



Carterton District Council

Annual Plan 2014/15

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Carterton

*A welcoming and vibrant community
where people like to live*



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Senior executives

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Marty Sebire

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Garry Baker

Manager Planning and Regulatory

Milan Hautler



Message from the Mayor and Chief Executive

We have pleasure in introducing the Carterton District Council's Annual Plan for 2014/15.

Every three years we prepare a long term plan, which shows what the Council intends to do to implement the vision that it and the community have developed together.

Each year, we prepare an annual plan, which reflects that year from the long term plan and updates the Council's plan for the coming financial year.

This Annual Plan 2014/15 is the third year under the current 2012–2022 Long Term Plan but the first for our new Council. It is a modest plan and reflects a steady continuation of recent years, while continuing to address some key infrastructure issues. It is also intended to prepare ourselves for the upcoming 2015–2025 Long Term Plan and for the likelihood of more local government reform.

We continue to 'future-proof' our infrastructure. Carterton District has undergone considerable population growth in recent years. Yet some of our infrastructure is ageing, with sizeable portions coming to the end of their useful lives at the same time. In 2014/15, we will be reviewing our asset management plans and preparing an infrastructure strategy, which will inform the decisions we must make for the next long term plan.

We continue to prepare for and respond to the ongoing local government reforms—that which we know about and that which is still uncertain.

And we continue to face challenging issues imposed on the District from outside. Of strong concern is the likely reduction in funding for our roads and bridges, as the government reviews the funding model and road classification system. Equally alarming is the continuing cost to the Council of resource consents and expensive conditions imposed on us by the Regional Council.

We received a significant number of submissions on the Proposed Annual Plan, with many of the submitters presenting their case in person at the Council hearings. Direct dialogue between the council and the local community is vital, and is an important part of local democracy. Thank you.

There were two key issues on which we sought feedback, and feedback was mixed for both issues. Council did not decide to support a sports development at Howard Booth Park, choosing instead to wait until further work is done on the sports and recreation needs and amenities across Wairarapa and Wellington regions. Council decided to adopt the proposed changes to the administration of grants.

The 2014/15 year will be challenging for you and for us, but with your input we can keep building our vision for Carterton District—a welcoming and vibrant community where people like to live.

Ron Mark
Mayor

Colin Wright
Chief Executive

25 June 2014



Introduction



Key issues

Local government legislative reform

Central government continues with its reform of local government, following on from changes it made in 2012. The purpose of local authorities was amended, new powers introduced for the Minister of Local Government to intervene, and changes made to the process for reorganising local government. We are waiting for finalisation of new 'financial prudence' performance measures to be used in the next LTP.

Further changes are expected. Legislation is before Parliament to introduce:

- new requirements for infrastructure strategies and asset management planning, through an infrastructure strategy, disclosing risk management arrangements for physical assets, and identifying the significant infrastructure issues over a 30-year period, the principal options for managing those issues, and the implications of those options
- new significance and engagement policies for engaging communities in decisions about different matters, and amending special consultative procedures, so it accommodates new ways for communicating and consulting with the public
- changes to development contributions provisions, narrowing the range of infrastructure that can be financed by development contributions.

The development contributions do not apply to Wairarapa councils, but the other changes along with new reporting regulations will require a significant amount of work during 2014/15 to implement these compliance requirements.

Council reorganisation

Changes to the Act included the process for applying for and determining reorganisation of councils, including amalgamations. Carterton, Masterton, and South Wairarapa District Councils have submitted an application to the Local Government Commission to establish a Wairarapa unitary authority, combining the three district councils and the Wairarapa functions of the Greater Wellington Regional Council.

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2014/15. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist at some time in future.

Resource consents

In order to provide some infrastructural services, the Council must hold appropriate resource consents.

Over the last few years, several resource consents have expired and the Council has had to be involved in lengthy and expensive processes for their renewal. Resource consents for sewage treatment and disposal expired in 2009 and took 4 years to prepare for and negotiate new consents, water races expired in 2001 and took 12 years, water supply in 2013 and 2014 and has taken two years of work and is not agreed yet.

In total, these processes have cost about a half million dollars to prepare for and negotiate, and will cost a similar amount each year to implement and administer the conditions imposed by the Regional Council.

Roading—funding assistance rates

Some of the road user charges and fuel taxes collected by central government are provided to councils to help them fund their roading networks. The financial subsidy base rate (or FAR) for 2014/15 for Carterton District will remain at 53 percent for maintenance and 63 percent for new construction and minor safety works.

The Council recognises the importance of its roading infrastructure for the economic and social well-being of the District's residents, and do not want to see a drop in service levels and standards.

The government is reviewing this funding and shifting priorities away from local roading. Already, the subsidies have effectively reduced. Although the 2014/15 percentage rate of subsidy does not fall (ie 53 and 63 percent), the dollar amount is restricted to the same dollar amount as in the previous three years. No allowance will be made to cover the price increases facing the Council. The operating and capital work programme was reduced from the LTP levels in 2013/14 and now 2014/15 to stay within this reduced funding.

Further changes are expected for the next three years. The FAR rate is likely to fall. For Carterton, the 53 percent and 63 percent rates will become just one rate, probably around 52 percent but possibly as low as 49 percent. This will have significant effects.



For example, at 52 percent an extra \$55,000 funding from rates will be needed to maintain the same programme, and at 49 percent an extra \$141,000 is needed. That is about 1.5 percent increase in everybody's rates bill.

Conversely, if no extra funding was provided from rates, a FAR of 52 percent would result in a 4 percent reduction in roading work, and FAR of 49 percent would mean 10 percent less road works.

During 2014/15, the government will also review nation-wide road classifications, and associated standards, to reflect the policy and priority changes of the government. These could mean significant changes for some roads in the District, and may impact on some groups of ratepayers differently than on others.

Sewerage and the disposal of treated sewage

As part of its regular capital works, the Council replaces ageing sewer pipes as they reach their end of life. Over the last couple of years, it has undertaken a programme of additional renewals. This is more efficient—the network is underground and what is old or cracked is often not known until it is uncovered, so replacing whole sections of the network once is cheaper than digging multiple times to replace small parts—and it smooths the work programme and the capital expenditure. This accelerated programme of replacement will continue for the next two years.

Up to this year, Carterton's treated sewage was disposed to Mangatāre Stream during winter and to land adjacent to the treatment station during summer. For a long time, the Council has signalled its desire to increase the volume of treated sewage being disposed to land.

The Council has refined its vision:

The Council's long-term vision for the treatment and disposal of Carterton's sewage is to discharge all treated effluent to land, except during saturated ground conditions or other unfavourable or unusual circumstances, for the purpose of improving social, environmental, and cultural outcomes.

The Council aims to achieve this in partnership with the wider community and in particular with landowners in the vicinity, without acquiring all the land needed. The rate of progress towards achieving this vision will be governed by the practical realities of putting suitable arrangements in place and the ability of the Carterton community to pay for the improvements.

Two significant changes have allowed progress towards this vision. Under the new resource consent, discharge to the Stream or to land is now more sensibly based on the flow volume in the

Stream. And a large block of land (65 hectares) adjacent to the treatment station has been purchased, and development of the land (eg shelter belts and irrigators) is being planned.

Implementing the resource consent conditions in its short timeframe, and developing the capacity to discharge more to land, will be challenging, especially at a pace that is affordable to ratepayers.

To oversee the integrated development of this activity, the Council has established a Working Group of lead councillors, engaged consultants, and assigned dedicated staff. It is undertaking community consultation on a range of issues associated with treatment and discharge, and is looking for best practice and innovative solutions.

Specific items for consultation

The Council sought feedback on some specific items as part of the consultation on the Proposed Annual Plan. Individuals and organisations also took the opportunity to raise further issues and request additional funding. This resulted in some amendments being made for the final Annual Plan.

Grants administration

A Council working group reviewed the current arrangements for contestable grants. They proposed changes to the way grants are administered, in order to meet the current and future needs of communities in a way that is most cost-effective for households and businesses.

Smaller pools administered 'on behalf of'

It was recommended that the following actions be taken, in a phased way, in respect of the grants currently administered 'on behalf of' to ensure that the grant is retained in the community and is administered by the group with the most appropriate knowledge:

- WWII Memorial Trust—it is suggested that RSA take over the administration of this fund
- Creative New Zealand's Creative Communities grants—Toi Wairarapa have expressed an interest in taking over administration
- Sport New Zealand's Rural Travel Fund—it is recommended that Council retain its administration.

The Council approved this approach.



Community grants

It was recommended that the current one-round contestable format be replaced with a \$10,000 discretionary projects fund to be used to support projects throughout the year. Preference would be given to larger projects (say, more than \$6,000) with up to a third of the value being funded (to a maximum of \$2,000). The community contribution could be measured in resources of volunteer labour, donated materials, donated professional services, or cash. Decisions for allocation of the funds would be guided by clear criteria (perhaps based on the current Community Grants criteria).

The Council decided that there would be no community grants round or pool in 2014/15.

Community development pool

It was recommended that the Community Development Manager manage a \$5,000 budget to enable support for community group projects throughout the year. Use of funding would be guided by best practice community development principles to build social cohesion, encourage healthy lifestyles, protect people's health and safety, and ensure people have access to basic needs. Volunteer networks would be supported to retain knowledge, expertise, and resources in the community.

The Council approved a community development pool.

Howard Booth Park sports development

A trust independent of Council has proposed a community sports park at Howard Booth Park. Howard Booth Park is owned by Council and presently used in winter for senior soccer. There are squash courts and soccer club rooms, and a children's play area.

The Howard Booth Park Sports Trust is promoting a development with multiple sports codes sharing pitches and play areas, around one shared building for changing rooms, club rooms, and administration facilities. Many sports organisations share the same issues of money, land access, and administration. Codes currently interested in a joint facility are soccer, tennis, bowls, croquet, petanque, and squash. The development would be staged, with development over a number of years as funding allows.

The Council has yet to make a decision to commit any ratepayer funding to the development. It has agreed in principle to the concept of a multi-sports development at Howard Booth Park and wanted the community to consider it further.

The Council also agreed to consult on what ratepayers think it should do. It did not want to commit ratepayer funds or resources (land) to a development unless there was clear support from

ratepayers. And for the development to progress, the Trust needed to know what commitment the Council was prepared to make. This could range from use of the land for a community sports park at a peppercorn rental, to modest financial support towards the annual administration cost, to significant financial contribution for the construction of the building or pitches. Another option was for the Council to work in partnership with the Trust to complete the project.

There were 23 submissions. Of these, 12 supported Council involvement, 11 opposed, and 2 were unstated. On the question of ratepayer funding, 6 supported, 14 opposed, and 3 were unstated. Although there was a level of support for some sort of sports development at the Park, they were unsure whether it was at the right place and whether the amenities fitted within the overall sports and recreation needs and amenities in Carterton District and in the Wairarapa region.

The Council decided to defer a decision on the Trust's proposal pending further discussion on the sports needs of Carterton people within the Wairarapa context.

Financial overview

In preparing the Annual Plan to meet the reasonable needs of our community, the Council applied the following principles from the Long Term Plan:

- be fair to our ratepayers and customers
- maintain service delivery and if required meet increasing demand
- balance the budget
- be good stewards of our assets and infrastructure, and of our funds
- spread the cost of assets across their useful lives.

Being fair to our ratepayers and customers means that our activities are cost-effective and necessary for the community's social, cultural, economic, and environmental well-being. It means that we allocate rates and charges to those who benefit and to those who have a negative impact on (or exacerbate) our community. It means that we spread costs across today's and tomorrow's users (intergenerational equity) to match when benefits arise. And it means being aware of not excessively burdening today's users with the impact of yesterday's users not having contributed enough.

We plan well. Every three years we prepare a ten-year plan. Every year we prepare a detailed annual plan. We consult the community on what is proposed. And at the end of every year we report back to the community on how well we have done against the plans.



Balancing the budget

Under Section 100 of the Local Government Act 2002, the Council is required to ensure that it raises sufficient revenue to cover its projected operating expenses unless it considers it prudent not to do so.

The rates are set at a level to produce a desired surplus. Generally that surplus would be zero. Sometimes a surplus is needed to cover the repayment of loan principal, or to build up reserves for future year expenses (such as the three-yearly elections). Sometime a deficit is planned because not all expenses, especially depreciation, needs to or should be funded.

Depreciation

Depreciation is calculated on an annual basis to fund the renewal of assets over time. It is a major expense. It represents over a quarter of total operating expenditure.

Charging depreciation each year spreads the cost of an asset over its useful life. Generally, depreciation is funded by income (including rates) in the same year that the depreciation is incurred. Funding of depreciation results in an increase in the Council's cash balance over the ten-year period of the Plan, held in depreciation reserves. These cash funds will earn interest and will provide funding for the replacement of relevant infrastructure assets in the future.

In this Plan, the Council will fully fund the depreciation expense, except for the following:

- roads and footpaths
- housing for the elderly
- Events Centre building and fitout
- the accelerated programme of sewerage renewals and treatment capacity.

This recognises that either we do not need to build up the full amount of funds for future replacement, or it would not be fair on the current generation of ratepayers.

Some of the capital construction of roads and footpaths is funded from subsidies received from the New Zealand Transport Agency, and the capital construction of other assets was partly-funded from external funding. Therefore, we do not need to build up the full amount of replacement funds.

We need to borrow to fund other capital expenditure, including the planned accelerated programme of sewerage renewals, and expansion of the sewage treatment capacity. This is

because insufficient funds have built up in the past in depreciation reserves. Either it is a new asset, or rates have not covered the cost of depreciation over the full life of the asset.

In these cases, the Council considers it would be unfair for the current generation of ratepayers to pay both the loan repayment (to fund the existing asset) and the depreciation (to fund its replacement). During the terms of the loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense. At the end of the asset life, there will be some depreciation reserves built up to contribute to the replacement cost.

Rates

The Council proposes to collect \$9.6 million in rate revenue in the 2014/15 financial year. This is an increase of \$620,000 on the current financial year and equates to an increase of 4.7 percent in the average rates, after taking into account growth in the rating base.¹

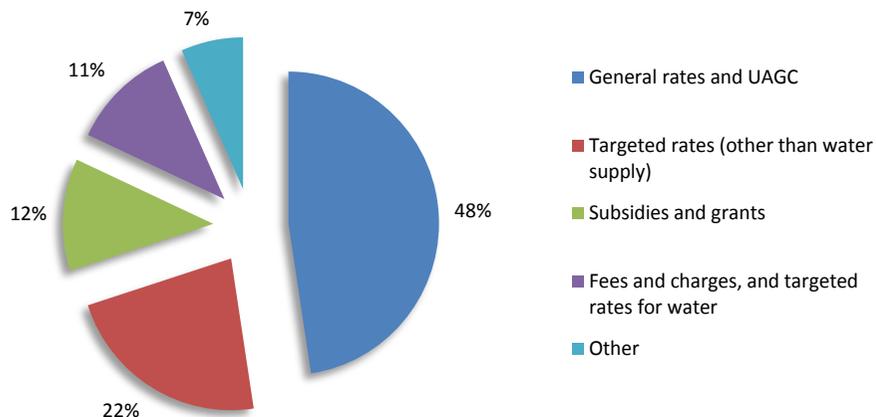
Actual rates for individual properties will vary depending upon the targeted rates that are applicable, the differential rating category, and the valuation of each property.

Other funding sources

The graph below shows how the Council will fund its services and projects it delivers to the community in 2014/15.

¹ The 'average rates' is the total forecast rates divided by the total number of forecast rates assessments.

CDC Annual Plan 2014/15 | Funding sources



Reserve funds

Some financial reserves operate to hold funds generated in one year and applied in another. The main sources of funds are depreciation, the setting aside of surpluses, and asset sales. The reserves are used to accumulate depreciation, to smooth income between years (for example, elections are every three years and some funds are set aside in the two intervening years), for emergency or contingency funds, or to set aside some funding for special projects. Draw down is mainly for funding asset renewals.

Our policies allow for the internal borrowing from cash reserves, for which a market-based interest rate is charged.

Borrowing limits

The Council has set limits on the level of borrowing. These are set out in its liability management policy. All three of the following conditions must be met:

- Total debt as a percentage of total assets will not exceed 15 percent (estimate as at 30 June 2015: 6%)
- In any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue (estimate for 2014/15: 4%)

- In any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities (estimate for 2014/15: 12%)

For 2014/15, the Council will be well within these self-imposed limits.

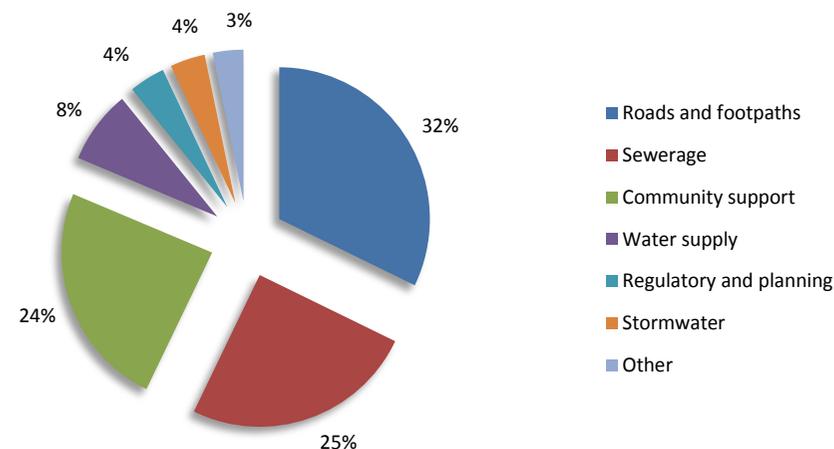
Capital expenditure

Capital expenditure is for purchasing, building, replacing, or developing the district's assets, such as roads, parks, sewerage, and buildings. For each major infrastructure network (water, sewerage, stormwater, and roads) asset management plans are in place. These are key planning tools for the maintenance, renewal, and development of assets.

The overall assets managed by the Council are forecast to grow from \$177 million to \$180 million over the next year.

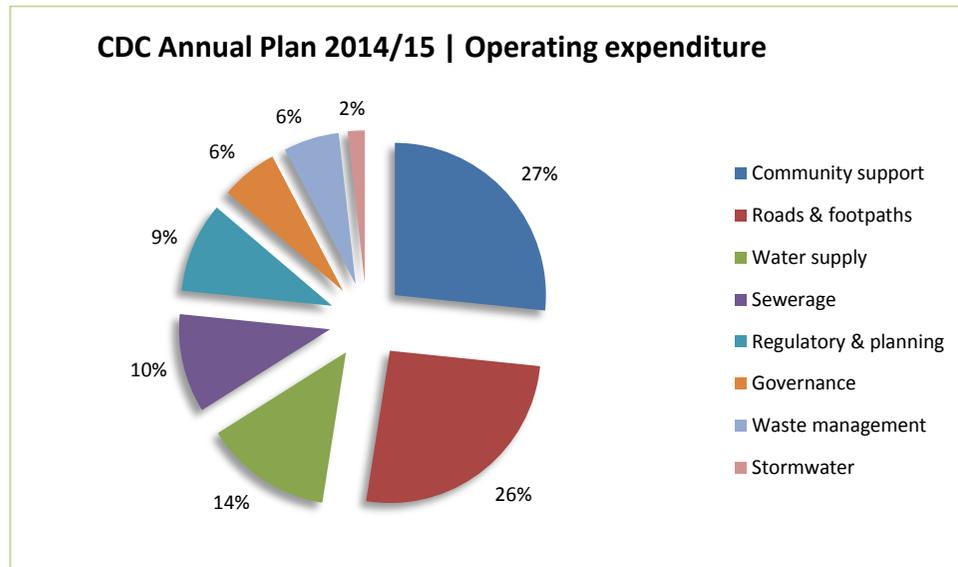
The Council will spend \$5.3 million on capital expenditure in 2014/15. The chart below provides a breakdown by major group of activities. The majority of the capital spend is on roads and footpaths (\$1.7 million), sewerage (\$1.3 million), and community support (mostly parks and reserves—\$1.3 million). The full list of capital works are provided in the 'Group of activities' sections.

