



# **Carterton District Council**

## **Annual Plan 2013/14**

**ISSN 1171–7459 (print)**

**ISSN 1179–8815 (online)**





# *Carterton*

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



## Directory

Carterton District Council  
 Holloway Street  
 (PO Box 9)

### **Carterton**

Phone 06 379 4030  
 Fax 06 379 7832  
[www.cdc.govt.nz](http://www.cdc.govt.nz)  
[info@cdc.govt.nz](mailto:info@cdc.govt.nz)

### **Financial Advisors**

PricewaterhouseCoopers  
 Paul Lynskey

### **Resource Management and Engineering Consultants**

Opus International Consultants  
 NZ Environmental Technologies Ltd

### **Auditors**

Audit New Zealand  
 John O'Connell

### **Solicitors**

WCM Legal  
 Mark Hinton

### **Bankers**

Bank of New Zealand  
 Johan Otto

## Contents

	<b>Page</b>
Mayor and councillors	5
Senior executives	5
Message from Mayor and Chief Executive	6
<b>Introduction</b>	
Key issues	8
Specific items for consultation	9
Financial overview	10
Policies	13
<b>Community outcomes</b>	
The vision	16
How Council activities relate to the community outcomes	17
<b>Council activities and services</b>	
Groups of activities	20
Governance	21
Community support	24
Regulatory and planning	29
Roads and footpaths	33
Sewerage and the treatment and disposal of sewage	37
Stormwater drainage	41
Waste management	45
Water supply	48
<b>Financial information</b>	
Significant forecasting assumptions	58
Accounting policies	62
Prospective financial statements	77
Statement of special funds reserves	78
Funding impact statement	80
<b>Appendices</b>	
A—Significance policy	85
B—Schedule of fees and charges 2013/14	89



## Mayor and councillors

Name	Contact Details
Ron Mark (Mayor)	06 379 9068 / 021 570 846 mayor@cdc.govt.nz
Cr. Elaine Brazendale (Deputy Mayor)	06 379 6899 / 027 441 3557 elaine.brazendale@cdc.govt.nz
Cr. Grant Smith	06 379 5341 / 021 468 264 grant.smith@cdc.govt.nz
Cr. Brian Poulsen	06 379 6112 brian.poulsen@cdc.govt.nz
Cr. William (Bill) Knowles	06 379 8730 bill.knowles@cdc.govt.nz
Cr. Jill Greathead	06 379 6193 / 027 488 4376 jill.greathead@cdc.govt.nz
Cr. Barbara Durbin	06 379 6860 / 027 493 0846 barbara.durbin@cdc.govt.nz
Cr. Ruth Carter	06 379 7467 / 027 379 7467 ruth.carter@cdc.govt.nz
Cr. John Booth	06 378 2481 / 027 442 7469 john.booth@cdc.govt.nz

## Senior executives

### Chief Executive

Colin Wright

### Operations Manager

Garry Baker

### Manager Planning and Regulatory

Milan Hautler

### Corporate Services Manager

Martin Sebire

### Community Facilities Manager

Brian McWilliams

### Community Development Manager

Lorraine Gittings



## Message from the Mayor and Chief Executive

We have pleasure in introducing the Carterton District Council's Annual Plan for 2013/14.

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

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

This Annual Plan has been prepared using what we know and understand about Carterton District's needs and priorities.

We would like to thank you for your submissions on the key issues we identified facing the community and the Council and on the specific items on which we sought feedback. We have listened, and changes have been made to reflect what we heard.

The coming year to be a consolidation year, with a focus on core activity; a steady continuation of most services, while continuing to address some key infrastructure issues such as the treatment and disposal of sewage.

It is also in the context of a changed legislative framework for local government, with the role and purpose for local authorities being redefined, and quite likely changes to the Councils themselves in Wairarapa on the horizon.

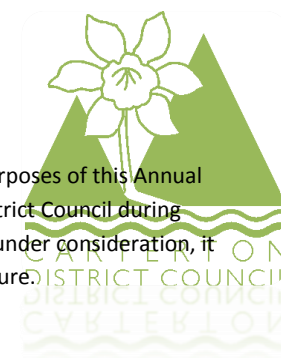
It will be a challenging year for you and for us, but together we can keep building our vision for Carterton—a welcoming and vibrant community where people like to live.

Ron Mark  
Mayor

Colin Wright  
Chief Executive



# Introduction



## Key issues

### Role and purpose of local government

In December 2012, changes were made to the Local Government Act on the purpose and functions of local authorities.

#### Section 10

- (1) 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.
- (2) In this Act, 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.

Subsection 10(1)(b) was formerly 'to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future'. On the surface, this is a significant change.

As part of the planning process, the Council worked through the implications of the new purpose. There are some areas where we need further examination and these are identified in the relevant 'Group of activities' section below. Otherwise, these changes are not expected to have a significant impact on the scope and quality of services provided by the Council during the coming year.

### Council reorganisation

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

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2013/14. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist at some time in future.

### Resource consents

In order to provide some infrastructural services, the Council must hold appropriate resource consents. A number of these are in the process of being renewed—some have already expired, some are about to, and most have been more lengthy and costly than expected. In addition, some of the draft conditions set by the Regional Council have been appealed.

There are renewal processes currently underway to take water for town water supply, to take water for water races, and to dispose of treated sewage.

Delays in finalising the consents and uncertainty about their conditions have meant that a number of significant capital works have been carried forward from 2012/13 to 2013/14. This is reflected in the 'Group of activities' sections below. None of these delays are currently impacting on the ability of the Council to deliver its infrastructural services.

### Sewerage and the disposal of treated sewage

Currently, treated sewage is disposed to Mangatāre Stream during winter and to land adjacent to the treatment station during summer. For a long time, the Council has signalled its desire to increase the volume of treated sewage being disposed to land.

Late last year, the opportunity arose for the Council to purchase land adjacent to the treatment station that would meet the needs of land disposal now and into the future, and this was seen as an important strategic move to take.

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

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



## Specific items for consultation

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

### Sporting facilities

The Long Term Plan flagged changing demands around sporting facilities. Increasingly, sports organisations that currently own their own property or use Council land are unable to sustain or continue the status quo. This has resulted in them approaching the Council to use existing Council parks or provide additional land or facilities to accommodate these sports. For example, the swimming club has requested discussion on the long-term future of their indoor swimming pool adjacent to the Council outdoor swimming complex.

The Council has started discussion about broader Wairarapa-wide needs, and how councils, sports organisations, and others can more effectively meet the demand. Following the Annual Plan consultation, the Council agreed to:

- assist with the replacement of a hockey turf at Clareville (\$10,000 pa for three years)
- assist the Gladstone Sports Complex to repair its roof and replace its ceiling (\$15,000 one off)
- receive the feasibility assessment for a multi-million dollar multi-sports facility at the Council-owned Howard Booth Park (the Council supported the Howard Booth Park Sports Trust to develop needs and feasibility assessments, in principle and with a small grant).

