



Carterton District Council

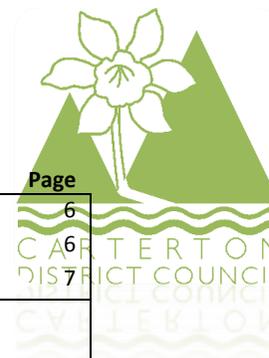
Annual Plan 2016/17

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Carterton District

*A welcoming and vibrant community
where people enjoy living*



Directory

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Bank of New Zealand
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Garry Baker

Community Services Manager

Carolyn Mckenzie

Parks and Reserves Manager

Brian McWilliams

Acting Planning and Regulatory Manager

Edita Babos





Message from the Mayor

As Mayor I am continually reminded how special our little District is—the heart and soul of Wairarapa. Carterton District was one of the star performing economies in the Wellington region last year—in fact over the last ten years. We have a strong sense of community, there’s a growing demand for properties in our District as families and others look to relocate here, and we are optimistic about ourselves and our future. We are also fast becoming the arts centre of Wairarapa.

The strength of communities like ours is not achieved by the council alone, although my Councillors and I are very focused on the part we must play. We have wonderful volunteers and community leaders who work hard to make a difference.

The unveiling of the Charles Rooking Carter statue in February, and the many hours of voluntary work leading up to that event, was a reflection of the strong community spirit of Carterton.

The relocation of the Farmers’ Market to Memorial Square has been very successful. It is a wonderful way to build community, for people to meet informally, and to provide an outlet for quality local produce.



Our local business group has rebranded. As ‘Go Carterton’ they work with their members to rejuvenate and lift their business profile.

The continuing development of our wastewater treatment plant at Daleton Farm is being hailed as an exemplar for engagement with a consenting authority and for community consultation, and I must congratulate our dedicated staff at the plant and also throughout the Council for the fantastic job they are doing for us all. The Mangatāre Restoration Society continues to set the pace with their environmental work on the Mangatāre Stream and with the wetlands development on Daleton Farm.



Keep Carterton Beautiful deserves special mention. They work tirelessly to help keep the town looking so colourful with their hanging baskets in High Street and their wonderful group of dedicated volunteers who restore and maintain various gardens and public places for all of us to enjoy.

Districts like Carterton and the wider Wairarapa are important for the New Zealand economy. We are the Red Band heartland, where we innovate, create, and work smartly to create a better New Zealand.

Some factors outside our control, however, are making it tough for some people in our community. The current and projected dairy prices and interest rates on investments are challenging many of our farmers, businesses, and people on fixed incomes. We have been very mindful of this in our 2016/17 Annual Plan.

Last year we agreed our ten-year Long Term Plan and we are proposing to deliver the second year of that Plan without significant changes.

In our consultation document we sought people’s views on three proposals:

- bringing forward part of the development project for treating and disposing sewage
- swimming pool capital works
- strengthening Carterton’s clock tower to cope with earthquakes.

In the feedback, the Carterton community endorsed our proposals and encouraged us to do more on a number of matters like water conservation, and climate change. We have included the feedback on the proposals and on other matters in this annual plan.

All this and more is in our Annual Plan for 2016/17 as we keep working towards our vision for Carterton—a welcoming and vibrant community where people enjoy living.

I wish you all well.



Mayor John Booth
22 June 2016

Consultation topics

Sewage treatment upgrade

In 2012, the Council purchased Daleton Farm, 65.7 hectares next to its sewage treatment plant. Since the resource consent in 2013, a long-term development programme is underway involving sustainable irrigation onto this land. The first irrigator was designed, implemented and commissioned in late 2014, and subsequently a dripline was installed for a native shelter belt on the boundary.

The development to date has included:

- significant modelling and analysis, and on-site research trials
- at-source pre-treatment of trade waste by significant clients
- design and installation of supplementary aeration chambers
- gases from the anaerobic digester diverted to a soil filter
- high-capacity ultra-violet final treatment
- centre-point irrigator for discharge to land in summer
- shelter belts of native plants and sacrificial pines to handle any drift of treated wastewater
- wetlands excavation and initial planting.

Future development planned focuses on irrigation and storage:

- sequential batch reservoirs
- preferential flowpath land treatment trenches
- deficit irrigation over ¾ of Daleton Farm
- ultra-violet disinfection
- expanded wetlands.

Over the past two dry summers irrigation has been limited by the storage capacity of the reservoirs. Greater storage and a second irrigator would allow the best use of the full land area available, and minimise the discharge to Mangatāre Stream during wet months. The period we do not discharge could be increased by as much as three months.

The Council's objective is to have in place a regime that minimises the discharge to Mangatāre Stream and is affordable to the community.

It considered the following options—

1. The status quo. The Long Term Plan provides for additional 100,000m³ storage to be designed and constructed over three years from 2017/18.
2. Advance the programme by one year. Design work would commence in 2016/17.
3. Advance the programme by one year and further increase the storage capacity by building a three-chamber 200,000m³ reservoir instead of currently-planned 100,000m³.



The Council preferred option 3 and feedback from the community was very supportive. Following consultation, Council decided to advance the programme. A 200,000m³ three-chamber reservoir would be designed in 2016/17, and constructed in 2017/18. The planned second UV plant would be deferred from 2016/17 until 2018/19.

Indoor swimming complex

The Council manages an outdoor swimming complex, which includes a 34-metre pool, a learners' pool and a toddlers' pool. There is a diving board, two slides, some shade structures, and picnic tables. There are a number of buildings including the changing rooms and toilets, a kiosk at the entrance, and pump and storage sheds.



In the Long Term Plan, the main pool was to be resurfaced in 2016/17 for \$61,440 and the changing room refurbished in 2017/18 for \$314,700.

We have now assessed the work needed on the changing room building to improve its general safety for both health and safety purposes and seismic performance.

A number of options were considered—

1. The status quo. Defer the earthquake strengthening, being mindful that it must be completed by 2021.
2. Investigate the feasibility of integrating with the swimming club's indoor swimming pool by enclosing both pools into one year-round indoor complex, a one-off cost to ratepayers for the feasibility study of about \$45,000, and defer the pool resurfacing.
3. Bring forward the start of the strengthening work to address the most urgent seismic and safety risks, loan-funding the capital cost of \$100,000, and an ongoing additional cost to ratepayers of about \$12,000 pa.



The Council's preference was option 2. The majority of submissions were in favour of developing shared swimming facilities, improving the existing indoor pool, and retaining an outdoor facility that is free in Summer.

Following consultation, the Council decided to work in partnership with the Carterton Swimming Club to jointly develop shared facilities with community involvement in their design and implementation, which would be accessible to all. Capital budget to resurface the outdoor pool was included in the Long Term Plan, but was removed for the consultation document. This budget was reinstated for 2016/17.

It is also planned to provide a range of equipment for accessibility and for health and safety. This includes shade sails, rescue equipment, and accessible ladders for elderly and disabled users.

Clock tower

The Council has previously set aside \$50,000 for a seismic assessment of the town's clock tower on High Street, and to undertake any strengthening work to meet the earthquake standards. All strengthening must be completed by 2021.

The clock is a listed heritage item on the District Plan, but it is not on the Heritage New Zealand list. Other than informing Heritage New Zealand, the Council is unencumbered as to its options.

An estimate has now been received that the work required on the tower's foundations will cost \$270,000. The Council considered and sought feedback on two options—

1. Spend \$270,000, funded by loan, on strengthening work.
2. Remove the clock tower before 2021. The removal costs are also likely to be significant.

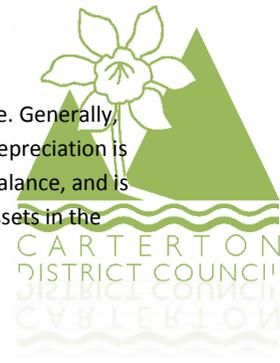
The Council's preference was option 1. The majority of submissions received were in support.

Following consultation, the Council decided to carry out the strengthening work on the clock tower, and incorporate enhancement of its visual appearance. There was concern about the high cost estimate. Peer review would be sought of the advice already received and a full tender process would be undertaken.

Financial overview

Under the Council's Financial Strategy, increases in the average rates are limited to the local government cost index plus 2 percent. Generally rates are set to match expenditure, and borrowing is limited in terms of the ratios of debt to assets, of interest to revenue, and of interest to cashflow.





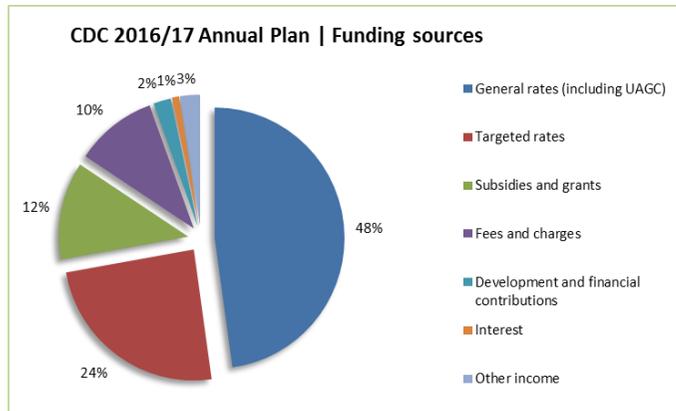
Levels of service

In the Long Term Plan 2015–2025, Council allowed for continued growth in the rating base but at a lower rate than in the past decade. This modest growth will not impact levels of service. The Council is planning to continue with its current range of activities generally to the same level of service as at present, except for the following issues of capacity and quality:

- an accelerated programme of sewer mains renewals—more than just end-of-life renewals, and beyond depreciation funding
- continued expansion of the sewage treatment capacity, in line with expected consent conditions and to create additional headroom
- further development of the town centre.

Funding

The chart below shows how the Council will fund the services and projects it will deliver to the community



No changes are proposed to how the Council will fund its operating and capital expenditure requirements. Rates are set at a level to produce a desired surplus. In some activities, rates are more than the net projected expenses to cover the repayment of loan principal, or to build up reserves for future year expenses (such as the three-yearly elections). In some other activities, notably the Events Centre, rates are less than the net projected expenses because not all expenses (especially depreciation) needs to or should be funded.

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, and is held in depreciation reserves for the replacement of relevant infrastructure assets in the future.

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

- roads and footpaths
- Events Centre building and fitout
- loan-funded infrastructure development, such as the accelerated programme of sewerage renewals and treatment capacity.

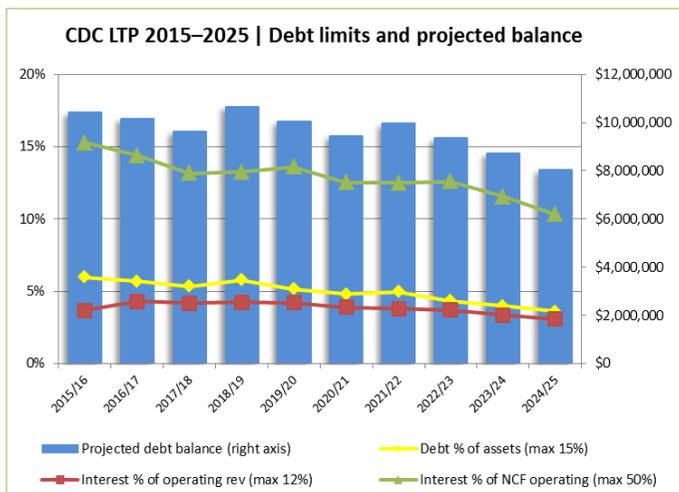
This recognises that either we do not need to build up the full amount of funds for future replacement, or it would not be fair on the current generation of ratepayers.

Some of the capital construction of roads and footpaths is funded from subsidies received from the National Land Transport Fund, 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 for example the planned accelerated programme of sewerage renewals, and expansion of the sewage treatment capacity, and the re-vitalisation of Broadway. 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.

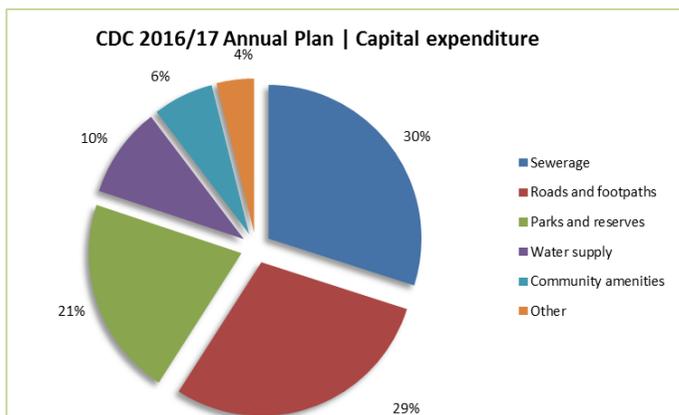
In these cases, the Council considers it would be unfair for the current generation of ratepayers to pay both the loan repayment (to fund the existing asset) and the depreciation (to fund its replacement). During the terms of the loans, rates will fund the principal repayment and interest expense, after 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.

The Council has set limits on the level of borrowing, shown in the chart below. Proposed interest and debt for 2016/17 are well below the limits and the projected balances in the Long Term Plan.