CDC Annual Plan 2014/15 | Capital expenditure



Operating expenditure

Operating expenditure is forecast to be \$13.2 million in 2014/15. The following chart shows the split between groups of activities.



The greatest operating is on community support activities (such as the library, information centre, and other activities at the Events Centre, and the swimming pool, public toilets, and the cemetery—\$3.5 million), roads and footpaths (\$3.4 million), and water supply (\$1.8 million).

Policies

The Council has a number of funding and financial policies that affect the Plan. The full policies are set out in the LTP. No changes have been made to these policies through the 2014/15 Annual Plan process.

Revenue and financing policy

The revenue and financing policy summarises how activities undertaken by the Council are funded. The aim is to achieve the fairest funding mix for the community as a whole.

Investment policy

The investment policy sets out the Council's policy in respect to investments. It includes the Council's general objectives of holding investments:

- to manage short term cash flows in an efficient and prudent manner
- to manage a level of liquidity sufficient to meet both planned and unforeseen cash requirements
- to invest only in approved financial securities
- to maximise income on investments approved within the policy
- to minimise the risk of investments

and for holding equity:

The Council has three small shareholdings with NZ Local Government Insurance Corporation (Civic Insurance), Airtel Ltd and Farmlands. These investments are required to enable the Council to utilise specific services.

As the Council is risk adverse, it prefers not to expose itself to the risks of equity investments. With the exception of the above three shareholdings, the Council will not acquire equity investments.

The Council gives preference to conservative investment policies and avoids speculative investments. The Council accepts that lower risk generally means lower returns on investment.

Liability management policy

The liability management policy outlines the Council's approach to borrowing, cash management and other financial liabilities. It includes the Council's policy on giving security on borrowings:

The objective of the security policy is to ensure that the Council is able to provide suitable security to investors whilst retaining maximum flexibility and control over assets.

The Council will offer as a security for borrowing a deed of charge over its rates. The Council will not offer security over assets of the Council, with the exception of borrowing by way of financial lease or some other form of trade credit under which it is normal practice to provide security over the asset concerned.

Significance policy

The significance policy sets out the local authority's general approach to determining the significance of, and to dealing with, proposals and decisions in relation to issues, assets, or other matters.



Community outcomes



The vision

Carterton

*a welcoming and vibrant community
where people like to live*

The community outcomes

- strong and positive leadership
- a vibrant and prosperous economy
- a safe district
- a healthy district
- a district that encourages lifelong learning
- a district that enjoys creativity and recreation
- a district that values and protects its natural environment
- a district that promotes sustainable infrastructure and services.

How Council activities relate to the community outcomes

All of the Council's groups of activities contribute to all the community outcomes. The table below summarises the most significant relationships.

Community outcome	Strong and positive leadership	A vibrant and prosperous economy	A safe district	A healthy district	A district that values lifelong learning	A district that enjoys creativity and recreation	A district that values and protects its natural environment	A district that promotes sustainable infrastructure and services
Council group of activities								
Governance	•							
Community support		•	•	•	•	•	•	•
Regulatory and planning		•	•	•			•	•
Roads and footpaths		•	•			•		•
Sewerage and the treatment and disposal of sewage		•	•	•			•	•
Stormwater drainage			•				•	•
Waste management				•			•	•
Water supply		•	•	•			•	•



Council activities and services

Groups of activities

Information on Council activities and services is provided in the following eight groups:

- governance
- community support
- regulatory and planning
- roads and footpaths
- sewerage and the treatment and disposal of sewage
- stormwater drainage
- waste management
- water supply.

In each group of activities, you will find the following information where applicable:

What the group includes and the related community outcomes

These sections explain what we do and why we do it, and any legislation that is applicable to the group of activities.

This section also advises what community outcomes are applicable to the group of activities and how the group of activities contributes to fulfilling the community outcome.

What we will deliver

This section explains the current level of service delivered to residents and ratepayers of the district in receipt of that service and how the service contributes to fulfilment of the community outcomes.

What is different from the LTP

This section explains any significant departure for 2014/15 in the Annual Plan from 2014/15 in the Long Term Plan.

How we will measure what we deliver

Explains how council will monitor the group of activities to ensure it is delivering the service sought by the community.

Assets and asset valuations

These sections advise what assets are applicable to the group of activities, and their value if available.

Renewal and capital plans

Details renewal and capital work to be completed over ten-year life of the Plan.

How the group of activities is funded

Explains how the maintenance, renewals, and capital works will be paid for.

Key assumptions and uncertainties

Explains any assumption or uncertainties that were applicable at the time of preparation.

Risk management

Explains how the Council proposes to manage any risk associated with the group of activities.

Significant negative effects

Explains the possible negative effects that the group of activities could have on community outcomes.

Prospective financial statements

These statements tell you how much the forecast operating and capital costs are for the group of activities. The statements include inflation.

The comparative budgets for 2014/15 are those stated in the Long Term Plan 2012–2022.





Governance

This group of activities...

includes the following services and programmes:

- Council and Committees and other democratic processes
- public communication, consultation, and information.

...contributes to the community outcomes

Strong and positive leadership

- by conducting Council business in an open, transparent, and democratically accountable manner
- through democratic decision-making at a local level
- by encouraging participation within the district
- by representing the district's interests.

The Council's continued involvement in the Governance group of activities is contained in:

- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos
- Electoral Act 2001
- Local Government Official Information and Meetings Act 1987.

What we will deliver

Section 14 of the Local Government Act 2002 sets out the principles that the Council must follow when performing its role. These are summarised as follows:

- conduct its business in an open, transparent, and democratically accountable manner
- make it aware of and have regard to the views of the community.

When making decisions, the Council must:

- take account of the diversity of its community and its communities' interests, now and into the future
- consider the likely impact of any decision on those interests
- provide opportunities for Māori to contribute.

The Council must also:

- ensure prudent stewardship, and efficient and effective use of its resources
- take a sustainable development approach, by taking into account the social, economic, environmental, and cultural interests of its community, now and in the future.

In addition to the Local Government Act, the Council has responsibilities and duties to perform under a number of other Acts, many of which are referred to in this document.

Role and purpose of local government

The Local Government Act 2002 (and its subsequent amendments) sets out the purpose and functions of local authorities.

Under section 10:

The purpose of local government is—

- to enable democratic local decision-making and action by, and on behalf of, communities; and*
- to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.*

good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- efficient; and*
- effective; and*
- appropriate to present and anticipated future circumstances.*

Further amendments to the Act are progressing through the parliamentary process, but have not concluded at the time of this document's publication.

What is different from the LTP

No changes are proposed to the activities set out in the Long Term Plan.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Regular financial reporting to the Council
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	≤5%	Council minutes
Representation of residents by elected members	Residents rate the performance of the Mayor and councillors as 'very good' or 'fairly good'	≥75%	≥75%	Survey of residents every three years ²
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	100%	100%	Annual report

How the group of activities is funded

Capital

All new capital expenditure or renewal of existing capital items for the Governance group of activities will be funded by way of the annual depreciation provision.

There are no planned capital costs.

Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The district as a whole benefits generally from governance. Every resident is equally able to share this benefit should they wish. Every resident shares in the result of the Council's decision-making.

Governance costs are 100 percent funded from the Uniform Annual General Charge.

Key assumptions and uncertainties

Changes to the Local Government Act in 2012 also included the process for applying for and determining reorganisation of councils, including amalgamations. Carterton, South Wairarapa, and Masterton district councils, has proposed their amalgamation into a Wairarapa Unitary Authority. This proposal is currently being considered by the local Government Commission.

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2014/15. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist.

Changes in other legislation affecting local government or devolution of central government functions to local government are likely to influence the capability and capacity of the Council.

Changing demographics is likely to result in the Council needing to review more regularly the services it provides and the level of service of these activities.

² NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.

Community support

This group of activities...

includes the following services and programmes:

Community development

- providing information, advice, and advocacy services to a wide range of people and community groups
- providing grants to initiatives that support our strategic objectives
- providing and supporting community facilities, amenities, and events
- supporting projects that encourage people to develop skills and increase employment opportunities
- supporting volunteer networks by providing volunteering opportunities

Parks and reserves

- maintenance and ongoing development of Carrington, Howard Booth, South End, Sparks, and Millennium Parks, Memorial Square, their facilities, and a number of small reserves
- acquisition of land for the extension of the parks and reserves network
- urban street mowing and maintenance of the various civic areas and recreation reserves scattered throughout the urban area
- maintenance and ongoing development of the district's rural reserves
- management of the Council's forestry assets at the Kaipaitangata and miscellaneous small roadside blocks.

Community amenities

- Carterton Events Centre
- Clareville Cemetery
- Outdoor Swimming Complex
- public toilets
- Carterton Holiday Park
- pensioner housing complexes
- a number of Council-owned properties, some of which are leased.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that encourages lifelong learning

A district that enjoys creativity and recreation

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Access to cultural and community development services builds social cohesion and contributes to overall cultural and social well-being. The Council contributes because it is part of the social fabric that makes the Carterton community vibrant and a great place to live in.

Providing grants supports a wide range of initiatives—encouraging healthy lifestyles, enhancing social cohesion, protecting people's health and safety, and ensuring people have access to basic needs.

Supporting volunteer networks retains knowledge, expertise and resources in the community.

Community facilities bring people together and help them to access opportunities. They also contribute to people's sense of belonging and pride.

Parks and reserves make an important contribution to the well-being and lifestyle of the community. They provide areas for relaxation, sporting activities, and green and attractive open spaces in built-up areas. The Council's continued involvement in parks and reserves is contained in the Reserves Management Act 1977, which requires the Council to preserve and manage for the benefit and enjoyment of the public land for recreational use whether active or passive.

Economic growth is vital to the development of the district and region. The Council contributes to economic development initiatives to support business growth, employment, and tourism to the district and region. And a well-maintained and safe Holiday Park attracts business for the local economy.

The maintenance and operation of a range of properties contributes to the overall well-being of the district's community, and is important to the economic and social fabric of the district.





What we will deliver

Community development

Community development seeks to empower individuals and groups by providing them with the skills they need to effect change in their own communities.

Structured intervention gives communities greater control over the conditions that affect their lives. This does not solve all the problems faced by a local community, but it does build up confidence to tackle such problems as effectively as any local action can. Community development works at the level of local groups and organisations rather than with individuals or families.

To this end, the Council makes contributions in conjunction with the region's other territorial authorities to organisations to provide agreed services to the Wairarapa region, provides direct funding to the community, or advocates on the community's behalf.

Parks and reserves

The parks and reserves are managed under reserves management plans. A best practice management regime ensures the facilities meet the standard required for each amenity.

Forestry assets are managed to balance recreational use with providing the best return for the community.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the parks and reserves. Changes in the level of service will impact on funding requirements, and vice versa.

Community amenities

The Council aims to maintain the Events Centre in good condition and to maintain the existing levels of service.

The Council's continued involvement in the Cemetery is contained in the Burials and Cremations Act 1964 and Cremation Regulations 1973, which require the Council to make provision for and manage burials within the district, and the Historic Places Act 1993, as the cemetery contains burials that predate 1900 and it is deemed to be an archaeological site and subject to the provisions of the Act.

The Outdoor Swimming Complex is managed to comply with NZS 5826:2000 Pool Water Quality. The assets are kept in a condition to maintain the existing level of service.

The Public Toilets are clean and useable during opening hours.

The Carterton Holiday Park will be maintained and managed at its existing level of service.

Housing for the elderly units are managed to a standard that maintains the existing level of service and complies with the Residential Tenancy Act.

Public and leased properties are managed to a level that provides the best return for the community.

The level of service determines the amount of funding that is required to maintain, renew and upgrade the community amenities. Changes in the level of service will impact on funding requirements, and vice versa.

What is different from the LTP

In 2013/14 the Council undertook a review of the administration of grants. This arose from a change in the purpose of local government under the Local Government Act. It examined compliance with the new, more restrictive 'purpose'; the scope of grants administered by Council; and whether the grants and their administration were the best use of rates and Council resources. Further details are given in the Issues for consultation section above.

The Council is also reviewing the way it manages the Holiday Park, and how it delivers housing for the elderly. These reviews will not be completed for the Annual Plan consultation, but any significant change from the LTP will need public consultation at a later date.

A few small capital items have been added to the Annual Plan that were not in the LTP, in particular around the Carrington and Howard Booth parks, a lowering device for the cemetery, a noticeboard at the Events Centre, and replacing the noticeboard at Carrington Park. Capital expenditure on theatre requirements for the Events Centre has been reduced, and works at the Council flats deferred from this year's Annual Plan.

No other significant changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Regular financial reporting to the Council
A range of amenities of a standard satisfactory to residents	Residents satisfied with public swimming baths	≥75%	≥75%	Survey of residents every three years ³
	Residents satisfied with public toilets	>75%	>75%	Survey of residents every three years
	Percentage of Carterton residents who are members of the Library	na ⁴	>75%	Operational records
	Increase in number of people who use the Outdoor Swimming Complex	≥50	≥50	Operational records
Effective use of grant monies	Community grants budget is distributed in accordance with the Council policy	100%	100%	Operational records
High quality sports fields, parks, and reserves	Residents (who have used or visit a park or reserves) satisfied	≥90%	≥90%	Survey of residents every three years
	High profile or offensive graffiti is removed within 4 hours of the Council being aware of it	100%	100%	Operational records
Prompt response to all health and safety incidents	Calls with a potential public health or safety risk are responded to within 30 minutes	100%	100%	Complaints register

³ NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.

⁴ This replaces the measure in the LTP of 'Percentage increase in the number of library users over the previous year', which has been difficult to measure reliably.

Assets

Existing assets

- Library collection
- Carrington Park
- Howard Booth Park
- Memorial Square
- Millennium Park
- South End Park
- a number of small reserves
- Clareville Cemetery
- Outdoor Swimming Complex
- Toilets
- Carterton Holiday Park
- Housing for the elderly complexes
- Events Centre
- Halls
- Forestry.

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including when portions of the asset fail and need immediate repair to make the asset operational again. Routine maintenance work is carried out by the Council's Operations Department.

Renewals plan

Renewal expenditure is work that does not increase the asset design but restores, rehabilitates, or renews an existing asset to its original capacity. Renewals for the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Soft fall matting	21,260	21,260
Howard Booth Park—play equipment and lighting	42,520	52,520

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Millennium Park—refurbishment	159,450	159,450
Holiday Park	3,189	-
Housing for the elderly units	31,890	-
Swimming complex	5,315	-
Library books	63,780	70,000
Events Centre noticeboard	-	10,000
Cemetery—lowering device	-	7,000

Capital plan

Capital works are those works that create a new asset that did not previously exist or works that upgrade or improve an existing assets capacity. They may result from growth, social, or environmental needs. Capital works in the Community support group of activities the next financial year is as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
South End playground	372,050	372,050
CBD re-vitalisation stage IV—Broadway	212,600	500,000
Multi-purpose recreation park at Kaipaitangata Forest	21,260	21,260
Carrington Park—electronic noticeboard	-	15,000
Holiday Park	21,260	21,260
Events Centre theatre services requirements	53,945	7,000
Christmas lighting	-	8,000
Carrington Park paths	-	16,000
CCTV camera	-	3,000

How the group of activities is funded

Capital

New capital or renewal of existing capital items for community support will be generally funded by way of the annual depreciation provision or by loans. Parks and reserves, and other property may also be funded from recreation reserve levies or special funds. Where capital

items are loan-funded, rates will fund the principal repayment and interest expense during the terms of the loan, after which rates will fully fund the annual depreciation expense.

Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The Community support group of activities is funded by a combination of Uniform Annual General Charge, general rates, and fees and charges.

Key assumptions and uncertainties

- There will be an ongoing requirement for this activity.
- Increasing promotion of the need to be physically active and lead physically active lifestyles may result in increased demand and requests for different activities and facilities to be available in this group of activities.
- As the district becomes more built-up there may be an increasing demand for more recreational reserves/areas for active and passive recreation pursuits.
- It is assumed that log prices will increase sufficiently to make harvesting of the marginal tree crop economical, but there is likely to be difficulty engaging a contractor. Therefore no harvest is assumed in 2014/15, but the opportunity will continue to be pursued.
- Demand for housing for the elderly units may decrease if client expectations relating to quality and design of units compared to others offered for rental.
- This will require ongoing reviews of the resources required to meet expectations.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

Parks and reserves can be a congregating point for anti-social behaviour. Noise and increased traffic movements could affect residents next to community amenities. The provision by the Council of housing for the elderly and a holiday park may 'crowd out' private sector accommodation providers. The location of cemeteries needs to be carefully assessed to ensure that soil and land type is suitable for burials as run-off could cause public health risks.

The Council do not consider any of these to be significant or cannot be managed.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - COMMUNITY SUPPORT FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Income		
2,622,626	2,790,791	2,881,795
25,333	25,868	25,486
100,000	100,000	-
4,000	4,000	4,235
12,247	5,000	12,602
216,610	216,204	222,954
248,790	263,509	261,197
-	-	-
19,012	9,000	19,693
3,248,618	3,414,372	3,427,963
Expenditure		
327,478	257,840	290,741
101,466	142,044	83,233
238,297	271,788	235,098
286,536	310,700	316,040
65,038	67,122	68,686
100,346	100,706	102,173
65,700	59,241	58,981
69,068	67,626	99,562
156,162	164,593	163,624
31,590	46,155	40,265
519,910	562,649	1,060,419
271,952	306,867	290,030
192,973	203,117	233,857
58,642	55,505	104,946
858,502	906,785	825,747
3,343,661	3,522,737	3,973,403
(95,044)	(108,365)	(545,439)

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - COMMUNITY SUPPORT contd. FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Capital Expenditure		
-	8,000	-
-	21,260	21,260
-	372,050	372,050
-	6,000	-
-	10,000	-
-	15,000	-
-	10,000	-
-	42,520	42,520
-	159,450	159,450
-	3,000	-
-	500,000	212,600
-	21,260	21,260
24,744	-	-
39,000	-	-
12,372	-	-
16,000	-	-
-	7,000	-
10,310	-	-
-	-	21,260
-	-	3,189
5,155	-	-
-	-	31,890
-	-	5,315
-	21,260	-
-	-	2,976
-	-	9,673
-	7,000	53,945
-	10,000	-
61,860	70,000	63,780
219,441	1,283,800	1,021,169

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
2,622,626	General rates, UAGC, rates penalties	2,790,791	2,881,795
-	Targeted rates (other than water supply)	-	-
25,333	Grants, subsidies and donations	25,868	25,486
216,610	Fees, charges and target rates for water supply	216,204	222,954
-	Internal charges and overheads recovered	-	-
284,049	Local authorities fuel tax, fines, infringement fees and other	281,509	297,728
3,148,618	Total operating funding	3,314,372	3,427,963
	Applications of Operating Funding		
2,079,234	Payments to staff and suppliers	2,190,883	2,139,763
190,796	Finance costs	199,289	337,315
409,189	Internal charges and overheads applied	444,395	454,850
-	Other operating funding applications	-	-
2,679,218	Total applications of operating funding	2,834,567	2,931,928
469,400	Surplus/(deficit) of operating funding	479,805	496,035
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
100,000	Development and financial contributions	100,000	-
(173,634)	Increase/(decrease) in debt	392,185	79,473
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
(73,634)	Total sources of capital funding	492,185	79,473
	Applications of Capital Funding		
28,372	Capital expenditure - meet additional demand	372,050	375,026
50,000	Capital expenditure - improve level of service	591,520	309,065
141,069	Capital expenditure - replace existing assets	320,230	337,077
176,325	Increase/(decrease) in reserves	(351,810)	(445,661)
-	Increase/(decrease) of investments	40,000	-
395,766	Total application of capital funding	971,990	575,508
(469,400)	Surplus/(deficit) of capital funding	(479,805)	(496,035)
-	Funding balance	-	-

Regulatory and planning

This group of activities...

includes the following services:

- administration of the responsibilities imposed on the Council under Section 31 of the Resource Management Act 1991, the primary focus being the management of the effects of activities on the environment according to the rules set out in the District Plan
- maintenance and development of the Council's Geographic Information System (GIS), which provides a cadastral mapping database that graphically depicts property and road boundaries, and holds valuable data about each property in the district, eg location of sewer and water connections, fault lines, and resource consents
- environmental health
- licensing the sale and supply of alcohol
- civil defence and emergency management
- animal and dog control
- building control
- rural fire control.

