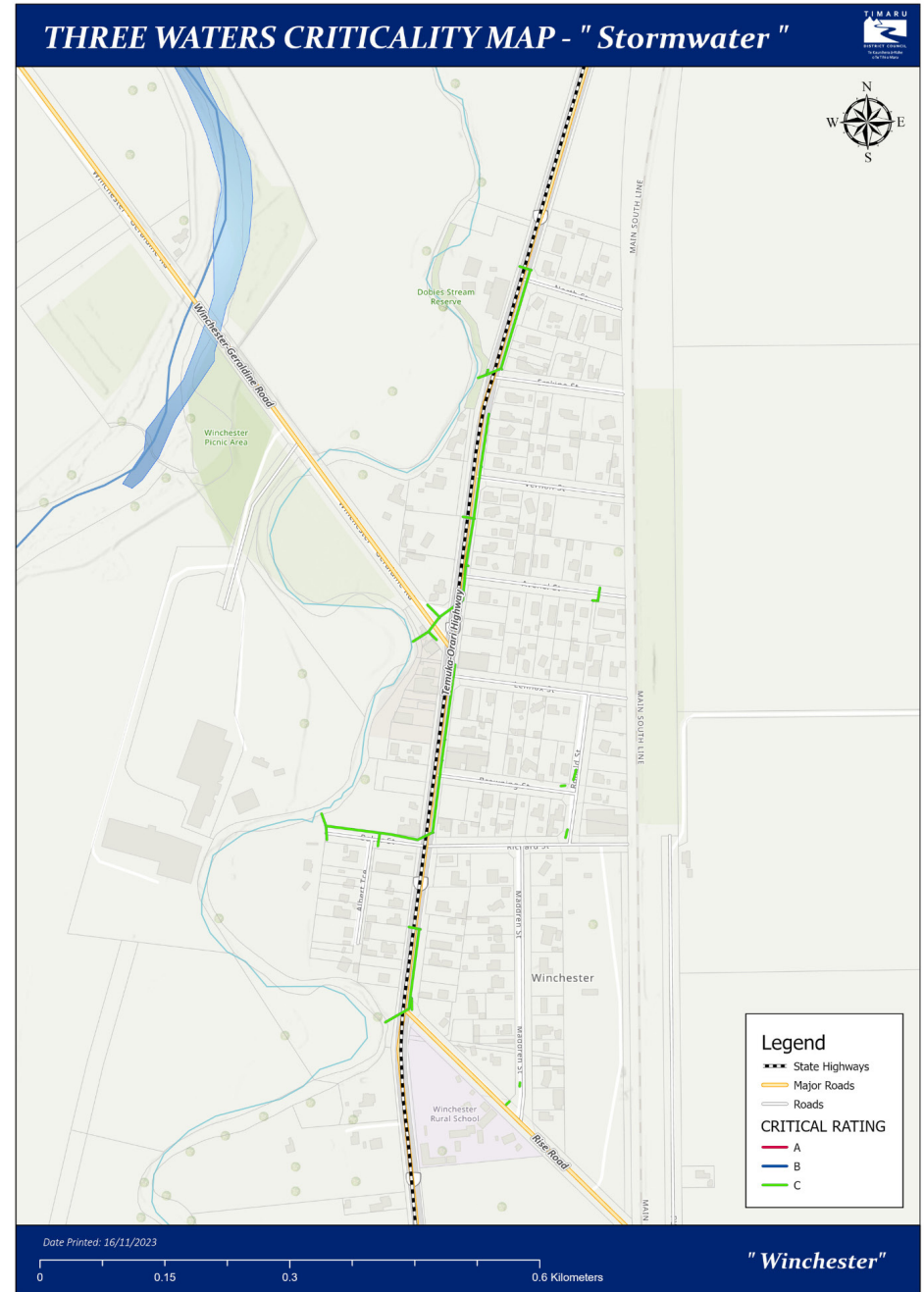


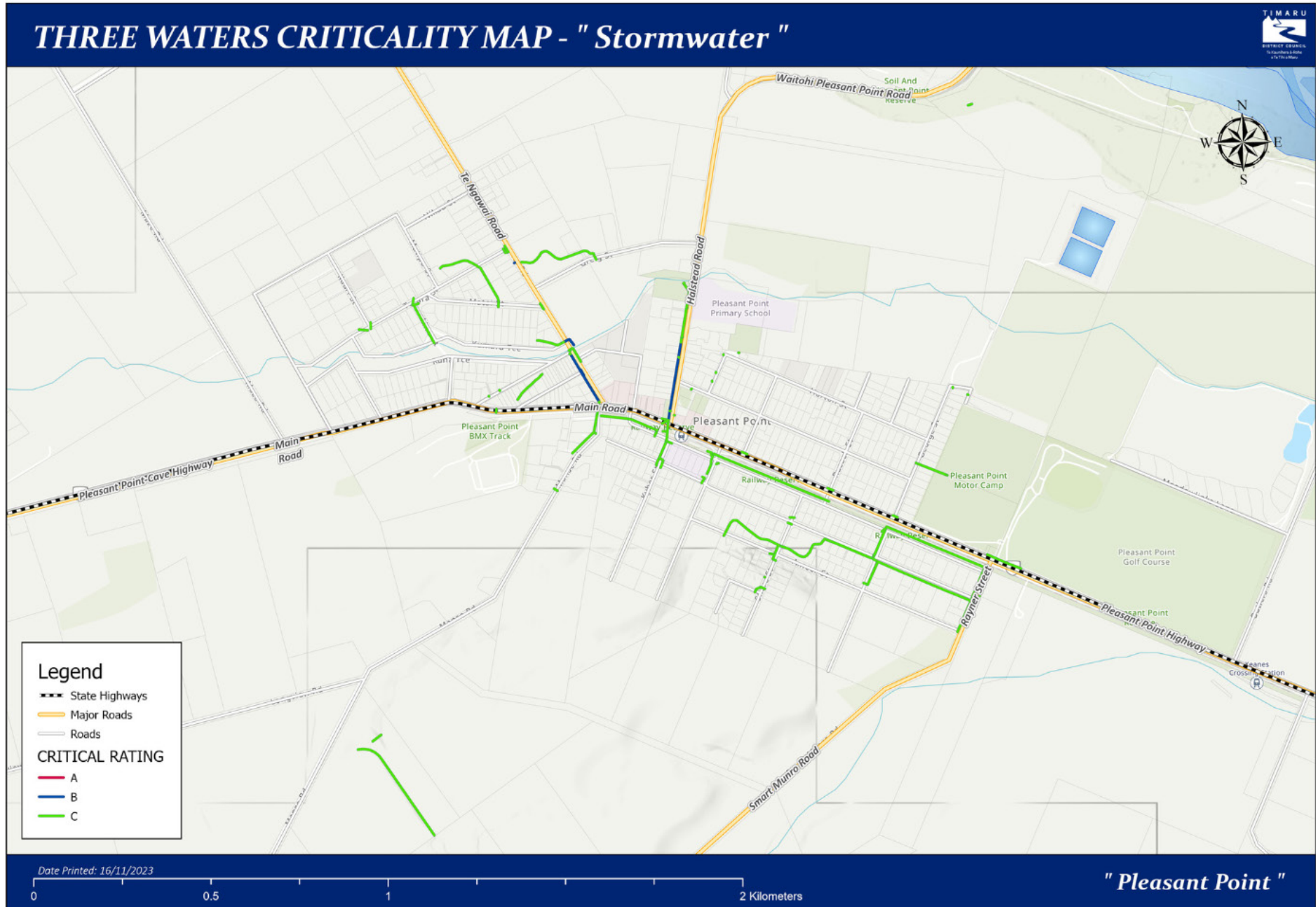
### Three Waters: Stormwater

The following maps below and overleaf summarise the criticality profile of the network.