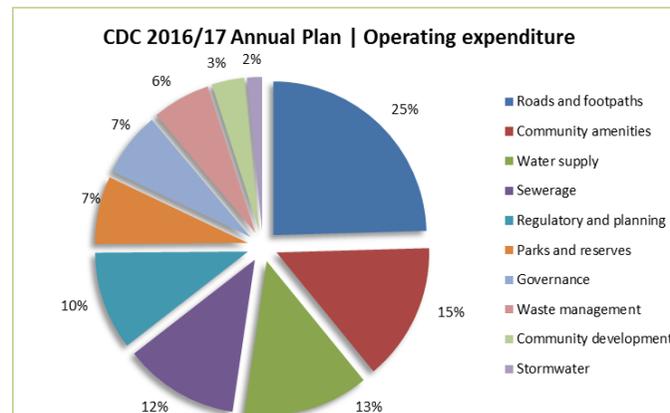
Capital expenditure

The Council proposes to spend \$6.1 million on capital expenditure over the next year. Of this, \$1.8 million, or 30 percent, will be on sewage treatment and disposal (more details are in the consultation topics above) and almost \$1.8 million, or 29 percent, on road and footpaths.



Operating expenditure

The Council proposes to spend \$13.8 million on operating expenditure over the next year. Of this, \$3.4 million or 25 percent will be on roads and a further \$3.4 million on community support (including community amenities, parks and reserves, and community development).

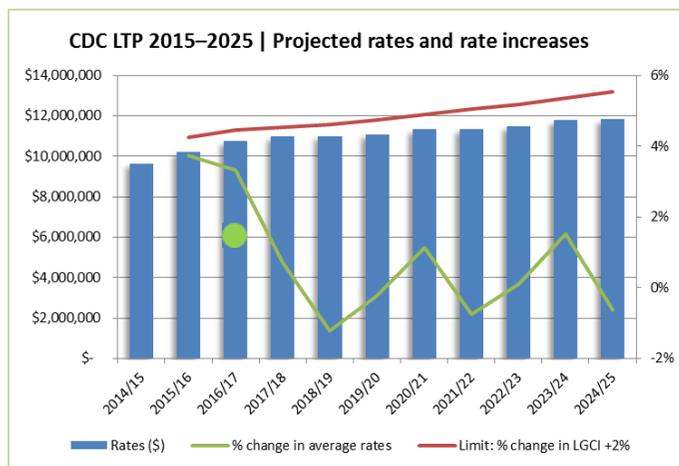


Rates

The Council has decided to limit the increase in average rates¹ in any one year to the increase in the BERL local government cost index plus 2 percent.

The following chart shows the projected rates during the Long Term Plan and the percentage increase compared with the self-imposed limit in rates increases.

¹ The average rates is the total forecast rates divided by the total number of forecast rateable properties.



The limit for 2016/17 is 4.5 percent. The Long Term Plan projection for 2016/17 was 3.3 percent. This annual plan includes an increase of 1.8 percent in the average rates in 2016/17.

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 2016/17 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.

Development contributions or financial contributions policy

This policy describes the financial contributions the Council will require from developers when their property development imposes increased demand on Council services.

Remission and postponement of rates policies

These policies provide for those circumstances where there is legitimate case for some rates to be reduced, or for the payment to be deferred, and include a specific policy on the remission and postponement of rates on Māori freehold land.

Significance and engagement policy

The decisions the Council makes affect its communities on a daily basis. Some decisions have greater significance than others.

This Significance and Engagement Policy explains how the Council will determine the degree of significance of particular issues, proposals, assets, decisions, and activities.

It lets both the Council and the community understand when the community can expect to be engaged in the Council's decision-making processes, and to know how this engagement is likely to take place.





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

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 reporting progress against outcomes
- 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.

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—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and*

- (b) 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.*

and

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

(a) efficient; and

(b) effective; and

(c) appropriate to present and anticipated future circumstances.

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 under the relevant Council activity.

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 June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	100%	Regular financial reporting to the Council
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	≤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%	≥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%	100%	Annual report

Assets

Existing assets

- Mayoral vehicle
- Furniture and office equipment
- Computer and laptop.

Renewals plan

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

No renewals are planned over the next 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.

No capital works are planned over the next year.

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.

² NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.
CARTERTON DISTRICT COUNCIL | Annual Plan 2016/17

Key assumptions and uncertainties

Proposals for change to local government reorganisation in the Wairarapa and Wellington regions are currently being reconsidered by the Commission and are unlikely to take effect during the next financial year.

At this stage, the timing and extent of any changes are not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2016/17. 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. These and other uncertainties and assumptions are discussed below as they affect each of the Council's activities.

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - GOVERNANCE FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
834,846	Rates	832,024	785,346
2,000	Miscellaneous revenue	47,000	48,175
836,846	Total revenue	879,024	833,521
	Expenditure		
816,003	Mayor and councillors	840,736	778,415
5,550	Elections	58,862	83,414
821,553	Total expenditure	899,597	861,829
15,293	Surplus/(deficit)	(20,573)	(28,308)
	Capital Expenditure		
2,000	Administration - building refurbishment and strengthening	-	-
2,000	Total capital expenditure	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - GOVERNANCE FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
834,846	General rates, UAGC, rates penalties	832,024	785,346
-	Targeted rates	-	-
-	Grants, subsidies and donations	-	-
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
2,000	Local authorities fuel tax, fines, infringement fees and other	47,000	48,175
836,846	Total operating funding	879,024	833,521
	Applications of Operating Funding		
516,668	Payments to staff and suppliers	516,434	551,063
8,210	Finance costs	7,343	6,369
294,863	Internal charges and overheads applied	374,380	302,275
-	Other operating funding applications	-	-
819,741	Total applications of operating funding	898,157	859,707
17,105	Surplus/(deficit) of operating funding	(19,133)	(26,186)
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
(22,148)	Increase/(decrease) in debt	(26,235)	(23,990)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
(22,148)	Total sources of capital funding	(26,235)	(23,990)
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
2,000	Capital expenditure - replace existing assets	-	-
(7,043)	Increase/(decrease) in reserves	(45,368)	(50,175)
-	Increase/(decrease) of investments	-	-
(5,043)	Total application of capital funding	(45,368)	(50,175)
(17,105)	Surplus/(deficit) of capital funding	19,133	26,186
-	Funding balance	-	-

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
- 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 enjoys creativity and recreation

A district that encourages lifelong learning

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. These plans are due for review. 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.

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

Swimming pool complex

A range of equipment for accessibility and for health and safety will be installed, which was not in the Long Term Plan. This includes shade sails, rescue equipment, and accessible ladders for elderly and disabled users.

In preparation for refurbishment of the swimming pool changing room, which was planned to start in 2017/18, a seismic assessment was undertaken. The building needs to be either upgraded to meet seismic requirements or replaced.

Instead, the Council will now work in partnership with the Carterton Swimming Club to jointly develop shared facilities with community involvement in their design and implementation, which would be accessible to all.

Clock tower strengthening

After consultation for this Annual Plan, the Council has brought forward the strengthening of the clock tower from 2015/16 and increased the budget to \$270,000.

Broadway

The next stage of the re-vitalisation of the central business district is to enhance Broadway as the link between the Railway Station and High Street. The upgrade will include further landscaping along the length of Broadway from the Railway Station to Masson Street, undergrounding of some services, and improved aesthetics for walking and the visual approach to our town centre. Work has been deferred while other priorities have been addressed.

Southend park

Intensified residential development at the southern end of Carterton has necessitated the development of a park in that area of urban Carterton for easy accessibility by families living there. The purchase of land and development for a new playground was allowed for in 2015/16, with further facilities in subsequent years. No suitable land had yet been identified, and if necessary the associated budget will be carried forward to 2016/17.

Kaipaitangata recreation park

Development of recreation opportunities at the Council's Kaipaitangata Forest has started and will continue steadily as community recreation groups can accommodate. Therefore the budget for this work will no longer be a lump sum in one year, but now be spread out over future years.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	100%	Regular financial reporting to the Council
A range of amenities of a standard satisfactory to	Residents satisfied with public swimming baths	≥75%	≥75%	≥75%	Survey of residents every three years ³
	Residents satisfied	>75%	>75%	>75%	Survey of residents

³ NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
residents	with public toilets				every three years
	Percentage of Carterton residents who are members of the Library	>75%	>75%	>75%	Operational records
Effective use of grant monies	Community grants budget is distributed in accordance with the Council policy	100%	100%	100%	Operational records
High quality sports fields, parks, and reserves	Residents (who have used or visit a park or reserves) satisfied	≥90%	≥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%	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%	100%	Complaints register

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
- 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 an asset's design capacity but restores, rehabilitates, or renews an existing asset to its original capacity.

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Carrington Park lighting	8,192	-
Soft fall matting	25,600	25,600
Victoria Street lighting and walkway	-	10,000
Park bins and picnic tables	1,536	4,000
Holiday park furniture and equipment	13,312	-
Swimming pool building - strengthening or replacement	-	100,000
Swimming pool shade sails	-	28,000
Swimming pool resurfacing	61,440	61,000
Swimming pool users equipment	-	24,000

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Swimming pool vacuum	-	13,000
Events Centre furniture and equipment	15,360	15,000
Events Centre inner door	-	8,073
Library books	73,728	74,000
Clock tower strengthening ⁴	-	270,000

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Park amenities	30,720	44,220
Howard Booth Park lighting	-	8,192
Broadway upgrade ⁵	-	500,000
Kaipaitangata multi-purpose recreation park	128,000	40,000
CCTV cameras	6,144	6,144
Cemetery extensions	66,560	68,000
New playground South End ⁶	-	372,050
Auditorium equipment	25,600	-
Library computers	-	1,000

⁴ carried forward from 2015/16

⁵ carried forward from 2015/16

⁶ carried forward from 2015/16

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.
- 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 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 considers that it can manage these risks.

CARTERTON DISTRICT COUNCIL			
PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - COMMUNITY SUPPORT			
FOR THE YEAR ENDING 30 JUNE 2017			
LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
2,970,522	Rates	3,200,507	3,036,836
16,281	Grants, subsidies and donations	25,900	16,645
100,000	Development and financial contributions	102,400	102,400
4,000	Commissions	1,500	4,096
-	Recoveries	-	-
199,424	Fees and charges	61,000	204,210
74,839	Rental revenue	94,139	76,635
-	Forestry harvest	-	-
13,160	Miscellaneous revenue	21,000	13,480
3,378,226	Total revenue	3,506,446	3,454,302
	Expenditure		
240,243	Community grants	268,662	254,748
159,065	Community advocacy	208,542	146,562
320,009	Parks	325,826	331,890
383,908	Civic and urban reserves	393,817	389,310
74,505	Rural reserves	77,918	76,131
104,320	Nursery	121,824	106,882
96,155	Forestry	66,633	64,141
92,820	Cemetery	118,750	94,655
160,723	Swimming baths	193,081	170,728
33,922	Restrooms	36,047	34,753
613,467	Events centre - property management	606,868	640,789
-	Housing for the elderly	-	-
196,296	Holiday park	70,931	204,506
66,660	Miscellaneous properties	64,227	63,309
837,398	Events centre - operations	916,350	888,529
3,379,491	Total expenditure	3,469,478	3,466,934
(1,265)	Surplus/(deficit)	36,968	(12,632)

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - COMMUNITY SUPPORT contd. FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Capital Expenditure		
-	-	-
-	25,600	25,600
-	372,050	-
-	5,000	-
-	3,500	-
-	20,480	20,480
-	2,000	-
25,000	-	-
10,000	-	-
12,000	-	-
-	-	8,192
-	8,192	-
-	10,240	10,240
-	5,000	-
-	10,000	-
-	2,000	-
500,000	500,000	-
8,000	6,144	6,144
25,000	40,000	128,000
50,000	270,000	-
1,500	-	-
5,000	-	1,536
-	68,000	66,560
-	61,000	61,440
-	100,000	-
-	28,000	-
-	2,500	-
-	15,000	-
-	6,500	-
-	13,000	-
8,000	-	-
90,000	-	-
25,000	-	25,600
10,000	-	-
50,000	-	-
15,000	15,000	15,360
5,000	1,000	-
-	8,073	-
72,000	74,000	73,728
-	-	10,240
3,000	-	3,072
914,500	1,672,279	456,192
	Total capital expenditure	

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Sources of Operating Funding		
2,970,522	3,200,507	3,036,836
-	-	-
16,281	27,400	16,645
199,424	61,000	204,210
-	-	-
91,999	115,139	94,211
3,278,226	3,404,046	3,351,902
Applications of Operating Funding		
2,115,661	2,104,580	2,101,062
187,003	191,398	219,150
426,523	497,452	441,637
-	-	-
2,729,188	2,793,429	2,761,849
549,038	610,617	590,053
Sources of Capital Funding		
-	-	-
100,000	102,400	102,400
306,753	1,123,981	(16,375)
-	-	-
-	-	-
406,753	1,226,381	86,025
Applications of Capital Funding		
-	440,050	66,560
692,000	591,364	184,320
222,500	640,865	205,312
41,291	164,719	219,886
-	-	-
955,791	1,836,998	676,078
(549,038)	(610,617)	(590,053)
-	-	-

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 Council service, planning zones, natural hazard areas, 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
- Food Act 2014, which makes sure that businesses prepare and sell food that is safe and suitable to eat—the Council will continue to be the regulatory authority
- 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

Under the Food Act 2014, new Food Act and Regulations took effect on 1 March 2016. There are transitional periods for a number of functions and the introduction of new functions, which Territorial Authorities are required to carry out. These functions include:

- receiving and processing (administration) of applications for registration of food premises
- compliance and monitoring activities in relation to template food control plans
- verification activities for premises operating under a template food control plan.

With the Council undertaking only statutory functions, it is automatically deemed to be a Verification Agency under the Act for the above functions and no further requirements need be met to operate. The Council will continue processing new applications and renewals with greater emphasis being applied to auditing operators' food control programmes.