...contributes to the community outcomes

A safe district

A healthy district

A district that values and protects its natural environment

The Resource Management Act places specific statutory functions on territorial authorities to promote the sustainable management of natural and physical resources. Appropriate policy and programmes are promoted and implemented to ensure minimal adverse effect on the environment.

And there are other legislative requirements to provide and manage that are important for the health and safety of the district's community and environment.

A vibrant and prosperous economy

A district that promotes sustainable infrastructure and services

The regulatory and planning group of activities benefits every resident and society in general by promoting sustainable development, whilst encouraging development to occur in a way that benefits the district and region.

The District Plan balances environmental safeguards and protection for natural assets in conjunction with the rights of property owners wishing to undertake property development. Community infrastructure needs are included in the District Plan guidelines for new development.

What we will deliver

The Council’s continued involvement in the regulatory and planning group of activities is contained in a range of legislation, including:

- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health
- Sale and Supply of Alcohol Act 2012, which requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety
- Animal Welfare Act 1999, which requires the Council to ensure owners of animals, and persons in charge of animals, attend properly to the welfare of those animals
- Building Act 2004 and amendments, which require the Council to ensure that there is strong decision-making at every stage of the building or renovating process
- Fencing of Swimming Pools Act 1987, which requires the Council to promote the safety of young children by requiring the fencing of swimming pools
- Forest and Rural Fire Act 2002, which requires the Council to maintain a rural fire organisation capable of responding to fire events
- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, eg the making of bylaws.

Changes in the level of service will impact on funding requirements, and vice versa.

What is different from the LTP

No changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Timely processing of applications	LIMs ⁵ processed within 10 working days	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	Operational records
	PIMs ⁶ and building consents processed within statutory timeframes	100%	100%	Operational records
Prompt responses to enquiries and complaints	Complaints are responded to within 4 working hours, to advise the complainant what action will be taken and in what timeframe	100%	100%	Operational records

⁵ Land Information Memorandums
⁶ Project Information Memorandums

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Safe and healthy food premises and liquor outlets.	Known food premises and liquor outlets in the district are registered or licensed	100%	100%	Operational records

Assets

Existing assets

- Geographic Information System (GIS)

Renewals plan

Renewal expenditure is work that does not increase the assets design capacity but restores, rehabilitates or renews an existing asset to its original capacity.

No renewals in this group of activities are planned in the next financial year.

Capital plan

Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital works in this group of activities in the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
South Carterton sewer/water easements	-	150,000

How the group of activities is funded

Capital

New capital expenditure or renewal of existing capital items for the regulatory and planning group of activities will be funded by way of the annual depreciation provision or by loans.

Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The cost of resource management and planning services after taking into account fees and charges received is funded by a targeted rate, calculated on the capital value of every rateable property in the district.

Fees and charges are made for resource consents, building control, food hygiene, licensing sale and supply of alcohol, and dog registration. The remainder in this group of activities is funded from general rates.

Key assumptions and uncertainties

- There will be an ongoing requirement for this activity.
- The demand for this activity will increase and not reduce.
- This will require ongoing reviews of the resources required to meet expectations.
- This will increase user fees and charges for these services.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

Rules, regulations, and safeguards can restrict or direct people's actions. This can be seen as a hindrance and can affect people's choices (eg commercial development, upgrading heritage buildings, or running community events) and imposes compliance costs.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - REGULATORY & PLANNING
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Income		
703,810	Rates	764,307	738,069
-	Grants, subsidies and donations	-	-
-	Commissions	-	-
-	Development and financial contributions	-	-
557,000	Fees, charges and target rates for water supply	570,600	551,150
2,200	Miscellaneous income	2,200	2,343
1,263,010	Total income	1,337,107	1,291,562
	Expenditure		
243,809	Resource management admin	254,111	245,194
81,562	District plan	107,818	70,545
81,671	Civil defence	75,750	59,912
371,941	Building inspection	394,756	416,370
55,901	Health inspection	81,104	60,720
47,749	Liquor licensing	56,675	46,973
44,474	Agency fees	45,417	47,521
108,851	Rural fire	112,351	110,130
156,270	Animal and dog control	140,427	166,072
1,192,228	Total expenditure	1,268,409	1,223,438
70,782	Surplus/(deficit)	68,698	68,124
	Capital Expenditure		
-	South Carterton sewer/water easements	150,000	-
-	Total capital expenditure	150,000	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - REGULATORY & PLANNING
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
363,657	General rates, UAGC, rates penalties	382,179	415,978
340,153	Targeted rates (other than water supply)	382,127	322,091
-	Grants, subsidies and donations	-	-
557,000	Fees, charges and target rates for water supply	570,600	551,150
-	Internal charges and overheads recovered	-	-
2,200	Local authorities fuel tax, fines, infringement fees and other	2,200	2,343
1,263,010	Total operating funding	1,337,107	1,291,562
	Applications of Operating Funding		
979,310	Payments to staff and suppliers	1,011,283	978,218
-	Finance costs	-	-
194,559	Internal charges and overheads applied	229,699	219,437
-	Other operating funding applications	-	-
1,173,869	Total applications of operating funding	1,240,982	1,197,655
89,141	Surplus/(deficit) of operating funding	96,125	93,907
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Total sources of capital funding	-	-
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	150,000	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
89,141	Increase/(decrease) in reserves	(53,875)	93,907
-	Increase/(decrease) of investments	-	-
89,141	Total application of capital funding	96,125	93,907
(89,141)	Surplus/(deficit) of capital funding	(96,125)	(93,907)
-	Funding balance	-	-



Roads and footpaths

This group of activities...

includes the management and operation of a safe and efficient roading and footpath network that serves the needs of the Carterton district. The network comprises roads, footpaths, street lighting, and road signs. The Council also contributes funding for the Wairarapa Road Safety Council.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A district that enjoys creativity and recreation

A district that promotes sustainable infrastructure and services

The roading and footpath network benefits every resident in the district and society in general and are essential for the social, economic and cultural well-being of the district and region.

Under the Local Government Act 2002, the Council controls all roads and streets in the district except State Highway 2.

A well-maintained reliable roading network supports the economic vibrancy of the district and region by the efficient transport of goods from business to business.

Residents and visitors feel safe when the roads, streets, footpaths, and street lighting are well-maintained and reliable.

Recreation opportunities in the district are supported by well-maintained, reliable and safe roads to recreation areas and for recreational activity.

Public road safety education programmes and campaign through the Wairarapa Road Safety Council supports community lifelong learning and improved safety of the public.

What we will deliver

The district roading network is managed under the *Roading Activity Management Plan 2012* that sets out the targets for asset condition, performance, and levels of service.

The levels of service for the roading network have been developed taking into account the following general considerations:

- community expectations and the Council's response the customer feedback
- legislative requirements, eg Land Transport NZ Act 1989
- sustainable economic and safety matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the road infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

What is different from the LTP

NZTA provides subsidised funding to the Council for the roading network. The financial subsidy base rate (or FAR) for 2014/15 will remain at 53 percent for maintenance and 63 percent for new construction and minor safety works.

Subsequent to the LTP, the NZTA informed the Council that government subsidies would be less than expected. Although the percentage rate of subsidy would remain (ie 53 and 63 percent), the dollar amount was restricted to the same dollar amount as in the previous three years. No allowance would be made to cover the price increases facing the Council.

The operating and capital work programme was reduced from the LTP levels in 2013/14 and now 2014/15 to stay within this reduced funding. See further discussion on the FAR in the 'Key issues' section on page 8.

No other changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

Some of the performance measures in the LTP have been superseded by measures introduced by central government through Regulations under the Local Government Act. These will be

compulsory for planning and reporting on 2015/16 and subsequent years. We have chosen to include some of these mandatory measures from 2014/15.

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Roads and footpaths are managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network	-	<1 fatal <3 serious injury	NZTA CAS ⁷ reports
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	90%	Monthly contract reports
	An average road roughness index on sealed roads	80 or less	80 or less	Roughness survey every 2 years (next survey 2015)
	% of sealed road network resurfaced	-	12km ±3km	NZTA Achievement Report Phase 1
	Residents satisfied with the district's footpaths	≥60%	≥60%	Survey of residents every three years ⁸
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95% of all signs within 3 days	≥95%	Contract reports
	Road signs and markings found missing or not visible	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%	≥90%	Complaints register
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%	100%	Contract reports (monthly audits)

⁷ NZTA's Crash Analysis System

⁸ NRB CommunitrakTM Survey—every 3 years. The next survey is planned for late 2014.

Assets

Existing Assets

Further information can be found in the Roothing Activity Management Plan.

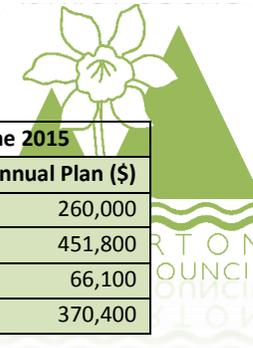
Roothing component	Quantity	Units	Comment
Pavement ⁹ —sealed	Urban 29 Rural 257	km km	area 1,714,629 m ²
Pavement—unsealed	Rural 155	km	area 598,882 m ²
Bridges	52	number	15 two lane bridges 37 single lane bridges
Culverts > 600mm dia.	294	number	
Culverts < 600mm dia.	1,357	number	
Kerb and channel	42.7	km	
Catchpits	333	number	
Stormwater channel	193	km	
Guard rails	211	metres	
Sight rails	240	metres	
Footpaths	45.2	km	
Street lighting	460	number	
Signs	1,349	number	

Asset valuations

Valuation of the road infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2011. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Formation	46,721,000	46,721,000	
Pavement	46,588,000	37,638,000	596,000

⁹ 'Pavement' is the road surface, not the footpath.



Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Drainage	12,737,000	6,639,000	225,000
Footpaths	6,609,000	3,304,000	103,000
Signs and markings	316,000	219,000	25,000
Traffic facilities	52,000	26,000	2,000
Bridges and culverts	30,070,000	16,020,000	260,000
Street lighting	463,000	231,000	15,000
Total	\$143,556,000	\$110,528,000	\$1,226,000

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the assets fail and need immediate repair to make the asset operational again. Routine maintenance is undertaken by Oldfield Asphalts Ltd under contract to the Council and the standards of work are controlled by that contract.

It is expected that the impacts of future demand will be met by the allowances for renewal and capital expenditure works. Therefore the required maintenance and operational costs associated with roads and footpaths are not expected to significantly change over the next ten years.

Renewals plan

Renewal expenditure is work that does not increase the asset design but restores, rehabilitates or renews an existing asset to its original capacity.

Renewals in this group of activities for the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Drainage renewals (including kerbs and channels)	123,133	98,400
Associated improvements	20,520	21,400
Components structures replacement	134,421	80,200
Footpath resurfacing	94,448	94,000

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Pavement ¹⁰ rehabilitation	307,834	260,000
Reseals	461,751	451,800
Traffic services	82,089	66,100
Unsealed road metalling	373,505	370,400

Capital plan

Capital works are those works that create a new asset that did not previously exist, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

The initial assessment of future demand has indicated that the primary drivers for new works or upgrades to the roading infrastructure are likely to be from forestry or agricultural development, and residential or industrial development. The types of capital works appropriate to manage this demand have been allowed for in the financial forecast with allowances for future seal widening, minor safety and some seal extension works.

Capital works in this group of activities for the next financial year are as follows:

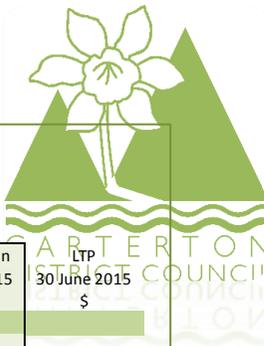
Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Minor improvements	257,520	260,000

How the group of activities is funded

Capital

New capital expenditure and renewal of existing capital items for the roads and footpaths group of activities will be funded by depreciation, loans, or NZTA subsidy.

¹⁰ 'Pavement' is the road surface, not the footpath.



Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

Net funding for this group of activities is by way of general rates and NZTA subsidy. The programme for subsidised work is agreed with the NZTA, who administers the government roading subsidy programme. The current subsidy rate is 53 percent for maintenance and 63 percent for new construction and for minor safety works.

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- The demand for this activity will remain. However there is some uncertainty about how the service will be affected by changing government requirements, eg changes in NZTA directives/policies, changes in legislation, changes in subsidies/funding criteria.

Risk management

The Council has a Risk Management Strategy and Framework, which is consistent with SNZ HB 4360:2000 Risk Management for Local Government and AS/NZS 4360:1999 Risk Management, to ensure risks are managed on a consistent basis. The Strategy ensures that risk management is an integral part of the culture for all parties associated with the management and operation of the Council's roading infrastructure assets.

In addition to the above NZTA carries out regular audits to ensure that the Council as a Road Controlling Authority is meeting standards in relation to technical and financial requirements.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

While roads and footpaths are being constructed, maintained or repaired, there is the possibility of safety risks, environmental damage, dust and road noise (impacting on business viability and residents), and adverse impacts on archaeological, cultural and historical places.

CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - ROADS AND FOOTPATHS FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Income		
1,866,669	Rates	1,941,954	2,136,574
1,597,911	LTA subsidy	1,569,000	1,618,109
-	Grants, subsidies and donations	-	-
100,000	Development and financial contributions	100,000	-
57,736	Petrol tax	60,000	59,757
28,895	Recoveries	18,500	29,906
2,140	Miscellaneous income	3,000	2,215
3,653,351	Total income	3,692,454	3,846,561
	Expenditure		
2,868,669	Subsidised roading	3,068,575	3,164,933
478,464	Unsubsidised roading	359,018	454,477
3,347,134	Total expenditure	3,427,593	3,619,410
306,217	Surplus/(deficit)	264,861	227,152
	Capital Expenditure		
94,560	Drainage renewals - kerb and channel replacement	98,400	123,133
20,760	Associated improvements	21,400	20,520
75,978	Components structures replacements	80,200	134,421
90,927	Footpath resurfacing	94,000	94,448
322,000	Minor improvements	260,000	257,520
271,400	Pavement rehabilitation	272,000	307,834
437,000	Reseals	451,800	461,751
63,040	Traffic services	66,100	82,089
357,832	Unsealed road metalling	370,400	373,505
50,000	Vested assets	-	-
1,783,497	Total capital expenditure	1,714,300	1,855,220

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - ROADS AND FOOTPATHS
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
1,866,669	General rates, UAGC, rates penalties	1,941,954	2,136,574
-	Targeted rates (other than water supply)	-	-
674,837	Grants, subsidies and donations	580,530	711,789
-	Fees, charges and target rates for water supply	-	-
-	Internal charges and overheads recovered	-	-
88,771	Local authorities fuel tax, fines, infringement fees and other	81,500	91,878
2,630,277	Total operating funding	2,603,984	2,940,241
	Applications of Operating Funding		
1,605,998	Payments to staff and suppliers	1,530,097	1,663,431
98,560	Finance costs	95,595	119,985
366,398	Internal charges and overheads applied	385,873	412,732
-	Other operating funding applications	-	-
2,070,956	Total applications of operating funding	2,011,566	2,196,147
559,321	Surplus/(deficit) of operating funding	592,418	744,094
	Sources of Capital Funding		
923,074	Grants, subsidies and donations	988,470	906,320
100,000	Development and financial contributions	100,000	-
(92,740)	Increase/(decrease) in debt	(72,693)	(80,665)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
930,334	Total sources of capital funding	1,015,777	825,655
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
1,733,497	Capital expenditure - replace existing assets	1,714,300	1,855,220
(243,842)	Increase/(decrease) in reserves	(106,104)	(285,471)
-	Increase/(decrease) of investments	-	-
1,489,655	Total application of capital funding	1,608,196	1,569,749
(559,321)	Surplus/(deficit) of capital funding	(592,419)	(744,094)
-	Funding balance	(1)	-

Sewerage and the treatment and disposal of sewage

This group of activities...

includes the management of the urban reticulated sewerage system, pumping stations, sewage treatment plant, sewage disposal service for the Waingawa Industrial Zone, and the management of the impact of any discharge into the environment.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

The urban reticulated sewerage system and treatment facilities contribute to a range of objectives.

Effective collection and disposal of treated sewage contributes to community health and minimises public health risk. Effective sewerage reticulation supports a vigorous residential and commercial community. Reticulation and sewage treatment infrastructure capable of meeting resource consent requirements minimises adverse impact on the environment.

What we will deliver

The Council's continued involvement in sewerage and the treatment and disposal of sewage, and associated ownership of assets, is contained in the:

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide wastewater and sanitary services and maintain its capacity to do so
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works, the definition of which includes 'sanitary services'.

The urban reticulated sewerage network is managed under the *Asset Management Plan—Municipal Wastewater Treatment and Disposal: March 2012*, which sets out the targets for asset condition, performance, and levels of service.

In Waingawa, sewerage services are provided by Carterton District Council, who has an agreement with Masterton District Council to treat and dispose of the sewage.

The level of service for the sewerage and treatment infrastructure has been developed taking into account the following general considerations:

- community expectations and the Council’s response to customer feedback
- legislative and consent requirements
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the sewerage infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

What is different from the LTP

Delays in finalising the resource consents to dispose treated sewage and uncertainty about the likely consent conditions have meant that a number of significant capital works have been carried forward from 2012/13 and 2013/14 to 2014/15. However the delay is not impacting the ability of the Council to deliver its sewerage services.

Late last year, the opportunity arose for the Council to purchase a significant block of land adjacent to the treatment station, which will over time enable a large reduction in the discharge to Mangatāre Stream. As such, it was seen as an important strategic move to take.

The purchase of this land, now known as Daleton Farm, was not in the Long Term Plan and has been funded by an interest-only loan. Similarly, the development of the land (eg shelter belts and irrigators) will require further unplanned capital expenditure and operating costs. This may be offset somewhat by selling off a portion of the property if it is not needed.

This land purchase and follow-up actions have resulted in a large increase in the sewerage rates for urban ratepayers.

No other changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
The sewerage service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Minimising adverse effects on the environment	Compliance with resource consent conditions	100%	100%	Resource consent
	Sewage overflows per storm event due to inflow / infiltration	≤15	≤15	Operational records
Response to sewerage system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	100%	Operational records
Sewerage system of a satisfactory standard	Urban residents satisfied with the sewerage system	≥87%	≥87%	Survey of residents every three years ¹¹

Assets

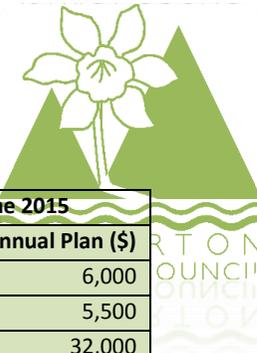
Further information can be found in the Wastewater Asset Management Plan.

Existing assets

The urban reticulation system consists of:

- domestic pipes on private land—approximately 2,300 connections
- pipes and manholes of the municipal system— pipes ranging in size from 80 mm to 380 mm diameter, and 30.8 km of underground piping
- sewage treatment plant comprising fine screen, clarifier, sludge digester, three two-stage oxidation ponds, and 16 wetland plots situated on 16 ha of land
- eleven pumping stations, with 17 pumps, located throughout the urban area.

¹¹ NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.



Asset valuations

Valuation of the sewerage and treatment infrastructural assets was undertaken by Opus International Consultants as at 30 June 2013. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

Replacement cost is the cost of rebuilding the existing asset to an equivalent level of service. The assets have been depreciated on a straight line basis over the economic life of the asset.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	7,489,165	3,287,690	94,619
Sewer fittings	968,673	503,964	9,687
Pump stations	566,512	362,499	15,255
Sewage treatment plant	2,311,148	863,126	56,434
Sewerage upgrade	966,551	508,808	50,860
Total	\$12,302,047	\$5,526,088	\$226,855

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again. Routine maintenance work is carried out by the Council's Operations staff for work required in the Carterton district.

Renewals plan

Renewal expenditure is work that does not increase the assets design capacity but restores, rehabilitates or renews an existing asset to its original capacity.