### Key Issues

The key issues affecting stormwater management in the Timaru District include legislative/regulatory changes, increased environmental standards (particularly with new consents currently submitted for application), staffing shortages, climate change, asset renewals, the lack of stormwater infrastructure, flood management and stormwater management tensions between local and regional authorities, potentially slow consents conditions, and community expectations during higher rainfall events. To address these, TDC has been preparing for Taumata Arowai's regulatory role, working to implement Stormwater Management Plans by 2025, dealing with staffing challenges, planning infrastructure upgrades for extreme weather, maintaining ongoing network work, and conducting community outreach to prevent contaminants in the stormwater system.

Council obtained community feedback through a survey as part of the development of Stormwater Management Plans in late 2021. The greatest perceived risks from stormwater for the community, as identified by the survey respondents, were fertilizers/pesticides as the highest threat, with rubbish/litter and industrial pollution being the second equal threats. Vehicle pollution and sediment from rural land or bank erosion were also seen as high threats by over a third of all respondents. These risks indicate concerns about the impact of various pollutants on local waterways and the broader environment.

A number of stormwater issues affect Timaru's catchment area, including flooding caused by poor drainage, high tides, and inadequate infrastructure; pollution caused by untreated stormwater containing nutrients, heavy metals, and hydrocarbons; habitat loss and barriers reduce aquatic life; maintenance challenges across multiple organisations; development pressures increase runoff and system strain; and climate change causes flooding, pollution, and coastal erosion to worsen.

Among the six stormwater issues facing Washdyke are flooding caused by poor drainage and high tides, pollution caused by untreated stormwater discharges, habitat loss and barriers to fish passage, challenges in maintaining the system with many responsible organizations, and the rise of sea levels and extreme weather as a result of climate change. Heavy metals and nutrient pollution and stormwater treatment are two major concerns for the Waitarakao-Washdyke Lagoon, which is culturally significant. The Timaru District Council and Te Rūnanga o Arowhenua are collaborating to address these issues through the Stormwater Management Plan.

### In the Temuka catchment area, stormwater management challenges include:

- Having a network with insufficient capacity and treatment levels as a result of previous development approaches.
- Stormwater runoff increases in severity as a result of increased development.
- Increased flooding and pollution due to climate change.
- A reduction in aquatic life due to pollution and habitat loss.
- Maintenance issues impacting the flow of stormwater and waterways.
- The impact of untreated stormwater outfalls, nutrient and heavy metal concentrations, and the potential for sewage overflows.

Pleasant Point faces several stormwater issues: flooding due to flat terrain, high groundwater, and inadequate drainage; pollution from stormwater runoff carrying heavy metals, nutrients, and hydrocarbons into streams and the Opihi River; reduced aquatic life in streams that are dry for much of the year; maintenance challenges with an ageing stormwater network and divided responsibilities; increased runoff from development overwhelming current systems; and climate change leading to more intense rain events and the need for a resilient stormwater management system.



### Demand Management

Council has adopted a district-wide Stormwater Management Strategy which provides the overall framework and direction to Council's decision-making on stormwater using an integrated management approach. Based on this Strategy, individual Stormwater Management Plans have been developed for Timaru, Temuka, Pleasant Point, and Geraldine. Washdyke will have its own dedicated Stormwater Management Plan due to its heavily industrialised environment and the close proximity to the ocean. The Strategy and subsequent Plans are driven by the policies and rules of the Canterbury Land and Water Regional Plan (CLWRP) which now requires that Council obtain a resource consent for its stormwater discharges, and comply with set standards and limits to the stormwater discharges from its reticulated network. There are a number of units within Council that are involved in stormwater regulation and management, including Land Transport, Waste Management, and Parks.

Council's Stormwater Strategy aims to streamline its approach by setting specific goals, directives and methods relating to stormwater planning and regulation, asset management, the receiving environment, and stakeholder engagement and education. The Asset Management component of the Stormwater Strategy is implemented through the Stormwater Activity Management Plan and the stormwater-related activities of the Land Transport Plan and the Waste Minimisation Plan.

Overall, Council's approach to stormwater asset management is to acknowledge the requirements of the CLWRP. This includes progressively upgrading the network at the time of renewal to incorporate systems for attenuation and treatment of

stormwater flows using low impact design or green infrastructure approaches where appropriate. The ongoing development of Stormwater Management Plans for urban catchments within the district will identify more specific infrastructure requirements. This will shape the asset renewal/development programme in the longer term and is expected to have significant cost and funding implications.

Although growth within the district is not projected to be at a high level, population and household number changes will still impact on stormwater services in the next 30 years. As more areas are built-up, or with increasing infill development, more impervious areas will be created with increased levels of contaminants and there is further potential for the natural paths for stormwater flows and soakage to be occupied. This puts greater pressure on the existing capacity of stormwater networks which increases the infrastructure requirement to manage stormwater flows.

To address these issues, it is necessary to provide treatment for the removal of contaminants and the attenuation of stormwater flows to better match the natural pre-development flows. The use of low impact options, such as first flush retention dams, swales and rain gardens provide appropriate solutions, and these are being built into new residential development areas.

### Asset Management

TDC owns all the public stormwater infrastructure assets. Core service functions such as asset operation, management, inspection, project supervision, and response to customer service requests are handled in-house by staff from TDC's Drainage and Water (D&W) Unit.

### Private contractors are used as needed to supplement in-house capacity for tasks including:

- Maintenance and repair of the network.
- Physical works to build or renew assets.
- Some pre-engineering/engineering designs.
- Special studies to support planning/policy development.
- Stormwater modelling.

Contracting out works/services is done when it is cost-effective or when specialist skills are required.

A review of service delivery under Section 17A of the LGA was conducted in 2017. It found services were being delivered cost-effectively under current approaches, including contracting arrangements. Another review was planned for 2022, following further government direction on the Three Waters Reform and in conjunction with retendering the Utilities Maintenance Contract.

Civil works procurement and contract administration follows NZS3910:2013 standards. Relevant provisions are also used for service contracts like maintenance works and consulting services.

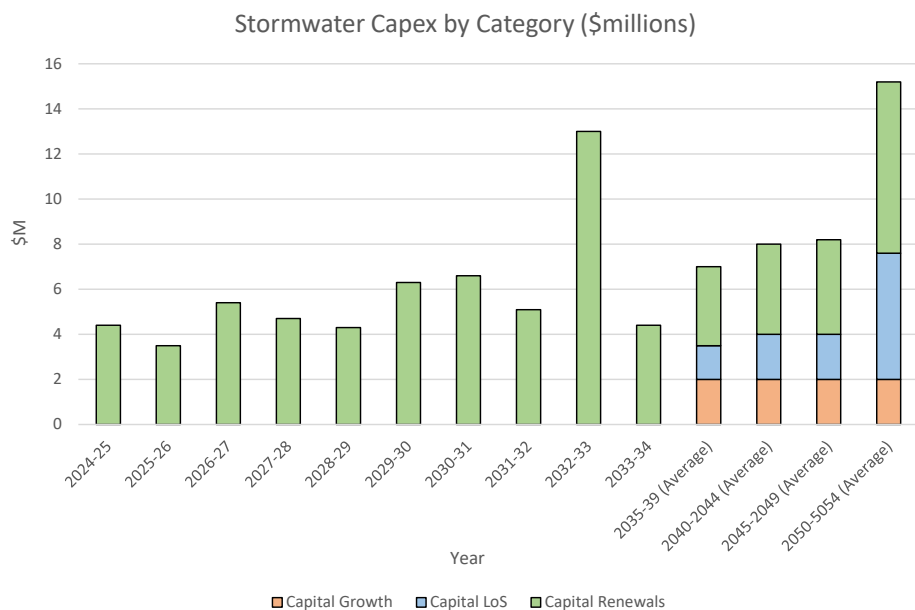
Reticulation maintenance is contracted out under a single contract (currently Contract 2080), which expires in 2027 with an option to extend for a further two years.