Existing food premises operating under the Food Hygiene Regulations 1974 are to be transitioned over a period of three years (March 2016-March 2019). New operators (either new premises or premises under new ownership) must operate under the Food Act 2014.

Until 2019 a dual system will exist with both the Food Act 1981 regulations, and Food Act 2014 regulations. Until a food business transitions to the Food Act 2014 regime, they will be subject to Council's current Food Hygiene Registration and Fees.

Fees and charges have been determined for registration of premises under both the Food Act 1981 and the Food Act 2014.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 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%	100%	Regular financial reporting to the Council
Timely processing of applications	LIMs ⁷ processed within 10 working days	100%	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	100%	Operational records
	PIMs ⁸ and building consents processed within statutory timeframes	100%	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%	100%	Operational records
Safe and healthy food premises and liquor outlets.	Known food premises and liquor outlets in the district are registered or licensed	100%	100%	100%	Operational records

⁷ Land Information Memorandums

⁸ Project Information Memorandums

Assets

Existing assets

- Geographic Information System (GIS)

Renewals plan

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

No renewals are planned over the next 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.

No capital works are planned over the next year.

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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
782,146	Rates	888,548	858,069
-	Grants, subsidies and donations	-	-
1,500	Commissions	1,500	1,538
-	Development and financial contributions	-	-
596,100	Fees and charges	607,100	611,003
170,000	Miscellaneous revenue	7,000	10,251
1,549,746	Total revenue	1,504,148	1,480,860
	Expenditure		
254,611	Resource management admin	283,216	260,902
103,767	District plan	111,614	168,006
73,577	Civil defence	74,759	75,410
409,561	Building inspection	452,080	420,832
76,926	Health inspection	101,072	79,360
71,594	Liquor licensing	66,964	73,110
57,580	Agency fees	59,899	59,117
133,320	Rural fire	130,760	136,729
140,226	Animal and dog control	148,844	145,450
1,321,162	Total expenditure	1,429,208	1,418,918
228,584	Surplus/(deficit)	74,940	61,942
	Capital Expenditure		
150,000	South Carterton sewer/water easements	-	-
200,000	New animal pound at Waingawa	-	-
10,000	Building consent software	-	-
360,000	Total capital expenditure	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
402,307	General rates, UAGC, rates penalties	469,278	416,272
379,839	Targeted rates	419,270	441,797
-	Grants, subsidies and donations	-	-
596,100	Fees and charges	607,100	611,003
-	Internal charges and overheads recovered	-	-
11,500	Local authorities fuel tax, fines, infringement fees and other	8,500	11,788
1,389,746	Total operating funding	1,504,148	1,480,860
	Applications of Operating Funding		
1,089,307	Payments to staff and suppliers	1,151,993	1,174,349
2,234	Finance costs	-	4,216
210,364	Internal charges and overheads applied	256,974	217,259
-	Other operating funding applications	-	-
1,301,906	Total applications of operating funding	1,408,966	1,395,824
87,840	Surplus/(deficit) of operating funding	95,182	85,036
	Sources of Capital Funding		
160,000	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
67,494	Increase/(decrease) in debt	-	(5,264)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
227,494	Total sources of capital funding	-	(5,264)
	Applications of Capital Funding		
150,000	Capital expenditure - meet additional demand	-	-
10,000	Capital expenditure - improve level of service	-	-
200,000	Capital expenditure - replace existing assets	-	-
(44,666)	Increase/(decrease) in reserves	95,182	79,772
-	Increase/(decrease) of investments	-	-
315,334	Total application of capital funding	95,182	79,772
(87,840)	Surplus/(deficit) of capital funding	(95,182)	(85,036)
-	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, bridges, 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 2014* 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 and Local Government Act 2002
- 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

Street light technology has now advanced to a point where LED street lights are economical and more efficient, and a programme of upgrading the existing lighting to LED will commence in 2016/17.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 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%	100%	Regular financial reporting to the Council

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network	<1 fatal <3 serious injury	<1 fatal <3 serious injury	<1 fatal <3 serious injury	NZTA CAS ⁹ reports
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	90%	90%	Monthly contract reports
	Average quality of ride on the sealed local road network	≥90%	≥90%	≥90%	% VKT ¹⁰ smooth per NZTA report
	Percentage of the sealed local road network that is resurfaced	≥6%	≥6%	≥6%	NZTA annual achievement report
	Percentage of footpaths compliant with condition standards ¹¹	≥95%	≥95%	≥95%	Footpath survey
	Residents satisfied with the district's footpaths	≥60%	≥60%	≥60%	Survey of residents every three years ¹²
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95%	≥95%	≥95%	Contract reports
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	≥90%	≥90%	≥90%	Contract reports

⁹ NZTA's Crash Analysis System

¹⁰ Vehicle-kilometres travelled

¹¹ Footpath condition standards set out in the Rooding Activity Management Plan

¹² NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
	Road signs and markings found missing or not visible	≤5%	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%		≥90%	Complaints register
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	≥90%		≥90%	≥90%
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%		100%	Contract reports (monthly audits)

Assets

Existing Assets

Further information can be found in *Rooding Activity Management Plan 2014*.

Rooding component	Quantity	Units	Comment
Pavement ¹³ —sealed	Urban 28.2 Rural 261.2	km km	area 1,851,543 m ²
Pavement—unsealed	Urban 0.2 Rural 155.9	km	area 603,132 m ²
Bridges	52	number	15 two lane bridges 37 single lane bridges
Culverts > 600mm dia.	253	number	
Culverts < 600mm dia.	1,475	number	
Kerb and channel	44.5	km	
Catchpits	350	number	
Stormwater channel	193.1	km	

¹³ 'Pavement' is the road surface, not the footpath.

Roading component	Quantity	Units	Comment
Guard rails	601	metres	
Sight rails	240	metres	
Footpaths	47.5	km	
Street lighting	526	number	108 managed for NZTA 138 in parks and reserves
Signs	1,419	number	

Asset valuations

Valuation of the road infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2014. 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	53,443,000	53,443,000	-
Pavement	46,025,000	37,771,000	646,000
Drainage	15,358,000	7,600,000	236,000
Footpaths	7,207,000	3,604,000	106,000
Signs and markings	327,000	185,000	28,000
Traffic facilities	56,000	28,000	2,000
Bridges and culverts	31,640,000	15,170,000	280,000
Street lighting	607,000	304,000	18,000
Total	\$ 154,663,000	\$ 118,105,000	\$ 1,316,000

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 Fulton Hogan Ltd under contract to the Council and the standards of work are controlled by that contract. The maintenance contract was let in conjunction with the two other Wairarapa councils, but it remains a separate contract with Carterton directly.

It is expected that the impacts of future demand will be met by the allowances for renewal and capital expenditure works. Therefore, other than those changes required by NZTA policy changes, the required maintenance and operational costs associated with roads and footpaths are not expected to significantly change.

Renewals plan

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

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Kerb and channel replacement	98,155	123,200
Components structures	66,924	81,500
Footpath resurfacing	91,260	91,000
Pavement rehabilitation	245,388	293,700
Reseals	374,774	448,400
Traffic services	71,386	86,800
Unsealed road metalling	294,466	360,100

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, safety, or environmental needs.

The initial assessment of future demand has indicated that the demand for new works or upgrades to the roading infrastructure are likely to be for safety and network resilience works resulting from network inspections, safety audits and public feedback.

Capital works in this group of activities in the next year, including the introduction of LED lighting, are as follows:

Item	2016/17 \$	2016/17 \$
Minor improvements	304,200	300,000

Item	2016/17 \$	2016/17 \$
Traffic management facilities	91,260	-

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.

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.

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, further changes in subsidies/funding criteria.
- The impact on levels of service and on subsidy funding of NZTA's national road classification and performance measures proposal is not known yet, but is likely to come into effect in 2018.

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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
1,988,044	Rates	1,848,314	2,037,630
1,599,500	LTA subsidy	1,680,900	1,584,274
-	Grants, subsidies and donations	-	-
100,000	Development and financial contributions	101,400	101,400
60,000	Petrol tax	62,500	60,840
90,200	Recoveries	32,000	29,000
-	Miscellaneous revenue	-	-
3,837,744	Total revenue	3,725,114	3,813,144
	Expenditure		
3,029,556	Subsidised roading	2,956,088	3,106,903
392,495	Unsubsidised roading	436,703	398,389
3,422,051	Total expenditure	3,392,791	3,505,292
415,693	Surplus/(deficit)	332,323	307,853
	Capital Expenditure		
96,800	Drainage renewals - kerb and channel replacement	123,200	98,155
66,000	Components structures replacements	81,500	66,924
110,000	Footpath resurfacing	91,000	91,260
300,000	Minor improvements	300,000	304,200
242,000	Pavement rehabilitation	293,700	245,388
369,600	Reseals	448,400	374,774
70,400	Traffic services	86,800	71,386
290,400	Unsealed road metalling	360,100	294,466
61,600	New traffic management facilities	-	91,260
1,606,800	Total capital expenditure	1,784,700	1,637,813

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - ROADS AND FOOTPATHS FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
1,988,044	General rates, UAGC, rates penalties	1,848,314	2,037,630
-	Targeted rates	-	-
762,892	Grants, subsidies and donations	726,149	812,969
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
150,200	Local authorities fuel tax, fines, infringement fees and other	94,500	89,840
2,901,136	Total operating funding	2,668,963	2,940,439
	Applications of Operating Funding		
1,633,467	Payments to staff and suppliers	1,557,476	1,671,637
93,187	Finance costs	89,853	93,705
362,832	Internal charges and overheads applied	396,765	380,281
-	Other operating funding applications	-	-
2,089,487	Total applications of operating funding	2,044,094	2,145,623
811,649	Surplus/(deficit) of operating funding	624,869	794,816
	Sources of Capital Funding		
836,608	Grants, subsidies and donations	954,751	771,305
100,000	Development and financial contributions	101,400	101,400
(81,413)	Increase/(decrease) in debt	(70,147)	(75,245)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
855,195	Total sources of capital funding	986,004	797,460
	Applications of Capital Funding		
61,600	Capital expenditure - meet additional demand	-	91,260
-	Capital expenditure - improve level of service	-	-
1,545,200	Capital expenditure - replace existing assets	1,784,700	1,546,553
60,044	Increase/(decrease) in reserves	(173,827)	(45,536)
-	Increase/(decrease) of investments	-	-
1,666,844	Total application of capital funding	1,610,873	1,592,276
(811,649)	Surplus/(deficit) of capital funding	(624,869)	(794,816)
-	Funding balance	-	-

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 2015*, which sets out the targets for asset condition, performance, and levels of service.

In Waingawa, sewerage services are provided by the 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

The most significant item in this group of activities where 2016/17 differs from that planned in the 2015–2025 Long Term Plan is the second reservoir on Daleton Farm. A 100,000m³ holding dam was to start being designed and developed in 2017/18.

The plan now is to start a year earlier and the reservoir to be twice the capacity at 200,000m³. The full programme and the changes were discussed in the Annual Plan consultation document. The impact is an increase in capital expenditure in 2016/17 of \$200,000.

The other significant departure from the Long Term Plan for 2016/17 is the extension of the sewer and water mains in Norman Avenue. As the Waingawa industrial subdivision expands, the networks need to be extended to service the end of Norman Avenue and allow for future expansion. The relatively high cost relates to the main going under the railway line and the installation of a pump station.

In addition, the cost of renewing the resource consents for the disposal of treated sewage were under-estimated, and capital expenditure for lining the wetland channels is estimated to cost \$200,000.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 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%	100%	Regular financial reporting to the Council
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	≤5	≤5	≤5	Operational records
Management of environmental impacts	Number of abatement notices	≤ 1	≤ 1	≤ 1	Operational records
	Number of infringement notices	0	0	0	Operational records
	Number of enforcement orders	0	0	0	Operational records
	Number of successful prosecutions	0	0	0	Operational records
Response to sewerage system faults ¹⁴	Median attendance time ¹⁵	≤ 1 hour	≤ 1 hour	≤ 1 hour	Operational records
	Median resolution time ¹⁶	≤ 4 hours	≤ 4 hours	≤ 4 hours	Operational records
Customer satisfaction	Total number of complaints received per 1000 connections ¹⁷	≤20	≤20	≤20	Operational records

¹⁴ sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system

¹⁵ from the time that the Council receives notification to the time that service personnel reach the site.

¹⁶ from the time that the territorial authority receives notification to the time that service personnel confirm resolution

¹⁷ total number of complaints received about: sewerage odour; sewerage system faults; sewerage system blockages; and the Council's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.

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 38 km of underground piping
- 15 pump stations located throughout the urban area to lift sewage from low-lying areas up into the gravity network.

The sewage treatment plant comprises a contra-shear, a clarifier, a sludge digester, three two-stage oxidation ponds, 16 wetland plots, and an ultra-violet disinfection unit. Treated wastewater is then discharged either to land via a centre-pivot irrigator or a stream that flows into Mangatāre.

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 an asset's design capacity but restores, rehabilitates, or renews an existing asset to its original capacity.

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Grout manholes	6,150	6,000
Road cones and signage	6,150	6,000
Mains repairs and replacement	410,000	400,000
Resource consents	256,250	350,000
Camera	20,500	20,500
Replace contra sheer ¹⁸	-	50,000

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 year are as follows:

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Water balance mitigation	51,250	100,000
Second reservoir - design and consent	-	200,000

¹⁸ carried forward from 2015/16

Item	2016/17 LTP \$	2016/17 Annual Plan \$
New inlet works and meter	-	40,000
UV Plant chemical coagulant	256,250	-
AEE ¹⁹ for land use consent ²⁰	-	10,000
Sewer main Norman Avenue	-	400,000
Manhole Kent Street	-	10,000
Standby generator	-	30,000
Lining wetland channels	-	200,000
Wetlands planting support	-	5,000

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.