Renewals in this group of activities for the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Grout manholes	6,001	6,000
Road cone and signage upgrade	5,455	5,500
CCTV camera analysis of sewer pipes	32,730	32,000
Mains repairs/accelerated replacements	545,500	500,000

Capital plan

Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social or environmental needs.

Capital works in this group of activities in the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Treatment for phosphorus reduction	218,200	218,200
Dissolved oxygen meter	-	26,000
Sewage treatment and disposal development (balance carried forward from 2013/14)	-	544,040

How the group of activities is funded

Capital

New capital and renewal of existing capital items for the sewerage group of activities will be funded by way of the annual depreciation provision and/or by loans.

During the ten years of the Plan, individual loans will be sought for the accelerated renewals of the sewer mains, and the expansion of the sewage treatment capacity. During the terms of these loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense.



Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The Council has deemed that provision of the urban sewerage services provide a public benefit to the whole district and 10 percent of the cost of delivering the service is charged by way of general rates across all property owners in the district. The balance of funds required comes from targeted rates as follows:

- Owners of residential properties that are connected to the public sewerage system pay a set targeted rate for sewage disposal.
- All other properties that can be connected directly or through a private drain to the public sewerage system pay a set targeted rate on the basis that they can be connected.

Similarly, the provisions of sewerage services for Waingawa provides a benefit to the whole district and 10 percent of the cost of delivering the service is charged by way of general rates across all property owners in the district. The balance of funds required comes from targeted rates as follows:

- A targeted rate of a fixed amount on every separately used or inhabited part of a rating unit that is connected to the Waingawa Sewerage service.
- A rate based on capital value on all properties connected or able to be connected to the Waingawa Sewerage Service.

Key assumptions and uncertainties

- Sewerage assets will remain in Council ownership throughout the planning period and that there will be an ongoing requirement for this activity.
- The demand for this activity will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.
- That GWRC will approve the Council's resource consent consistent with the planned capital improvements included in this Plan. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- That in the short to medium term the supply of services to Waingawa from Masterton District Council will be adequate.

Risk management

Risk management processes aim to be generally consistent with the intentions of AS/NZS 4360:2004 'Risk Management' Standard, of a scale appropriate to the asset.

In this context, Carterton's risk management criteria are:

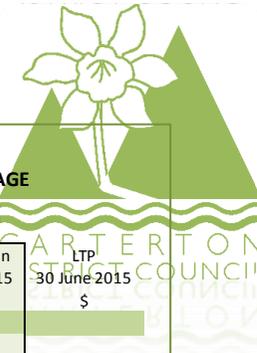
- the fulfilment of legal and statutory obligations
- identification of critical assets—all assets for this activity are equally critical to the function of each other
- the safeguarding of public and employees' health and safety requirements
- third party damages and losses
- loss of service, extent and duration, impacts of natural disasters
- contingency planning for foreseeable emergency situations.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

There are health and safety risks associated with the sewerage network, the treatment and disposal of sewage, and overflow incidents. Infrastructure failure could result in loss of income and business.

The disposal of treated wastewater to ground or river will impact on the groundwater and riverwater values. There may be community concerns about waterway health and associated values arising from the disposal of treated waste.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Income		
1,052,357	Rates	1,034,938	1,091,811
195,000	Fees, charges and target rates for water supply	340,000	227,352
50,000	Development and financial contributions	50,000	-
-	Rental income	40,000	-
-	Miscellaneous income	-	-
1,297,357	Total income	1,464,938	1,319,163
	Expenditure		
580,747	Reticulation	683,061	776,542
37,968	New sewerage connections	38,075	40,084
53,244	Pumping station	58,655	53,708
539,926	Sewerage plant	563,621	435,377
28,088	Waingawa sewerage	28,510	30,830
16,755	Waingawa pumping stations	17,147	17,574
1,256,728	Total expenditure	1,389,069	1,354,114
40,629	Surplus/(deficit)	75,869	(34,951)
	Capital Expenditure		
5,764	Grout manholes	6,000	6,001
5,240	Road cones and signage upgrade	5,500	5,455
-	Camera	32,000	32,730
300,000	Main repairs/replacement based on CCTV results	500,000	545,500
-	Sewage treatment and disposal development	544,040	-
-	Dissolved oxygen meters for ponds	26,000	-
209,600	Treatment for P reduction	218,200	218,200
30,000	Consents for treatment and disposal	-	-
500,000	Additional oxidation pond	-	-
504,040	UV unit and associated plant	-	-
30,000	Extend office at treatment plant	-	-
5,000	Replace motor for contra sheer	-	-
40,000	Daleton Farm - shelter belt	-	-
150,000	Daleton Farm - investigations and start AEE	-	-
1,779,644	Total capital expenditure	1,331,740	807,886

Note—some of the LTP 2014 and 2015 comparative figures in this statement do not match the LTP. The incorrect comparative figures published in the LTP are shown in the following table. These have been corrected above.

2014		2015
1,004,322	Rates	1,123,906
187,920	Fees, charges and target rates for water supply	194,873
679,529	Reticulation	776,102
38,903	New sewerage connections	40,083
51,858	Pumping station	53,707
425,588	Sewerage plant	435,354
29,829	Waingawa sewerage	30,829
17,030	Waingawa pumping stations	17,573

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
105,236	General rates, UAGC, rates penalties	103,494	109,181
947,121	Targeted rates (other than water supply)	931,444	982,630
-	Grants, subsidies and donations	-	-
195,000	Fees, charges and target rates for water supply	380,000	227,352
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
1,247,357	Total operating funding	1,414,938	1,319,163
	Applications of Operating Funding		
507,797	Payments to staff and suppliers	572,805	550,295
221,804	Finance costs	212,111	185,919
145,808	Internal charges and overheads applied	158,138	162,031
-	Other operating funding applications	-	-
875,408	Total applications of operating funding	943,053	898,245
371,949	Surplus/(deficit) of operating funding	471,885	420,918
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	50,000	-
1,308,172	Increase/(decrease) in debt	1,224,276	498,208
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
1,358,172	Total sources of capital funding	1,274,276	498,208
	Applications of Capital Funding		
530,000	Capital expenditure - meet additional demand	-	-
903,640	Capital expenditure - improve level of service	788,240	218,200
346,004	Capital expenditure - replace existing assets	543,500	589,686
(49,523)	Increase/(decrease) in reserves	414,420	111,241
-	Increase/(decrease) of investments	-	-
1,730,121	Total application of capital funding	1,746,160	919,127
(371,949)	Surplus/(deficit) of capital funding	(471,884)	(420,918)
-	Funding balance	1	-



Stormwater drainage

This group of activities...

includes managing the urban stormwater system (including street kerb collection, and piped and open drains) and identifying flood prone areas, reviewing known trouble areas and developing cost-effective solutions.

...contributes to the community outcomes

A safe district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

The Council provides the stormwater system to provide effective collection and disposal of surface water from various areas that are serviced within the Carterton urban area.

Complying with resource consents protects the environment and ensures the resource is being used sustainably.

Residents feel safe as the possibility of flooding during storm events is reduced and they know that their enquiries will be responded to in a specified time frame.

Infrastructure is capable of reducing the impacts of flooding to people and property.

Development is managed to ensure appropriate provision for stormwater drainage.

What we will deliver

The urban reticulated stormwater network is managed under the *Asset Management Plan—Municipal Stormwater System: March 2012*, which sets out the asset condition, performance, and levels of service.

The levels of service for the stormwater asset have been developed taking into account the following general considerations:

- community expectations and the Council's response to customer feedback
- consent requirements

- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

The level of service determines the amount of funding that is required to maintain, renew and upgrade the stormwater infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

What is different from the LTP

No changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Response to service requests	Significant reticulation blockages cleared within 4 hours during storm events	100%	100%	Operational records
Stormwater system of a standard satisfactory to residents	Urban residents satisfied with the stormwater system	≥79%	≥79%	Survey of residents every three years ¹²
The urban stormwater service is managed in a sustainable manner	Compliance with resource consent conditions including discharge requirements	100%	100%	Resource consent

¹² NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.

Assets

Further information can be found in the Stormwater Asset Management Plan.

Existing assets

- 10.6 km of piped stormwater reticulation in the urban area ranging in diameter from 150 mm up to 1200 mm
- 255 sumps and 96 manholes
- 6.5 km of open drain in the urban area
- about 20 km of open drain in the rural area, some of which also forms part of the rural water race network.

Asset valuations

Valuation of the infrastructural assets for stormwater was undertaken by Opus International Consultants Ltd as at 30 June 2013. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practice.

Replacement cost is the cost of rebuilding the existing asset to an equivalent level of service. The assets have been depreciated on a straight line basis over the economic life of the asset.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	5,383,675	3,376,974	54,998
Open drains	219,027	162,282	1,095
Manholes	390,638	249,414	3,906
Sumps	243,953	150,629	2,568
Soak pit chambers	16,984	15,795	170
Total	\$6,254,280	\$3,955,094	\$62,737

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the assets fail and need

immediate repair to make the asset operational again. Routine maintenance is carried out by the Council's Operations Department staff.

Renewals plan

Renewal expenditure is work that does not increase the assets design capacity but restores, rehabilitates or renews an existing capacity to its original capacity.

There are no renewals planned.

Capital plan

Capital works are those that create new assets or works that upgrade or improve an existing capacity. They may result from growth, social or environmental needs.

Capital works in the stormwater activity in the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Waikākāriki Stream diversion (carried forward)	-	200,000

How the group of activities is funded

Capital

New capital expenditure and the renewal of capital items for the stormwater activity will be funded by way of the annual depreciation provisions and by loans.

Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The Council has deemed that provision of the stormwater service provides a public benefit to the whole district of 10 percent of the cost of delivering the service. This is charged by way of general rate across all property owners in the district.

The balance of the funds required come from targeted rates applied to owners of property in the urban area calculated on land value.

Key assumptions and uncertainties

- Stormwater assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.
- Demand for this activity will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.

Risk management

Risk management processes aim to be generally consistent with the intentions of AS/NZS 4360:2004 Risk Management Standard however of a scale appropriate to the asset.

In this context, Carterton's risk management criteria are:

- the fulfilment of legal and statutory obligations
- identification of critical assets—all assets for this activity are equally critical to the function of each other
- the safeguarding of public and employees' health and safety requirements
- third party property damage and losses
- loss of service extent and duration, impacts of natural disasters
- contingency planning for foreseeable emergency situations.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

There are health and safety risks associated with operating the stormwater network and flooding incidents. Infrastructure failure could result in loss of income and business.

The effects of contaminated stormwater could impact on the groundwater and riverwater values. There may be community concerns about waterway health and associated values arising from the disposal of stormwater containing contaminants.

CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - STORMWATER FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Income		
170,424	Rates	239,090	201,217
10,000	Development and financial contributions	10,000	-
-	Miscellaneous income	-	-
<u>180,424</u>	Total income	<u>249,090</u>	<u>201,217</u>
	Expenditure		
170,097	Stormwater	238,173	204,346
<u>170,097</u>	Total expenditure	<u>238,173</u>	<u>204,346</u>
10,327	Surplus/(deficit)	10,917	(3,129)
	Capital Expenditure		
20,000	Waikākāriki stream - diversion	200,000	-
<u>20,000</u>	Total capital expenditure	<u>200,000</u>	<u>-</u>

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - STORMWATER
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
17,042	General rates, UAGC, rates penalties	23,909	20,122
153,382	Targeted rates (other than water supply)	215,181	181,095
-	Grants, subsidies and donations	-	-
-	Fees, charges and target rates for water supply	-	-
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
170,424	Total operating funding	239,090	201,217
	Applications of Operating Funding		
55,760	Payments to staff and suppliers	10,355	82,166
28,648	Finance costs	113,879	27,869
25,269	Internal charges and overheads applied	27,660	28,094
-	Other operating funding applications	-	-
109,677	Total applications of operating funding	151,894	138,129
60,747	Surplus/(deficit) of operating funding	87,196	63,087
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
10,000	Development and financial contributions	10,000	-
(11,193)	Increase/(decrease) in debt	(12,240)	(8,481)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
(1,193)	Total sources of capital funding	(2,240)	(8,481)
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
20,000	Capital expenditure - improve level of service	200,000	-
-	Capital expenditure - replace existing assets	-	-
39,554	Increase/(decrease) in reserves	(115,044)	54,606
-	Increase/(decrease) of investments	-	-
59,554	Total application of capital funding	84,956	54,606
(60,747)	Surplus/(deficit) of capital funding	(87,196)	(63,087)
-	Funding balance	-	-

Waste management

This group of activities...

includes the following services:

- management of the Dalefield Road Transfer Station facilities
- provision of a weekly kerbside refuse and recycling collection
- daily collection of refuse from street refuse bins in the CBD and other public spaces
- promotion of waste minimisation and recycling.

...contributes to the community outcomes

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Waste management is essential for the health, well-being and quality of life of the Carterton community.

A regular kerbside collection and transfer station service for the disposal of residual solid waste minimises environmental impacts and protects the health of Carterton residents.

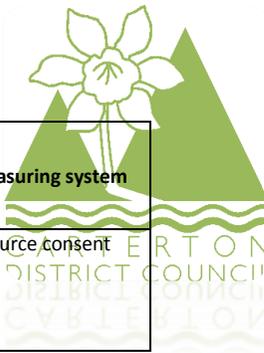
The level of residual waste is further reduced through the adoption of waste minimisation practices and promotion.

An accessible transfer station protects the environment by minimising fly dumping.

What we will deliver

There is a legislative requirement in terms of the Local Government Act 2002, for the Council to:

- encourage efficient and effective waste management services
- ensure that management of waste does not cause a nuisance or be injurious to public health
- consider the issues related to sustainability of its waste management activities and achieve improved collaboration with its communities and other agencies
- adopt a Waste Management Plan via the special consultative procedure.



The Council provides a weekly kerbside residual waste and recycling collection service and transfer station facilities at Dalefield Road. The Transfer Station provides for green waste disposal, steel and general recycling facilities as well as residual waste disposal. Access to the Transfer Station is available six days per week.

Residual waste is currently freighted to a landfill site in Marton. This disposal arrangement remains in place until 2018, before when the Wairarapa councils will need to review the current arrangements in light of the operating and regulatory environment that applies at the time.

Contractors provide management and operational services for the Transfer Station, recycling depot and the weekly kerbside collection.

The level of service determines the amount of funding that is required to maintain, renew and upgrade the waste management service to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

What is different from the LTP

No changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Refuse and recycling services of a satisfactory standard	Urban residents are satisfied with refuse collection and with kerbside recycling	≥85%	≥85%	Survey of residents every three years ¹³

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	100%	Resource consent

Assets

Existing Assets

The transfer station site comprises the following:

- entry kiosk
- transfer station for the collection and storage of residual waste prior to export
- green waste and recycling facilities
- weighbridge.

Maintenance and operating

The day-to-day maintenance and operation of the Dalefield Road transfer station is undertaken by contractors on behalf of the Council. The same contractor is responsible for the weekly urban residential kerbside refuse and recycling collection.

Renewals plan

There are no renewals planned.

Capital plan

Capital works are those works that create new assets, or works that upgrade or improve an existing assets capacity. They may result from growth, social or environmental needs.

There is no capital expenditure planned.

¹³ NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.

How the group of activities is funded

Capital

New capital expenditure and renewal of existing items for the waste management activity will be funded by way of the annual depreciation provision and/or by loans.

Annual costs

Urban refuse and recycling collection

The Council has deemed that the provision of the urban refuse and recycling collection provides a public benefit and 5 percent of the cost of delivering the service is charged by way of general rates across all property owners in the district.

The balance of funds required for the urban refuse and recycling collection comes from a targeted rate on all property owners in the urban area or where the Council has a collection service. In addition, there are fees and charges from the sale of refuse bags and recycling bins.

Transfer Station

The Council has deemed that the provision of the transfer station provide a public benefit to the whole district.

All users of the transfer station are required to pay a gate charge for disposal of their refuse. The balance of funds required to operate the transfer station come from general rates levied on all property owners in the district.

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- Demand for this activity will gradually increase, and not reduce.
- Increasing demand for environmentally-friendly and sustainable approaches to managing the district's waste may result in a change in the current level of service.
- Additional or changing legislative requirements may result in a change in the current level of service.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

There are health and safety risks associated with the operations at the transfer station. Dumping of waste along roadside and other public places has a detrimental effect on the environment and could pose health and safety risks.

CARTERTON DISTRICT COUNCIL			
PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - WASTE MANAGEMENT			
FOR THE YEAR ENDED 30 JUNE 2015			
Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Income		
497,633	Rates	496,340	439,187
64,000	Recoveries	64,000	68,162
208,000	Fees, charges and target rates for water supply	238,000	274,776
-	Miscellaneous income	-	-
<u>769,633</u>	Total income	<u>798,340</u>	<u>782,124</u>
	Expenditure		
250,769	Refuse collection	266,460	268,437
508,341	Transfer station	522,136	502,422
<u>759,110</u>	Total expenditure	<u>788,596</u>	<u>770,859</u>
10,522	Surplus/(deficit)	9,744	11,265
	Capital Expenditure		
-	Miscellaneous	-	-
<u>-</u>	Total capital expenditure	<u>-</u>	<u>-</u>

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WASTE MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Sources of Operating Funding		
342,506	General rates, UAGC, rates penalties	346,046	292,858
155,127	Targeted rates (other than water supply)	150,294	146,328
-	Grants, subsidies and donations	-	-
208,000	Fees, charges and target rates for water supply	238,000	274,776
-	Internal charges and overheads recovered	-	-
64,000	Local authorities fuel tax, fines, infringement fees and other	64,000	68,162
769,633	Total operating funding	798,340	782,124
	Applications of Operating Funding		
648,849	Payments to staff and suppliers	669,754	648,838
-	Finance costs	-	-
81,705	Internal charges and overheads applied	87,397	91,909
-	Other operating funding applications	-	-
730,555	Total applications of operating funding	757,151	740,747
39,078	Surplus/(deficit) of operating funding	41,189	41,378
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Total sources of capital funding	-	-
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
39,078	Increase/(decrease) in reserves	41,188	41,378
-	Increase/(decrease) of investments	-	-
39,078	Total application of capital funding	41,188	41,378
(39,078)	Surplus/(deficit) of capital funding	(41,188)	(41,378)
-	Funding balance	1	-

Water supply

This group of activities...

includes the following services:

- management of the district's urban water reticulation and treatment facilities
- promotion and education of water conservation methods
- provision of potable water to the Waingawa Industrial Zone
- management of the Carrington and Taratahi Water Races for stock use, non-potable domestic and industrial use, rural fire fighting, and stormwater control.

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

Economic development prospects are enhanced by an affordable and reliable water supply. Water is an essential commodity for farming and for business viability. A reliable water service is important for business viability and animal health. A reliable water supply is a requirement for the efficient operation of existing and new business infrastructure.

The safety of district's property is protected by providing water at an appropriate pressure to put out fires. The fire fighting capability of the rural water service supports a safe community. It also supports community and property safety through the fire fighting capacity of the system.

A public water supply system provides water suitable for drinking for the general well-being and health of its community. A high quality water supply is fundamental to community health. Water that complies with Drinking Water Standards provides the community with assurance it is safe and healthy to drink.

The adoption of conservation-based strategies encourages appropriate usage of the water resource. Collective ownership of resources will reduce the environmental impact of multiple individual systems. The environment is protected by providing a community supply with

parameters around consumption rather than individuals being left to source their own water supplies.

A sustainably derived rural water service managed to protect and enhance the natural environment. Complying with resource consents protects the environment and ensures the resource is being used sustainably.

What we will deliver

The Council's role is to ensure that the community has an adequate water supply that is sustainable for future generations and does not adversely affect the environment.

The Council's continued involvement in the water activity and ownership of assets is contained in:

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide water services and maintain its capacity to do so
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works; the definition of which includes 'water works'.

The urban reticulated water network is managed under the *Asset Management Plan—Municipal Water Supply: March 2012*, which sets out the targets for asset condition, performance, and levels of service.

The urban water supply services the Carterton urban community, a number of rural properties on the periphery of the urban boundary and properties along SH2 North to Chester Road and part way up Chester Road.