Any further development of sports facilities would be funded by new loans, and would have a direct impact on the General Rate.

### Significance policy

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

The Council has reviewed its significance policy to reflect changes to the purpose of local government introduced by amendments in late 2012 to the Local Government Act 2002. The significance policy was adopted without further amendment.

### Footpaths

The current policy for provision of footpaths is to have a footpath on at least one side of every street in the urban area.

In the last *NRB Communitrak™ Survey* commissioned by the Council, only 58 percent of residents surveyed were satisfied with the footpaths in the District, principally because of roughness or unevenness.

The Council now uses asphaltic concrete to resurface footpaths for a much better surface quality. This costs twice as much as the former use of chip seal.

The other main issue for dissatisfaction are bumps and cracks caused by tree roots under the footpaths, many caused by street trees. The Council has removed some problem street trees, but as many residents oppose these removals as support them.

The Annual Plan includes the same expenditure for 2013/14 as in the Long Term Plan (about \$90,000). The length of footpath resurfaced each year (with asphaltic concrete) will be half as much but lasts more than twice as long, with a superior quality of surface.

### Old Courthouse

The Old Courthouse in Holloway Street, also known as the St John Building, was gifted to the Council in July 2012. The 1884 building is next to the Events Centre on Council-owned land. The issue now is what to do next with the building.

Council owns the land on which the courthouse sits. The Order of St John was owner of the courthouse and licensed to occupy the land. Last year, the Council and St John sought to find a way to restore the building so that it could be preserved and used by the community of Carterton. They agreed to pass the ownership of the courthouse to the Council, as the best way to achieve this.

In the Proposed LTP, the Council sought feedback on its intention to include a small budget for immediate repairs to bring the building up to safe, operating condition, and to review the future use for the building.

The feedback to the Proposed LTP did not indicate a strong community desire to retain the building and there was concern about the high cost of doing so. The LTP set aside a modest



amount in 2013/14 for renovation and upgrade and associated annual operating costs thereafter, subject to further review and the condition assessment to be undertaken.

Subsequently, the Council has considered how it might best use the courthouse, and it has decided that unfortunately the restoration and development of the building by the Council is not affordable, nor is there a demonstrable community need that would be best met from its retention.

No budgets for income or expenditure were included in the Proposed Annual Plan. During consultation on the Proposed Annual Plan, the Council sought feedback on four options identified for the courthouse:

1. offer the building for removal, and repatriate the building site
2. paint the building to stop further deterioration of the exterior and enhance its visual appeal, and not use the building
3. paint the building, and make it safe for limited use such as storage
4. sell the building for commercial development where it is.

There were 24 submissions. Eleven favoured removal or sale for commercial development. Thirteen favoured retention, of which five suggested that it could be used to provide more facilities such as community services or as a museum. The Council decided to retain the building to allow interested individuals and community groups time to prepare a business case for its development without ratepayer contribution.

## Financial overview

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

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

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

excessively burdening today's users with the impact of yesterday's users not having contributed enough.

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

## Balancing the budget

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

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

## Depreciation

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

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

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

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

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

Some of the capital construction of roads and footpaths is funded from subsidies received from the New Zealand Transport Agency, and the capital construction of other assets was partly-funded



from external funding. Therefore, we do not need to build up the full amount of replacement funds.

We need to borrow to fund other capital expenditure, including the planned accelerated programme of sewerage renewals, and expansion of the sewage treatment capacity. This is because insufficient funds have built up in the past in depreciation reserves. Either it is a new asset, or rates have not covered the cost of depreciation over the full life of the asset.

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

## Reserve funds

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

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

## Borrowing limits

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

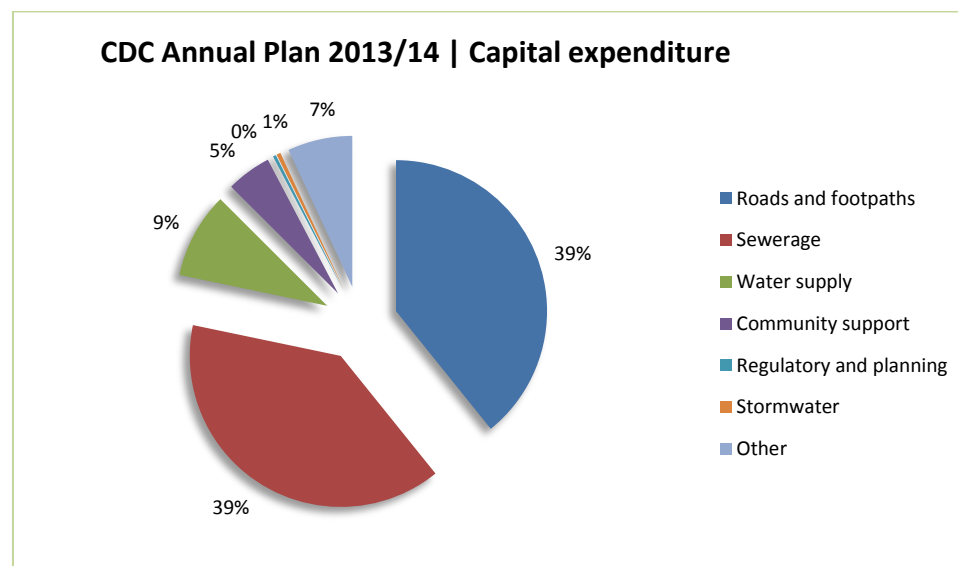
- total debt as a percentage of total assets will not exceed 15 percent (estimate as at 30 June 2014: 6.0%)
- in any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue (estimate for 2013/14: 4.4%)
- in any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities (estimate for 2013/14: 23.1%).

## Capital expenditure

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

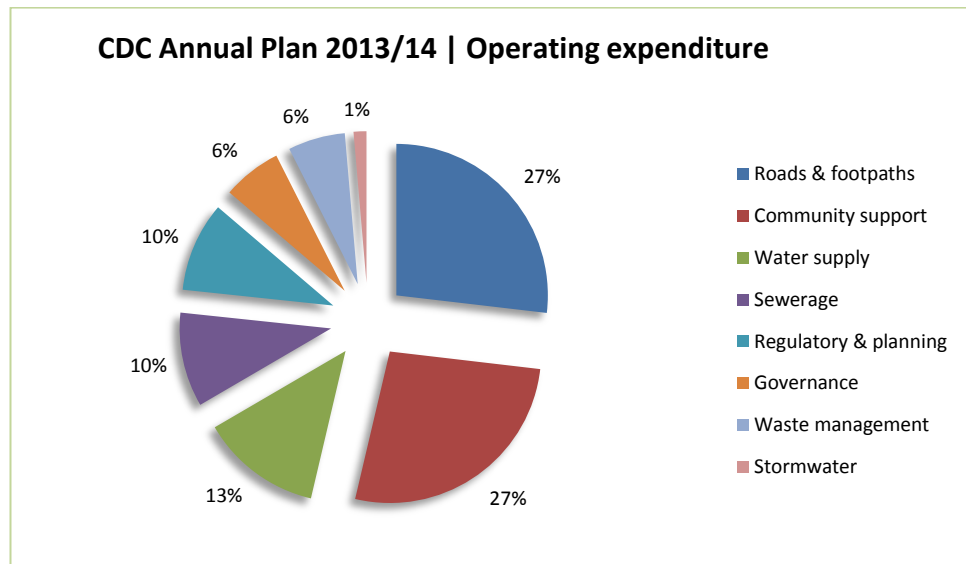
The assets managed by the Council are forecast to grow from \$160 million to \$176 million over the next year.