In-house operators handle facility operations, but specialist work is often contracted out to various engineering firms.

D&W maintains a register of Approved Contractors authorized to work on the reticulation with appropriate approvals. An annual Contractors Liaison Meeting is held to discuss issues and the year's work program.

## Financial Forecasts

Costs (\$M Inflated)														
Stormwater	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2035-39 Average	2040-44 Average	2045-49 Average	2050-54 Average
Operations	5.1	5.9	6.4	6.9	7.0	7.6	7.7	7.6	8.1	7.9	7.6	8.3	9.0	10.1
Capital Growth	-	-	-	-	-	-	-	-	-	-	2	2	2	2
Capital LoS	-	-	-	-	-	-	-	-	-	-	1.5	2	2	5.6
Capital Renewals	4.8	3.7	5.1	4.6	4.1	6.3	6.6	5.1	13.0	4.4	3.5	4	4.2	7.6



### Major Projects Over 30 Years

- Washdyke Stormwater Improvements 2024-2028; \$3.1m Years 1-6
- Redruth Pump Station Renewal 2029-2031; \$3.4m Years 6-7
- Caroline Bay Pump Station Installation 2032-2033; \$9.5m Years 8-9

# Part Four: Land Transport

## Overview

Land Transport involves managing and enhancing the transport network in Timaru to support community wellbeing and economic growth. As part of its role as a transportation leader, the Council provides, maintains and renews sealed and unsealed roads and bridges, footpaths, cycleways, bus stops, benches and shelters for people and businesses. Additionally, the Council provides road signs, markings, and street lighting to help make travel safer and more convenient. Among its responsibilities are promoting active transport options, building high-quality infrastructure, using recycled materials, and maintaining a street tree network that contributes to a sustainable environment. Additionally, it addresses matters such as the ageing road network, the increased movement of heavy vehicles, and the resilience of the network to hazards.

**To capture how Land Transport contributes to community wellbeing, the following transport activity outcomes were developed. Council will provide:**

- Fit for purpose roads and structures that enable areas of economic strength to thrive and maximises local economic growth.
- Resilient and affordable roading infrastructure that meets community needs.
- Safe roads, footpaths and street networks.
- Sustainable transport options are facilitated and provided.

## Asset Summary

Land Transportation is a very heavy asset-based activity, with the whole activity being reliant upon the infrastructure assets to function. Hence, asset management is the primary function of the unit to support the activities happening on and in those assets. With the partnership approach in co-funding the work programme with New Zealand Transport Agency Waka Kotahi, asset management is regularly assessed and reported against to Central Government and Council.

The asset management follows the strict protocols of International Infrastructure Maintenance Manual (IIMM), adheres to the national standards set by government, and adopts industry best practice techniques (where affordable and justified) to help lengthen the functional life of the infrastructure assets.

**The total value of the assets within Land Transport total over \$1 billion, comprising of the following:**

- Roads with a replacement value of approximately \$600 million, with 57% sealed and 43% unsealed.
- Bridges and structures worth \$160 million, including 176 bridges, 147 large culverts, 25 retaining walls, 57 concrete fords, and 12,700m of railings.
- Footpaths valued at \$77 million.
- Drainage assets worth \$145 million, including catchpits, soak pits, sumps, culverts, fords, drains, stormwater channels, kerb and channel.
- Street furniture, street and traffic lights, street signs, and markings valued over \$40 million.

Assets in the Timaru District are managed through a comprehensive Activity Management Planning Policy, which includes assessing roading and footpaths against the IIMM Maturity Index. This assessment helps identify areas where asset management capability needs to be enhanced. The document acknowledges that in some instances, the advanced asset management levels recommended by the IIMM may not be necessary due to the district's size and scale. Instead, a development level appropriate to the operation's size is chosen. The Asset Management Plan (AMP) includes various initiatives for improving asset management capability, which are identified throughout the document and prioritised in the Improvement Plan. The execution of these initiatives depends on the availability of resources from the Timaru District Council and/or New Zealand Transport Agency Waka Kotahi.

The Council also has other relevant strategies and policies that influence asset management delivery, such as the Active Transport Strategy, the Transportation Vision, and various policies on footpaths, road bridges, and other related areas. Compliance with standards like NZS4404 and guidelines like the Timaru District Backfill and Reinstatement Guidelines ensures the quality of works and services on the TDC network.

## Land Transport

The AMP:

- outlines the levels of service, aiming to match the service provided by assets with customer expectations, financial, technical, and legislative constraints, and the benefits outlined in the investment logic map for Land Transport Activities. This includes understanding the options for service levels, managing the risk of asset failure, and improving decision-making based on cost-benefit analyses.
- is structured to deliver on its purpose, which includes ensuring prudent stewardship of land transport assets and providing inputs to funding sources. It is aligned with the NZ Treasury Business Case approach and includes a strategic case, programme case, and sections focusing on the assets, managing the activity, options analysis, and work programmes.
- is built on a robust investment logic that reflects key problems affecting the network, strategic responses, and investment challenges. It includes a differential services approach for managing the road network and invests in pedestrian and cycling infrastructure to promote sustainable travel.

Assets in the Timaru District are assessed for their condition using a variety of advanced techniques. These include High-Speed Data Capture, comprehensive fault inspections, Multi-Speed Deflectometer testing, Falling Weight Deflectometer testing, and enhanced visual condition assessments conducted by independent experts. The data gathered from these assessments is analysed

using JunoViewer modelling, which provides a more nuanced understanding of asset conditions compared to historical DTIMS data. Additionally, the International Infrastructure Maintenance Manual (IIMM) Maturity Index is used for assessing roading and footpaths prior to the preparation of the Activity Management Plan.

It is important to maintain a level of service that meets legislative requirements and customer expectations, which Council tracks by road user surveys, consultations, and engagement on specific projects. Furthermore, risk identification and management are integral to the process, with a risk register capturing key components such as risk ID, description, source/cause, impact, inherent risk assessment, mitigations, and residual risk assessment.

Overall, the approach to asset condition assessment is comprehensive, employing both technological and manual inspection methods, and is supported by a policy framework that emphasises continual improvement and risk management.

The status of the condition of various infrastructure elements in the Timaru District is managed through a comprehensive approach, with investments made to improve road conditions and ongoing risk management efforts. The sealed roads are maintained to meet nationally accepted standards, with investments in advanced techniques for condition assessment and a commitment to renewal to ensure safety for all road users. However, it is noted that at the current rate of investment, it would take 100 years to renew the existing sealed network, indicating long-term challenges. Significant

investment in data capture has been undertaken over the last 6 years on the Timaru District Council Local Road Network. Current national reporting relies on smooth travel exposure as a proxy for the network condition, as more road controlling authorities move to better technical data capture, like TDC currently does, a more meaningful and consistent condition reporting index will become available nationally.

Unsealed roads have seen increased complaints regarding dissatisfaction with the level of service provided despite meeting NZTA Waka Kotahi standards. Footpaths are maintained to contract specifications and are part of an urban walking program with a target of 60% resident satisfaction with maintenance. Bridges and large culverts are ageing and require increasing maintenance, with a significant number of replacements anticipated in the coming years.