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.

¹⁹ Assessment for environmental effects

²⁰ carried forward from 2015/16

- 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 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.
- GWRC will approve the Council's resource consent for sewage treatment and disposal 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.
- 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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
1,255,224	Rates	1,429,097	1,670,215
239,000	Fees and charges	340,000	244,975
50,000	Development and financial contributions	51,250	51,250
48,800	Rental revenue	47,860	50,020
-	Miscellaneous revenue	-	-
1,593,024	Total revenue	1,868,207	2,016,460
	Expenditure		
789,045	Reticulation	729,593	901,070
39,253	New sewerage connections	49,813	40,129
59,541	Pumping station	60,452	61,751
653,032	Sewerage plant	761,978	938,039
27,868	Waingawa sewerage	65,351	28,542
32,368	Waingawa pumping stations	17,927	33,155
1,601,106	Total expenditure	1,685,113	2,002,686
(8,082)	Surplus/(deficit)	183,094	13,774
	Capital Expenditure		
6,000	Grout manholes	6,000	6,150
6,000	Road cones and signage upgrade	6,000	6,150
500,000	Main repairs/replacement based on CCTV results	400,000	410,000
-	Consents for treatment and disposal	350,000	256,250
-	UV Plant - chemical coagulant	-	256,250
50,000	Water balance mitigation measures - wetland upgrade or line ponds	100,000	51,250
50,000	AEE for Daleton Farm	10,000	-
150,000	New inlet works and flow metering	40,000	-
30,000	Camera	20,500	20,500
-	Second dam - design and consent	200,000	-
50,000	Replace Contra Sheer	50,000	-
-	New sewer main Norman Ave	400,000	-
-	New manhole Kent St for groundwater monitoring	10,000	-
-	Lining of wetland channels and flow distribution	200,000	-
-	Standby generator	30,000	-
-	Wetlands planting support	5,000	-
842,000	Total capital expenditure	1,827,500	1,006,550

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
125,522	General rates, UAGC, rates penalties	142,910	167,021
1,129,701	Targeted rates	1,286,187	1,503,193
-	Grants, subsidies and donations	-	-
239,000	Fees and charges	340,000	244,975
-	Internal charges and overheads recovered	-	-
48,800	Local authorities fuel tax, fines, infringement fees and other	47,860	50,020
1,543,024	Total operating funding	1,816,957	1,965,210
	Applications of Operating Funding		
672,490	Payments to staff and suppliers	681,244	943,936
221,726	Finance costs	199,979	300,626
151,812	Internal charges and overheads applied	176,382	157,278
-	Other operating funding applications	-	-
1,046,028	Total applications of operating funding	1,057,604	1,401,839
496,996	Surplus/(deficit) of operating funding	759,353	563,371
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	51,250	51,250
2,068,446	Increase/(decrease) in debt	1,179,684	(151,395)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
2,118,446	Total sources of capital funding	1,230,934	(100,145)
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
250,000	Capital expenditure - improve level of service	965,000	307,500
592,000	Capital expenditure - replace existing assets	862,500	699,050
1,773,442	Increase/(decrease) in reserves	162,787	(543,324)
-	Increase/(decrease) of investments	-	-
2,615,442	Total application of capital funding	1,990,287	463,226
(496,996)	Surplus/(deficit) of capital funding	(759,353)	(563,371)
-	Funding balance	-	-

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 2015*, 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 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 June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	Regular financial reporting to the Council
System and adequacy	Number of flooding events ²¹	≤1	≤1	≤1	Operational records
	For each flooding event, the number of habitable floors affected, per 1000 properties connected.	≤1	≤1	≤1	Operational records
Management of environmental impacts	Number of abatement notices	0	0	0	Operational records
	Number of infringement notices	0	0	0	Operational records
	Number of enforcement orders	0	0	0	Operational records
	Number of successful prosecutions	0	0	0	Operational records

²¹ an overflow of stormwater from the Council’s stormwater system that enters a habitable floor

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Response to stormwater system issues	The median response time ²² to attend a flooding event	≤ 3 hours	≤ 3 hours	≤ 3 hours	Operational records
Customer satisfaction	Total number of complaints ²³ received per 1000 properties connected	≤10	≤10	≤10	Operational records

Assets

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

Existing assets

- 12.4 km of piped stormwater reticulation in the urban area ranging in diameter from 150 mm up to 1200 mm
- 267 sumps and 126 manholes
- about 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.

²² measured from the time that the Council receives notification to the time that service personnel reach the site

²³ total number of complaints received about faults or blockages, expressed per 1000 customers charged in their rates for council stormwater services.

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 an asset's design capacity but restores, rehabilitates, or renews an existing capacity to its original capacity.

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Pipe drain in Mannings Road	-	10,000

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.

No capital works are planned in the next year.

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 and control throughout the planning period and that there will be an ongoing requirement for this activity.
- Demand for this activity will gradually increase over time.
- Any dam in the Waingawa catchment will not impact on the operation of the water races, and their ability to help evacuate water during high rainfall.
- 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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
225,458	Rates	225,248	213,652
10,000	Development and financial contributions	10,250	10,250
-	Miscellaneous revenue	-	-
235,458	Total revenue	235,498	223,902
	Expenditure		
223,107	Stormwater	219,402	210,273
223,107	Total expenditure	219,402	210,273
12,351	Surplus/(deficit)	16,096	13,628
	Capital Expenditure		
-	Pipe drain Mannings Road subdivision	10,000	-
200,000	Waikakariki stream - diversion	-	-
10,000	Were diversion	-	-
5,000	New Drain Park Road	-	-
215,000	Total capital expenditure	10,000	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - STORMWATER FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
22,546	General rates, UAGC, rates penalties	22,525	21,365
202,912	Targeted rates	202,724	192,286
-	Grants, subsidies and donations	-	-
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
225,458	Total operating funding	225,248	213,652
	Applications of Operating Funding		
77,137	Payments to staff and suppliers	(8,520)	58,436
26,830	Finance costs	107,329	32,151
26,652	Internal charges and overheads applied	31,568	27,533
-	Other operating funding applications	-	-
130,619	Total applications of operating funding	130,377	118,120
94,839	Surplus/(deficit) of operating funding	94,871	95,531
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
10,000	Development and financial contributions	10,250	10,250
182,905	Increase/(decrease) in debt	(15,696)	(20,699)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
192,905	Total sources of capital funding	(5,446)	(10,449)
	Applications of Capital Funding		
5,000	Capital expenditure - meet additional demand	-	-
210,000	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	10,000	-
72,745	Increase/(decrease) in reserves	79,425	85,082
-	Increase/(decrease) of investments	-	-
287,745	Total application of capital funding	89,425	85,082
(94,840)	Surplus/(deficit) of capital funding	(94,871)	(95,531)
-	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. 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 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 June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	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% (kerbside refuse collection)	≥85%	≥85%	Survey of residents every three years ²⁴
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	100%	100%	Resource consent

²⁴ NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.

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

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

No renewals are planned in the next year.

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.

No capital works are planned in the next year.

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.
- 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.

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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
529,673	Rates	546,947	494,115
64,000	Recoveries	65,000	65,600
240,000	Fees and charges	258,000	246,000
-	Miscellaneous revenue	-	-
833,673	Total revenue	869,947	805,715
	Expenditure		
266,210	Refuse collection	314,922	273,300
560,214	Transfer station	534,472	525,392
826,424	Total expenditure	849,394	798,691
7,249	Surplus/(deficit)	20,553	7,023
	Capital Expenditure		
50,000	Reconsent landfill (not for municipal refuse)	-	-
50,000	Total capital expenditure	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WASTE MANAGEMENT
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
383,887	General rates, UAGC, rates penalties	359,346	344,658
145,786	Targeted rates	187,601	149,457
-	Grants, subsidies and donations	-	-
240,000	Fees and charges	258,000	246,000
-	Internal charges and overheads recovered	-	-
64,000	Local authorities fuel tax, fines, infringement fees and other	65,000	65,600
833,673	Total operating funding	869,947	805,715
	Applications of Operating Funding		
714,106	Payments to staff and suppliers	721,468	680,658
-	Finance costs	-	-
82,824	Internal charges and overheads applied	93,603	86,373
-	Other operating funding applications	-	-
796,930	Total applications of operating funding	815,071	767,031
36,743	Surplus/(deficit) of operating funding	54,876	38,684
	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	-	-
50,000	Capital expenditure - replace existing assets	-	-
(13,257)	Increase/(decrease) in reserves	54,876	38,683
-	Increase/(decrease) of investments	-	-
36,743	Total application of capital funding	54,876	38,683
(36,743)	Surplus/(deficit) of capital funding	(54,876)	(38,683)
-	Funding balance	-	-

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 firefighting capability of the rural water service supports a safe community. It also supports community and property safety through the firefighting 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 2015*, 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 manages the Carrington and Taratahi Water Race systems so that property owners and businesses who have access to the water races 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 determines policy, sets targets for maintenance, and monitors the proactive cleaning programme.

What is different from the LTP

The most significant departure from the Long Term Plan for 2016/17 is the extension of the water and sewer mains in Norman Avenue. As the Waingawa industrial subdivision expands, the networks need to be extended to service the end of Norman Avenue and allow for future expansion. The relatively high cost relates to the main going under the railway line.

Planned capital expenditure on fish ladders at the Kaipaitangata water works have been brought forward as this work will not commence in 2015/16.

During 2016/17 we will investigate promotion of household rainwater tanks and further water conservation, including options for water fees and allowances.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
The urban water service is managed	Expenditure is within approved	100%	100%	100%	Regular financial reporting to the

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
at the best possible cost for the required level of service	budget				Council
Safety of drinking water	Compliance with part 4 of DW Standards ²⁵ (bacteriological requirements)	Full compliance	Full compliance	Full compliance	National Water Information NZ database
	Compliance with part 5 of DW Standards (protozoal requirements)	Full compliance	Full compliance	Full compliance	National Water Information NZ database
Maintenance of the reticulation network	Real water loss from networked reticulation system	≤15%	≤15%	≤15%	Treatment system and water meter data ²⁶
Fault response times	Median time to attend ²⁷ urgent ²⁸ call-outs	≤2 hours	≤2 hours	≤2 hours	Operational records
	Median time to resolve ²⁹ urgent call-outs	≤4 hours	≤4 hours	≤4 hours	Operational records
	Median time to attend non-urgent ³⁰ call-outs	≤12 hours	≤12 hours	≤12 hours	Operational records
	Median time to resolve non-urgent call-outs	≤24 hours	≤24 hours	≤24 hours	Operational records
Customer satisfaction	Number of complaints ³¹ received per 1000	≤15	≤15	≤15	Operational records

²⁵ New Zealand Drinking Water Standards

²⁶ total water outlet from Kaipaitangata and Supplementary reservoirs less sum of water meter usage

²⁷ from the time that the Council receives notification to the time that service personnel reach the site

²⁸ an urgent call-out is one that leads to a complete loss of supply of drinking water

²⁹ from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption

³⁰ a non-urgent call-out is one where there is still a supply of drinking water

³¹ complaints received about any of the following: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; or the Council's response to any of these issues

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2016 Annual Plan	2017 LTP	2017 Annual Plan	
	connections				
Demand management	Average consumption of drinking water per day per resident within the district	≤400 litres	≤400 litres	≤400 litres	Operational records
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	≥90%	≥90%	Survey of residents every three years ³²
Water resources are used sustainably	Reduction in community water consumption	≥2.5% per annum	≥2.5% per annum	≥2.5% per annum	Operational records
	Compliance with water resource consent conditions	100%	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 cubic metres
- Lincoln Road Supplementary Supply 42 litres per second
- Lincoln Road Reservoirs 200 and 300 cubic metres
- underground water mains 9.0 km trunk supply
39.5 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 an asset's 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.

³² NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.
CARTERTON DISTRICT COUNCIL | Annual Plan 2016/17

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Mains upgrade / replacement	124,560	124,560
Information system data	6,747	6,500
Chlorinator	-	1,000
Water race weirs	15,570	15,000
Chain saw	-	400
Timber tank access ladders	-	13,500

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.

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

Item	2016/17 LTP \$	2016/17 Annual Plan \$
Carrington race improvements	16,608	7,000
Taratahi race improvements	16,608	60,000
Kaipaitangata fish ladders ³³	-	100,000
Kaipaitangata wetland	-	30,000
Kaipaitangata chlorination	-	25,000
Water main Norman Ave	-	200,000

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 225 cubic metres per year. Water usage above 225 cubic metres is charged a rate 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 able to be irrigated from water drawn from natural watercourses fed from a water race system, calculated from conditions of the applicable resource consent.