The Council will spend \$4.6 million on capital expenditure in 2013/14. The chart below provides a breakdown by major group of activities. The majority of the capital spend is on roads and footpaths, and on sewerage (both \$1.8 million, or 39 percent). The full list of capital works are provided in the 'Group of activities' sections.



## Operating expenditure

Operating expenditure is forecast to be \$12.5 million in 2013/14. The following chart shows the split between groups of activities.



The greatest operating is on roads and footpaths (\$3.3 million), community amenities (such as the library, information centre, and other activities at the Events Centre, swimming pool, public toilets, and the cemetery—\$3.3 million), and water supply (\$1.6 million).

## Rates

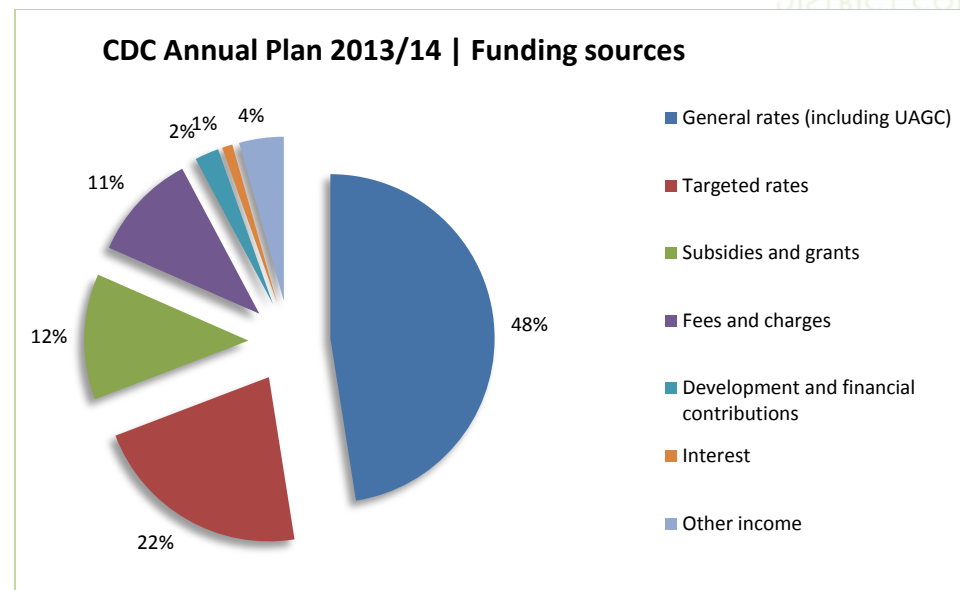
The Council proposes to collect \$9.0 million in rate revenue in the 2013/14 financial year. This is an increase of \$570,000 on the current financial year and equates to an increase of 3.7 percent in the average rates, after taking into account growth in the rating base.<sup>1</sup>

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

<sup>1</sup> The 'average rates' is the total forecast rates divided by the total number of forecast rates assessments.

## Other funding sources

The graph below shows how the Council will fund its services and projects it delivers to the community in 2013/14.



## Policies

The Council has a number of funding and financial policies that affect the Plan. The full policies are set out in the LTP.

### Revenue and financing policy

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

### Investment policy

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

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

and for holding equity:

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

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

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

### Liability management policy

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

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

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

### Significance policy

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

The Council reviewed its significance policy to reflect changes to the purpose of local government introduced by amendments in late 2012 to the Local Government Act 2002. The full significance policy can be found in appendix A.







# 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
<b>Council group of activities</b>								
Governance	•							
Community support		•	•	•	•	•	•	•
Regulatory and planning		•	•	•			•	•
Roads and footpaths		•	•			•		•
Sewerage and the treatment and disposal of sewage		•	•	•			•	•
Stormwater drainage			•				•	•
Waste management				•			•	•
Water supply		•	•	•			•	•





# Council activities and services

## Groups of activities

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

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

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

### **What the group includes and the related community outcomes**

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

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

### **What we will deliver**

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

### **What is different from the LTP**

This section explains any significant departure for 2013/14 in the Annual Plan from 2013/14 in the Long Term Plan.

### **How we will measure what we deliver**

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

### **Assets and asset valuations**

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

### **Renewal and capital plans**

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

### **How the group of activities is funded**

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

### **Key assumptions and uncertainties**

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

### **Risk management**

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

### **Significant negative effects**

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

### **Prospective financial statements**

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

The comparative budgets for 2012/13 are those stated in the Long Term Plan 2012–2022.





## Governance

### This group of activities...

includes the following services and programmes:

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

### ...contributes to the community outcomes

#### Strong and positive leadership

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

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

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

### What we will deliver

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

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

When making decisions, the Council must:

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

The Council must also:

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

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

### Role and purpose of local government

In December 2012, changes were made to the Local Government Act on the purpose and functions of local authorities. In particular, purpose was changed from:

*promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future*

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.*

As part of the planning process, the Council has been working through the implications of the new purpose. There are some areas where we need further examination and these are identified in the relevant 'Group of activities' section. Otherwise, these changes are not expected to have a significant impact on the scope and quality of services provided by the Council.

### What is different from the LTP

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

### How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Regular financial reporting to the Council



The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	≤5%	Council minutes
Representation of residents by elected members	Residents rate the performance of the Mayor and councillors as 'very good' or 'fairly good'	≥75%	≥75%	Survey of residents every three years <sup>2</sup>
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	100%	100%	Annual report
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Regular financial reporting to the Council

## How the group of activities is funded

### Capital

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

There are no planned capital costs.

### Annual costs

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

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

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

## Key assumptions and uncertainties

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

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2013/14. 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.