Timaru District has over 300 bridges/large culverts with many nearing the end-of-useful-life. There are ongoing structures assessment and component replacements to extend the life in bridges. Additional levels of service required by heavier vehicles, combined with greater resilience from climate change and the need to ensure bridges are two-laned for safety are major considerations for the future planning for the bridge renewals.

Cycleways have a low number of existing pathways, so the renewal need is currently low, but there is a focus on ensuring effective maintenance and renewal to support mode shift. Street furniture and streetlights are maintained in usable condition, and urban areas are kept clean. Drainage facilities are also considered, with an increasing need to consider stormwater treatment when undertaking renewals.

## Land Transport

In general, while there is a commitment to maintaining and renewing these assets, there are challenges related to funding constraints, ageing infrastructure, and increasing demands for service improvements.

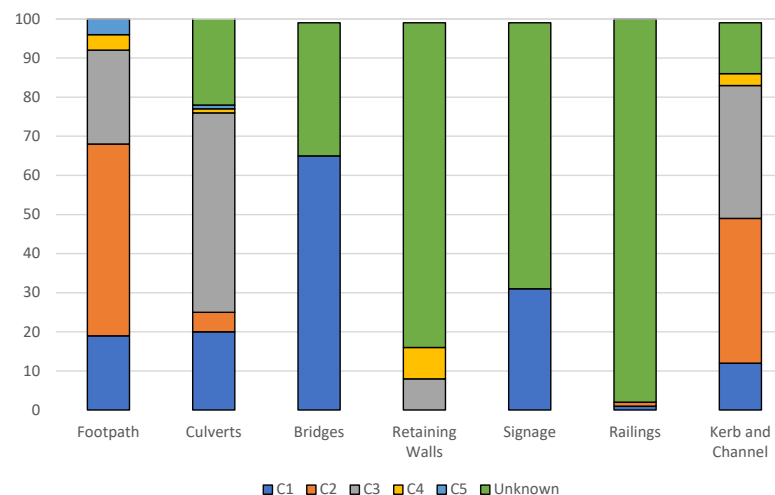
Land Transport assets have had conditional assessments to report and update records for renewals planning. Some are done annually, like sealed roads, and some on a rotational basis, like bridges assessed on a three yearly cycle.

The document provides a detailed assessment of various assets, their current condition, and the data confidence levels for each asset class. The table below is a summary of the conditional assessments for different assets.

The scale goes from C1 which is in top condition to C5 which is very poor condition. For assets, the unknown element is crucial; the higher the level of uncertainty, the less reliable the data is. A visual representation of this is shown in the graph to the right. The more green, the less is known or understood about the asset.

Asset Class	C1	C2	C3	C4	C5	Unknown
Footpath	19%	49%	24%	4%	4%	0%
Culverts	20%	5%	51%	1%	1%	23%
Bridges	65%	0%	0%	0%	0%	34%
Retaining Walls	0%	0%	8%	8%	0%	83%
Signage	31%	0%	0%	0%	0%	68%
Railings	1%	1%	0%	0%	0%	98%
K&C	12%	37%	34%	3%	1%	13%

Condition Assessments by Category (Roading)



Timaru has a confidence level of Grade B for its data, which indicates there are some minor shortcomings in the data itself. There is a dedicated effort going into improving the data collection within the Land Transport Unit in order to assist in better maintenance and renewals planning for the various assets.

### Key Issues

The key issues for land transport in the Timaru District are influenced by various factors, including land use changes, climate change, and mode choice. Urban settlements are experiencing increased rural subdivisions and urban boundary growth, impacting the roading network and community expectations for service levels on rural roads. Various sectors including agriculture, fisheries, construction and manufacturing are increasing heavy traffic, leading to network pressure and deterioration. Forestry operations also contribute to heavy traffic, especially during harvesting.

Climate change is expected to increase extreme weather events, challenging infrastructure resilience and leading to potential damage to bridges, roads, and public utilities. Coastal communities and infrastructure are threatened by sea level rise and coastal inundation.

Mode choice is another issue, with a lack of infrastructure supporting mobility alternatives, which limits transport options and hinders the transition to a lower carbon transport system. The lack of connected infrastructure for walking, biking, and other mobility modes in both rural and urban areas, as well as the disestablishment of scheduled public bus services, are contributing to these challenges.

Investment logic has confirmed these key problem areas of ageing and deteriorating networks, lack of resilience, safety concerns, and limited mode choice. Addressing these issues would lead to a transport network that meets the needs of the community and freight sector, supports sustainable urban and regional development, and facilitates a lower carbon transport system.

### The specific investment challenges identified and subsequent effects are:

- **Ageing and deteriorating network:** Economic growth and an ageing road network are leading to asset deterioration, movement restrictions for freight, and community dissatisfaction.
- **Resilience:** The roading network is vulnerable to natural and anthropogenic hazards, which affects accessibility and increases costs.
- **Safety:** Deficiencies in the road network, inappropriate speed environments, and poor driver attitudes contribute to road fatalities and serious injuries.
- **Mode choice:** The lack of infrastructure to support mobility alternatives limits transport options, hinders the transition to a lower carbon transport system, and impedes the development of sustainable urban environments.

The issues identified in the Timaru District will be managed by land transport through strategic responses that align with government policies and priorities. The management strategies involve maintaining and operating the system efficiently, increasing resilience, reducing emissions, ensuring safety, supporting sustainable urban and regional development, and integrating the freight system. These strategies are informed by the Government Policy Statement on Land Transport, which guides investment and resource focus for the next decade. The strategic direction is clear: to create a transport network that meets community needs, supports economic growth, and transitions to a lower carbon system.

### Key Risks for Land Transport Assets

The risks to the assets identified in the Timaru District include threats and opportunities, vulnerabilities and capabilities, changes in the external and internal context, and the nature and value of assets and resources. The consequences and their impact on objectives, limitations of knowledge and reliability of information, time-related factors, and biases, assumptions, and beliefs of those involved are also considered. A semi-quantitative matrix is used to identify the causes/sources and impacts of a risk, assess inherent risk, identify mitigations, assess mitigation effectiveness, and assess residual risk. Mitigations not assessed as effective are categorized into Preventative, Recovery, or Administrative to prioritise resource allocation and effort. A quarterly risk review updates the status of mitigations and assesses new operational risks.

### The specific risks identified for each type of asset are as follows:

- **Roads:** Risks include reduction in funding, pressure to reduce rate increases, increased frequency of natural hazard events, land use changes, increased economic activity, changing regulations, increased traffic loading, detritus on road, poor quality of work by contractors, unaffordable community expectations, and lack of resources leading to network deterioration, uncomfortable and inefficient travel, resident dissatisfaction, increased wear and costs, and projects being delayed or scrapped.

## Land Transport

- **Bridges:** Risks include increased frequency of natural hazard events, land use changes, increased economic activity, changing regulations, increased traffic loading, collapse, damage, deterioration, erosion, blockage of bridges, reduction in funding, poor quality of work by contractors, ageing bridge stock, lack of maintenance, leading to uncomfortable, unsafe, and inefficient travel, impassable routes, increased disaster recovery costs, restriction of vehicle movement, economic impact, and resident dissatisfaction.
- **Footpaths:** Risks include poor design, inferior materials used, poor quality of work by contractors, poor reinstatement of work by third parties, leading to unsafe footpaths resulting in slips, trips, and falls, and resident dissatisfaction.

These risks are managed through various mitigations and treatments, and their effectiveness is assessed to determine the residual risk. The document also discusses the importance of regular reviews and updates to the risk register to ensure that risks are being managed effectively.