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

³³ carried forward from 2015/16
CARTERTON DISTRICT COUNCIL | Annual Plan 2016/17

Key assumptions and uncertainties

- Water supply assets will remain in Council ownership and control throughout the planning period 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.
- That GWRC will approve the Council's application for resource consent to take adequate water from the Kaipaitangata Stream for the urban water supply. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- Any dam in the Waingawa catchment will not impact on the operation of and water take for the water races.
- 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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
1,751,411	Rates	1,624,969	1,737,465
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	51,900	51,900
-	Recoveries	-	-
40,000	Fees and charges	220,000	41,520
-	Miscellaneous revenue	-	-
1,841,411	Total revenue	1,896,869	1,830,885
	Expenditure		
921,809	Reticulation	847,768	872,699
42,213	New water connections	74,817	43,345
136,586	Underground	146,980	143,617
242,519	Filtration plant	248,457	253,849
262,243	Taratahi water race	290,477	273,020
84,112	Carrington water race	97,975	87,515
113,858	Waingawa water	129,196	118,021
1,803,339	Total expenditure	1,835,669	1,792,067
38,073	Surplus/(deficit)	61,200	38,819
	Capital Expenditure		
120,000	Mains upgrade / replacement	124,560	124,560
6,500	New values (better network IS isolation)	6,500	6,747
-	New chlorinator	1,000	-
7,000	Carrington - rocks at intake	7,000	-
-	Kaipaitangata - fish ladders	100,000	-
-	Kaipaitangata - treatment wetland	30,000	-
-	Kaipaitangata - WTP chlorination	25,000	-
-	Taratahi - small pruning chainsaw	400	-
-	Access Ladders to Timber Tanks x3	13,500	-
-	New water main Norman Ave	200,000	-
15,000	Water races - weirs	15,000	15,570
-	Taratahi - box culvert under rail	60,000	-
-	Carrington - extend intake pipe and cage	-	16,608
1,500	Carrington - new line Dash	-	-
7,000	Carrington - pipe cemetery	-	-
-	Taratahi - crossover Allen	-	4,152
-	Taratahi - crossover Booth	-	9,342
2,500	Taratahi - Egar/Meber pipe line	-	-
-	Taratahi - Elworthy redirection	-	3,114
159,500	Total capital expenditure	582,960	180,093

CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - WATER SUPPLY FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
155,141	General rates, UAGC, rates penalties	162,497	152,987
1,596,270	Targeted rates	1,462,472	1,584,479
-	Grants, subsidies and donations	-	-
40,000	Fees and charges	220,000	41,520
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
1,791,411	Total operating funding	1,844,969	1,778,985
	Applications of Operating Funding		
993,470	Payments to staff and suppliers	1,048,175	1,011,406
13,903	Finance costs	17,309	14,808
211,885	Internal charges and overheads applied	244,232	219,777
-	Other operating funding applications	-	-
1,219,258	Total applications of operating funding	1,309,716	1,245,991
572,154	Surplus/(deficit) of operating funding	535,253	532,994
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	51,900	51,900
(28,978)	Increase/(decrease) in debt	221,553	18,527
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
21,022	Total sources of capital funding	273,453	70,427
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
18,000	Capital expenditure - improve level of service	422,000	33,216
141,500	Capital expenditure - replace existing assets	160,960	146,877
433,675	Increase/(decrease) in reserves	225,746	423,328
-	Increase/(decrease) of investments	-	-
593,175	Total application of capital funding	808,706	603,421
(572,154)	Surplus/(deficit) of capital funding	(535,253)	(532,994)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - ADMINISTRATION AND SUPPORT SERVICES FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Revenue		
50,000	Rates penalties	25,000	51,250
-	Grants, subsidies and donations	-	-
203,356	Interest	128,484	266,000
-	Development and financial contributions	-	-
25	Fees and charges	-	26
1,767,754	Internal charges and overheads recovered	2,071,354	1,832,414
45,000	Commissions	45,000	46,125
-	Revaluation gains	-	-
-	Rental revenue	-	-
-	Assets vesting in council	-	-
-	Profit on sale of assets	-	-
1,750	Miscellaneous revenue	2,500	1,791
2,067,885	Total revenue	2,272,338	2,197,606
	Expenditure		
1,403,677	Administration	1,637,322	1,448,507
327,010	Operations	384,973	343,892
25,725	Regulatory and planning	35,145	28,303
11,343	Garage	13,914	11,712
-	Revaluation losses	-	-
-	Loss on sale of assets	-	-
1,553,239	Gifted assets	-	-
20,000	Bad debts	40,000	20,500
3,340,993	Total expenditure	2,111,354	1,852,914
(1,273,108)	Surplus/(deficit)	160,984	344,692

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE - ADMINISTRATION AND SUPPORT SERVICES contd FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Capital Expenditure		
5,000	Administration - equipment contingency	5,000	5,125
5,000	Administration - software upgrade	5,000	5,125
-	Administration - generator	50,000	-
19,800	Computer upgrade - regulatory	8,800	4,920
64,300	Computer upgrade - administration	8,400	8,610
5,600	Computer upgrade - building department	-	-
6,300	Computer upgrade - operations department	-	-
2,800	Computer upgrade - parks and reserves	-	-
11,200	Computer upgrade - library	14,000	8,610
8,400	Computer upgrade - Events Centre	-	2,870
30,000	Asset management system	30,000	-
-	Motor vehicle - water treatment plan operator	38,000	-
-	Motor vehicle - Ford water van	-	61,500
35,000	Motor vehicle - Building Inspector	-	-
-	Motor vehicle - John Deere tractor Sewage Treatment	-	41,000
-	Weed bucket for cleaning water races and SW drains	2,500	-
-	Trimble GPS unit	25,000	-
1,000	Mower - walk behind	1,000	1,025
4,000	Weedeater/chainsaw - parks and reserves	5,000	-
-	Wackers, compactors, weed eaters	5,000	4,100
-	Generator for water van	5,000	-
5,000	GIS - contingency	5,000	5,125
15,000	Aerial mapping	15,000	-
5,000	Regulatory equipment - contingency	5,000	5,125
5,000	Regulatory software	5,000	5,125
228,400	Total capital expenditure	232,700	158,260

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - ADMINISTRATION AND SUPPORT SERVICES
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Sources of Operating Funding		
50,000	General rates, UAGC, rates penalties	25,000	51,250
-	Targeted rates	-	-
-	Grants, subsidies and donations	-	-
25	Fees and charges	-	26
1,767,754	Internal charges and overheads recovered	2,071,354	1,832,414
250,106	Local authorities fuel tax, fines, infringement fees and other	175,984	313,916
2,067,885	Total operating funding	2,272,338	2,197,606
	Applications of Operating Funding		
1,576,337	Payments to staff and suppliers	1,885,807	1,612,486
-	Finance costs	-	-
-	Internal charges and overheads applied	-	-
-	Other operating funding applications	-	-
1,576,337	Total applications of operating funding	1,885,807	1,612,486
491,549	Surplus/(deficit) of operating funding	386,531	585,120
	Sources of Capital Funding		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	50,000	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Total sources of capital funding	50,000	-
	Applications of Capital Funding		
-	Capital expenditure - meet additional demand	-	-
30,000	Capital expenditure - improve level of service	30,000	-
198,400	Capital expenditure - replace existing assets	202,700	158,260
263,149	Increase/(decrease) in reserves	203,831	426,860
-	Increase/(decrease) of investments	-	-
491,549	Total application of capital funding	436,531	585,120
(491,549)	Surplus/(deficit) of capital funding	(386,531)	(585,120)
-	Funding balance	-	-

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 2017 \$
Governance	1,440
Roads and footpaths	1,348,697
Water supply	525,953
Sewerage	627,509
Stormwater	89,025
Waste management	34,323
Community support	676,048
Regulatory and planning	20,242
Administration and support services	225,546
Total depreciation	3,548,783

Financial information

General forecasting assumptions

(from the Long Term Plan 2015–2025)

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 trends

A district population growth assumption of a constant 0.6 percent per annum from the June 2014 Estimated Resident Population (8,680) has been used.³⁴ This a total increase of 6 percent over the ten years. The Department of Statistics has projected that most of the increase is in the 65+ age group. The Council’s anecdotal experience is that while most of the new properties built in Carterton recently have been for this age group, the consequent property sales have included a significant number to young families coming to Carterton, particularly in the south end of town.

Risk

Growth does not meet this assumption.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

The population growth assumption is based on a fairly 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 but continues to be positive. The number of rateable properties is assumed to reach about 5,250 by 2025, which is a growth of 12 percent over the ten years of the Plan. See table below.

Projected number of rateable properties as at 30 June										
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
4,670	4,750	4,820	4,890	4,940	4,990	5,040	5,090	5,140	5,190	5,250

Risk

Growth does not meet this assumption.

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 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 of 54 percent for 2015/16 and 53 percent for 2016/17 and 2017/18, and the approved (reduced) dollar level for the same period. For the remaining seven years it is assumed that the subsidy rate will not change but that the dollar level subsidy will return to 2012–2015 levels.

Risk

Changes in subsidy rate, total subsidy dollars, and variation in criteria for inclusion in subsidised works programmes. The total subsidy dollars may not increase as assumed.

Level of uncertainty

Medium. The next review point by government is in three years’ time, before the next Long Term Plan is prepared

Reasons and financial effect of uncertainty

Last year, the government reviewed the subsidy and funding policies, and has not indicated any further changes to the subsidy rate. If the rate or dollar level of subsidy decreases more than has been assumed, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.

³⁴ Department of Statistics. *Sub-national Population Projections: 2013(base)–2043*, Medium series
CARTERTON DISTRICT COUNCIL | Annual Plan 2016/17

Resource consents

The Council operates its infrastructure under a number of resource consents, most of which will need renewal during the course of the next ten years:

- The Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply expired in 2013. An application has been lodged to renew the consent. The consent for the supplementary bores expires in 2034.
- A resource consent will be sought in 2016/17 to continue to bury sewage sludge at the adjacent landfill (closed to the public).
- The consent for the discharge to air, land, and water in relation to the sewage treatment plant expires in 2017.
- Consents to take water for the water race network and to discharge back into a range of natural water courses expire in 2023.
- The district-wide comprehensive consent for discharges from the stormwater system expires in 2016.

Risk

GWRC will not approve the Council's application for new or renewed consents. Alternatively, it may place more restrictions on the activity sought, or require substantial monitoring or mitigation work. Some increased costs for monitoring have already been included in the Plan, but these may be insufficient. Consent conditions may also be affected by the current review of the Regional Council's Natural Resources Plan.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

During the development work at the sewage treatment facility and the associated irrigation, the Council has been working closely with the Regional Council, and improvement plans can be modified if necessary.

There is the possibility that future consent will restrict water take from the Kaipaitangata Stream during low flow/high demand periods, placing increased demand on bore water source and storage. It is likely that there is insufficient pumping and storage capacity at the supplementary facility.

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 materially incomplete. Assumptions about condition and lifecycle are materially 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 2013 and found to be adequately maintained.

Insurance

Insurance costs increased sharply over the last three years. The Council's broker has advised that the underlying adjustment by reinsurers to risk has levelled off, and increases are likely continue through the ten years of the LTP in line with asset price level adjustments. 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).

Risk

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 in the next ten years 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 or 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.

At the time of writing this LTP, the Local Government Commission has rejected its proposal for reorganising local government structure in the Wairarapa and Wellington regions, after strong negative response during consultation. The Commission has said it will continue to look for positive change and the Council is uncertain what the final proposal will be, if any.

The status quo is still an option, and any final proposal will have to be confirmed by a poll of all ratepayers in the two regions. The assumption in this LTP is therefore that the status quo will remain for the term of the LTP.

Climate change

Human-induced climate change is real and occurring now. It is the biggest environmental challenge we face.^{35,36,37}

The International Panel on Climate Change, the United Nations, and other international bodies (of which New Zealand is a member) warn that the world may be approaching a tipping point in terms of our ability to halt runaway climate change.

Changes required are reducing energy use (particularly that which creates carbon emissions), reforestation, and a return to localised, more traditional farming practices. This could be achieved partly through technology but more likely through fundamental changes to societal

³⁵ see for example IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp.

³⁶ Parliamentary Commissioner for the Environment. 2014. Changing climate and rising seas: understanding the science.
³⁷ NZ Climate Change Centre summary of NZ findings, see http://www.nzclimatechange.org/sites/nzclimatechange.org/files/images/research/NZCCC%20Summary_IPCC%20AR5%20NZ%20Findings_April%202014%20WEB.pdf

and economic structures. The behavioural shift will need education, support, and leadership.^{38,39}

Central government has said that it is responsible for the mitigation of climate change (slowing down and reversing climate change), using an emissions trading scheme,⁴⁰ and that local government must provide for 'adaptation' (dealing with the effects of climate change), such as managing the effect of weather extremes.⁴¹ The Wellington Regional Council has drafted a Climate Change Strategy⁴² for adaptation in Wellington and Wairarapa.

Risk

The effect of climate change occurs more rapidly than anticipated.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

There is uncertainty about how quickly the effects will be felt and where. Predictions are that weather extremes will be more common and of a greater scale.⁴³ In Wairarapa that will include more severe drought, wind, and storm events.^{44,45} Rising sea levels and associated storm surges are less likely to directly affect Carterton District than its neighbours.

Climate change impacts have been raised in the infrastructure asset management plans and the infrastructure strategy. The Council will keep this subject under review as it will continue to be relevant for future Annual and Long-Term plans. It plans to assess its risk and capability for dealing with significant and worsening adverse weather events.

³⁸ see for example reports and case studies of the international association ICLEI—Local Governments for Sustainability

³⁹ ICLEI 2015, Seoul Declaration

⁴⁰ Climate Change Response Act 2002

⁴¹ Ministry for the Environment, 2008. Preparing for climate change: A guide for local government in New Zealand.

⁴² currently under consultation, see www.gw.govt.nz/assets/Climate-change/WGNDocs-1439979-v1-GWRCDraftClimateChangeStrategy.PDF

⁴³ NIWA's scenarios report, www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios

⁴⁴ Greater Wellington Regional Council. 2013. Regional Policy Statement for the Wellington region.