<sup>2</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—GOVERNANCE**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b><u>Income</u></b>		
741,289	Rates	722,646	762,585
100	Miscellaneous income	45,100	44,479
741,389	<b>Total income</b>	767,746	807,064
	<b><u>Expenditure</u></b>		
728,951	Mayor and councillors	694,020	744,551
3,515	Elections	91,987	74,326
732,466	<b>Total expenditure</b>	786,007	818,877
8,923	<b>Surplus/(deficit)</b>	(18,262)	(11,813)
	<b><u>Capital Expenditure</u></b>		
536,038	Administration - building refurbishment and strengthening	50,000	-
536,038	<b>Total capital expenditure</b>	50,000	-

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—GOVERNANCE**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b><u>Sources of Operating Funding</u></b>		
741,289	General rates, UAGC, rates penalties	722,646	762,585
-	Targeted rates (other than water supply)	-	-
-	Grants, subsidies and donations	-	-
-	Fees, charges and target rates for water supply	-	-
-	Internal charges and overheads recovered	-	-
100	Local authorities fuel tax, fines, infringement fees and other	45,100	44,479
741,389	<b>Total operating funding</b>	767,746	807,064
	<b><u>Applications of Operating Funding</u></b>		
419,230	Payments to staff and suppliers	509,218	480,040
27,815	Finance costs	9,353	44,365
284,015	Internal charges and overheads applied	266,163	292,279
-	Other operating funding applications	-	-
731,060	<b>Total applications of operating funding</b>	784,733	816,684
10,329	<b>Surplus/(deficit) of operating funding</b>	(16,987)	(9,619)
	<b><u>Sources of Capital Funding</u></b>		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
511,060	Increase/(decrease) in debt	24,733	(31,028)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
511,060	<b>Total sources of capital funding</b>	24,733	(31,028)
	<b><u>Applications of Capital Funding</u></b>		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
536,038	Capital expenditure - replace existing assets	50,000	-
(14,649)	Increase/(decrease) in reserves	(42,254)	(40,648)
-	Increase/(decrease) of investments	-	-
521,389	<b>Total application of capital funding</b>	7,746	(40,648)
(10,329)	<b>Surplus/(deficit) of capital funding</b>	16,987	9,619
-	<b>Funding balance</b>	-	-

## 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 located in the Admiral/Clifton Grove area.

#### Community amenities

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A healthy district*

*A district that encourages lifelong learning*

*A district that enjoys creativity and recreation*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

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

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

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

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

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







## What we will deliver

### Community development

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

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

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

### Parks and reserves

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

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

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

### Community amenities

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

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

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

The Public Toilets are clean and useable during opening hours.

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

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

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

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

## What is different from the LTP

A review is planned in 2013/14 of administration of grants by the Council. This has arisen from a change in the purpose of local government under the Local Government Act. It will examine compliance with the new, more restrictive 'purpose'; the scope of grants administered by Council; and whether the grants and their administration are the best use of rates and Council resources.

The Long Term Plan included capital expenditure in 2013/14 on the renovation and upgrade of the old Courthouse in Holloway Street. The Council decided to remove this from the Annual Plan. For more information, see the 'Specific items for consultation' section on page 9.

Capital expenditure on theatre requirements for the Events Centre has also been removed from the Annual Plan.

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

## How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Regular financial reporting to the Council
A range of amenities of a standard satisfactory to residents	Residents satisfied with public swimming baths	≥75%	≥75%	Survey of residents every three years <sup>3</sup>
	Residents satisfied with public toilets	>75%	>75%	Survey of residents every three years
	Percentage increase in the number of library users over the previous year	≥2%	≥2%	Operational records
	Increase in number of people who use the Outdoor Swimming Complex	≥50	≥50	Operational records
Effective use of grant monies	Community grants budget is distributed in accordance with the Council policy	100%	100%	Operational records
High quality sports fields, parks, and reserves	Residents (who have used or visit a park or reserves) satisfied	≥90%	≥90%	Survey of residents every three years
	High profile or offensive graffiti is removed within 4 hours of the Council being aware of it	100%	100%	Operational records
Prompt response to all health and safety incidents	Calls with a potential public health or safety risk are responded to within 30 minutes	100%	100%	Complaints register

<sup>3</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.

## 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
- Pensioner housing complexes
- Events Centre
- Halls
- Forestry.

### Maintenance and operating

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

### Renewals plan

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

Renewals for the Community support group of activities for the next financial year are as follows:

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Carrington Park—path seating and lighting	24,744	24,744

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Security cameras review and upgrade	-	50,000
Carrington Park—security camera	5,671	-
CCTV camera	10,310	-
Holiday Park	10,310	10,310
Housing for the elderly units	36,085	5,155
Library books	61,860	61,860
Computer upgrades	2,887	-
Nursery—replace damaged tunnel house	-	39,000

### Capital plan

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

Capital works in the Community support group of activities in the next three financial years are as follows:

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Multi-purpose recreation park at Kaipaitangata Forest	20,620	-
Cemetery—concrete burial berms	12,372	12,372
Cemetery—road extension and resealing	-	16,000
Events Centre—theatre services requirements	174,254	-

### 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.
- Community grants can be maintained at present aggregate levels from designated funds, although the need for funds by claimants is expected to increase as alternative sources diminish. Any impact as an outcome of the proposed review of grants policies is not reflected in this Annual Plan.
- 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.
- The estimates for reforestation costs have been provided by Forestry Enterprises Ltd.
- Demand for housing for the elderly units may decrease if client expectations relating to quality and design of units compared to others offered for rental.
- This will require ongoing reviews of the resources required to meet expectations.

#### Significant negative effects

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

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

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

## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—COMMUNITY SUPPORT FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Income</b>			
2,595,155	Rates	2,622,626	2,796,732
50,298	Grants, subsidies and donations	25,333	25,391
-	Development and financial contributions	100,000	103,200
4,000	Commissions	4,000	4,116
11,902	Recoveries	12,247	12,247
210,564	Fees, charges and target rates for water supply	216,610	216,670
246,682	Rental income	248,790	253,836
-	Forestry harvest	-	-
18,580	Miscellaneous income	19,012	19,129
<b>3,137,181</b>	<b>Total income</b>	<b>3,248,618</b>	<b>3,431,321</b>
<b>Expenditure</b>			
274,554	Community grants	327,478	286,601
78,944	Community advocacy	101,466	81,274
209,562	Parks	238,297	224,230
286,513	Civic and urban reserves	286,536	303,768
61,931	Rural reserves	65,038	66,526
95,774	Nursery	100,346	99,222
157,123	Forestry	65,700	57,069
92,294	Cemetery	69,068	96,460
151,377	Swimming baths	156,162	157,998
37,401	Restrooms	31,590	39,113
877,965	Events centre - property management	519,910	1,046,523
269,726	Housing for the elderly	271,952	286,683
213,592	Holiday park	192,973	226,495
59,845	Miscellaneous properties	58,642	85,874
759,234	Events centre - operations	858,502	797,378
<b>3,625,835</b>	<b>Total expenditure</b>	<b>3,343,661</b>	<b>3,855,214</b>
<b>(488,654)</b>	<b>Surplus/(deficit)</b>	<b>(95,044)</b>	<b>(423,893)</b>

Note 1—some of the LTP 2013 and 2014 comparative figures in this statement do not match the LTP. The incorrect comparative figures published in the LTP were expenditure on community grants (2013 \$383,756 and 2014 \$274,554) and community advocacy (2013 \$51,465 and 2014 \$78,944). These have been corrected above.

## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—COMMUNITY SUPPORT contd. FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Capital Expenditure</b>			
38,532	Carrington Park - play equipment	-	-
16,425	Path seating and lighting	24,744	24,744
7,895	Soft fall matting	-	-
50,928	Town signs	-	-
67,624	Carrington Park - new path	-	-
-	Carrington Park - security camera	-	5,671
50,000	Howard Booth Park - seal car park	-	-
202,783	Carrington Park - toilets	-	-
5,000	Millennium Park - upgrade	-	-
-	CCTV camera	-	10,310
407,928	CBD re-vitalisation stage III - Holloway/Nelson	-	-
12,321	Path linking Victoria to Pembroke Street	-	-
20,000	Progress Wairarapa-wide sports facilities (externally funded)	-	-
18,928	Investigate multi-purpose all-terrain park at Kaipaitangata	-	20,620
-	Nursery - replace tunnel house	39,000	-
-	Cemetery - concrete burial berms	12,372	12,372
8,928	Cemetery - pipe open drain	-	-
-	Cemetery - road extension and resealing	16,000	-
14,928	Cemetery - GPS and make information accessible to public	-	-
30,000	Restrooms - Memorial Square toilets	-	-
20,000	Holiday Park - reception area	-	-
-	Holiday Park - put ceiling in shower block	10,310	10,310
3,000	Holiday Park - 2 carparks and 3 hard sites for caravans	-	-
3,000	Holiday Park - beds	-	-
-	Housing for the elderly - replace box guttering	5,155	5,155
-	Housing for the elderly - heat pumps	-	30,930
10,928	Housing for the elderly - review of property holding	-	-
5,000	Swimming pool - picnic tables and BBQ	-	-
10,000	Old courthouse investigate options	-	-
50,000	Old courthouse building	-	-
-	Old courthouse renovation and upgrade	-	515,500
-	Security camera upgrade	50,000	-
2,800	Events Centre - computer	-	-
50,000	Events Centre - theatre services requirements	-	174,254
100,000	Events Centre - library management system	-	-
60,000	Events Centre - library books	61,860	61,860
11,200	Events Centre - library computer upgrades	-	2,887
<b>1,278,146</b>	<b>Total capital expenditure</b>	<b>219,441</b>	<b>874,612</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—COMMUNITY SUPPORT**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
2,595,155	General rates, UAGC, rates penalties	2,622,626	2,796,732
-	Targeted rates (other than water supply)	-	-
25,298	Grants, subsidies and donations	25,333	25,391
210,564	Fees, charges and target rates for water supply	216,610	216,670
-	Internal charges and overheads recovered	-	-
281,164	Local authorities fuel tax, fines, infringement fees and other	284,049	289,328
<b>3,112,181</b>	<b>Total operating funding</b>	<b>3,148,618</b>	<b>3,328,121</b>
	<b>Applications of Operating Funding</b>		
1,982,350	Payments to staff and suppliers	2,079,234	2,093,272
285,435	Finance costs	190,796	312,875
419,065	Internal charges and overheads applied	409,189	438,389
-	Other operating funding applications	-	-
<b>2,686,850</b>	<b>Total applications of operating funding</b>	<b>2,679,218</b>	<b>2,844,536</b>
<b>425,331</b>	<b>Surplus/(deficit) of operating funding</b>	<b>469,400</b>	<b>483,585</b>
	<b>Sources of Capital Funding</b>		
25,000	Grants, subsidies and donations	-	-
100,000	Development and financial contributions	100,000	103,200
393,838	Increase/(decrease) in debt	(173,634)	510,365
-	Gross proceeds from sale of assets	-	250,000
-	Lump sum contributions	-	-
<b>518,838</b>	<b>Total sources of capital funding</b>	<b>(73,634)</b>	<b>863,565</b>
	<b>Applications of Capital Funding</b>		
31,728	Capital expenditure - meet additional demand	28,372	12,372
584,728	Capital expenditure - improve level of service	50,000	194,874
611,690	Capital expenditure - replace existing assets	141,069	667,366
(283,976)	Increase/(decrease) in reserves	176,325	472,538
-	Increase/(decrease) of investments	-	-
<b>944,169</b>	<b>Total application of capital funding</b>	<b>395,766</b>	<b>1,347,150</b>
<b>(425,331)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(469,400)</b>	<b>(483,585)</b>
<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>

## Regulatory and planning

### This group of activities...

includes the following services:

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

### ...contributes to the community outcomes

*A safe district*

*A healthy district*

*A district that values and protects its natural environment*

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

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

**A vibrant and prosperous economy**

**A district that promotes sustainable infrastructure and services**

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

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

**What we will deliver**

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

- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health
- Sale of Liquor Act 1989 and its replacement Sale and Supply of Alcohol Act 2012, which comes into force partly in June 2013 and partly in December 2013, and requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety
- Animal Welfare Act 1999, which requires the Council to ensure owners of animals, and persons in charge of animals, attend properly to the welfare of those animals
- Building Act 2004 and amendments, which require the Council to ensure that there is strong decision-making at every stage of the building or renovating process
- Fencing of Swimming Pools Act 1987, which requires the Council to promote the safety of young children by requiring the fencing of swimming pools
- Forest and Rural Fire Act 2002, which requires the Council to maintain a rural fire organisation capable of responding to fire events

- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, eg the making of bylaws.

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

**What is different from the LTP**

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

**How we will measure what we deliver**

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Timely processing of applications	LIMs <sup>4</sup> processed within 10 working days	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	Operational records
	PIMs <sup>5</sup> and building consents processed within statutory timeframes	100%	100%	Operational records
Prompt responses to enquiries and complaints	Complaints are responded to within 4 working hours, to advise the complainant what action will be taken and in what timeframe	100%	100%	Operational records

<sup>4</sup> Land Information Memorandums  
<sup>5</sup> Project Information Memorandums

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Safe and healthy food premises and liquor outlets.	Known food premises and liquor outlets in the district are registered or licensed	100%	100%	Operational records

## Assets

### Existing assets

- Geographic Information System (GIS)

### Renewals plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
GIS updates	5,170	5,000
Regulatory equipment and software	10,340	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 over the life of the plan.

## 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.

### 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, liquor licensing, and dog registration. The remainder in this group of activities is funded from general rates.