The risk register captures key components such as risk ID, description, source/cause, possible impact, inherent risk assessment, mitigations, effectiveness of mitigations, and residual risk assessment. Examples of risks include roads not meeting community expectations, bridges not being fit for purpose, and footpaths not being safe or well-maintained, along with their sources, impacts, and mitigations.

### Key Budget for Land Transport Assets

In this Infrastructure Strategy, the risk of limited funding for Land Transport programmes is of greater significance. Because of budgetary constraints, certain projects or programs have been reduced in budget, resulting in a probable change in plan. Previously, Council overfunded the NZTA Waka Kotahi FAR amount, making up for the difference to maintain service levels. It is unlikely that Council will be able to continue to provide additional funding as it did previously due to the impacts of retaining the Three Waters portfolio and having to fully fund work that was previously deferred, coupled with the timing of the community facility rebuilds.

#### Land Transport has several consequences when its budget is reduced, including:

- **Network Deterioration:** Roads not designed, constructed, and maintained to community expectations could lead to network deterioration, uncomfortable and inefficient travel, resident dissatisfaction, increased wear and associated costs, projects being delayed or scrapped, and a reduction in road safety.
- **Bridges Not Fit for Purpose:** This could result in uncomfortable and unsafe travel, inefficient travel, impassable routes, increased disaster recovery costs, restriction of vehicle movement, economic impact, and resident dissatisfaction.
- **Footpaths Not Safe:** Poorly designed and maintained footpaths could lead to slips, trips, and falls, and resident dissatisfaction.

- **Failure to Meet Levels of Service:** This could lead to resident dissatisfaction with the level of service provided, increased debt levels, significant rate increases, degraded asset life, and diverted resources to manage customer expectations.
- **Failure to Complete Major Projects:** This could lead to budget and scope overruns, substandard construction, financial loss, reputation damage, project deliverables not met, dissatisfied ratepayers, and councillor disquiet.

Additionally, not addressing the lack of appropriate infrastructure for mobility alternatives could slow the transition to a lower carbon transport system and sustainable urban environments, leading to missed opportunities for leveraging active transport for urban development and a transport network that does not support sustainable development or meet the changing needs of the community.

### Demand Management

The demand drivers for land transport in the Timaru District Council area include population changes, economic and industry growth, transport demand and usage, land use, climate change and seasonal factors, continual demand for improvements in levels of service, everchanging legislative/regulatory requirements, funding organisations setting higher standards, and strategic linkages with other significant transport assets in the District, such as Washdyke Industrial Area and PrimePort Timaru.

Population growth throughout the Canterbury region affects transport demand, with projections indicating an increased population in neighbouring districts who often travel and are road users travelling through Timaru.

The District's population is not projected to be a large increase (additional 3,000 people over the next 30 years), but the demographics will be changing with an ageing population that will become more ethnically diverse, necessitating different transport modes.

Economic growth, including a drop in unemployment to 3.4% in 2023, implies a need for a transport network that supports economic development and increased heavy transport requirements.

Transport demand and usage are expected to grow, especially for active transport as the population ages and climate change impacts become more apparent.

Land use changes, such as urban settlements and various sectors requiring the use of heavy vehicles, affect the roading network by increasing traffic and pressure on the network.

Climate change and seasonal factors are anticipated to increase extreme weather events, challenging traditional expectations and responses for land transport. Lastly, there is a continual demand for levels of service improvements, with road user satisfaction surveys indicating a downtrend in satisfaction, despite stable network conditions.

**Demand management tactics in the context of the Timaru District's asset management are outlined as strategic responses to various demand drivers. These tactics include:**

- Reviewing the District Plan against the current network and developing an investment improvement program in response to mild population growth estimates by Stats NZ.
- Supporting Council Planning and Development Units and Venture Timaru to encourage urban living, which helps manage severe demand due to population growth estimates by Venture Timaru.
- Ensuring strong asset management and prioritization, formalizing pavement and surfacing strategies, and exploring a development contributions policy to address moderate impacts from economic/district growth and land use.
- Implementing an Active Transport Strategy with a significant annual delivery program to manage moderate transport demand.
- Reviewing critical assets and developing a prioritised bridge replacement and 'build back better' program in response to the severe impact of climate change.

- Aligning affordability with demand by capturing customer request management (CRM) data, developing Council Policy to define Levels of Service, and engaging stakeholders to manage increased community expectations.

These tactics are part of a broader strategic approach to asset management that includes understanding customer expectations, managing asset risks, and ensuring that levels of service align with network priorities and available funding.

### Asset Management

Network and Asset Management covers general management and condition of the road network, including professional services, inspections, asset management, and data collection/management.

Asset condition data is collected using a risk-based approach, with more frequent assessments for higher-risk assets. This includes pavement/surface condition, structures, footpaths, etc.

TDC's overall data confidence rating is Grade B (reliable), with ongoing investment in data collection and analysis to support decision-making and funding applications.

Critical assets like bridges, drainage, and unsealed roads are closely monitored, considering factors such as the One Network Framework, lifelines, road safety, and climate change.

As of 2023, the replacement cost of TDC's roading assets exceeded \$1 billion, with carriageways being the highest-valued asset.

TDC's network management is primarily handled by in-house business units, with support from a small number of consultants for specific technical expertise.



## Land Transport

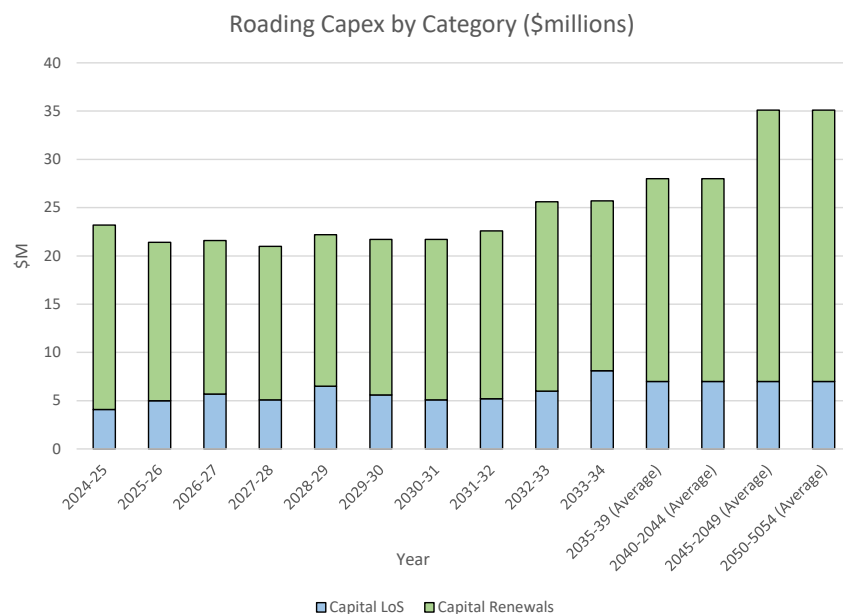
TDC uses various information systems for storing and analysing data to make asset management decisions, including RAMM, RAMM Contractor, Pocket RAMM, CAS, ONRC Performance Measures Reporting Tool, High Speed Data, RoadRoid, ArcGIS, Submittica, dTIMS, FWD, SCATS, KiwiRAP, Juno Viewer, and MegaMaps.

The RAMM database is the primary source of truth for maintenance, planning, data, assets, and costs. Data quality is reported annually through the ONRC PMRT, with TDC performing well compared to national, regional, and peer groups.

TDC is proactive in maintaining high data standards, supporting data-driven decision-making about the network. Improvement plans are in place to address lower-scoring items in the data quality report.