⁴⁵ NIWA *ibid.*

Financial forecasting assumptions

Revaluation of non-current assets

Revaluation assumptions have been included in the Plan. These have been done following the Business & 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 term debt is calculated at 4.86% - 5.82%.

The range of interest rates on investments is calculated at 4.50%.

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.

Risk

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

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 in the 'Council activities and services' section under each group of activities.

The funding of the replacement of future assets is based on the following assumptions:

- The Council has, over the term of the Annual Plan, set revenue levels sufficient to fully fund depreciation of its assets with the exception of roading where approximately 48% 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 for the term of the life of the asset
 - Special funds set aside for specific purposes identified by 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.

Inflation

Operating revenues and expenses

2016/17 revenues and expenses have been predicted using estimated dollar values for the 2016/17 financial year. Guidance has been taken from the BERL (Business & Economic Research Limited) forecasts of price level change adjusters for inflation.

Risk

That actual inflation differs to that predicted.

Level of uncertainty

Medium.

Reasons and financial effect of uncertainty

Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast.

Investments and return on investments

The Council's Long Term Special Funds will be retained in their present form throughout the Annual Plan. Additions and withdrawals from the funds have been accounted for in the Annual Plan where identified and required. A rate of 4.5% 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.

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.

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

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

CDC 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 CDC has designated itself as a public benefit entity for the purposes of the new Public Sector Public Benefit Entity Standards (PBE standards).

The financial forecasts of the Council comply with PBE standards.

The financial forecasts of the CDC are for the financial year from 1 July 2016 to 30 June 2017. The financial forecasts were authorised for issue by Council on 22 June 2016.

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 may not be appropriate for other purposes.

These prospective financial statements have been prepared in accordance with PBE standards for a Tier 2 entity as the Council does not have public accountability and is not large. The Council is adopting the PBE standards for the first time in the periods presented in these prospective financial statements.

Statement of prospective financial information

The financial information contained in this document is a forecast for the purposes of PBE Financial Reporting Standard (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.

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

The Annual Plan is in full compliance with PBE FRS 42.

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

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 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.

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

The revised suite of PBE standards issued in September 2014 has been applied to these prospective financial statements. The revised PBE standards have not materially affected the Council.

Significant Accounting Policies

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates revenue

Rates are set annually by a resolution from 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 Revenue is recognised by Council as being income on the due date of each instalment. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and are therefore defined as non-exchange.

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

Other revenue

Water billing revenue is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue. 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.

Other grants and bequests, and assets vested in Council — with or without conditions — are recognised as revenue when control over the assets is obtained.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised. Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in the CDC 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 exchange revenue and is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue. Dividends are recorded net of imputation credits.

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Vested Asset Revenue is recognised as non-exchange revenue when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

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

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 prospective statement of financial position.

Debtors and other receivables

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

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 re-measurement 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 prospective 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 realized 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 derecognition, 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) recognized 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.

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is 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 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 infrastructure 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.

Subsequent costs

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

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 which 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	10–50 years	2.00–10.00%
Roads, bridges and footpaths*	9–63 years	1.58–11.42%
Water systems*	7–30 years	3.29–13.66%
Stormwater systems*	65–74 years	1.35–1.55%
Sewerage systems*	10–24 years	4.12–10.39%
Buildings	5–92 years	1.09–20.00%
Library collections	6 years	16.67%

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

In relation to infrastructure assets marked * (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by Council's 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 independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. The landfill liner and water races were not revalued in the 2015 year. Heritage assets are also included in this category. Additions are recorded at cost.

Restricted land and buildings

The most recent valuation was performed by independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. 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 assess 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, then 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 independent valuer Colin Gerrard (BSc, MSc, GIPENZ) and reviewed by Sarah Seel (BE, MIPENZ) of AECOM New Zealand, and the valuation is effective as at 30 June 2015.

Intangible assets

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognized 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%
Resource consents	3–10 years	10.00–33.33%

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 measured 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 12 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 is 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

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 5.78% and an inflation factor of 3.00% 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 arms 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 CDC 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.

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 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 significant activity of Council has been derived using the cost allocation system outlined below.

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

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

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 Regional Council 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 significant activity statements

The prospective group of activity statements, report the net cost of services for groups of activities of the Council, 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:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacements 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 minimized by 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 minimize 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 modeling 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 judgments in applying Council's accounting policies

There are no notable critical judgements exercised by management in applying the Council's accounting policies for the year ending 30 June 2017.

Prospective total surplus/(deficit)

Council is projecting a surplus for the financial year ended 30 June 2017. 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 i.e. 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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Operating Revenue		
10,337,324	10,595,655	10,833,328
50,000	25,000	51,250
203,356	128,484	266,000
1,314,549	1,486,100	1,347,733
154,200	97,000	94,600
50,500	48,000	51,759
1,599,500	1,680,900	1,584,274
60,000	62,500	60,840
16,281	25,900	16,645
123,639	141,999	126,655
310,000	317,200	317,200
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
186,910	77,500	73,697
(64,000)	(64,000)	(65,600)
14,342,259	14,622,238	14,758,381
Operating Expenditure		
821,553	899,597	861,829
3,422,051	3,392,791	3,505,292
1,803,339	1,835,669	1,792,067
1,601,106	1,685,113	2,002,686
223,107	219,402	210,273
826,424	849,394	798,691
399,308	477,205	401,310
978,896	986,019	968,354
2,001,287	2,006,254	2,097,269
1,321,162	1,429,208	1,418,918
20,000	40,000	20,500
-	-	-
1,553,239	-	-
-	-	-
(64,000)	(64,000)	(65,600)
14,907,471	13,756,652	14,011,590
(565,212)	865,586	746,791
-	-	-
(565,212)	865,586	746,791
Note: Total expenditure includes -		
3,476,495	3,548,783	3,601,132
553,094	499,549	671,025

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
(565,212)	865,586	746,791
-	-	-
366,159	3,731,332	3,735,198
1,350	1,000	1,350
367,509	3,732,332	3,736,548
(197,703)	4,597,918	4,483,339

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
162,008,052	Equity at start of year	162,066,602	161,810,349
(197,703)	Total comprehensive revenue and expense	4,597,918	4,483,339
<u>161,810,349</u>	Equity at end of year	<u>166,664,520</u>	<u>166,293,688</u>
	Components of equity		
113,299,763	Retained earnings at start of year	114,273,693	110,441,420
(565,212)	Surplus/(deficit) after tax	865,586	746,791
(2,293,131)	Transfers (to)/from restricted/council created reserves	(909,769)	(655,074)
<u>110,441,420</u>	Retained earnings at end of year	<u>114,229,510</u>	<u>110,533,137</u>
43,261,781	Revaluation reserves at start of year	43,188,743	43,627,940
366,159	Revaluation gains	3,731,332	3,735,198
<u>43,627,940</u>	Revaluation reserves at end of year	<u>46,920,075</u>	<u>47,363,138</u>
5,446,508	Restricted/council created reserves at start of year	4,604,166	7,740,989
2,293,131	Transfers (to)/from reserves	909,769	655,074
1,350	Financial asset revaluation gains	1,000	1,350
<u>7,740,989</u>	Restricted/council created reserves at end of year	<u>5,514,935</u>	<u>8,397,413</u>
<u>161,810,349</u>	Equity at end of year	<u>166,664,520</u>	<u>166,293,688</u>

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
	Assets		
	Current assets		
6,595,617	Cash and cash equivalents	6,505,928	7,104,484
-	Investments	-	-
1,381,422	Debtors and other receivables	1,609,451	1,421,478
-	Inventory	-	-
<u>7,977,039</u>	Total current assets	<u>8,115,379</u>	<u>8,525,962</u>
	Non-current assets		
41,144	Investments	43,252	42,494
329,433	Intangible assets	447,087	319,371
-	Investment property	-	-
394,524	Forestry assets	413,053	394,524
<u>165,283,226</u>	Property, plant and equipment	<u>169,963,436</u>	<u>168,866,261</u>
<u>166,048,327</u>	Total non-current assets	<u>170,866,828</u>	<u>169,622,650</u>
<u>174,025,366</u>	Total assets	<u>178,982,207</u>	<u>178,148,612</u>
	Liabilities		
	Current liabilities		
1,435,621	Creditors and other payables	1,703,916	1,349,867
5,322	Employee entitlements	257,373	5,423
503,666	Borrowings	535,411	578,349
<u>1,944,609</u>	Total current liabilities	<u>2,496,700</u>	<u>1,933,640</u>
	Non-current liabilities		
-	Provisions	-	-
<u>10,270,408</u>	Borrowings	<u>9,820,987</u>	<u>9,921,284</u>
<u>10,270,408</u>	Total non-current liabilities	<u>9,820,987</u>	<u>9,921,284</u>
	Equity		
110,441,420	Public equity	114,230,510	110,533,137
7,739,639	Restricted reserves	5,512,935	8,394,713
43,627,940	Asset revaluation reserve	46,920,075	47,363,138
1,350	Other reserves	1,000	2,700
<u>161,810,349</u>	Total equity	<u>166,664,520</u>	<u>166,293,688</u>
<u>174,025,366</u>	Total liabilities and equity	<u>178,982,207</u>	<u>178,148,612</u>

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Cash flows from Operating Activities		
Cash was received from:		
10,187,324	10,620,655	10,676,978
1,615,781	1,706,800	1,600,919
60,000	62,500	60,840
203,356	128,484	266,000
1,106,040	1,317,270	1,139,221
2,235,655	1,433,454	2,158,689
15,408,156	15,269,163	15,902,647
Cash was applied to:		
9,497,247	8,535,855	9,870,184
1,106,040	1,317,270	1,139,221
553,094	499,549	671,025
11,156,381	10,352,674	11,680,431
4,251,775	4,916,489	4,222,216
Net cash flow from operating activities		
Cash flows from Investing Activities		
Cash was received from:		
-	-	-
-	-	-
-	-	-
-	-	-
Cash was applied to:		
4,378,200	6,110,139	3,438,908
-	-	-
-	-	-
4,378,200	6,110,139	3,438,908
(4,378,200)	(6,110,139)	(3,438,908)
Net cash flow from investing activities		
Cash flows from Financing Activities		
Cash was received from:		
2,920,650	2,998,550	229,225
2,920,650	2,998,550	229,225
Cash was applied to:		
427,592	515,980	503,666
427,592	515,980	503,666
2,493,058	2,482,570	(274,441)
Net cash flow from financing activities		
2,366,633	1,288,920	508,867
4,228,984	5,217,008	6,595,617
6,595,617	6,505,928	7,104,484
Balance at end of year (30 June)		
Represented by:		
6,595,617	6,505,928	7,104,484
Cash and cash equivalents and bank overdrafts		

CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
(565,212)	865,586	746,791
Surplus/(deficit) after tax		
Add/(Less) non cash expenses		
-	-	-
3,476,495	3,548,783	3,601,132
20,000	40,000	20,500
-	-	-
1,553,239	-	-
-	-	-
5,049,734	3,588,783	3,621,632
Add/(Less) items classified as investing or financing activities		
-	-	-
-	-	-
-	-	-
Plus/(less) movements in working capital		
-	-	-
(104,143)	(734,345)	(60,555)
(128,604)	1,196,465	(85,753)
-	-	101
-	-	-
(232,748)	462,120	(146,207)
4,251,775	4,916,489	4,222,216
Net cashflow from operating activities		

CARTERTON DISTRICT COUNCIL

FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Operating Funding		
Sources of operating funding		
6,932,816	7,062,401	7,013,365
3,454,509	3,558,254	3,871,213
779,173	752,049	829,613
1,314,549	1,486,100	1,347,733
203,856	128,984	266,510
350,749	361,499	341,441
13,035,651	13,349,287	13,669,876
Applications of operating funding		
9,324,643	9,707,320	9,739,433
553,094	499,549	671,025
-	-	-
9,877,737	10,206,869	10,410,458
3,157,914	3,142,418	3,259,418
Capital Funding		
Sources of capital funding		
996,608	954,751	771,305
310,000	317,200	317,200
2,493,058	2,463,139	(274,441)
-	-	-
-	-	-
3,799,666	3,735,090	814,064
Applications of capital funding		
216,600	440,050	157,820
1,210,000	2,008,364	525,036
2,951,600	3,661,725	2,756,052
2,579,380	766,369	634,575
-	1,000	-
6,957,580	6,877,508	4,073,482
(3,157,914)	(3,142,418)	(3,259,418)
-	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$	Annual Plan 30 June 2017 \$	LTP 30 June 2017 \$
Operating surplus/(deficit) from cost of service statements		
15,293	(20,573)	(28,308)
415,693	332,323	307,853
38,073	61,200	38,819
(8,082)	183,094	13,774
12,351	16,096	13,628
7,249	20,553	7,023
(10,328)	(7,375)	(11,619)
85,018	125,524	94,365
(75,954)	(81,181)	(95,377)
228,584	74,940	61,942
(1,273,108)	160,984	344,692
-	-	-
-	-	-
(565,212)	865,586	746,791
1,553,239	-	-
-	-	-
988,027	865,586	746,791
(996,608)	(954,751)	(771,305)
(310,000)	(317,200)	(317,200)
-	-	-
3,476,495	3,548,783	3,601,132
3,157,914	3,142,418	3,259,418
3,157,914	3,142,418	3,259,418