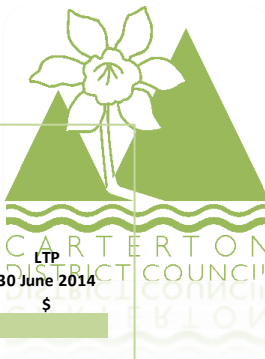
### Key assumptions and uncertainties

- 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 AND PLANNING**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Income</b>		
733,962	Rates	703,810	704,942
-	Grants, subsidies and donations	-	-
-	Commissions	-	-
517,500	Fees, charges and target rates for water supply	557,000	534,060
2,200	Miscellaneous income	2,200	2,270
<b>1,253,662</b>	<b>Total income</b>	<b>1,263,010</b>	<b>1,241,273</b>
	<b>Expenditure</b>		
237,350	Resource management admin	243,809	238,725
80,999	District plan	81,562	68,372
70,490	Civil defence	81,671	58,076
390,849	Building inspection	371,941	388,021
55,966	Health inspection	55,901	58,323
44,591	Liquor licensing	47,749	45,770
44,449	Agency fees	44,474	46,005
102,940	Rural fire	108,851	106,604
155,471	Animal and dog control	156,270	160,830
<b>1,183,105</b>	<b>Total expenditure</b>	<b>1,192,228</b>	<b>1,170,727</b>
<b>70,556</b>	<b>Surplus/(deficit)</b>	<b>70,782</b>	<b>70,546</b>
	<b>Capital Expenditure</b>		
-	Miscellaneous	-	-
<b>-</b>	<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—REGULATORY AND PLANNING**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
403,056	General rates, UAGC, rates penalties	363,657	387,155
330,906	Targeted rates (other than water supply)	340,153	317,787
-	Grants, subsidies and donations	-	-
517,500	Fees, charges and target rates for water supply	557,000	534,060
-	Internal charges and overheads recovered	-	-
2,200	Local authorities fuel tax, fines, infringement fees and other	2,200	2,270
<b>1,253,662</b>	<b>Total operating funding</b>	<b>1,263,010</b>	<b>1,241,273</b>
	<b>Applications of Operating Funding</b>		
961,258	Payments to staff and suppliers	979,310	936,756
-	Finance costs	-	-
203,422	Internal charges and overheads applied	194,559	211,904
-	Other operating funding applications	-	-
<b>1,164,680</b>	<b>Total applications of operating funding</b>	<b>1,173,869</b>	<b>1,148,660</b>
<b>88,982</b>	<b>Surplus/(deficit) of operating funding</b>	<b>89,141</b>	<b>92,612</b>
	<b>Sources of Capital Funding</b>		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
<b>-</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>
	<b>Applications of Capital Funding</b>		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
88,982	Increase/(decrease) in reserves	89,141	92,612
-	Increase/(decrease) of investments	-	-
<b>88,982</b>	<b>Total application of capital funding</b>	<b>89,141</b>	<b>92,612</b>
<b>(88,982)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(89,141)</b>	<b>(92,612)</b>
<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>





## Roads and footpaths

### This group of activities...

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A district that enjoys creativity and recreation*

*A district that promotes sustainable infrastructure and services*

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

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

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

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

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

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

## What we will deliver

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

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

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

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

## What is different from the LTP

As footpaths are resurfaced, the Council now uses asphaltic concrete. This costs twice as much as the former use of chip seal, but lasts more than twice as long with a superior quality of surface. The Proposed Annual Plan includes the same expenditure for 2013/14 as in the Long Term Plan, which means that the length of footpath resurfaced (with asphaltic concrete) will be half as much.

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

## How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Roads and footpaths are managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Up-to date, 'fit for purpose' network and	Compliance with maintenance contract response times	90%	90%	Monthly contract reports

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
facilities	An average road roughness index on sealed roads	80 or less	80 or less	Roughness survey every 2 years (next survey 2013)
	Residents satisfied with the district's footpaths	≥60%	≥60%	Survey of residents every three years <sup>6</sup>
Easy-to-see and understood traffic signs and markings	Signs repaired or replaced within 3 days of advice of a fault	≥95%	≥95%	Contract reports
	Road signs and markings found missing or not visible	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%	≥90%	Complaints register
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%	100%	Contract reports (monthly audits)

## Assets

### Existing Assets

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

Roding component	Quantity	Units	Comment
Pavement <sup>7</sup> —sealed	Urban 29	km	area 1,714,629 m <sup>2</sup>
	Rural 257	km	
Pavement—unsealed	Rural 155	km	area 598,882 m <sup>2</sup>
Bridges	52	number	15 two lane bridges 37 single lane bridges
Culverts > 600mm dia.	294	number	
Culverts < 600mm dia.	1,357	number	
Kerb and channel	42.7	km	

Roding component	Quantity	Units	Comment
Catchpits	333	number	
Stormwater channel	193	km	
Guard rails	211	metres	
Sight rails	240	metres	
Footpaths	45.2	km	
Street lighting	460	number	
Signs	1,349	number	

### Asset valuations

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

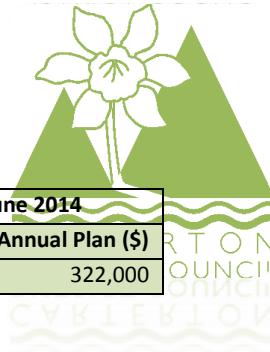
Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Formation	46,721,000	46,721,000	
Pavement	46,588,000	37,638,000	596,000
Drainage	12,737,000	6,639,000	225,000
Footpaths	6,609,000	3,304,000	103,000
Signs and markings	316,000	219,000	25,000
Traffic facilities	52,000	26,000	2,000
Bridges and culverts	30,070,000	16,020,000	260,000
Street lighting	463,000	231,000	15,000
<b>Total</b>	<b>\$143,556,000</b>	<b>\$110,528,000</b>	<b>\$1,226,000</b>

### Maintenance and operating

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

<sup>6</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.

<sup>7</sup> 'Pavement' is the road surface, not the footpath.



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

### Renewals plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Drainage renewals (including kerbs and channels)	118,543	94,560
Associated improvements	19,755	20,760
Components structures replacement	129,410	75,978
Footpath resurfacing	90,927	90,927
Pavement <sup>8</sup> rehabilitation	296,358	271,400
Reseals	444,537	437,000
Traffic services	79,029	63,040
Unsealed road metalling	359,581	357,832

### Capital plan

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

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Minor improvements	247,920	322,000

### How the group of activities is funded

#### Capital

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

#### Annual costs

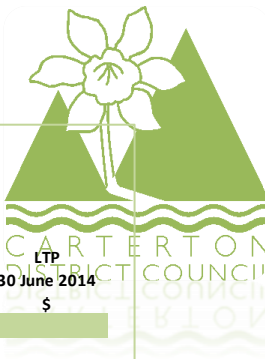
The general approach to funding of the annual net services is that those who benefit (either directly or indirectly) should pay.