## Financial Forecasts

Costs (\$M Inflated)														
Land Transport	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2035-39 Average	2040-44 Average	2045-49 Average	2050-54 Average
Operations	32.9	35.1	36.8	37.8	39.7	41.0	41.9	43.6	44.9	46.9	49.0	53.8	58.1	65.0
Capital Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital LoS	3.3	5.2	5.3	7.4	9.5	5.2	5.3	5.4	5.5	8.3	7.0	7.0	7.0	7.0
Capital Renewals	19.1	16.4	15.9	15.9	15.6	16.0	16.6	17.4	19.6	17.6	21	21	28.1	28.1



## Major Projects for Land Transport

- Road Improvements LCLR, Road to Zero 2024-34, \$43m Years 1-10
- Cycleways Implementation 2024-2034; \$5m Years 1-10
- Washdyke New Link 2027 – 2034; \$4.6m Years 4-10

# Part Five: Waste Management

## Overview

The Waste Management Activity provides comprehensive waste management services, including kerbside waste collection using a four-bin system, operation of four refuse transfer stations, and disposal at Redruth Landfill. It also manages a Class A landfill with gas and leachate collection systems, a resource recovery center for waste diversion, and educational initiatives to promote sustainable waste practices. The unit is responsible for various assets, including landfill, transfer stations, kerbside bins, and a gas flare for methane disposal. These services are crucial for public health, environmental protection, and align with the New Zealand Waste Strategy. The waste management activity is contracted to Envirowaste Services Ltd and overseen by a Council Waste Team, with no proposed changes in the LTP 2024-34. Asset management considers population growth, economic indicators, and environmental sustainability to ensure resilient infrastructure and community wellbeing outcomes.

These services contribute to the economy, lifestyle, sustainability, and resilience of the community, aligning with the Council's vision and strategic priorities, such as enhancing lifestyles, connecting citizens, investing in resilient infrastructure, leveraging local economic strengths, and maintaining a clean and sustainable environment. Information for decision-making is collected, monitored, used, updated, and stored appropriately. The activity also contributes to community wellbeing outcomes through stakeholder engagement, waste management, communication, and investment in infrastructure.

## Waste Minimisation & Management Plan

The Waste Minimisation & Management Plan is a comprehensive strategy that contributes to the management of waste by providing for the collection and disposal of waste to protect public health and the environment. It includes a kerbside collection service with a four-bin system for rubbish, recyclables, glass, and organics, with the aim of separating waste materials and minimizing waste to landfill. The plan also involves the management of transfer stations and a Class A landfill with gas and leachate collection systems at Redruth Landfill. Additionally, it includes resource recovery initiatives for waste diversion, such as reuse, recycling, recovery, and treatment facilities, and promotes education on reuse, repair, repurpose, recycle, resource recovery, and circular economy outcomes in line with the New Zealand Waste Strategy.

The plan is aligned with international and national legislation requiring consideration of climate change and sustainability in planning, and it aims to enhance community resilience by incorporating sustainability into core planning. The plan also creates jobs and opportunities for secondary industries, contributing to the local economy and sustainability. Key stakeholders include residents, businesses, community facilities, waste industry operators, government agencies, and environmental protection groups. The plan is driven by various legislative acts and guided by principles of responsibility, enabling change, shifting waste management costs to industries and consumers, and accountability with transparent data and reporting.

## Asset Summary

Each Council-owned asset within the Waste Minimisation & Management Plan is managed through a contracted service with EnviroNZ Ltd. This includes the Organics Composting Facility, transfer stations, weighbridges, kerbside collection wheelie bins, and the Redruth landfill.

Among the infrastructure activities at Redruth Landfill and Resource Recovery Park are roading, water supply, waste water, stormwater, parks maintenance, and building maintenance. Further, a great deal of underground and above-ground infrastructure is essential for the ongoing operations of managing the landfill due to the landfill gas (LFG) capture system and telemetry.

Council also owns several closed landfill sites around the District, many of which are near waterways. As part of the Long-Term Plan 2021-31, a Closed Landfill Risk Assessment was commissioned, and the work is now being completed to develop a Closed Landfill Management Plan.

Capital expenditure for the waste assets focuses on facilities owned by the Council, such as the landfill, closed landfills, buildings, weighbridge, and site infrastructure. The Contractor is responsible for the construction, renewal, and repair of the assets required to deliver the services. There is a comprehensive capital program for Redruth, and an allowance for renewal of assets at transfer stations. Closed landfills are assessed for risks, and a management plan is developed to prioritize mitigating actions. Wheeled bins are supplied by the Council to households and are replaced on a rolling schedule.

## Waste Management

Funding considerations for these activities are guided by principles such as user-pays, exacerbator-pays, inter-generational equity, and separate funding. The Waste Management Team may also fund some projects through the Ministry for the Environment Waste Minimisation Funds.

### Key Issues

#### The key issues and risks for waste management identified include:

- High levels of contamination in recycling bins, which affects the quality and volume of material recycled and leads to potentially recyclable material being landfilled. A new glass bin and ongoing education are part of the strategy to reduce contamination.
- Transition to a new waste management contractor, which now includes activities previously managed by the Council.
- Effective use and analysis of RFID data for rating purposes.
- Environmental hazards from closed landfills, particularly the Peel Forest landfill, which had started to breach its contents to the Rangitata River banks, but has been temporarily remediated.
- The proximity of other closed landfills to waterways, necessitating risk assessments and management plans.
- Legislative changes for waste, including product stewardship schemes and the impact of amendments to the Emissions Trading Scheme and Waste Levy.
- Volatile export markets for recyclables, which have led to an increase in materials going to landfill.

- Introduction of landfill gas burnoff infrastructure to offset carbon credits.
- Reduced landfill life expectancy at Redruth due to increased waste from the government strategy impacts and commercial waste.
- Climate change risks, including coastal inundation around Redruth landfill, which could impact infrastructure and necessitate additional mitigating measures.
- Consent conditions for new or renewed consents.

The rationale for changes in financial line items is to accommodate the capital expenditure required for the maintenance and improvement of waste management facilities, such as landfills, closed landfills, buildings, weighbridges, and site infrastructure. This includes the construction, renewal, and repair of assets necessary to deliver waste management services.

The Council is addressing climate change risks and managing issues through various mitigation strategies and performance management. For instance, to combat greenhouse gas emissions, particularly methane, a new gas flare has been installed at Redruth Landfill, which is expected to destroy 99.9% of methane emissions and carbon dioxide gases and reduce emissions. However, a year's worth of data is required before the benefits of lower emissions can be assessed. This will enable the Council to offset methane emissions and report accurate data to the Environmental Protection Agency.

To protect against coastal erosion and river erosion, the Council is relying on existing infrastructure like the South Island Main Trunk railway line and undertaking risk assessments and removal of high-risk closed landfills, such as the one at Peel Forest.

Redruth Landfill's operational resource consents expire in May 2030. There is a further 20 years of life in the landfill, therefore the consents will need to be renewed and will likely have stronger conditions than the existing ones.

The Council has committed to providing levels of service that ensure waste facilities are adequate, there are no adverse environmental or health effects from waste services, waste is diverted from landfill, and public information and programs promote waste minimisation.

Overall, the Council is proactively managing waste issues and risks through a combination of strategic planning, infrastructure investment, performance management, and risk mitigation measures.