The Council's role is to ensure that property owners and businesses who have access to the Carrington and Taratahi Water Race system have an adequate supply of non-potable water that is sustainable and does not adversely affect the environment.

In Waingawa, potable water services will be supplied by the Masterton District Council.

The levels of service for the water supply asset have been developed taking into account the following general considerations:

- community expectations and the Council's response to customer feedback
- legislative requirements, eg Drinking Water Standards
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

For example legislative requirements and public health objectives have driven the capital works programme to enhance treatment. Sustainability objectives have driven the need to minimise leakage of treated water from the reticulation system and the introduction of water metering.

A sustainable, safe, and healthy water supply is delivered at an appropriate water pressure to properties permitted to be connected to the urban water supply at the lowest possible cost to maintain the service.

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the urban water infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

The rural water service is under the oversight of the Water Race Committee, which is made up of councillors and community members elected by water race users. The Committee determine policy, sets targets for maintenance, and monitors the proactive cleaning programme.

What is different from the LTP

No significant changes are proposed to the activities set out in the Long Term Plan.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
The urban water service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Water is safe to drink	Compliance with NZ Drinking Water Standards bacteriological requirements	100%	100%	Environmental Laboratory Services reports
Response to reticulated water system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	100%	Operations records



The service broken down into measurable components	Performance measure	Target for year ending 30 June 2015		Measuring system
		Long Term Plan	Annual Plan	
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	≥90%	Survey of residents every three years ¹⁴
Water resources are used sustainably	Reduction in community water consumption	≥2.5% per annum	≥2.5% per annum	Operational records
	Compliance with water resource consent conditions	100%	100%	Resource consent

Assets

Further information can be found in the Urban Water Asset Management Plan.

Existing assets

- Kaipaitangata dam 4,546 cubic metres
- Kaipaitangata reservoirs 500 and 1000 cubic metres
- Kaipaitangata Filtration Reservoir 500,000 litres
- Lincoln Road Supplementary Supply 42 litres per second
- Lincoln Road Reservoirs 200 and 300 cubic metres
- underground water mains 9 km trunk supply
40.5 km reticulation piping
- a hydraulic model of the urban network
- Taratahi Water Race 242 km
- Carrington Water Race 36 km

Asset valuations

Valuation of the urban water infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2013. The valuation basis is optimised depreciated replacement costs, which is in accordance with generally accepted accounting practices.

Replacement cost is the cost of rebuilding the existing asset to an equivalent level of service. The assets have been depreciated on a straight line basis over the economic life of the asset.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	11,484,864	4,811,809	158,012
Reticulation fittings	3,487,607	1,046,616	240,574
Supplementary supply	902,963	432,464	31,227
Kaipaitangata headworks	544,739	160,721	6,796
Treatment plant	2,617,219	1,598,004	74,278
Total	\$19,037,393	\$8,049,615	\$510,886

Maintenance and operating

Routine and programmed maintenance is a regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the assets operational again. Routine maintenance is carried out by the Carterton District Council's Operations staff for work required in the Carterton district.

Renewals plan

Renewal expenditure is work that does not increase the assets design capacity but restores, rehabilitates or renews an existing asset to its original capacity. A contingency fund operates for the water races to provide funds for replacing or repairing the river intakes when they are damaged from time to time by river floods.

¹⁴ NRB Communitrak™ Survey—every 3 years. The next survey is planned for late 2014.

Renewals in this group of activities for the next financial year are as follows:

Item	Year ending 30 June 2015	
	Long Term Plan (\$)	Annual Plan (\$)
Mains upgrade/replacement	108,200	108,000
Information system data	6,492	6,400
Water supply resource consent	-	150,000
Water race weirs	10,820	15,000
Taratahi pipe work	-	87,000

Capital plan

Capital works are those works that create new assets, or works that upgrade or improve an existing assets capacity. They may result from growth, social or environmental needs.

There are no capital works in this group of activities planned for the next financial year.

How the group of activities is funded

Capital

New capital expenditure and the renewal of existing capital items for the water activity will be funded by way of the annual depreciation provision and/or loans.

Annual costs

The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

The Council has deemed that provision of the water activity provides a degree of public benefit to the whole district, 10 percent of the cost of delivering the service is charged by way of general rate across all property owners in the district. The balance of the funds required will come from targeted rates.

Urban water

All properties connected to the urban water supply are metered. Each property connection is charged a fixed amount in rates for an allowance of up to 300 cubic metres per year. Water

usage above 300 cubic metres is charged at \$1.70 per cubic metre. This charge is invoiced separately from land rates.

Waingawa

A targeted rate of a fixed amount on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Waingawa Water Supply service.

A targeted rate per cubic metre of water supplied, as measured by meter, for all water consumed. This rate will be invoiced separately from land rates.

Rural water races

A targeted rate on a differential basis, calculated on land area, on rating units within the Carrington and Taratahi water race system classified areas as follows:

- Class A Land area 200 metres either side of the centreline of the water race.
- Class B Land area from 200 to 500 metres either side of the centreline of the water race.
- Class C Land area irrigated.

A Rural Water Services Rate, on every rating unit situated in the Carrington and Taratahi Water Race Classified Areas for provision of the service.

Key assumptions and uncertainties

- Water supply assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.
- Demand for urban water will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations staff for work required in Carterton district. Renewal, upgrade and new works will normally be completed by contractors selected by competitive tender or day work rates.
- Masterton District Council will be able to supply services to Waingawa.
- The operational and maintenance requirements for this activity could change depending on conditions imposed by any new resource consents.

Risk management

Risk management processes aim to be generally consistent with the intentions of AS/NZS 4360:2004 Risk Management Standard however of a scale appropriate to the asset.

In this context, Carterton's risk management criteria are:

- The fulfilment of legal and statutory obligations.
- Identification of critical assets where this is appropriate. In the case of Carterton all assets for this activity are equally critical to the function of each other.
- The safeguarding of public and employees' health and safety requirements.
- Third party property damage and losses.
- Loss of service extent and duration, impacts of natural disasters.
- Contingency planning for foreseeable emergency situations.

Significant negative effects

It is possible that significant negative effects of this group of activities could arise.

There are health and safety risks associated with operating and managing the water supply network.

Infrastructure failure or flooding beside the water races could result in loss of income and business, or property damage.

Excessive water extraction from the Kaipaitangata Stream, Waingawa and Mangatāre Rivers, and their associated aquifers could have adverse impacts on the environment or on community perceptions of waterway health and associated values.

CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - WATER SUPPLY FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	ITP 30 June 2015 \$
	Income		
417,618	Rates	502,682	403,571
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	50,000	-
-	Recoveries	-	-
1,187,706	Fees, charges and target rates for water supply	1,291,617	1,189,413
-	Miscellaneous income	-	-
1,655,324	Total income	1,844,299	1,592,984
	Expenditure		
756,517	Reticulation	863,215	776,876
58,602	New water connections	60,526	57,783
134,036	Underground	148,924	137,310
280,545	Filtration plant	265,960	255,141
227,435	Taratahi water race	262,147	225,983
82,227	Carrington water race	84,155	80,255
70,278	Waingawa water	112,930	75,205
1,609,641	Total expenditure	1,797,858	1,608,554
45,683	Surplus/(deficit)	46,441	(15,570)
	Capital Expenditure		
104,200	Mains upgrade / replacement	108,000	108,200
6,252	New values (better network IS isolation)	6,400	6,492
-	Resource consent renewal	150,000	-
-	Bore telemetry and meters	50,000	-
15,000	Weirs	15,000	10,820
3,960	Portable pump (3")	-	-
-	Taratahi - pipe Clareville School	22,000	-
-	Taratahi - replace pipe Wilton Swamp	65,000	-
120,000	Taratahi - intake control gates	-	-
80,000	Carrington - intake control gates	-	-
50,000	Kaipaitangata - fish ladders	-	-
40,000	Kaipaitangata - line and seismic baffles concrete tank	-	-
419,412	Total capital expenditure	416,400	125,512



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WATER SUPPLY
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Sources of Operating Funding			
138,732	General rates, UAGC, rates penalties	158,230	132,013
278,886	Targeted rates (other than water supply)	344,452	271,558
-	Grants, subsidies and donations	-	-
1,187,706	Fees, charges and target rates for water supply	1,291,617	1,189,413
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
1,605,324	Total operating funding	1,794,299	1,592,984
Applications of Operating Funding			
898,219	Payments to staff and suppliers	972,445	866,138
27,927	Finance costs	20,391	26,548
204,239	Internal charges and overheads applied	220,936	226,920
-	Other operating funding applications	-	-
1,130,384	Total applications of operating funding	1,213,772	1,119,606
474,940	Surplus/(deficit) of operating funding	580,527	473,378
Sources of Capital Funding			
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	50,000	-
173,291	Increase/(decrease) in debt	(28,042)	(19,147)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
223,291	Total sources of capital funding	21,958	(19,147)
Applications of Capital Funding			
-	Capital expenditure - meet additional demand	50,000	-
290,000	Capital expenditure - improve level of service	-	-
129,412	Capital expenditure - replace existing assets	366,400	125,512
278,819	Increase/(decrease) in reserves	186,085	328,719
-	Increase/(decrease) of investments	-	-
698,231	Total application of capital funding	602,485	454,231
(474,940)	Surplus/(deficit) of capital funding	(580,527)	(473,378)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - ADMINISTRATION & SUPPORT SERVICES
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Income			
50,000	Rates penalties	50,000	63,901
-	Grants, subsidies and donations	-	-
134,550	Interest	159,215	154,645
-	Development and financial contributions	-	330,157
200	Fees, charges and target rates for water supply	-	213
1,693,329	Internal charges and overheads recovered	1,859,210	1,896,921
40,000	Commissions	43,000	42,601
-	Revaluation gains	-	479
-	Rental income	-	-
50,000	Assets vesting in council	-	-
-	Profit on sale of assets	-	-
1,550	Miscellaneous income	1,350	1,615
1,969,629	Total income	2,112,775	2,490,533
Expenditure			
1,366,008	Administration	1,488,451	1,528,177
295,691	Operations	314,344	328,994
24,832	Regulatory and planning	46,098	32,507
6,799	Garage	10,316	7,243
-	Revaluation losses	-	-
-	Loss on sale of assets	-	-
15,000	Bad debts	15,000	15,975
1,708,329	Total expenditure	1,874,210	1,912,897
261,300	Surplus/(deficit)	238,565	577,637

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - ADMINISTRATION & SUPPORT SERVICES contd. FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Capital Expenditure			
5,000	Administration - equipment contingency	5,000	5,345
5,000	Administration - software upgrade	5,000	5,345
12,100	Computer upgrade - administration	20,300	-
2,800	Computer upgrade - library	3,500	-
2,800	Computer upgrade - Events Centre	7,800	-
-	Computer upgrade - operations department	7,800	2,993
-	Computer upgrade - public protection	3,500	3,742
8,600	Computer upgrade - regulatory	9,900	11,331
-	Computer upgrade - parks and reserves	6,300	9,728
-	Computer upgrade - holiday park	2,800	2,993
-	Computer upgrade - general	-	18,708
35,000	Motor vehicle - EHO	-	-
35,000	Motor vehicle - handy man	-	-
35,000	Motor vehicle - water	-	-
46,530	Motor vehicle - operations manager	-	-
-	Motor vehicle - Nissan	37,000	35,000
-	Motor vehicle - service team leader	37,000	37,415
8,000	Mower - cemetery	-	-
1,000	Mower - walk behind	1,000	-
10,000	Mower - campground	-	-
-	Mowers	26,500	26,725
-	Tractor - John Deere	-	89,796
55,000	Kubota Digger	-	-
4,000	Laser level	-	-
-	Wackers, compactors, weed eaters	1,200	-
5,000	GIS - contingency	5,000	5,345
-	GIS - sewer lateral field identification	40,000	-
5,000	Regulatory equipment - contingency	5,000	5,345
5,000	Regulatory software	5,000	5,345
280,830	Total capital expenditure	229,600	265,156

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - ADMINISTRATION & SUPPORT SERVICES FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Sources of Operating Funding			
50,000	General rates, UAGC, rates penalties	50,000	63,901
-	Targeted rates (other than water supply)	-	-
-	Grants, subsidies and donations	-	-
200	Fees, charges and target rates for water supply	-	213
1,693,329	Internal charges and overheads recovered	1,859,210	1,896,921
226,100	Local authorities fuel tax, fines, infringement fees and other	203,565	199,340
1,969,629	Total operating funding	2,112,775	2,160,376
Applications of Operating Funding			
1,512,621	Payments to staff and suppliers	1,674,942	1,631,575
-	Finance costs	-	-
-	Internal charges and overheads applied	-	-
-	Other operating funding applications	-	-
1,512,621	Total applications of operating funding	1,674,942	1,631,575
457,008	Surplus/(deficit) of operating funding	437,833	528,801
Sources of Capital Funding			
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	330,157
-	Increase/(decrease) in debt	40,000	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Total sources of capital funding	40,000	330,157
Applications of Capital Funding			
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	40,000	-
280,830	Capital expenditure - replace existing assets	189,600	265,156
176,178	Increase/(decrease) in reserves	248,233	593,803
-	Increase/(decrease) of investments	-	-
457,008	Total application of capital funding	477,833	858,958
(457,008)	Surplus/(deficit) of capital funding	(437,833)	(528,801)
-	Funding balance	-	-



Financial information

Significant forecasting assumptions

General forecasting assumptions

Levels of service

Unless otherwise stated in the individual group of activity sections, service levels are generally assumed to remain the same as at present.

District population growth

A district population growth assumption of 0.6 percent per annum from 2011 Estimate (8,175 by 2021) was used in the LTP. (Department of Statistics—mid-point Medium and High series—Population Projections). This is a total increase of 7 percent over the ten years of the LTP. However the 2013 census showed an increase from the 2006 census of 2.1 percent per annum. Instead of 8,175 by 2021, the population was 8,232 by 2013.

Risk

Forecast growth is significantly different from what is assumed.

Level of uncertainty

Medium.

Reasons and financial effect of uncertainty

The population growth assumption was based on low population growth. If population growth is higher than predicted then some projects will go ahead earlier than forecast, and expenditure will be higher than forecast.

Number of rateable properties

The growth in rateable properties has slowed somewhat over the last four years, but it continues to be positive. The number of rateable properties is assumed to reach 4,900 by 2022, which is a growth of 11 percent from June 2012.

Risk

Growth does not meet this assumption.

Level of uncertainty

Medium.

Reasons and financial effect of uncertainty

The growth has been based on recent changes in rateable properties and takes into account ongoing development in the district. Should such growth not continue then the rating base would be smaller than assumed, some projects will not go ahead, and expenditure will be lower than forecast. If growth is greater than predicted, then some projects will go ahead earlier than forecast, and expenditure will be higher than forecast.

NZTA

Subsidies from the NZTA have been included at the approved rate (increased) for 2012/13 to 2014/15, and the approved dollar level for the same period.

Risk

Changes in subsidy rate and variation in criteria for inclusion in subsidised works programmes.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

The government has indicated further changes to the subsidy rate. The level of subsidy is likely to decrease but not in 2014/15. As the new rates are transitioned in, roading projects will need to be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.

Asset condition

Asset management plans have been prepared for major infrastructural assets, and include renewal and capital programmes. These plans include assessments of asset condition, lifecycle and demand management. The Council considers that this planning information is reasonable and supportable. There are no unstated asset disposals that will impact significantly on the plan. There are no unstated asset acquisitions that will impact significantly on the plan.

Risk

Asset management plans are incomplete. Assumptions about condition and lifecycle are incorrect.



Level of uncertainty

Low to moderate

Reasons and financial effect of uncertainty

Asset management plans are updated regularly following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. The asset inventories and condition ratings for roading infrastructure, which are the Council's most significant assets by a considerable margin, are stored and maintained in the RAMM database. It was audited by NZTA in 2011 and found to be adequately maintained.

Insurance

Insurance costs continue to increase. Currently the Council has full cover for above ground assets, while infrastructural assets have limited cover provided by the Local Authority Protection Programme Disaster Fund (LAPP).

Risks

Reinsurance costs escalate beyond forecast budgets. Cover may not be available for certain assets or risks. LAPP may not be able to secure cover for the 40% balance not assured by central government.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

Any further significant earthquake events in New Zealand would impact on renewal costs. The cost of insurance may be greater than forecast, leading to unbudgeted expenditure. The cost of reinstating LAPP cover would be significant, funded by additional rates. The Council will need to consider the trade-off between self-insurance and paying higher insurance premiums, funded by additional rates.

External factors

There will be no unexpected changes to legislation or other external factors that alter the nature of services provided by the Council. It would be extraordinary for unexpected changes to legislation to be made. Most changes to legislation are known about well in advance.

In December 2012, changes were made to the Local Government Act, with immediate effect on the purpose and functions of local authorities. These changes are not expected to have a significant impact on the scope and quality of services provided by the Council.

Changes to the Act also included the process for applying for and determining reorganisation of councils, including amalgamations. Carterton District Council is part of the Wairarapa Governance Working Group, which has been preparing to respond to any proposal for change that might affect Carterton.

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2014/15. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist.

Climate change

The Council does not expect there to be any quantifiable effects on its infrastructure from climate change over the life of this Plan. The Council will keep this subject under review as it will be relevant for future annual and long term plans.

Risk

The effects of climate change, including extreme weather events, occur more rapidly and are more damaging than anticipated. The respective roles of central and local government in addressing mitigation and adaptation remain uncertain. It is likely to shift more to Councils.

Level of uncertainty

Low in the short-term, high in the medium-term

Financial forecasting assumptions

Revaluation of non-current assets

Revaluation assumptions have been included in the Plan. These have been done following the Business and Economic Research Limited (BERL) forecasts of price level change adjusters.

Revaluation movements will be shown in the Balance Sheet.

Risk

Actual revaluation results differ from those in the forecast.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

Where the actual inflation rate is different from that forecast, the actual revaluation will be different from that forecast.

Interest rates

The range of interest rates on most term debt is calculated at 5.3–6.3 percent. To allow for anticipated timing of capital expenditure, on selected loans interest expenditure is provided for on only 50 percent of forecast new loan amounts each year.

The interest rate on investments is calculated at 4.5 percent.

Risk

That the interest rate will differ from those used in the calculations.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

This will be managed through the Liability Management Policy and Investment Policy. The financial impact is not able to be measured.

Depreciation

Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost afterwards. It is assumed that:

- existing depreciation will continue
- replacement assets (renewals) affect depreciation as follows:
 - asset renewal will equal that of the assets being replaced
 - new assets’ depreciation will be the result of their estimated lives and values
 - depreciation on new and renewal programmes will impact in the year following the capital programme.

Risks

That more detailed analysis of planned capital works once complete may alter the depreciation expense. That asset lives may alter due to new technology improving asset lives.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

The Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.

Asset lives

Useful lives of assets are based on professional advice. These are summarised in the depreciation note within the accounting policies.

Risk

That assets wear out earlier than estimated.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

Asset life is based on estimates of engineers, valuers, and asset managers. Capital projects can be brought forward in event of early expiration of assets (this would affect depreciation and interest, of which the amounts are unknown).

Sources of funds for future replacement of assets

This is detailed above in the section on Council groups of activities. The funding of the replacement of future assets is based on the following assumptions:

- The Council will set revenue levels sufficient to fully fund depreciation of its assets with the exception of roading where (currently) approximately 48 percent of depreciation is funded.
- The funding for the replacement of any individual asset will be funded from the following sources in the following order of priority:
 - from prior year credit depreciation reserve balances
 - from the current year’s cash arising from the funding of depreciation
 - loan funding with a loan being the shorter of either a ten year loan term or the life of the asset



- special funds set aside for specific purposes identified by the Council.

Risk

That a particular funding source is unavailable.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available.

Investments and return on investments

The Council's Long Term Special Funds will be retained in their present form throughout the Plan. Additions and withdrawals from the Funds have been accounted for each year through the Plan where identified and required. A rate of 4.5 percent has been assumed for the return on the Special Funds investment.

Risk

That the actual return on investment differs to that budgeted.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

Movement in the investment fund is difficult to predict but best efforts have been used, using past results. The financial effect is unknown.