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 Roothing 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 ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$
	Plant Purchase & Renewal Fund	
1,474	Opening Balance	1,535
59	Deposits	69
(1,533)	Withdrawals	-
-	Closing Balance	1,604
	Recreation Reserve Fund Levy Fund	
557,594	Opening Balance	244,860
122,304	Deposits	113,419
-	Withdrawals	-
679,898	Closing Balance	358,279
	Roading Emergency Works Fund	
182,372	Opening Balance	228,450
87,295	Deposits	10,280
-	Withdrawals	(80,000)
269,667	Closing Balance	158,730
	Water Race Intake Fund	
39,437	Opening Balance	46,152
6,577	Deposits	7,077
-	Withdrawals	-
46,014	Closing Balance	53,229
	Waste Disposal Fund	
43,648	Opening Balance	53,501
21,746	Deposits	30,408
-	Withdrawals	-
65,394	Closing Balance	83,909
	Creative NZ Fund	
9,577	Opening Balance	2,340
383	Deposits	105
-	Withdrawals	-
9,960	Closing Balance	2,445
	Sparc Rural Travel Fund	
-	Opening Balance	-
-	Deposits	-
-	Withdrawals	-
-	Closing Balance	-
	Keep Carterton Beautiful Fund	
5,649	Opening Balance	5,504
226	Deposits	248
-	Withdrawals	-
5,875	Closing Balance	5,752
	Water Race Resource Consent Fund	
-	Opening Balance	-
12,000	Deposits	12,000
-	Withdrawals	-
12,000	Closing Balance	12,000

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES contd.
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$
	Clareville Grave Maintenance Fund	
2,354	Opening Balance	2,420
94	Deposits	109
-	Withdrawals	-
2,448	Closing Balance	2,529
	Memorial Square Trust Fund	
6,878	Opening Balance	7,163
275	Deposits	322
-	Withdrawals	-
7,153	Closing Balance	7,485
	WWII Memorial Trust Fund	
63,951	Opening Balance	64,061
4,158	Deposits	4,483
(2,600)	Withdrawals	(2,600)
65,509	Closing Balance	65,944
	Longbush Domain Board Fund	
2,984	Opening Balance	2,227
-	Deposits	-
-	Withdrawals	-
2,984	Closing Balance	2,227
	West Taratahi Hall Board	
19,516	Opening Balance	19,971
-	Deposits	-
-	Withdrawals	-
19,516	Closing Balance	19,971
	Election Contingency Fund	
11,157	Opening Balance	20,164
15,946	Deposits	907
-	Withdrawals	(27,000)
27,103	Closing Balance	(5,929)
	Workshop Depot Upgrade Fund	
21,288	Opening Balance	22,170
852	Deposits	998
-	Withdrawals	-
22,140	Closing Balance	23,168
	Combined District Plan Fund	
(701,090)	Opening Balance	(730,254)
58,406	Deposits	86,450
-	Withdrawals	(32,861)
(642,684)	Closing Balance	(676,665)
	Roading Contribution Fund	
596,836	Opening Balance	693,441
123,873	Deposits	132,605
(200,000)	Withdrawals	-
520,709	Closing Balance	826,046

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES contd.
FOR THE YEAR ENDING 30 JUNE 2017

LTP 30 June 2016 \$		Annual Plan 30 June 2017 \$
	Infrastructure Contributions Reserve Fund	
508,760	Opening Balance	373,314
130,350	Deposits	130,199
(165,000)	Withdrawals	-
474,110	Closing Balance	503,513
	Waingawa Infrastructure Contributions Reserve Fund	
113,300	Opening Balance	118,184
4,532	Deposits	5,318
-	Withdrawals	-
117,832	Closing Balance	123,502
	Belvedere Hall Fund	
1,837	Opening Balance	1,534
-	Deposits	-
-	Withdrawals	-
1,837	Closing Balance	1,534
	Waingawa Industrial Zone Services Deficit Fund	
25,731	Opening Balance	35,502
1,029	Deposits	1,598
-	Withdrawals	-
26,760	Closing Balance	37,100
	SPECIAL FUNDS RESERVES - SUMMARY	Annual Plan 30 June 2017 \$
1,513,253	Opening Balance	1,212,239
590,105	Deposits	423,734
(369,133)	Withdrawals	(29,600)
1,734,225	Closing Balance	1,606,373

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 separately used or inhabited part of a rating unit connected
- a charge per water closet or urinal within the separately used or inhabited part of a rating unit after the first one

- a charge per separately used or inhabited part of a 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 a stormwater rate on all rating units within the urban area and is calculated on land value. For the purposes of this rate the 'urban area' includes rating units:

- within the residential zone of the Carterton District as depicted in the District Plan
- adjacent to the residential zone where stormwater from the property drains to the Council's urban stormwater system.

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 to which the Council's collection service is provided or available.

Urban water rate

The Council proposes to charge a targeted urban water rate of a fixed amount for an allowance of up to 225 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 225 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 able to be irrigated from water drawn from natural watercourses fed from the Carrington Water Race System, calculated from conditions of the applicable resource consent.

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. For the purposes of this rate 'provision of the service' means the provision of water for stock or domestic use, including where:

- the water race channel passes over the ratepayer's property
- the water race is piped through the ratepayer's property
- water is extracted from the water race on a neighbouring property.

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 able to be irrigated from water drawn from natural watercourses fed from the Taratahi Water Race System, calculated from conditions of the applicable resource consent.

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. For the purposes of this rate 'provision of the service' means the provision of non-potable water for stock or domestic use, including where:

- the water race channel passes over the ratepayer's property
- the water race is piped through the ratepayer's property
- water is extracted from the water race on a neighbouring property.

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 below of the general and targeted rates for a range of rateable land types and property values.

Example properties		capital value	land value	water over allowance	rates total	rates % increase
rating category	features	\$	\$	cubic metres	\$	
Residential	low value	165,000	75,000	-	\$2,503.69	5.2%
Residential	medium value	290,000	110,000	15	\$2,895.61	4.2%
Residential	high value	365,000	120,000	50	\$3,162.19	3.7%
Commercial	2 toilets	475,000	225,000	100	\$5,326.65	2.5%
Commercial - rural	water and sewerage connected	160,000	na	-	\$3,231.93	4.9%
Rural	no water race	1,500,000	na	na	\$4,054.51	0.2%
Rural	5.45 hectares on Carrington water race	575,000	na	na	\$2,721.09	5.0%
Rural	120 hectares on Taratahi water race	2,250,000	na	na	\$7,556.80	3.4%

Residential		multiplier	GST inclusive
General-residential	Capital value	165,000 x 0.0023833 =	393.24
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	165,000 x 0.0002229 =	36.78
Urban sewerage			538.75
Stormwater	Land value	75,000 x 0.0011615 =	87.11
Refuse collection and kerbside recycling			91.69
Urban water-connection			495.85
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			2,503.69

Residential		multiplier	GST inclusive
General-residential	Capital value	290,000 x 0.0023833 =	691.16
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	290,000 x 0.0002229 =	64.64
Urban sewerage			538.75
Stormwater	Land value	110,000 x 0.0011615 =	127.77
Refuse collection and kerbside recycling			91.69
Urban water-connection			495.85
Metered water	Cubic metres over 225	15 x \$1.70 =	25.50
Total			2,895.61

Residential		multiplier	GST inclusive
General-residential	Capital value	365,000 x 0.0023833 =	869.90
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	365,000 x 0.0002229 =	81.36
Urban sewerage			538.75
Stormwater	Land value	120,000 x 0.0011615 =	139.38
Refuse collection and kerbside recycling			91.69
Urban water-connection			495.85
Metered water	Cubic metres over 225	50 x \$1.70 =	85.00
Total			3,162.19

Commercial		multiplier	GST inclusive
General-commercial	Capital value	475,000 x 0.0047666 =	2,264.14
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	475,000 x 0.0002229 =	105.88
Urban sewerage	No. pans	2 x \$538.75 =	1,077.50
Stormwater	Land value	225,000 x 0.0011615 =	261.34
Refuse collection and kerbside recycling			91.69
Urban water-connection			495.85
Metered water	Cubic metres over 225	100 x \$1.70 =	170.00
Total			5,326.65

Commercial - rural		multiplier	GST inclusive
General-commercial	Capital value	160,000 x 0.0047666 =	762.66
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	160,000 x 0.0002229 =	35.66
Urban sewerage	No. pans	2 x \$538.75 =	1,077.50
Stormwater	Land value	N/A rural x 0.0011615 =	-
Refuse collection and kerbside recycling			N/A rural
Urban water-connection			495.85
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			3,231.93

Rural		multiplier	GST inclusive
General-rural	Capital value	1,500,000 x 0.0019066 =	2,859.90
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	1,500,000 x 0.0002229 =	334.35
Total			4,054.51

Rural		multiplier	GST inclusive
General-rural	Capital value	575,000 x 0.0019066 =	1,096.30
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	575,000 x 0.0002229 =	128.17

Carrington water race		multiplier	GST inclusive
		1 x \$240.65 =	240.65
Class A	Hectares	5.4500 x 72.60811 =	395.71
Class B	Hectares	x 14.73454 =	-
Class C	Hectares	x 129.87354 =	-

Taratahi water race		multiplier	GST inclusive
		x \$209.32 =	-
Class A	Hectares	x 16.28615 =	-
Class B	Hectares	x 3.36126 =	-
Class C	Hectares	x 121.11510 =	-

Total			2,721.09
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Rural		multiplier	GST inclusive
General-rural	Capital value	2,250,000 x 0.0019066 =	4,289.85
Uniform Annual General Charge			860.26
Regulatory and planning services	Capital value	2,250,000 x 0.0002229 =	501.53

Carrington water race		multiplier	GST inclusive
		x \$240.65 =	-
Class A	Hectares	x 72.60811 =	-
Class B	Hectares	x 14.73454 =	-
Class C	Hectares	x 129.87354 =	-

Taratahi water race		multiplier	GST inclusive
		1 x \$209.32 =	209.32
Class A	Hectares	100.0000 x 16.28615 =	1,628.62
Class B	Hectares	20.0000 x 3.36126 =	67.23
Class C	Hectares	x 121.11510 =	-

Total			7,556.80
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Rates and charges 2016/17

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

	GST inclusive	Rates required \$ incl GST
General rates—differential factor		
Residential	1.0	
Commercial	2.0	
Rural	0.8	
General rates—capital value		
Residential	0.23833 cents in the \$	\$ 1,409,133
Commercial	0.47666 cents in the \$	\$ 436,404
Rural	0.19066 cents in the \$	\$ 2,811,589
Uniform Annual General Charge	\$ 860.26 ea	\$ 3,429,002
50% Uniform Annual General Charge	\$ 430.13 ea	\$ 6,882
Regulatory and planning services —capital value	0.02229 cents in the \$	\$ 482,160
Urban sewerage		
Connected	\$ 538.75 ea	\$ 1,412,073
Able to be connected (half charge)	\$ 269.38 ea	\$ 27,746
Waingawa sewerage—capital value		
Connected	\$ 402.28	\$ 3,463
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.3300 cents in the \$	\$ 35,834
Connected or able to be connected residential properties in the Waingawa industrial zone	0.1650 cents in the \$	-

	GST inclusive	Rates required \$ incl GST
Stormwater—land value	0.11615 cents in the \$	\$ 233,132
Refuse collection and kerbside recycling	\$ 91.69 ea	\$ 215,742
Urban water		
Connected	\$ 495.85 ea	\$ 1,251,526
Able to be connected	\$ 247.93 ea	\$ 24,793
Metered water in excess of 225 cubic metres	\$ 1.70 per cubic metre	\$ 115,000
Rural water race		
Carrington water race		
Rural water services rate	\$ 240.65 ea	\$ 16,364
Class A	\$ 72.60811 per ha	\$ 79,260
Class B	\$ 14.73454 per ha	\$ 8,683
Class C	\$ 129.87354 per ha	\$ 7,013
Taratahi water race		
Rural water services rate	\$ 209.32 ea	\$ 99,639
Class A	\$ 16.28615 per ha	\$ 118,051
Class B	\$ 3.36126 per ha	\$ 11,293
Class C	\$ 121.11510 per ha	\$ 56,924
Waingawa water		
Connected	\$210.38 ea	\$ 8,297
Metered water	\$2.27 per cubic metre	\$ 115,000

Financial prudence disclosure statement

What is the purpose of this statement?

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

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

Benchmark		Planned	Met
<i>Rates affordability benchmark</i>			
• income	percentage increase limits are applied cumulatively to the 2014/15 Annual Plan rates income and adjusted for the change in the number of forecast rating units	\$10,595,655	Yes
• increases	percentage change in average rates ⁴⁶ must not exceed the increase in the BERL local government cost index plus 2 percent	1.8%	Yes
Debt affordability benchmark	total debt as a percentage of total assets must not exceed 15 percent	5.7%	Yes
	gross interest paid on term debt must not exceed 12 percent of gross operating revenue	3.4%	Yes
	gross interest expense must not exceed 50 percent of net cash inflow from operating activities	10.0%	Yes
Balanced budget benchmark	100%	104%	Yes
Essential services benchmark	100%	161%	Yes
Debt servicing benchmark	15%	3.4%	Yes

⁴⁶ The average rates is the total rates income divided by the total number of forecast rateable properties.

Notes

1 Rates affordability benchmark

- (1) For this benchmark,—
 - (a) the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
 - (b) the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the rates affordability benchmark if—
 - (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

- (1) For this benchmark, the council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

- (1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- (2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

- (1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 *Debt servicing benchmark*

- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Appendix A

Schedule of fees and charges 2016/17

Schedule of fees and charges 2016/17

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 2016/17 year.