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

### Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- The demand for this activity will remain. However there is some uncertainty about how the service will be affected by changing government requirements, eg changes in NZTA directives/policies, changes in legislation, changes in subsidies/funding criteria.
- NZTA will continue to provide subsidised funding to the Council for the roading network. The financial subsidy base rate will remain at 53 percent for maintenance and 63 percent for new construction and minor safety works. Subsequent to the LTP, the NZTA informed the Council that government subsidies would be less than expected. Although the percentage rate of subsidy would remain, the dollar amount would be restricted to the same dollar amount as in the previous three years. No allowance would be made to cover the price increases facing the Council. The operating and capital work programme was reduced to stay within this reduced funding.

<sup>8</sup> 'Pavement' is the road surface, not the footpath.  
 CARTERTON DISTRICT COUNCIL | Annual Plan 2013/14



## 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 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Income</b>		
1,702,376	Rates	1,866,669	1,839,727
1,576,238	LTA subsidy	1,597,911	1,629,060
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	100,000	103,200
56,000	Petrol tax	57,736	57,736
28,026	Recoveries	28,895	28,895
2,076	Miscellaneous income	2,140	2,140
<b>3,364,716</b>	<b>Total income</b>	<b>3,653,351</b>	<b>3,660,758</b>
	<b>Expenditure</b>		
2,833,278	Subsidised roading	2,868,669	2,926,027
387,288	Unsubsidised roading	478,464	437,207
<b>3,220,566</b>	<b>Total expenditure</b>	<b>3,347,134</b>	<b>3,363,234</b>
144,150	<b>Surplus/(deficit)</b>	306,217	297,525
	<b>Capital Expenditure</b>		
114,756	Drainage renewals - kerb and channel replacement	94,560	118,543
19,124	Associated improvements	20,760	19,755
125,276	Components structures replacements	75,978	129,410
88,022	Footpath resurfacing	90,927	90,927
822,000	Holloway/Nelson upgrade - additional to existing programme	-	-
240,000	Minor improvements	322,000	247,920
286,891	Pavement rehabilitation	271,400	296,358
430,336	Reseals	437,000	444,537
76,504	Traffic services	63,040	79,029
348,094	Unsealed road metalling	357,832	359,581
-	Vested assets	50,000	-
<b>2,551,003</b>	<b>Total capital expenditure</b>	<b>1,783,497</b>	<b>1,786,060</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—ROADS AND FOOTPATHS**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
1,702,376	General rates, UAGC, rates penalties	1,866,669	1,839,727
-	Targeted rates (other than water supply)	-	-
682,518	Grants, subsidies and donations	674,837	683,680
-	Fees, charges and target rates for water supply	-	-
-	Internal charges and overheads recovered	-	-
86,102	Local authorities fuel tax, fines, infringement fees and other	88,771	88,771
<b>2,470,996</b>	<b>Total operating funding</b>	<b>2,630,277</b>	<b>2,612,178</b>
	<b>Applications of Operating Funding</b>		
1,515,164	Payments to staff and suppliers	1,605,998	1,561,540
73,658	Finance costs	98,560	113,560
370,992	Internal charges and overheads applied	366,398	394,777
-	Other operating funding applications	-	-
<b>1,959,814</b>	<b>Total applications of operating funding</b>	<b>2,070,956</b>	<b>2,069,876</b>
<b>511,182</b>	<b>Surplus/(deficit) of operating funding</b>	<b>559,321</b>	<b>542,302</b>
	<b>Sources of Capital Funding</b>		
893,720	Grants, subsidies and donations	923,074	945,380
100,000	Development and financial contributions	100,000	103,200
776,033	Increase/(decrease) in debt	(92,740)	(72,290)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
<b>1,769,753</b>	<b>Total sources of capital funding</b>	<b>930,334</b>	<b>976,290</b>
	<b>Applications of Capital Funding</b>		
-	Capital expenditure - meet additional demand	-	-
822,000	Capital expenditure - improve level of service	-	-
1,729,003	Capital expenditure - replace existing assets	1,733,497	1,786,060
(270,068)	Increase/(decrease) in reserves	(243,842)	(267,468)
-	Increase/(decrease) of investments	-	-
<b>2,280,935</b>	<b>Total application of capital funding</b>	<b>1,489,655</b>	<b>1,518,592</b>
<b>(511,182)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(559,321)</b>	<b>(542,302)</b>
-	<b>Funding balance</b>	-	-

## Sewerage and the treatment and disposal of sewage

### This group of activities...

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A healthy district*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

### What we will deliver

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

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



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

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

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

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

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

## What is different from the LTP

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

Late last year, the opportunity arose for the Council to purchase land adjacent to the treatment station that was more than adequate to meet the needs of land disposal now and into the future, and was seen as an important strategic move to take.

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

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

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

## How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
The sewerage service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Minimising adverse effects on the environment	Compliance with resource consent conditions	100%	100%	Resource consent
	Sewage overflows per storm event due to inflow / infiltration	≤15	≤15	Operational records
Response to sewerage system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	100%	Operational records
Sewerage system of a satisfactory standard	Urban residents satisfied with the sewerage system	≥87%	≥87%	Survey of residents every three years <sup>9</sup>

## Assets

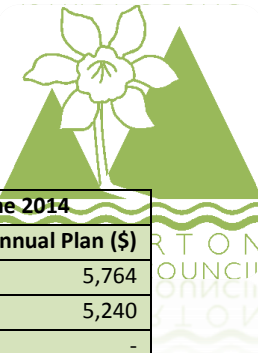
Further information can be found in the Wastewater Asset Management Plan.

### Existing assets

The urban reticulation system consists of:

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

<sup>9</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.



## Asset valuations

Valuation of the sewerage and treatment infrastructural assets was undertaken by Opus International Consultants as at 30 June 2008, and has been revised using valuation indices to give 2011 prices. 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 (\$)
Pipe reticulation	6,775,000	2,317,000	93,000
Reticulation fittings	876,000	350,000	11,000
Pump stations	535,000	302,000	19,000
Sewage treatment plant	2,142,000	785,000	71,000
Sewerage upgrade	912,000	603,000	44,000
<b>Total</b>	<b>\$11,240,000</b>	<b>\$4,357,000</b>	<b>\$238,000</b>

## Maintenance and operating

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

## Renewals plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Grout manholes	5,764	5,764
Road cone and signage upgrade	5,240	5,240
CCTV camera analysis of sewer pipes	41,920	-
Mains repairs/replacement	524,000	300,000
Consents for treatment and disposal (carried forward)	-	30,000
Replace motor for damaged Contra Sheer	-	5,000

## Capital plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Treatment for phosphorus reduction	209,600	209,600
Daleton Farm shelter belt	-	40,000
Daleton Farm preparations for resource consent	-	150,000
Additional oxidation pond (carried forward)	-	500,000
UV unit and associated plant (carried forward)	-	504,040
Extend office at treatment plant	-	30,000

## 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.

During the ten years of the Plan, individual loans will be sought for the accelerated renewals of the sewer mains, and the expansion of the sewage treatment capacity. During the terms of



these loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense.