Commitments and contingencies

There are no commitments or contingencies that the Council is aware of that have not been included in the Annual Plan.

Opening Balance Sheet

To provide a more accurate forecast, the opening balance sheet figures for 2014/15 are based on a forecast closing balance sheet at 30 June 2014, not necessarily the closing 2013/14 Annual Plan figures.

Rounding differences

Due to the complexities of the financial model, there is a number of insignificant one dollar rounding differences in the financial statements.

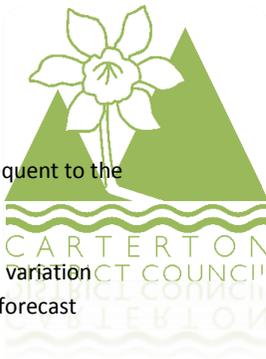
Authorisation for issue

The Council is responsible for the prospective financial statements, underlying assumptions and other related disclosures.

Following consultation, the final Annual Plan is scheduled to be adopted by the Council on 26 June 2014.

Purpose of the Annual Plan

The Annual Plan has been prepared in accordance with section 95 of the Local Government Act 2002. The information has been prepared to comply with the requirements of the Local Government Act 2002 and may not be appropriate for other purposes.



Accounting policies

Reporting entity

The Carterton District Council is a territorial local body governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial forecasts of the Council are for the period from 1 July 2014 to 30 June 2015. The proposed financial forecasts were authorised by the Council on 16 April 2014 and issued for consultation on 19 April 2014. Following hearings and consideration of submissions, the Council adopted the final financial forecasts on 25 June 2014.

Basis of preparation

The prospective financial statements of the Carterton District Council have been prepared in accordance with the requirements of the Local Government Act 2002 (section 95 and Part 2 of Schedule 10) and the information provided may not be appropriate for other purposes.

These prospective financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with the PBE FRS 42, NZ Public Benefit Entity Standards, other applicable Financial Reporting Standards, as appropriate for public benefit entities, and are prepared in accordance with Tier 1 PBE standards.

Statement of prospective financial information

The financial information contained in this document is a forecast for the purposes of FRS 42. It has been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecasts were prepared. The purpose for which it has been prepared is to enable the public to participate in the decision-making process as to the services to be provided by the Council to the community.

The Council does not intend to update the prospective financial statements subsequent to the final presentation of the Annual Plan.

The actual results achieved are likely to vary from the information presented. The variation may be material and will be dependent upon circumstances that arise during the forecast period.

Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property forestry assets, and certain financial instruments (including derivative financial instruments). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

The Council has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Council has decided to prepare two separate statements (a separate statement of financial performance followed by a statement of comprehensive income) for the year ended 30 June 2010

under the revised standard. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

- Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council has elected to disclose comparative information.
- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council has elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

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

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. CDC has not yet assessed the effect of the new standard and expects it will not be early adopted.

Revenue

Revenue is estimated at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Wellington Regional Council (WRC) are not recognised in the financial statements as the Council is acting as an agent for the WRC.

Other revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sales of goods are recognised when a product is sold to the customer.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

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.

Interest income is recognised using the effective interest method.



Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development contributions

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contributions were charged. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Borrowing costs

The Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Leases

Finance leases

A finance lease is a lease that 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 commencement of the lease term, finance leases are recognised as assets and liabilities in the prospective statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the 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 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.

Operating leases

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

Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

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

Derivative financial instruments and hedge accounting

The Council does not engage in the use of derivative financial instruments and hedging activities.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit
- loans and receivables
- held to maturity investments

- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through profit and loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Council does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value



and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Council's loans and receivables comprise 'debtors and other receivables', community and related party loans. Loans and receivables are classified as 'debtors and other receivables' in the statement of financial position.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Council's investments in this category include bank term deposits.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive income

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for the investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted when applicable for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

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

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

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

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets

These include land, buildings, landfill post-closure, water races, library books, plant and equipment, and motor vehicles.

Restricted assets

Restricted assets are 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. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Heritage assets

Heritage assets are assets owned by the Council that are of cultural or historical significance to the community and cannot be replaced due to the nature of the assets. Buildings recorded under the Historical Places Act 1993 have been recorded as heritage assets.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class of asset basis.



The net revaluation results are credited or debited to other comprehensive income 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 income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, 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.

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

Property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which also includes the landfill and water races), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The estimated useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Motor vehicles	10 years	10.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Roads, bridges and footpaths*	9 to 63 years	1.58–11.42%
Water systems*	7 to 30 years	3.29–13.66%
Stormwater systems*	47 to 67 years	1.50–2.26%
Sewerage systems*	9 to 26 years	3.88–11.40%
Buildings	5 to 92 years	1.09–20.00%
Library collections	6 years	16.67%
Office equipment	5 to 10 years	10.00–20.00%

Fixtures and fittings	10 to 50 years	2.00–10.00%
Heritage assets	20–50 years	2.00–5.00%
Intangible assets	5 years	20.00%

In relation to infrastructural assets (marked * above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by the Council engineers and independent registered valuers. A summary of these lives is detailed above.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Those asset classes that are revalued are valued on a three-yearly cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, and FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BApplSci (Ag and VFM), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. The landfill liner and water races were not revalued in the 2012 year and are currently valued using the deemed cost option under NZ IFRS 1. Heritage assets are also included in this category. Additions are recorded at cost.

Restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BApplSci (Ag and VFM), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. Additions are recorded at cost.

Infrastructure asset classes

(roads, bridges and footpaths, water systems, sewerage systems and stormwater systems)

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure



that they do not differ materially from the assets' fair values. If there is a material difference, than the off-cycle asset classes are revalued.

The most recent valuations were performed by John Vessey (BE (Civil), BA (Economics), Reg Eng (MPINZ)) of Opus International Consultants. The valuation for the sewerage, water supply, and stormwater systems is effective as at 30 June 2013, and the valuations for roads, streets, and footpaths is effective as at 30 June 2011. Additions are recorded at cost.

Land under roads

Valued based on fair value of adjacent land determined by John Vessey (BE (Civil), BA (Economics), Reg Eng (MPINZ)) of Opus International Consultants, effective 30 June 2002. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 30 June 2002 as deemed road cost. Land under roads is no longer revalued.

Library collections

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand in May 2002. The most recent library valuation was performed by Colin Gerrard (BSc, MSc, GPINZ) and reviewed by Ian Martin (BE, CPEng, MPINZ) of AECOM New Zealand, and the valuation is effective as at 30 June 2012.

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	5 years	20.00%
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Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. 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 value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is 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 the 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 the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously



recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated cost to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

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

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

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 cost, including transaction costs. After initial recognition, all investment property is estimated at fair value as determined annually by an independent valuer.

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

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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 the balance date or if the borrowings are expected to be settled within 12 months of balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within twelve months, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

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.

Long-term employee entitlements

Long service leave

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

A discount rate of 5.71 percent and an inflation factor of 3.00 percent were used. The discount rate is based on the weighted average of government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense, and is included in 'finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based

on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

Equity

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

- public equity – accumulated funds
- restricted reserves
- other reserves – trust funds
- asset revaluation reserves
- fair value through other comprehensive income reserves.

Restricted reserves

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

Restricted reserves are those 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.

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

The Council's objectives, policies, and processes for managing capital are described in note 33 of the 2013 Annual Report.



Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive income reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

Goods and Services Tax (GST)

All items in the financial forecasts are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are stated on a GST inclusive basis. GST is not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, 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.

Cost allocation

The cost of service for each group of activities has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a group of activities. Indirect costs are those costs that cannot be identified in an economically feasible manner with a group of activities.

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

Prospective statement of cash flows

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

disclosed net as disclosing gross amounts does not provide any further meaningful information.

Operating activities include cash received from all income sources and cash payments made for the supply of goods and services. Agency transactions (the collection of WRC rates) are recognised as receipts and payments in the prospective statement of cash flows because they flow through the Council's main bank account.

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

Financing activities comprise the change in equity and debt structure of the Council.

Prospective statements of service performance

The prospective statements of service performance, report the net cost of services for groups of activities, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Critical accounting estimates and assumptions

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

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

Landfill aftercare provision

A provision has been included in the financial forecasts for the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.



Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations of infrastructural assets. These include the following items.

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, sewerage, and water supply pipes that are underground.

This risk is minimised by the Council performing a combination of physical inspections and condition assessments of underground assets.

- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. 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 financial performance.

To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ 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. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical judgements in applying the Carterton District Council's accounting policies

Management has exercised the following critical judgments in applying the Council's accounting policies for the year ending 30 June 2015.

Classification of property

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

Prospective total surplus/(deficit)

The Council is projecting a surplus for the financial year ending 30 June 2015. This surplus is required to fund a number of transactions/projects that do not appear in the prospective statement of financial performance for accounting purposes i.e. loan repayments, grants/subsidies/donations for capital projects, asset revaluations and contributions to reserve funds. The income for these transactions and projects is recorded in the prospective statement of financial performance whereas the payments are recorded in the prospective statement of financial position.

This income is partially offset by expenditure items that are not fully funded by rates, ie bad debts, losses, depreciation, and operating expenditure funded by reserves. The expenditure for these transactions is recorded in the prospective statement of financial performance and a reduction is recorded in the prospective statement of financial position.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Operating Income		
9,023,488	9,645,783	9,607,248
50,000	50,000	63,901
134,550	159,215	154,645
1,394,810	1,576,804	1,549,301
105,142	87,500	110,670
44,000	47,000	46,836
1,597,911	1,569,000	1,618,109
57,736	60,000	59,757
25,333	25,868	25,486
248,790	303,509	261,197
310,000	310,000	330,157
-	-	-
-	-	-
50,000	-	-
-	-	-
-	-	479
70,002	15,650	25,973
(64,000)	(64,000)	(68,162)
13,047,762	13,786,329	13,785,599
Operating Expenditure		
786,007	788,275	786,182
3,347,134	3,427,593	3,619,410
1,609,641	1,797,858	1,608,554
1,256,728	1,389,069	1,354,114
170,097	238,173	204,346
759,110	788,596	770,859
428,944	399,883	373,974
755,917	809,558	780,978
2,158,800	2,313,296	2,818,451
1,192,228	1,268,409	1,223,438
15,000	15,000	15,975
-	-	-
-	-	-
(64,000)	(64,000)	(68,162)
12,415,606	13,171,709	13,488,118
632,156	614,620	297,481
-	-	-
632,156	614,620	297,481
Note: Total expenditure includes -		
3,105,513	3,479,981	3,815,498
577,087	540,575	740,816

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
632,156	614,620	297,481
-	-	-
16,164,146	824,697	1,748,979
-	-	2,000
16,164,146	824,697	1,750,979
16,796,302	1,439,317	2,048,459

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
146,441,265	166,501,798	162,653,898
16,796,302	1,439,317	2,048,459
163,237,567	167,941,115	164,702,358
Components of equity		
108,780,261	108,822,226	107,903,230
632,156	614,620	297,481
(738,477)	(272,020)	(492,307)
108,673,940	109,164,826	107,708,404
33,464,356	51,863,061	49,230,699
16,164,146	824,697	1,748,979
49,628,502	52,687,758	50,979,678
4,196,648	5,816,511	5,519,969
738,477	272,020	492,307
-	-	2,000
4,935,125	6,088,531	6,014,275
163,237,567	167,941,115	164,702,358

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Assets		
	Current assets		
2,942,755	Cash and cash equivalents	4,578,331	3,581,852
-	Investments	-	-
1,436,905	Debtors and other receivables	1,517,844	1,328,443
3,686	Inventory	2,988	3,645
4,383,347	Total current assets	6,099,163	4,913,940
	Non-current assets		
43,089	Investments	40,652	346,865
5,687	Intangible assets	45,705	9,878
-	Investment property	-	16,997
146,401	Forestry assets	361,287	294,213
171,025,833	Property, plant and equipment	173,631,990	171,451,467
171,221,010	Total non-current assets	174,079,634	172,119,420
<u>175,604,357</u>	Total assets	<u>180,178,798</u>	<u>177,033,359</u>
	Liabilities		
	Current liabilities		
1,538,582	Creditors and other payables	1,631,800	1,299,917
309,818	Employee entitlements	263,947	285,918
425,011	Borrowings	329,741	569,870
2,273,411	Total current liabilities	2,225,488	2,155,705
	Non-current liabilities		
24,157	Provisions	16,562	23,759
10,069,222	Borrowings	9,995,633	10,151,538
10,093,379	Total non-current liabilities	10,012,195	10,175,297
	Equity		
108,673,940	Public equity	109,164,826	107,708,404
1,881,112	Restricted reserves	5,953,611	1,432,551
49,628,502	Asset revaluation reserve	52,687,758	50,979,678
3,054,013	Other reserves	134,920	4,581,724
163,237,567	Total equity	167,941,115	164,702,357
<u>175,604,357</u>	Total liabilities and equity	<u>180,178,798</u>	<u>177,033,359</u>

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
	Cash flows from Operating Activities		
	Cash was received from:		
9,073,488	Receipts from rates income	9,695,783	9,671,149
1,623,244	Grants, subsidies and donations	1,594,868	1,643,595
57,736	Petrol tax	60,000	59,757
134,550	Finance income	159,215	154,645
1,042,549	Regional council rates	1,073,825	1,110,728
963,994	Other income	2,687,728	2,249,260
12,895,561		15,271,419	14,889,134
	Cash was applied to:		
8,799,299	Payments to suppliers & employees	9,064,548	8,925,470
1,042,549	Regional council rates	1,073,825	1,110,728
577,087	Finance expenditure	540,575	740,816
10,418,934		10,678,949	10,777,015
2,476,626	Net cash flow from operating activities	4,592,470	4,112,120
	Cash flows from Investing Activities		
	Cash was received from:		
-	Sale of property, plant and equipment	-	-
-	Term investments, shares & advances	-	-
-	Forestry investment	-	-
-		-	-
4,502,824	Cash was applied to:		
-	Purchase of property, plant and equipment	5,325,840	4,074,942
-	Term investments, shares & advances	-	200,000
-	Forestry investment	40,000	-
4,502,824		5,365,840	4,274,942
(4,502,824)	Net cash flow from investing activities	(5,365,840)	(4,274,942)
	Cash flows from Financing Activities		
	Cash was received from:		
1,653,640	Proceeds from borrowings	1,849,500	942,405
1,653,640		1,849,500	942,405
	Cash was applied to:		
425,011	Repayment of borrowings	309,524	505,228
425,011		309,524	505,228
1,228,629	Net cash flow from financing activities	1,539,976	437,177
(797,569)	Net increase/(decrease) in cash held	766,606	274,355
3,740,324	Add cash at start of year (1 July)	3,811,725	3,307,497
<u>2,942,755</u>	Balance at end of year (30 June)	<u>4,578,331</u>	<u>3,581,852</u>
	Represented by:		
<u>2,942,755</u>	Cash and cash equivalents and bank overdrafts	<u>4,578,331</u>	<u>3,581,852</u>

CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
632,156	Surplus/(deficit) after tax	614,620	297,481
	Add/(Less) non cash expenses		
-	Revaluation (gains)/losses	-	-
3,105,513	Depreciation & amortisation	3,479,981	3,815,498
15,000	Bad debts	15,000	15,975
(50,000)	Assets vesting in council	-	-
3,070,513		3,494,981	3,831,473
	Add/(Less) items classified as investing or financing activities		
-	(Gains)/losses on sale of property, plant and equipment	-	-
-	(Gains)/losses in fair value of forestry assets	-	-
-	(Gains)/losses in fair value of investment properties	-	(479)
-		-	(57,836)
	Plus/(less) movements in working capital		
-	(Increase)/decrease in inventories	-	-
(1,208,750)	(Increase)/decrease in debtors and other receivables	347,265	(74,875)
(14,608)	Increase/(decrease) in creditors and other payables	137,445	55,213
-	Increase/(decrease) in employee entitlements	-	6,701
(2,684)	Increase/(decrease) in provisions	(1,840)	(3,394)
(1,226,043)		482,869	(16,355)
2,476,626	Net cashflow from operating activities	4,592,470	4,112,120

CARTERTON DISTRICT COUNCIL

NOTE—DEPRECIATION PER GROUP OF ACTIVITIES

This table shows the depreciation expense charged to each group of activities.

	Annual Plan 30 June 2015 \$
Governance	1,264
Roads and footpaths	1,416,027
Water supply	584,086
Sewerage	446,015
Stormwater	86,279
Waste management	31,445
Community support	688,170
Regulatory and planning	27,427
Administration and support services	199,268
Total depreciation	3,479,981



**CARTERTON DISTRICT COUNCIL
FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Operating Funding		
Sources of operating funding		
6,229,113	6,592,667	6,850,889
1,874,669	2,023,640	1,903,703
700,170	606,398	737,275
2,364,516	2,656,280	2,465,858
135,100	159,215	155,195
511,120	449,659	436,201
11,814,688	12,487,859	12,549,121
Applications of operating funding		
8,733,006	9,151,153	8,931,804
577,087	540,575	740,816
-	-	-
9,310,093	9,691,728	9,672,620
2,504,595	2,796,131	2,876,501
Capital Funding		
Sources of capital funding		
923,074	988,470	906,320
310,000	310,000	330,157
1,228,629	1,519,759	437,177
-	-	-
-	-	-
2,461,703	2,818,229	1,673,654
Applications of capital funding		
558,372	572,050	375,026
1,263,640	1,619,760	527,265
2,680,812	3,134,030	3,172,651
463,474	248,520	475,214
-	40,000	-
4,966,298	5,614,360	4,550,156
(2,504,595)	(2,796,131)	(2,876,501)
-	-	-

**CARTERTON DISTRICT COUNCIL
PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

Annual Plan 30 June 2014 \$	Annual Plan 30 June 2015 \$	LTP 30 June 2015 \$
Operating surplus/(deficit) from cost of service statements		
(18,262)	7,890	12,392
306,217	264,861	227,152
45,683	46,441	(15,570)
40,629	75,869	(34,951)
10,327	10,917	(3,129)
10,522	9,744	11,265
(7,753)	(7,910)	(9,613)
90,319	106,274	(13,896)
(177,610)	(206,729)	(521,930)
70,782	68,698	68,124
261,300	238,565	577,637
-	-	-
-	-	-
632,156	614,620	297,481
-	-	-
-	-	-
632,156	614,620	297,481
(923,074)	(988,470)	(906,320)
(310,000)	(310,000)	(330,157)
-	-	-
3,105,513	3,479,981	3,815,498
2,504,595	2,796,131	2,876,501
2,504,595	2,796,131	2,876,501



Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 21 of the Local Government Act 2002 requires certain information to be included in the Annual Plan about these reserves. The Act defines reserve funds as 'money set aside by a local authority for a specific purpose'. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity.

The Council has a number of specific cash investments that represent monies put aside for a particular purpose as follows:

WWII Memorial Trust—Joint Council and Carterton RSA initiative. Grants from interest earned on investment distributed to Carterton district residents undertaking tertiary education.

Clareville Grave Maintenance Trust—Funds left in trust for the Council to maintain a grave at the Clareville Cemetery.

Equipment Purchase and Renewal Fund—Funds predominantly used for the purchase of plant, equipment, vehicles, and IT equipment.

Roading Emergency Fund—Contingency fund to be used for emergency roading works, eg damage caused by flooding. A contribution of 0.5 percent of general rates to be made to the fund annually.

Water Race Intake Reserve—Contingency fund to be used to upgrade or replace the water race intakes. An annual contribution of \$5,000.00 is to be made to the fund from the water race targeted rates.

Major Projects Fund—The funds to be used for projects that benefit the community as a whole as determined by the Council of the day.

Recreation and Reserve Account—Funds from Recreation Reserve levies as provided for in the District Plan. Funds to be used for the purchase of Esplanade Reserves and Strips as required under the Resource Management Act or for the purchase or development of new or existing recreation reserves.

Roading Contributions Fund—Monies from Roding Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding the district's roading network.

Infrastructure Contributions Fund—Monies from Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding public water supplies, and the disposal of sewage and stormwater.

Waingawa Infrastructure Contributions Fund—Monies from Waingawa Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding water supply and the disposal of sewage for the Waingawa industrial area.