## Demand Management

### The demand drivers for waste include:

- Consumption - the behavior of consumers which increases the demand for waste services due to the high volume of waste collected at kerbsides and over weighbridges at transfer stations.
- Capacity of landfills - being able to dispose of waste in a safe manner and mitigate environmental risks.
- Climate change - extreme weather events can create hazards, such as increased flooding resulting in leaching or a breach of content, high temperatures resulting in methane gas and fire hazards, and sea level rise that exposes closed landfills and the Redruth Landfill to spilling waste into waterways.
- Economic prosperity - in times of greater development, more waste is produced through construction or industry, particularly in the manufacturing and food processing industries within Timaru, requiring higher waste disposal needs.
- New legislation - the adoption of product stewardship regulations and higher standards for stormwater discharge consents and wastewater treatment increases the cost of implementing these regulations.

Council manages all these drivers through actively monitoring changes in waste volumes, regularly measuring landfill capacity, and keeping current with modern practices to ensure Timaru District's waste needs are met, and aims to reduce waste going to landfill through supporting consumer education initiatives and diversion actions.

## Asset Management

Asset Management covers general management and condition of the waste assets, including professional services, inspections, asset management, and data collection/management.

Asset condition data is collected using a risk-based approach, with more frequent assessments for higher-risk assets. This includes landfill cell capacity and settlement, transfer station assessments, and gas capture.

Critical assets like landfill cell structures, pumps, gas capture systems, transfer stations, and weighbridges are closely monitored.

TDC's activity and data management is primarily handled by the in-house business unit, with support from a small number of consultants for specific technical expertise around geotechnical issues, stormwater management, landfill gas capture, and contaminated land issues.

TDC uses various information systems for storing and analyzing data to make asset management decisions, including drone surveys, SCADA, Weightrax data, and Whole Life Modelling.

### All Private contractors are used as needed to supplement in-house capacity for tasks including:

- Maintenance and repair of the landfill and transfer stations.
- Physical works to build or renew assets.
- Some pre-engineering/engineering designs.
- Special studies to support planning/policy development.
- Contracting out works/services is done when it is cost-effective or when specialist skills are required.

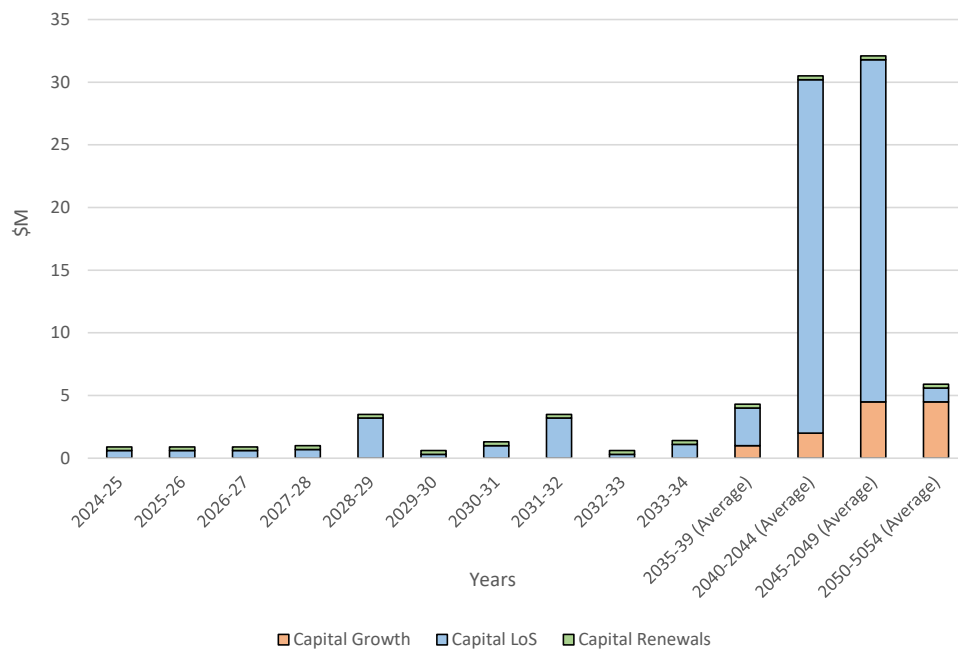
A review of service delivery under Section 17A of the LGA was conducted in 2020. It found services were being delivered cost-effectively under current approaches, including contracting arrangements.

Civil works procurement and contract administration follows NZS3910:2013 standards. Relevant provisions are also used for service contracts like maintenance works and consulting services.

## Financial Forecasts

Costs (\$M Inflated)														
Waste	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2035-39 Average	2040-44 Average	2045-49 Average	2050-54 Average
Operations	13.7	14.1	14.4	14.6	14.8	15.2	15.5	15.7	16.1	16.4	16.6	18.3	19.7	22.1
Capital Growth	-	-	-	-	-	-	-	-	-	-	1.0	2.0	4.5	4.5
Capital LoS	0.6	0.6	0.6	0.7	3.2	0.3	1.0	3.2	0.3	1.1	3.0	28.2	27.3	1.1
Capital Renewals	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3

Waste Capex by Category (\$millions)



## Major Projects for Waste Management

Waste Management has few projects to implement in the coming years, but the Closed Landfill Management Strategy may create the need for rehabilitation and/or removal of closed landfills in future years. Redruth Landfill has a remaining 20-24 years of landfill life, so a new landfill must be developed over the life of this Strategy from years 19 onwards.

- Closed Landfill Management Plan, 2024-25; \$100k Years 1-2
- New Redruth landfill cells development and capping, 2025-50; \$30m Years 1-26
- New Landfill site scoping and development. 2040-2054 \$55m Years 16-30

## Resource Consents

Scheme	Consent Number	Consent Holder	Details	Expiry
<b>Geraldine Water Supply</b>	CRC064043	Timaru District Council Water Unit	Take and use groundwater for Geraldine Water Supply	30/10/2027
<b>Peel Forest Water Supply</b>	CRC120219	Timaru District Council Water Unit	Take surface water for Peel Forest Water Supply	31/08/2046
<b>Pleasant Point Water Supply</b>	CRC981008.2	Timaru District Council	Take and use water for Pleasant Point Water Supply	31/03/2034
<b>Temuka Water Supply</b>	CRC167644	Timaru District Council Water Unit	Take and use groundwater for Temuka Water Supply	23/08/2048
<b>Timaru Water Supply</b>	CRC940974	Timaru District Council Water Unit	Discharge treated water - Gleniti Reservoir	12/05/2029
	CRC940975		Groyne protecting Pareora Intake	6/04/2029
	CRC011399		Take, dam and use water - Pareora Intake	5/11/2024
	CRC011402		Install and maintain structures - Pareora Intake	5/11/2024
	CRC011403		Discharge to water during repairs and maintenance - Pareora Intake	5/11/2024
	CRC011456		Discharge water from scour valve - Pareora Intake	5/11/2024
	CRC093305		Take and use groundwater - Opihi Intake	9/10/2030
	CRC101875		Take and use surface water - Opihi Intake	9/10/2030
	CRC157770		Opihi River diversion - Opihi Intake	9/10/2030
	CRC147262		Discharge turbid and overflow water - Claremont Reservoir	20/01/2034
	CRC222340		Timaru District Council	Discharge water from Pareora Pipeline - maintenance
CRC223161	Timaru District Council	Discharge water Papaka Stream - maintenance	26/03/2046	