2015/16 fees including GST		2016/17 fees including GST
	Health licences	
-	Application for registration, renewal, or amendment of food control plan based upon a template or model issued by MPI; or a business subject to a national programme. (Fixed fee includes up to one hour to process application.)	\$78.00 fixed fee plus \$78.00 per hour for every additional hour
\$265.00	Annual registration (Food Hygiene Regulations 1974) Class 1 food premises, equivalent	\$351.00
-	Annual registration (Food Hygiene Regulations 1974) Class 2 food premises, equivalent	\$273.00
-	Verification food premises including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow-up verification site visits to check remedial actions. (Fixed fee includes up to 3.5 hours of verification activity, additional verification activity will be dependent on scope of operations.)	\$273.00 fixed fee plus \$78.00 for every additional hour of verification activity
-	Verification of VIP Food Control Plans including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow up verification site visits to check remedial actions. (Fixed fee includes up to 3.5 hours of verification activity, additional verification activity will be dependent on scope of operations.)	\$351.00 fixed fee plus \$78.00 for every additional hour of verification activity
Food businesses transitioning from the Food Hygiene Regulations 1974 to the Food Act 2014 will be able to transfer fees on a pro rata basis to the Food Act registration.		
\$110.00	Minor food retailers (limited sale)	\$110.00
\$200.00	Motels	\$200.00
\$220.00	Itinerant trader—annual registration including inspection	\$252.00
\$110.00	Hawkers licence	\$110.00
\$120.00	Transfer of registration	\$120.00

2015/16 fees including GST		2016/17 fees including GST
\$120.00	Hairdressers	\$139.50
\$110.00	Inspection on request	\$110.00
\$75.00	Re-inspection for failure to comply with requisition or Food Control Plan record	\$75.00
\$20.00 per week	Street stall licence	\$20.00 per week
\$130.00	Offensive trade, sale yards	\$139.50
	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 ⁴⁷ 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
\$11.50	Amusement devices in accordance with Amusement Regulations 1978	\$11.50 for 1 device \$2.30 each additional device
\$180.00	Camping ground (annual charge)	\$180.00
	Compliance and monitoring (Food Act 2014)	
-	Complaint-driven investigation resulting in issue of improvement notice by Environmental Health Officer	\$120.00 per hour
-	Application for review of issue of improvement notice	\$120.00 per hour
-	Monitoring of food safety and suitability	\$120.00 per hour
	Resource Consent Fees (deposit only)	
\$500.00	Controlled activity (other than minor land use)	\$600.00
\$1,000.00	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
\$150.00	Minor changes to consents (eg changes to conditions)	\$150.00

⁴⁷ Resource Management Act 1991

2015/16 fees including GST		2016/17 fees including GST
\$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	\$350.00
\$300.00	Section 223 and 224 RMA certificates	\$350.00
\$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
\$200.00	Land Information Memorandum	\$250.00
\$300.00	Land Information Memorandum—urgent service	\$350.00
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
	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
-	Applications for piping or relocating water race	\$57.50 plus expenses
actual cost	Clearing sewers (property owner boundary to main)	actual cost
actual cost	Damage to Road Reserve	actual cost

2015/16 fees including GST		2016/17 fees including GST
	Transfer station entry fees	
	General refuse	
\$17.00	Car boot	\$17.00
\$35.00	Small trailer or ute up to 1.8m x 1.2m x 0.4 high (sorted)	\$35.00
\$184.00	Any load after this weight (per tonne)	\$195.50
	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	
\$510.00	Tyres (per tonne)	\$510.00
\$3.50 each	Car and 4WD tyres—up to 4 tyres on rims	\$3.50 each
\$5.50 each	Truck tyres—up to 4 tyres	\$5.50 each
\$510.00 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	\$85.00
\$59.00	Urban—spayed/neutered dogs	\$60.00
\$59.00 per dog	Rural—non-neutered and neutered dogs—first two dogs	\$60.00 per dog
\$31.00 per dog	Rural—non-neutered and neutered dogs—all remaining dogs	\$32.00 per dog
\$126.00	Dog classified as dangerous	\$127.50
\$50.00	Urban—application for permit to keep more than two dogs	\$60.00
	Impounding fees	
\$50.00	Dogs, sheep, goats	\$50.00
\$75.00	Cattle, deer, horses and all other animals	\$75.00
actual cost	Droving charge—calculated on actual cost including labour and plant hire	actual cost
\$8.00 per day	Sustenance fee—dogs	\$10.00 per day

2015/16 fees including GST		2016/17 fees including GST
\$10.00 per day	Sustenance fee—all other animals	\$12.00 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	
\$1,100.00	• lawn	\$1,100.00
\$160.00	• child under 1 year old	\$160.00
\$320.00	• child over 1 year old and below 10 years old	\$320.00
\$215.00	• cremation	\$215.00
\$270.00	Extra depth charge	\$300.00
	Interment	
\$700.00	• lawn	\$750.00
\$160.00	• cremation	\$170.00
\$130.00	• child under 1 year old	\$130.00
\$320.00	• child over 1 year old and below 10 years old	\$320.00
\$615.00	• servicemen	\$615.00
\$850.00	Out-of-town burial fee	\$900.00
\$1,100.00	Saturday burials	\$1,200.00
\$1,350.00	Saturday burials—out of town	\$1,450.00
Actual Cost	Disinterment	Actual Cost
	No burials on Public Holidays	
	Private burial service	
\$55.00	Chapel	\$60.00
	Park fees	
\$572.00	Association Football—per ground	\$572.00
\$884.00	Cricket Association	\$100.00
\$572.00	Athletic Club	\$572.00
	<i>Additional charges may be levied for additional services, including pitch preparation and repairs</i>	
	Community Notice Board	
Free	Use of the Community Notice Board—community groups	Free

2015/16 fees including GST		2016/17 fees including GST
\$10.00 per day	Use of the Community Notice Board—commercial and private	\$10.00 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
\$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

2015/16 fees including GST		2016/17 fees including GST
\$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 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16	Classification	PIM only fee 2016/17	When included with other work (excl. BRANZ and DHB levies) 2016/17	Total stand alone fee (excl. BRANZ and DHB levies) 2016/17
			Minor work			
\$44.50	\$115.00	\$274.00	Solid fuel heater	\$45.50	\$117.00	\$305.00
\$44.50	\$115.00	\$363.00	Minor plumbing and drainage work, eg fittings, drain alteration	\$45.50	\$117.00	\$395.00
new	new	new	Minor building work	\$45.50		\$231.00
\$44.50		\$929.00	Drainage work, eg new minor subdivision services, and common drains	\$45.50		\$973.00
\$44.50	\$327.00	\$788.00	Drainage work, eg new effluent disposal system	\$45.50	\$334.00	\$828.00
\$44.50	\$186.00	\$504.00	Wet area shower (vinyl floor)	\$45.50	\$190.00	\$540.00
\$44.50	\$221.50	\$690.00	Wet area shower (tile floor)	\$45.50	\$226.00	\$729.00
\$44.50		\$133.00	Private marquee >100 m ² —professional assembly only (no inspection)	\$45.50		\$160.00
\$44.50		\$133.00	Public marquee >100 m ² and <50 people—professional assembly (no inspection)	\$45.50		\$160.00
\$44.50		\$274.00	Public marquee >100 m ² and >50 people (with inspection)	\$45.50		\$305.00
\$44.50		\$274.00	Private marquee >100 m ² (with inspection)	\$45.50		\$305.00
			Sheds / garages / conservatories etc			
na		\$89.00	Swimming pool 1200mm above ground and pool fencing	N/A		\$115.00
\$44.50		\$363.00	In-ground swimming pools (includes fence)	\$45.50		\$395.00
\$44.50		\$549.00	Garden sheds/retaining walls/carports/conservatories/other minor works	\$45.50		\$585.00
\$89.00		\$637.00	Minor farm buildings (haysheds covered yards 1–6 bays, etc)	\$90.50		\$675.00
\$89.00		\$920.00	Larger farm buildings (covered yards, wool sheds)	\$90.50		\$964.00
\$89.00		\$637.00	Proprietary garages standard	\$90.50		\$675.00
\$89.00		\$779.00	Proprietary garages with fire wall	\$90.50		\$819.00
\$89.00		\$779.00	Proprietary garages including sleepout no plumbing or drainage	\$90.50		\$819.00
\$89.00	203.00	\$1,062.00	Plumbing and drainage	\$90.50	\$212.00	\$1,108.00
\$89.00		\$823.00	Garages, simple custom design, single level	\$90.50		\$865.00
\$44.50		\$549.00	Residential repile	\$45.50		\$585.00
\$44.50		\$204.00	Residential demolition	\$45.50		\$233.00

PIM only fee 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16	Classification	PIM only fee 2016/17	When included with other work (excl. BRANZ and DHB levies) 2016/17	Total stand alone fee (excl. BRANZ and DHB levies) 2016/17
			Residential dwellings—new (note: double units charged at single unit rate + 50%)			
\$354.00		\$3,425.00	Single storey	\$361.00		\$3,600.00
\$531.00		\$3,575.00	Multi-storey	\$542.00		\$3,672.00
\$89.00		\$2,708.00	Transportable dwelling (yard built)	\$90.50		\$2,787.00
\$442.50		\$1,558.00	Relocated residential dwelling (if applicable, add alteration fee)	\$451.50		\$1,614.00
			Residential dwellings—additions and alterations			
\$44.50		\$363.00	Minor external alterations	\$45.50		\$396.00
\$44.50		\$549.00	Internal alterations	\$45.50		\$585.00
\$89.00		\$1,292.00	Addition to single storey	\$90.50		\$1,343.00
\$89.00		\$1,381.00	Addition to multi-storey	\$90.50		\$1,433.00
	\$208.00	\$1,062.00	Plumbing and drainage		\$212.00	\$1,108.00
			Commercial / industrial			
\$44.50		\$549.00	Commercial demolition	\$45.50		\$585.00
\$89.00		\$1,142.00	Single storey shop fitouts	\$90.50		\$1,189.00
\$89.00		\$1,425.00	Multi-storey shop fitouts	\$90.50		\$1,478.00
\$575.50		\$2,088.00 plus \$425.00 per unit	Single storey, multi-unit apartments/motels	\$587.00		\$2,113 plus \$425 per unit
\$796.50		\$2,442.00 plus \$708.00 per unit	Multi-storey, multi-unit apartments/motels	\$813.00		\$2,467 plus \$708 per unit
\$243.50		\$726.00	Minor commercial work eg signs/shop fronts/minor fitouts (no plumbing or drainage)	\$248.50		\$765.00
\$469.00		\$2,159.00	Commercial/industrial ≤\$50,000.00	\$478.50		\$2,228.00
\$646.00		\$3,009.00	Commercial/industrial \$50,000.01–\$100,000.00	\$659.00		\$3,094.00
\$823.00		\$3,859.00	Commercial/industrial \$100,000.01–\$150,000.00	\$839.50		\$3,961.00
\$1,000.00		\$4,708.00	Commercial/industrial \$150,000.01–\$250,000.00	\$1,020.00		\$4,827.00
\$1,177.00		\$5,558.00	Commercial/industrial \$250,000.01–\$350,000.00	\$1,200.50		\$5,694.00
\$1,354.00		\$6,407.00	Commercial/industrial \$350,000.01–\$500,000.00	\$1,381.50		\$6,561.00
\$1,354.00		\$6,974.00	Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,381.50		\$7,138.00
\$1,354.00		\$6,974.00 plus \$423 per \$100,000 or part thereof	Commercial/industrial/agricultural >\$1,000,000.00	\$1,381.50		\$6,999 plus \$423 per \$100,000
			Other charges			
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000

PIM only fee 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16	Classification	PIM only fee 2016/17	When included with other work (excl. BRANZ and DHB levies) 2016/17	Total stand alone fee (excl. BRANZ and DHB levies) 2016/17
		\$2.01 per \$1,000	DBH levy for work \$20,000 or more			\$2.01 per \$1,000
		\$142.00	Unscheduled inspections			\$142.00
		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
		\$177.00	Compliance schedule change			\$177.00
		\$177.00 per hour	Inspection hourly rate			\$177.00 per hour
		\$142.00	Re-inspection fee per inspection			\$142.00
		building consent fee plus \$173.00 per hour	Certificate of acceptance—building consent fee for the applicable building plus actual costs, payable on issue of certificate			building consent fee plus \$173.00 per hour
		\$173.00	Reassessment fee (amended plans)			\$177.00
		\$173.00 plus \$173.00 per hour after first half hour	Building warrant of fitness audit inspection fee			\$177.00 plus \$177.00 per hour after first half hour
		\$20.00	Certificate of title			\$20.00
			Vehicle crossing bonds will be assessed for each application where required			
		\$1,500.00	Street, crossing, footpath, and berm damage bond for buildings moved to/from site			\$1,500.00
		\$10.00 per file	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

2015/16 charges	Category	Description	2016/17 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 where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour
Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the Waste Water Authority'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) of the Local Government Act. Section 150(4) 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	\$0.60/ m ³
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.80/kg	B4 Organic Loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.92/kg
\$10.00/kg	B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.	\$10.00/kg
\$15.00/ kg	B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg.	\$15.00/ kg
\$62.00 per cubic metre	C1 Tankered Waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$62.00 per cubic metre

Events Centre charges and fees 2016/17 (all fees include GST)

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.

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)	na					\$45.00	
Meetings over 30 people			\$100.00		\$100.00	\$100.00	\$75.00	
Meetings (commercial enterprise)	\$75.00	\$50.00				\$250.00	\$75.00	\$45.00
Performances ordinary rehearsals			\$30.00		na			
Performances ordinary rehearsals (half auditorium)			\$15.00		na			
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	