Longbush Domain, Belvedere Hall, and West Taratahi Hall—Monies held by the respective community organisations for activities in association with the community halls and property in their communities owned by the Council.

Waste Disposal Fund—Under the Waste Minimisation Act, a waste levy is charged on all waste disposed of in a landfill. Half the levy money goes to territorial authorities, on a population basis, so that they can improve waste minimisation in their areas.

Creative New Zealand Fund—Monies received from Creative New Zealand for the Council to distribute as grants for community arts.

Sport New Zealand Rural Travel Fund—Monies received from Sport New Zealand for the Council to distribute as travel subsidy grants to assist young people in rural school and club sports teams to participate in local sporting competitions.

Keep Carterton Beautiful Fund—Monies managed by the Keep Carterton Beautiful committee. Funds to be used for beautifying the town centre.

Water Race Resource Consent Fund—Monies set aside each year to build funds for expenditure related to renewing resource consents for the district's water races.

Memorial Square Fund—Established under the Carterton and District Memorial Square Act 1932 to obtain land and erect a memorial (now Memorial Square) and the ongoing maintenance and upkeep of the memorial and associated public park or recreation ground.

Election Contingency Fund—Monies set aside by Council in non-election years to assist with the costs of elections.

Workshop Depot Upgrade Fund—Monies set aside by Council for the upgrade of the garage workshop in the Council Operations Depot.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$
	Plant Purchase & Renewal Fund	
34,024	Opening Balance	35,497
1,531	Deposits	1,597
35,000	Withdrawals	-
555	Closing Balance	37,094
	Recreation Reserve Fund Levy Fund	
413,652	Opening Balance	473,008
118,614	Deposits	121,285
50,000	Withdrawals	451,050
482,266	Closing Balance	143,243
	Roading Emergency Works Fund	
104,239	Opening Balance	141,911
39,791	Deposits	44,486
-	Withdrawals	-
144,030	Closing Balance	186,397
	Water Race Intake Fund	
26,943	Opening Balance	33,208
6,212	Deposits	6,494
-	Withdrawals	-
33,155	Closing Balance	39,702
	Waste Disposal Fund	
29,068	Opening Balance	33,778
19,308	Deposits	19,520
-	Withdrawals	-
48,376	Closing Balance	53,298
	Creative NZ Fund	
2,736	Opening Balance	2,302
123	Deposits	104
-	Withdrawals	-
2,859	Closing Balance	2,406
	Sparc Rural Travel Fund	
563	Opening Balance	-
25	Deposits	-
-	Withdrawals	-
588	Closing Balance	-
	Keep Carterton Beautiful Fund	
5,454	Opening Balance	8,038
245	Deposits	362
559	Withdrawals	577
5,140	Closing Balance	7,823

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES contd.
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$
	Water Race Resource Consent Fund	
-	Opening Balance	-
12,000	Deposits	12,000
-	Withdrawals	-
12,000	Closing Balance	12,000
	Clareville Grave Maintenance Fund	
2,236	Opening Balance	2,297
10	Deposits	103
-	Withdrawals	-
2,246	Closing Balance	2,400
	Memorial Square Trust Fund	
6,361	Opening Balance	6,634
286	Deposits	299
-	Withdrawals	-
6,647	Closing Balance	6,933
	WWII Memorial Trust Fund	
62,105	Opening Balance	63,420
4,395	Deposits	4,454
2,600	Withdrawals	2,600
63,900	Closing Balance	65,274
	Longbush Domain Board Fund	
2,241	Opening Balance	2,562
-	Deposits	-
-	Withdrawals	-
2,241	Closing Balance	2,562
	West Taratahi Hall Board	
19,642	Opening Balance	25,719
-	Deposits	-
-	Withdrawals	-
19,642	Closing Balance	25,719
	Election Contingency Fund	
17,920	Opening Balance	27,311
806	Deposits	9,729
17,000	Withdrawals	-
1,726	Closing Balance	37,040
	Workshop Depot Upgrade Fund	
19,686	Opening Balance	20,538
886	Deposits	924
-	Withdrawals	-
20,572	Closing Balance	21,462

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES contd.
FOR THE YEAR ENDED 30 JUNE 2015

Annual Plan 30 June 2014 \$		Annual Plan 30 June 2015 \$
	Combined District Plan Fund	
(619,416)	Opening Balance	(628,078)
80,500	Deposits	80,500
27,874	Withdrawals	28,264
(566,790)	Closing Balance	(575,842)
	Roading Contribution Fund	
836,782	Opening Balance	617,254
137,655	Deposits	127,776
200,000	Withdrawals	-
774,437	Closing Balance	745,030
	Infrastructure Contributions Reserve Fund	
865,260	Opening Balance	1,042,869
138,937	Deposits	156,929
320,000	Withdrawals	350,000
684,197	Closing Balance	849,798
	Waingawa Infrastructure Contributions Reserve Fund	
105,652	Opening Balance	109,380
14,709	Deposits	4,922
-	Withdrawals	-
120,361	Closing Balance	114,302
	Belvedere Hall Fund	
2,967	Opening Balance	2,524
-	Deposits	-
-	Withdrawals	-
2,967	Closing Balance	2,524
	Waingawa Industrial Zone Services Deficit Fund	
20,006	Opening Balance	26,208
900	Deposits	1,179
-	Withdrawals	-
20,906	Closing Balance	27,387
	Special Funds Reserves - Summary	
1,957,121	Opening Balance	2,046,380
549,150	Deposits	592,663
625,159	Withdrawals	832,491
1,881,112	Closing Balance	1,806,552



Funding impact statement

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the Revenue and Financing Policy.

The method and impact of both general and targeted rates is covered in the 'Rating System' section that follows.

Definition of 'separately used or inhabited part of a rating unit'

Any part of a rating unit separately used or inhabited by the owner or any other who has the right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

Rating system

Introduction

Clause 20 of Schedule 10 of the Local Government Act 2002 requires a funding impact statement for the year to which the annual plan relates.

The funding impact statement must identify:

- the sources of funding to be used by the Council
- the amount of funds expected to be produced from each source
- how the funds are to be applied.

If the sources of funding include a general rate, the funding impact statement must:

- include particulars of the valuation system on which the general rate is to be assessed, eg land, annual or capital value
- state whether a uniform annual general charge is to be included and, if so, how the charge is to be calculated and the Council's definition of a separately used or inhabited part of a rating unit if the charge is to be calculated on that basis
- state whether the general rate is to be set differentially and, if so, state the category or categories that will be used for differentiating the general rate within the meaning of section 14 of the Local Government (Rating) Act 2002 and the objectives of the differential rate in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category.

If the sources of funding include a targeted rate, the funding impact statement must:

- specify the activity or groups of activities for which a targeted rate will be set
- specify any category or categories of rateable land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate
- state any factor or factors that will be used to calculate liability for a targeted rate
- state the Council's definition of a 'separately used or inhabited part of a rating unit' if the rate is to be calculated on that basis
- state the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category if the targeted rate is to be set differentially
- state whether lump sum contributions will be invited in respect of the targeted rate
- state the basis for setting charges for water supply if it is to be by volume of water consumed, eg as a fixed charge per unit of water consumed or supplied or according to a scale of charges.

General rates

The Council proposes to set a general rate based on the capital value of each rating unit in the District.

The general rate will be set on a differential basis over three rating categories as follows:

- Residential
 - all rating units used primarily for residential purposes within the residential zone of the Carterton District as depicted in the District Plan
 - all rating units located in the commercial and industrial zones of Carterton District, as depicted in the District Plan, that are primarily used for residential purposes
 - all rating units associated with utility services (water, telecommunications, etc) that are located in the urban area.
- Commercial
 - all rating units in the commercial zone of Carterton District, including the Carterton Character Area, as depicted in the District Plan, and all rating units outside the said commercial zone that have existing use rights or resource consent to undertake commercial land use activities under the Resource Management Act 2001
 - all rating units in the industrial zone of Carterton District, as depicted in the District Plan, and all rating units outside the said industrial zone that have existing use rights or resource consent to carry out industrial land use activities under the Resource Management Act 2001.

- Rural
 - all rating units within the rural zone of Carterton District, as depicted in the District Plan, but excluding those rating units that hold and are exercising existing use rights or resource consent to carry out commercial or industrial land use activities under the Resource Management Act 2001
 - all rating units associated with utility services (water, telecommunications, etc) that are located in the rural area.

Uniform Annual General Charge

The Council proposes to set a Uniform Annual General Charge on each rating unit in the District.

The Uniform Annual General Charge is calculated as one fixed amount per rating unit.

Targeted rates

Resource management and planning service rate

The Council proposes to set a resource management and planning service rate for resource management and district planning services, on every rating unit in the District calculated on capital value.

Urban sewerage rate

The Council proposes to set a differential targeted rate for the Council's urban sewerage and treatment and disposal of sewage services of a fixed amount per separately used or inhabited part of a rating unit in relation to all land in the district to which the Council's sewerage service is provided or available.

The rate applied is as follows:

- a charge per rating unit connected
- a charge per water closet or urinal within the rating unit after the first one
- a charge per rating unit that is able to be connected.

For the purposes of this rate:

- 'connected' means the rating unit is connected to the Council's urban sewerage service
- 'able to be connected' means the rating unit is not connected to the Council's urban sewerage drain but is within 30 metres of such a drain

- a rating unit used primarily as a residence for one household is treated as not having more than one water closet.

Waingawa sewerage rate

The Council proposes to charge a targeted rate of a fixed amount on every separately used or inhabited part of a rating unit that is connected to the Waingawa sewerage service.

Additionally, the Council proposes to set a Waingawa sewerage rate based on capital value on all properties connected or able to be connected to the Waingawa sewerage service.

For the purposes of this rate:

- 'connected' means a rating unit that is connected to the reticulated sewerage service
- 'able to be connected' means a rating unit that can be connected to the sewerage service, but is not, and is a property situated within 30 metres of such a drain.

The purpose of this rate is to fund the operation and maintenance of the Waingawa sewerage service.

Stormwater rate

The Council proposes to set stormwater rate on all rating units within the urban area and is calculated on land value.

Refuse collection and kerbside recycling rate

The Council proposes to set a refuse collection and kerbside recycling rate for kerbside refuse and recycling collection on every separately used or inhabited part of a rating unit where the Council provides the service.

Urban water rate

The Council proposes to charge a targeted urban water rate of a fixed amount for an allowance of up to 300 cubic metres of water per year, on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Council's urban water supply system.



Additionally, the Council proposes to charge a targeted water rate per cubic metre of water supplied, as measured by meter, for water consumed over 300 cubic metres per year. This rate will be invoiced separately from land rates.

The Council proposes to charge a targeted water rate of a fixed amount for rating units that are not yet connected but are able to be connected to the urban water supply.

For the purposes of this rate:

- 'connected' means a rating unit to which water is supplied
- 'able to be connected' means a rating unit to which water can be, but is not, supplied being a property situated within 100 metres of the water supply.

The purpose of this rate is to fund the operation and maintenance of the urban water supply.

Rural water race rate

Carrington Water Race System

The Council proposes to charge a targeted rate on a differential basis, calculated on land area, on rating units within the Carrington water race system classified area as follows:

- Class A land area 200 metres either side of the centreline of the water race
- Class B land area from 200 to 500 metres either side of the centreline of the water race
- Class C land area irrigated.

Additionally, the Council proposes to set a rural water services rate, on every rating unit situated in the Carrington Water Race Classified Area for provision of the service.

Taratahi Water Race System

The Council proposes to charge a targeted rate on a differential basis, calculated on land area, on rating units within the Taratahi water race system classified area as follows:

- Class A land area 200 metres either side of the centreline of the water race
- Class B land area from 200 to 500 metres either side of the centreline of the water race
- Class C land area irrigated.

Additionally, the Council proposes to set a rural water services rate, on every rating unit situated in the Taratahi Water Race Classified Area for provision of the service.

Waingawa water rate

The Council proposes to charge a targeted rate of a fixed amount on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Waingawa Water Supply service.

Additionally, the Council proposes to charge a targeted rate per cubic meter of water supplied, as measured by meter, for all water consumed. This rate will be invoiced separately from other rates.

The Council proposes to charge a targeted rate of a fixed amount for rating units that are not yet connected but are able to be connected to the Waingawa Water Supply service.

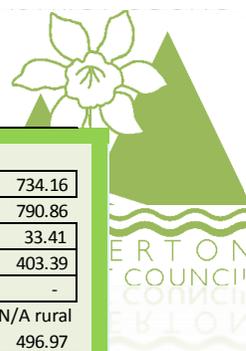
For the purposes of this rate:

- 'connected' means a rating unit to which water is supplied
- 'able to be connected' means a rating unit to which water can be, but is not, supplied being a property situated within 100 metres of the water supply.

The purpose of this rate is to fund the operation and maintenance of the Waingawa Water Supply service.

Examples

Some examples are provided on the following page of the general and targeted rates for a range of rateable land types and property values.



Residential		multiplier	GST inclusive
General-residential	Capital value	160,000 x 0.0024472 =	391.55
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	160,000 x 0.0002227 =	35.63
Urban sewerage			403.39
Stormwater	Land value	70,000 x 0.0012254 =	85.78
Refuse collection and kerbside recycling			76.75
Urban water-connection			496.97
Metered water	Cubic metres over 300	x \$1.90 =	-
Total			2,280.93

Residential		multiplier	GST inclusive
General-residential	Capital value	280,000 x 0.0024472 =	685.22
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	280,000 x 0.0002227 =	62.36
Urban sewerage			403.39
Stormwater	Land value	100,000 x 0.0012254 =	122.54
Refuse collection and kerbside recycling			76.75
Urban water-connection			496.97
Metered water	Cubic metres over 300	x \$1.90 =	-
Total			2,638.08

Residential		multiplier	GST inclusive
General-residential	Capital value	350,000 x 0.0024472 =	856.52
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	350,000 x 0.0002227 =	77.95
Urban sewerage			403.39
Stormwater	Land value	110,000 x 0.0012254 =	134.79
Refuse collection and kerbside recycling			76.75
Urban water-connection			496.97
Metered water	Cubic metres over 300	50 x \$1.90 =	95.00
Total			2,932.23

Commercial		multiplier	GST inclusive
General-commercial	Capital value	450,000 x 0.0048944 =	2,202.48
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	450,000 x 0.0002227 =	100.22
Urban sewerage	No. pans	3 x \$403.39 =	1,210.17
Stormwater	Land value	200,000 x 0.0012254 =	245.08
Refuse collection and kerbside recycling			76.75
Urban water-connection			496.97
Metered water	Cubic metres over 300	100 x \$1.90 =	190.00
Total			5,312.53

Commercial - rural		multiplier	GST inclusive
General-commercial	Capital value	150,000 x 0.0048944 =	734.16
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	150,000 x 0.0002227 =	33.41
Urban sewerage	No. pans	1 x \$403.39 =	403.39
Stormwater	Land value	N/A rural x 0.0012254 =	-
Refuse collection and kerbside recycling			N/A rural
Urban water-connection			496.97
Metered water	Cubic metres over 300	- x \$1.90 =	-
Total			2,458.79

Rural		multiplier	GST inclusive
General-rural	Capital value	280,000 x 0.0019578 =	548.18
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	280,000 x 0.0002227 =	62.36
Total			1,401.40

Rural		multiplier	GST inclusive
General-rural	Capital value	500,000 x 0.0019578 =	978.90
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	500,000 x 0.0002227 =	111.35

Carrington water race		multiplier	GST inclusive
		1 x \$197.69 =	197.69
Class A	Hectares	5.0000 x 60.82387 =	304.12
Class B	Hectares	x 12.48431 =	-
Class C	Hectares	x 109.82818 =	-

Taratahi water race		multiplier	GST inclusive
		x \$211.71 =	-
Class A	Hectares	x 15.62121 =	-
Class B	Hectares	x 3.24562 =	-
Class C	Hectares	x 119.40866 =	-

Total			2,382.92
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Rural		multiplier	GST inclusive
General-rural	Capital value	2,000,000 x 0.0019578 =	3,915.60
Uniform Annual General Charge			790.86
Regulatory and planning services	Capital value	2,000,000 x 0.0002227 =	445.40

Carrington water race		multiplier	GST inclusive
		x \$197.69 =	-
Class A	Hectares	x 60.82387 =	-
Class B	Hectares	x 12.48431 =	-
Class C	Hectares	x 109.82818 =	-

Taratahi water race		multiplier	GST inclusive
		1 x \$211.71 =	211.71
Class A	Hectares	100.0000 x 15.62121 =	1,562.12
Class B	Hectares	20.0000 x 3.24562 =	64.91
Class C	Hectares	x 119.40866 =	-

Total			6,990.60
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Rates and charges 2014/15

The following rates and charges should be read in conjunction with the funding impact statement on the previous pages.

	Factor	Rates requirement \$ including GST
General rates—differential factor		
Residential	1.0	
Commercial	2.0	
Rural	0.8	
General rates—capital value		
Residential	0.24472 cents in the \$	\$ 1,279,845
Commercial	0.48944 cents in the \$	\$ 452,791
Rural	0.19578 cents in the \$	\$ 2,645,783
Uniform Annual General Charge		
50% Uniform Annual General Charge	\$790.86 ea	\$ 3,138,925
	\$395.43 ea	\$ 6,722
Regulatory and planning services—capital value		
	0.02227 cents in the \$	\$ 439,446
Urban sewerage		
Connected	\$403.39 ea	\$ 1,006,047
Able to be connected (half charge)	\$201.69 ea	\$ 25,817
Waingawa sewerage—capital value		
Connected	\$390.28	\$ 3,463
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.3208 cents in the \$	\$ 35,834
Connected or able to be connected residential properties in the Waingawa industrial zone	0.1604 cents in the \$	-

	Factor	Rates requirement \$ including GST
Stormwater—land value	0.12254 cents in the \$	\$ 247,459
Refuse collection and kerbside recycling		
	\$76.75 ea	\$ 172,838
Urban water		
Connected	\$496.97 ea	\$ 1,221,558
Able to be connected (half charge)	\$248.49 ea	\$ 31,806
Metered water in excess of 300 cubic metres	\$1.90 per cubic metre	\$ 115,000
Rural water race		
Carrington water race		
Rural water services rate	\$197.69 ea	\$ 13,838
Class A	\$60.82387 per ha	\$ 67,027
Class B	\$12.48431 per ha	\$ 7,343
Class C	\$109.82818 per ha	\$ 5,931
Taratahi water race		
Rural water services rate	\$211.71 ea	\$ 98,235
Class A	\$15.62121 per ha	\$ 116,388
Class B	\$3.24562 per ha	\$ 11,134
Class C	\$119.40866 per ha	\$ 56,122
Waingawa water		
Connected	\$194.90 ea	\$ 8,297
Metered water	\$1.98 per cubic metre	\$ 115,000



Appendix A

Schedule of fees and charges 2014/15



Schedule of fees and charges 2014/15

User fees and charges are used to recognise that there is a private benefit from the operation of the variety of services provided by the Council to the community. User fees revenue reduces the rates revenue required to be collected from ratepayers.

The following schedule of fees and charges are for the 2014/15 year.