## Resource Consents

Scheme	Consent Number	Consent Holder	Details	Expiry
<b>Downlands Rural Water Supply</b>	CRCO10392	Downlands Water Supply Management Committee	Take groundwater for Pareora township	27/10/2035
	CRCO10393.1		Take groundwater for St Andrews (Springbrook)	27/10/2035
	CRCO12182		Maintenance - Waitohi Intake	9/10/2030
	CRCO12183		Take water - Waitohi	9/10/2030
	CRCO12184		Take water - Te Ana Wai intake	9/10/2030
	CRCO12185		Discharge to land - maintenance	9/10/2030
	CRC202505	Timaru District Council	Dam water Te Ana Wai WTP	26/03/2055
	CRC202507		Discharge operational stormwater Te Ana Wai WTP	26/03/2055
	CRC214123		Discharge from raw water reservoir Te Ana Wai WTP	26/03/2055
	CRC233711		Scour valve structure - Opihi River crossing	30/03/2048
	CRC233714		Discharge treated water for maintenance - Opihi River crossing	30/03/2048
	CRC233715	Riverbed maintenance - Opihi River crossing	9/10/2030	
	CRC992823	Downlands Water Supply Management Committee	Discharge treated water and stormwater - Camerons Reservoir	9/08/2034
	CRC992824		Discharge treated water and stormwater - Taiko Reservoir	9/08/2034
	CRC992825		Discharge treated water and stormwater - Sutherlands Reservoir	9/08/2034
CRC992826	Discharge treated water and stormwater - Clelands Reservoir		9/08/2034	
CRC992827	Discharge treated water and stormwater - Waitohi Reservoir		9/08/2034	
<b>Seadown Rural Water Supply</b>	CRCO10349	Timaru District Council Water Unit	Take groundwater for Seadown Water Supply	9/10/2030
<b>Te Moana Rural Water Supply</b>	CRC192123	Timaru District Council Water Unit	Take and use water for Te Moana Water Supply	21/06/2054
	CRC221270	Timaru District Council	Discharge operational stormwater Pleasant Valley WTP	20/10/2056

Resource Consents

Scheme	Consent Number	Consent Holder	Details	Expiry
<b>Beautiful Valley Stockwater Supply</b>	CRC992621.1	Timaru District Council Water Unit	Dam and take water for Beautiful Valley Stockwater Supply	10/08/2034
	CRC992622		Intake maintenance	10/08/2034
<b>Rangitata - Orari Stockwater Supply</b>	CRC173642		Discharge surplus water	3/03/2044
	CRC173643		Maintain intake	3/03/2044
<b>Rangitata Huts Water Supply</b>	CRC173644		Take and use surface water	3/03/2044
	CRC171997		Take groundwater for Rangitata Huts Water Supply	25/09/2031
<b>Aorangi Road Wastewater Treatment Plant</b>	CRC242246	Timaru District Council Drainage Unit	Discharge to land by seepage - Ponds Aorangi Road WWTP	18/12/2042
	CRC071877		Divert water - operational Aorangi Road WWTP	18/12/2042
	CRC072491		Store domestic effluent	18/12/2042
	CRC242247		Ocean outfall discharge	26/11/2045
	CRC101832		Ocean outfall - pipe placement	26/11/2045
	CRC165726		Discharge contaminants to air	18/12/2042
	CRC183605		Take water - Milliscreen	12/04/2030
<b>Geraldine Wastewater</b>	CRC020625		Vegetation Management Waihi River - Syphon	27/11/2036
	CRC122463		Water Supply for oxidation ponds	6/04/2044
	CRC163114		Storage of treated wastewater	6/04/2044
	CRC163129		Discharge contaminants - oxidation ponds	6/04/2044
<b>Pleasant Point Wastewater</b>	CRC164367		Storage of treated wastewater	6/04/2044
	CRC164387		Discharge contaminants - oxidation ponds	6/04/2044



## Resource Consents

Scheme	Consent Number	Consent Holder	Details	Expiry
<b>Temuka Wastewater</b>	CRC164341	Timaru District Council Drainage Unit	Storage of treated wastewater	6/04/2044
	CRC164345		Discharge contaminants - oxidation ponds	6/04/2044
	CRC185291		Take water	6/04/2044
<b>Timaru Stormwater</b>	CRCO20334	Timaru District Council Stormwater	Disturb waterways to install structures - District-wide	8/11/2036
	CRC102769		Stormwater settling ponds - Redruth	N/A
	CRC168817		Gleniti Swales works	6/12/2044
	CRC168825		Gleniti Swales discharge	2/07/2043
	CRC190249		Washdyke Industrial Expansion Zone discharge	24/09/2034
	CRC233530	Timaru District Council	Drain water from land - SMP Washdyke	13/04/2038
	CRC233534	Timaru District Council	Discharge drained water and stormwater - SMP Washdyke	17/04/2038
<b>Temuka Stormwater</b>	CRCO91968	Timaru District Council Drainage Unit	Riverworks Opihi, Temuka and Waihi Rivers	17/02/2044
<b>Geraldine Stormwater</b>	CRCO20339	Timaru District Council (Stormwater)	Flood retention basins Serpentine Creek	18/10/2037
	CRCO20340		Dam water to basins - Serpentine Creek	18/10/2037
	CRCO20341		Sediment control - Serpentine Creek	18/10/2037
<b>Pleasant Point Stormwater</b>	CRC972361	Timaru District Council (Drainage Unit)	Kabul Street Drain flood protection	10/12/2032
	CRC972362	Timaru District Council (Drainage Unit)	Flood relief works	10/12/2032
	CRC980793	Timaru District Council (Stormwater)	Discharge floodwaters German Creek	10/12/2032

## Resource Consents

Scheme	Consent Number	Consent Holder	Details	Expiry
<b>Redruth</b>	CRC001070	TDC Solid Waste Unit	Leachate - Discharge of Leachate – Redruth 2006-2041	19/12/2041
	CRC001171		Redruth - Discharge of leachate consent on #1456170 Redruth site. Map ref NZMS 260 K39:713-420	19/12/2041
	CRC223791		To discharge contaminants to air. Shaw Street, Timaru - Landfill Gas Flare	20/07/2047
	CRC950945.1		Redruth - Discharge of Waste to Landfill	11/05/2030
	CRC950946		Redruth - Discharge from Landfill/Transfer Station	11/05/2030
	CRC213948		Redruth - New organics facility	7/12/2041
	<b>Temuka</b>	CRC063704		Discharge Of Contaminated Water
CRC063712			Redruth - Discharge of Contaminated Water	7/12/2041
CRC131054			TEMUKA T/S: To Discharge Stormwater from Bulk Storage & Transfer Station	14/03/2048
CRC131055			Waitohi-Temuka Road, Temuka - Discharge Contaminants (Dust) To Air	14/03/2048
<b>Ellis Road</b>	CRC175470		To undertake works in the coastal hazard zones #1120744 2017- 2052	17/05/2052
<b>Geraldine</b>	CRC950947		Discharge Of Waste to Landfill - Te Moana Rd Geraldine	19/12/2041
	CRC950949		Closed Site - Dennistoun Rd Peel Forest - Discharge of Waste to Landfill	19/12/2041
	CRC972226.1		Discharge of Stormwater-Industrial	19/06/2032
	CRC972590		Closed Site - Discharge from Landfill/Transfer Station	19/06/2032
<b>Pareora</b>	CRC950953		PAREORA Closed Landfill - Discharge of Waste to Landfill	19/12/2041
<b>Pleasant Point</b>	CRC992679		Closed Site - Discharge from Landfill/Transfer Station	14/10/2034
	CRC950951		Pleasant Point Transfer Station Closed Site - Discharge of Waste to Landfill	19/12/2041
	CRC992680		Closed Site - Discharge of Stormwater-Industrial	14/09/2034



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**Temuka Library/Service Centre**

72-74 King Street, Temuka  
**T** (03) 687 7591

**Geraldine Library/Service Centre**

73 Talbot Street, Geraldine  
**T** (03) 693 9336

**[www.timaru.govt.nz](http://www.timaru.govt.nz)**