2013/14 fees including GST		2014/15 fees including GST
	Health licences	
\$250.00	New food premises	\$250.00
\$200.00	Cafés, restaurants, catteries/kennels	\$200.00
\$200.00	Supermarket and food manufacturers	\$200.00
\$180.00	Mobile shops	\$180.00
\$200.00	Motels	\$200.00
\$220.00	Itinerant trader—annual registration including inspection	\$220.00
\$100.00	Hawkers licence	\$100.00
\$100.00	Transfer of registration	\$100.00
\$110.00	Hairdressers	\$110.00
\$110.00	Inspection on request	\$110.00
\$75.00	Re-inspection for failure to comply with requisition or FCP record	\$75.00
\$20.00 per week	Street stall licence	\$20.00 per week
\$130.00	Offensive trade, sale yards, camping grounds	\$130.00
\$60.00	Hall (inspection services)	\$60.00
	Noise control—recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
	Noise/health-related complaints under the RMA ¹⁵ and Health Act 1956—recover all reasonable costs associated with investigating/resolving the matter	
\$100.00	Gambling venue applications	\$100.00
\$50.00	Beekeepers	\$50.00
\$175.00	Funeral directors	\$175.00
\$11.25	Amusement devices	\$11.25

2013/14 fees including GST		2014/15 fees including GST
	Resource Consent Fees (deposit only)	
-	Controlled activity (other than minor land use)	\$500.00
-	Discretionary activity	\$1,000.00
\$85.00 per hour	Additional processing time above 5 hours	\$85.00 per hour
\$1,700.00	Notified resource consents—deposit only (applicants are required to meet the full cost of processing applications inclusive of hearing costs)	\$1,700.00
-	Minor changes to consents (eg changes to conditions)	\$150.00
\$400.00	Application for land use of a minor nature (eg relocated dwelling, building setback dispensation)	\$400.00
\$500.00	Resource consents under section 127 RMA	\$500.00
\$300.00	Certificate of Compliance and any other certificates eg Section 226 RMA	\$300.00
\$300.00	Section 223 and 224 RMA certificates	\$300.00
\$1,000.00	Monitoring compliance with resource consents—cost, with maximum of	\$1,000.00
\$5,100.00	District Plan changes—deposit only (applicants are required to meet the full cost of processing applications)	\$5,100.00
\$85.00	Copy of District Plan	\$85.00
\$189.00	Land Information Memorandum	\$189.00
\$255.00	Land Information Memorandum—urgent service	\$255.00
actual cost	Other external reports, eg engineers, commissioners, solicitors, special advisors (indicative charges between \$150–300 per hour)	actual cost
\$5,750.00	Infrastructure Contribution	\$5,750.00
\$7,475.00	Infrastructure Contribution—Waingawa Industrial Zone	\$7,475.00
2% of land value + GST	Roading Contribution—Residential, Commercial, and Industrial Zones	2% of land value + GST
3% of land value + GST	Roading Contribution—Rural Zone	3% of land value + GST
3% of land value + GST	Reserve Contribution—Residential, Commercial, and Industrial Zones	3% of land value + GST
2% of land value + GST	Reserve Contribution—Rural Zone	2% of land value + GST
\$105.00 per hour	Rural effluent field assessment Labour in excess of 2 hours charged at \$26.25 per 15 minutes or part thereof	\$105.00 per hour
\$10.00	Monthly building consent lists	\$10.00

¹⁵ Resource Management Act 1991



2013/14 fees including GST		2014/15 fees including GST
	Service fees	
Actual Cost	Water connection	Actual Cost
Actual Cost	Sewer connection	Actual Cost
\$51.00	Administration fee	\$51.00
Actual Cost	Combined sewer and water connection	Actual Cost
Actual Cost	Standard vehicle crossing	Actual Cost
\$57.50	Applications for water race draw off	\$57.50
Actual Cost	Clearing sewers (property owner boundary to main)	Actual Cost
Actual Cost	Damage to Road Reserve	Actual Cost
	Transfer station entry fees	
	General refuse	
\$16.00	Car boot	\$17.00
\$34.00	Small trailer or ute up to 1.8m x 1.2m x 0.4 high (sorted)	\$35.00
\$181.00	Any load after this weight (per tonne)	\$184.00
	Green waste	
\$5.00	Car boot	\$5.00
\$10.00	Small trailer or ute	\$10.00
\$20.00	Large trailer/medium truck less than 2 tonne	\$20.00
\$42.00	Large truck up to 6 tonne	\$42.00
	Any larger loads as charged by Council	
	Tyres	
\$500.00	Tyres (per tonne)	\$510.00
\$3.00 each	Car and 4WD tyres—up to 4 tyres on rims	\$3.50 each
\$5.00 each	Truck tyres—up to 4 tyres	\$5.50 each
\$500.00 per tonne	Tractor or earthmover tyres, more than 4 tyres/load (any type) or mixed load containing tyres	\$510.00 per tonne
	Dog registration fees (before 1 August)	
	From 1 August—50% of the fee will be added as penalty. For certified seeing-eye or hearing dogs, a fee of 50% of those stated below.	
\$84.00	Urban—entire dogs	\$84.00
\$59.00	Urban—spayed/neutered dogs	\$59.00
\$59.00 per dog	Rural—non-neutered and neutered dogs—first two dogs	\$59.00 per dog
\$31.00 per dog	Rural—non-neutered and neutered dogs—all remaining dogs	\$31.00 per dog
\$126.00	Dog classified as dangerous	\$126.00

2013/14 fees including GST		2014/15 fees including GST
	Impounding fees	
\$50.00	Dogs, sheep, goats	\$50.00
\$75.00	Cattle, deer, horses and all other animals	\$75.00
	Droving charge—calculated on actual cost including labour and plant hire	
\$8.00 per day	Sustenance fee—dogs	\$8.00 per day
\$10.00 per day	Sustenance fee—all other animals	\$10.00 per day
	Outdoor swimming complex	
Free	Entry fee adult/child—per person	Free
Free	School groups—per child per season (schools are responsible for lifeguard arrangements and associated costs)	Free
	Cemetery	
\$25.00	Headstone permit	\$25.00
	Plots	
\$1,000.00	• lawn	\$1,000.00
\$156.00	• child under 1 year old	\$156.00
\$312.00	• child over 1 year old and below 10 years old	\$312.00
\$208.00	• cremation	\$208.00
\$260.00	Extra depth charge	\$260.00
	Interment	
\$680.00	• lawn	\$680.00
\$156.00	• cremation	\$156.00
\$125.00	• child under 1 year old	\$125.00
\$312.00	• child over 1 year old and below 10 years old	\$312.00
\$612.00	• servicemen	\$612.00
\$792.00	Out-of-town burial fee	\$792.00
\$1,042.00	Saturday burials	\$1,042.00
\$1,305.00	Saturday burials—out of town	\$1,305.00
Actual Cost	Disinterment	Actual Cost
	No burials on Public Holidays	
	Private Burial Service	
\$51.00	Chapel	\$51.00
	Park Fees	
\$572.00	Association Football—per ground	\$572.00



2013/14 fees including GST		2014/15 fees including GST
\$884.00	Cricket Association	\$884.00
\$572.00	Athletic Club	\$572.00
	<i>Additional charges may be levied for additional services, including pitch preparation and repairs</i>	
	Housing for the Elderly—rentals per week (GST exempt)	
\$87.00	Porritt Place unit	\$87.00
\$90.00	Dudson Place single unit	\$90.00
\$100.00	Dudson Place double unit	\$100.00
\$120.00	Fisher Place unit	\$120.00
\$120.00	Wakelin Street single unit	\$120.00
\$132.00	Wakelin Street double unit	\$132.00
Note: The above housing rentals are a subsidised rental for those tenants on low incomes and with limited assets. Tenants who do not meet the criteria to qualify for a subsidised rental will be charged the market rate rental.		
	Community Notice Board	
Free	Use of the Community Notice Board—community groups	Free
\$5.00 per day	Use of the Community Notice Board—commercial and private	\$5.00 per day
	Holiday Park (per night)	
\$30.00	Tent site (2 persons)	\$30.00
\$15.00	• additional person	\$15.00
\$5.00	• additional children	\$5.00
	Cabins—peak season rates may apply	
\$40.00	• standard cabin (2 persons)	\$40.00
\$80–95.00	• self-contained cabin (2 persons)	\$80–95.00
\$15.00	• additional adult	\$15.00
\$5.00	• additional child	\$5.00
	Library	
	Rentals (per issue)	
\$0.50	• fiction books (including re-issues)	\$0.50
\$0.50	• magazines	\$0.50

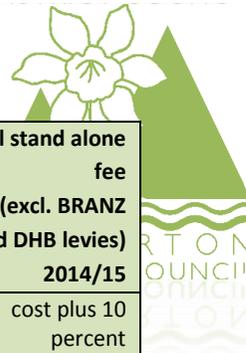
2013/14 fees including GST		2014/15 fees including GST
\$2.00	• DVDs	\$2.00
	Fines	
\$0.50	• adult book—first week	\$0.50
\$1.00	• per week thereafter	\$1.00
\$0.20	• children's books—first week	\$0.20
\$0.70	• per week thereafter	\$0.70
\$0.50	Reserves	\$0.50
	Inter-loans	
\$5.00	• per book, article, or subject request (\$2.00 non-refundable in advance, \$3.00 on delivery)	\$5.00
	• charges from other libraries (at cost)	
\$2.00	Replacement cards	\$2.00
Replacement cost	Lost library book	Replacement cost
	Administration	
	Photocopying—per page	
\$1.00	• A3 black and white	\$1.00
\$0.50	• A4 black and white	\$0.50
	• double-sided black and white—add 10 cents per page	
\$0.10	• school homework	\$0.10
	• 20 or more copies—Librarian's discretion	
\$2.00	• A3 colour	\$2.00
\$1.00	• A4 colour	\$1.00
	• double-sided colour—add 30 cents per page	
	Laminating per page	
\$3.00	• A3	\$3.00
\$2.00	• A4	\$2.00
\$2.70	Rubbish bags	\$2.70
\$11.50	Replacement/additional recycling bins	\$11.50
\$15.00	Rating information schedule	\$15.00
\$55.00	Street index	\$55.00



Building consent and PIM fees (all fees include GST)

PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14	Classification	PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15
			Minor work			
\$42.00	\$109.00	\$260.00	Solid fuel heater	\$43.25	\$112.00	\$268.00
\$42.00	\$109.00	\$344.00	Minor plumbing and drainage work, eg fittings, drain alteration	\$43.25	\$112.00	\$355.00
\$42.00		\$882.00	Drainage work, eg new minor subdivision services, and common drains	\$43.25		\$908.00
\$42.00	\$311.00	\$748.00	Drainage work, eg new effluent disposal system	\$43.25	\$320.00	\$770.00
\$42.00	\$176.00	\$479.00	Wet area shower (vinyl floor)	\$43.25	\$182.00	\$493.00
\$42.00	\$210.00	\$655.00	Wet area shower (tile floor)	\$43.25	\$216.25	\$675.00
\$42.00		\$126.00	Private marquee >100 m ² —professional assembly only (no inspection)	\$43.25		\$130.00
\$42.00		\$126.00	Public marquee >100 m ² and <50 people—professional assembly (no inspection)	\$43.25		\$130.00
\$42.00		\$260.00	Public marquee >100 m ² and >50 people	\$43.25		\$268.00
\$42.00		\$260.00	Private marquee >100 m ² (with inspection)	\$43.25		\$268.00
			Sheds / garages / conservatories etc			
na		\$84.00	Swimming pool 1200mm above ground and pool fencing	na		\$86.50
\$42.00		\$344.00	In-ground swimming pools (includes fence)	\$43.25		\$355.00
\$42.00		\$521.00	Garden sheds/retaining walls/carports/conservatories/other minor works	\$43.25		\$536.00
\$84.00		\$605.00	Minor farm buildings (haysheds covered yards 1–6 bays, etc)	\$86.50		\$623.00
\$84.00		\$874.00	Larger farm buildings (covered yards, wool sheds)	\$86.50		\$900.00
\$84.00		\$605.00	Proprietary garages standard	\$86.50		\$623.00
\$84.00		\$739.00	Proprietary garages with fire wall	\$86.50		\$761.00
\$84.00		\$739.00	Proprietary garages including sleepout no plumbing or drainage	\$86.50		\$761.00
\$84.00	\$197.00	\$1,008.00	Plumbing and drainage	\$86.50	203.00	\$1,038.00
\$84.00		\$781.00	Garages, simple custom design, single level	\$86.50		\$804.00
\$42.00		\$521.00	Residential repile	\$43.25		\$536.00
\$42.00		\$193.00	Residential demolition	\$43.25		\$199.00
			Residential dwellings—new (note: double units charged at single unit rate + 50%)			
\$336.00		\$3,326.00	Single storey	\$346.00		\$3,425.00

PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14	Classification	PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15
\$504.00		\$3,394.00	Multi-storey	\$519.00		\$3,495.00
\$84.00		\$2,570.00	Transportable dwelling (yard built)	\$86.50		\$2,647.00
\$420.00		\$1,478.00	Relocated residential dwelling <i>(if applicable, add alteration fee)</i>	\$432.50		\$1,522.00
			Residential dwellings— additions and alterations			
			Minor external alterations	\$43.25		\$355.00
\$42.00		\$521.00	Internal alterations	\$43.25		\$536.00
\$84.00		\$1,226.00	Addition to single storey	\$86.50		\$1,263.00
\$84.00		\$1,310.00	Addition to multi-storey	\$86.50		\$1,349.00
	\$197.00	\$1,008.00	Plumbing and drainage		\$203.00	\$1,038.00
			Commercial / industrial			
\$42.00		\$521.00	Commercial demolition	\$43.25		\$536.00
\$84.00		\$1,084.00	Single storey shop fitouts	\$86.50		\$1,116.00
\$84.00		\$1,352.00	Multi-storey shop fitouts	\$86.50		\$1,393.00
\$546.00		\$1982.00 plus \$403 per unit	Single storey, multi-unit apartments/motels	\$562.25		\$2,041.00 plus \$415.00 per unit
\$756.00		\$2318.00 plus \$672 per unit	Multi-storey, multi-unit apartments/motels	\$778.50		\$2,387.00 plus \$692.00 per unit
\$231.00		\$689.00	Minor commercial work eg signs/shop fronts/minor fitouts (no plumbing or drainage)	\$237.88		\$709.00
\$445.20		\$2,050.00	Commercial/industrial ≤\$50,000.00	\$458.45		\$2,111.00
\$613.20		\$2,856.00	Commercial/industrial \$50,000.01–\$100,000.00	\$631.45		\$2,941.00
\$781.20		\$3,662.00	Commercial/industrial \$100,000.01–\$150,000.00	\$804.45		\$3,771.00
\$949.20		\$4,469.00	Commercial/industrial \$150,000.01–\$250,000.00	\$977.45		\$4,602.00
\$1,117.20		\$5,275.00	Commercial/industrial \$250,000.01–\$350,000.00	\$1,150.45		\$5,432.00
\$1,285.20		\$6,082.00	Commercial/industrial \$350,000.01–\$500,000.00	\$1,323.45		\$6,263.00
\$1,285.20		\$6,619.00	Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,323.45		\$6,816.00
\$749.70		\$6,619 plus \$403 per \$100,000 or part thereof	Commercial/industrial/agricultural >\$1,000,000.00	\$1,323.45		\$6,816.00 plus \$415 per \$100,000 or part thereof
			Other charges			
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000
		\$2.01 per \$1,000	DBH levy for work \$20,000 or more			\$2.01 per \$1,000
		\$134.00	Unscheduled inspections			\$138.00



PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14	Classification	PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15
		cost plus 10 percent	Structural engineering or fire engineering assessment/peer review (the building consent fee does not include the cost of any structural or fire engineers assessments that may be required)			cost plus 10 percent
		\$168.00	Compliance schedule change			\$173.00
		\$168.00	Inspection hourly rate			\$173.00 per hour
		\$134.00	Re-inspection fee per inspection			\$138.00
			Certificate of acceptance—building consent fee for the applicable building payable on lodgement plus actual costs			building consent fee plus \$73.00 per hour
		\$168.00	Reassessment fee (amended plans)			\$173.00
		\$168.00 lodgement fee plus \$168.00 per hour after first half hour	Building warrant of fitness audit inspection fee			\$173.00 plus \$173.00 per hour after first half hour
			Vehicle crossing bonds will be assess for each application where required			
		\$1,500.00	Street, crossing, footpath, and berm damage bond for buildings moved to/from site			\$1,500.00
			Property search fee (includes download, scanning documents, email, or writing to disc)			\$10.00 per file

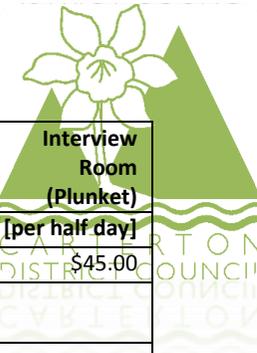
Trade waste (all fees exclude GST) under Carterton District Council Trade Waste By-law 2008

2013/14 charges	Category	Description	2014/15 charges
Administration charges			
At cost	Connection fee	Payable on application for connection to discharge	At cost
At cost	Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
At cost	Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560	Trade waste application fee	Payable on an application for a trade waste discharge	Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560
\$85 per hour	Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority (WWA) where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour

2013/14 charges	Category	Description	2014/15 charges
Small Controlled \$190 pa Conditional \$390 pa Medium Controlled \$650 pa Conditional \$1,050 pa Large Controlled \$1,400 pa Conditional \$2,000 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the WWA's costs associated with for example: a. administration b. general compliance monitoring c. general inspection of trade waste premises d. use of the sewerage system This charge may vary depending on the trade waste sector or category of the discharger	Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa
Discretion of Council As calculated by Council	Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2). Section 150(4) of the LGA states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.	Discretion of Council As calculated by Council
As per charges outlined below	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
\$0.52/ m ³	B1 Volume	Payment based on the volume discharged	\$0.52/ m ³
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.65/kg	B4 Organic Loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.65/kg
\$10.00/kg	B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.	\$10.00/kg
\$10.00/ kg	B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg.	\$10.00/ kg
\$120 per cubic metre or tonne (1000kg)	C1 Tankered Waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$120 per cubic metre or tonne (1000kg)

Events Centre charges and fees 2014/15 (all fees include GST)

Charges/day unless otherwise specified	Meeting Room 1 (Large)	Meeting Room 2 (Small)	Auditorium	Dressing Room	Youth Centre	Library	Foyer	Interview Room (Plunket)
	[per half day]	[per half day]	[per full day]		[per full day]	as arranged	[per half day]	[per half day]
Meetings 15 or fewer people	\$25.00 (\$10.00/hr)	\$25.00 (\$10.00/hr)		\$12.00			\$25.00 (\$10.00/hr)	\$25.00 (\$10.00/hr)
Meetings 16–30 people	\$45.00 (\$12.00/hr)	n/a					\$45.00	
Meetings over 30 people			\$100.00		\$100.00	\$100.00	\$75.00	



Charges/day unless otherwise specified	Meeting Room 1 (Large)	Meeting Room 2 (Small)	Auditorium	Dressing Room	Youth Centre	Library	Foyer	Interview Room (Plunket)
	[per half day]	[per half day]	[per full day]		[per full day]	as arranged	[per half day]	[per half day]
Meetings (commercial enterprise)	\$75.00	\$50.00				\$250.00	\$75.00	\$45.00
Performances ordinary rehearsals			\$30.00		n/a			
Performances ordinary rehearsals (half auditorium)			\$15.00		n/a			
Dress or lighting rehearsals			\$50.00	Free with auditorium				
Performances (community theatre or amateur performance)	\$12.00		\$150.00	Free with auditorium	\$100.00		\$50.00	
Performance (half auditorium)			\$75.00	Free with auditorium				
Performance (professional)	\$25.00		\$250.00	Free with auditorium	\$150.00			
Conferences	\$50.00	\$35.00	\$250.00		\$100.00		\$15.00	\$15.00
Displays (community service)						Free	Free	
Exhibitions (non-profit)			\$75.00		\$50.00		\$25.00	
Exhibitions (commercial)			\$150.00				\$50.00	
Commercial sales and auction events	\$75.00	\$50.00	\$250.00		\$200.00		\$100.00	
Social Events – bond	\$300.00							
Social events – deposit	\$350.00							
Kitchen use (per day)	\$12.00	\$12.00	\$12.00		\$12.00	\$12.00	\$12.00	\$12.00
Pack in/out fee	\$10.00	\$10.00	\$50.00		\$50.00		\$25.00	
Cougar Hire			\$12.00/hr		\$12.00/hr		\$12.00/hr	
Staff time for assistance with pack in, pack out, or setup	\$15.00/hr	\$15.00/hr	\$15.00/hr		\$15.00/hr		\$15.00/hr	
Staff time (security/lockup/unlock)	\$15.00/hr	\$15.00/hr	\$15.00/hr		\$15.00/hr		\$15.00/hr	
<i>Note: The Centre user is responsible for returning the rooms hired in a clean and tidy state. Additional charges may be levied for additional services, including access, security, cleaning, and repairs.</i>								