### Annual costs

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

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

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

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

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

### Key assumptions and uncertainties

- Sewerage assets will remain in Council ownership throughout the planning period and that there will be an ongoing requirement for this activity.
- The demand for this activity will gradually increase over time.
- The operational requirements for this activity will remain at a similar level for the next ten years.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.

- That GWRC will approve the Council's resource consent consistent with the planned capital improvements included in this Plan. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- That in the short to medium term the supply of services to Waingawa from Masterton District Council will be adequate.

### Risk management

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

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

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

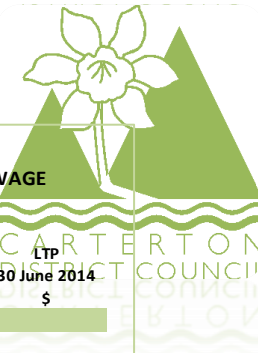
### Significant negative effects

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

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

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





## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Income</b>		
835,199	Rates	1,052,357	973,627
190,000	Fees, charges and target rates for water supply	195,000	219,240
-	Development and financial contributions	50,000	51,600
-	Miscellaneous income	-	-
<b>1,025,199</b>	<b>Total income</b>	<b>1,297,357</b>	<b>1,244,467</b>
	<b>Expenditure</b>		
525,829	Reticulation	580,747	679,968
37,690	New sewerage connections	37,968	38,904
49,825	Pumping station	53,244	51,859
375,697	Sewerage plant	539,926	425,611
28,720	Waingawa sewerage	28,088	29,830
16,436	Waingawa pumping stations	16,755	17,031
<b>1,034,195</b>	<b>Total expenditure</b>	<b>1,256,728</b>	<b>1,243,203</b>
(8,996)	<b>Surplus/(deficit)</b>	<b>40,629</b>	<b>1,264</b>
	<b>Capital Expenditure</b>		
6,954	Grout manholes	5,764	5,764
5,000	Road cones and signage upgrade	5,240	5,240
50,000	Camera	-	41,920
160,000	Holloway/Nelson sewerage	-	-
502,371	Main repairs/replacement based on CCTV results	300,000	524,000
-	Consents for treatment and disposal	30,000	-
81,262	Replanting wetlands	-	-
500,000	Additional oxidation pond	500,000	-
504,040	UV unit and associated plant	504,040	-
88,822	Automatic discharge gate from pond 2 and wetlands	-	-
-	Treatment for P reduction	209,600	209,600
-	Extend office at Treatment Plant	30,000	-
-	Replace motor for Contra Sheer	5,000	-
-	Daleton Farm - Shelter belt	40,000	-
-	Daleton Farm - investigations and start AEE	150,000	-
<b>1,898,449</b>	<b>Total capital expenditure</b>	<b>1,779,644</b>	<b>786,524</b>

Note—some of the LTP 2013 and 2014 comparative figures in this statement do not match the LTP. The incorrect comparative figures published in the LTP are shown in the following table. These have been corrected above.

2013		2014
844,821	Rates	1,004,322
180,000	Fees, charges and target rates for water supply	187,920
525,609	Reticulation	679,529
37,690	New sewerage connections	38,903
49,824	Pumping station	51,858
375,686	Sewerage plant	425,588
28,720	Waingawa sewerage	29,829
16,435	Waingawa pumping stations	17,030

## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE FUNDING IMPACT STATEMENT—SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
83,520	General rates, UAGC, rates penalties	105,236	97,363
751,679	Targeted rates (other than water supply)	947,121	876,264
-	Grants, subsidies and donations	-	-
190,000	Fees, charges and target rates for water supply	195,000	219,240
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
<b>1,025,199</b>	<b>Total operating funding</b>	<b>1,247,357</b>	<b>1,192,867</b>
	<b>Applications of Operating Funding</b>		
516,486	Payments to staff and suppliers	507,797	534,004
76,034	Finance costs	221,804	145,815
149,103	Internal charges and overheads applied	145,808	156,108
-	Other operating funding applications	-	-
<b>741,622</b>	<b>Total applications of operating funding</b>	<b>875,408</b>	<b>835,926</b>
283,577	<b>Surplus/(deficit) of operating funding</b>	<b>371,949</b>	<b>356,940</b>
	<b>Sources of Capital Funding</b>		
-	Grants, subsidies and donations	-	-
50,000	Development and financial contributions	50,000	51,600
1,498,622	Increase/(decrease) in debt	1,308,172	493,305
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
<b>1,548,622</b>	<b>Total sources of capital funding</b>	<b>1,358,172</b>	<b>544,905</b>
	<b>Applications of Capital Funding</b>		
1,092,861	Capital expenditure - meet additional demand	530,000	-
-	Capital expenditure - improve level of service	903,640	209,600
805,587	Capital expenditure - replace existing assets	346,004	576,924
(66,250)	Increase/(decrease) in reserves	(49,523)	115,321
-	Increase/(decrease) of investments	-	-
<b>1,832,199</b>	<b>Total application of capital funding</b>	<b>1,730,121</b>	<b>901,845</b>
(283,577)	<b>Surplus/(deficit) of capital funding</b>	<b>(371,949)</b>	<b>(356,940)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>



## Stormwater drainage

### This group of activities...

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

### ...contributes to the community outcomes

#### A safe district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

### What we will deliver

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

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

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

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

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

### What is different from the LTP

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

### How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Response to service requests	Significant reticulation blockages cleared within 4 hours during storm events	100%	100%	Operational records
Stormwater system of a standard satisfactory to residents	Urban residents satisfied with the stormwater system	≥79%	≥79%	Survey of residents every three years <sup>10</sup>
The urban stormwater service is managed in a sustainable manner	Compliance with resource consent conditions including discharge requirements	100%	100%	Resource consent

<sup>10</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.

## Assets

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

### Existing assets

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

### Asset valuations

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

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	5,126,000	2,841,000	66,000
Open drains	197,000	148,000	1,000
Manholes	352,000	201,000	4,000
Sumps	218,000	119,000	3,000
Soak pit chambers	15,000	14,000	200
<b>Total</b>	<b>\$5,908,000</b>	<b>\$3,325,000</b>	<b>\$74,000</b>

## Maintenance and operating

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

### Renewals plan

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

There are no renewals planned.

### Capital plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Waikākāriki Stream diversion (carried forward)	-	20,000

## How the group of activities is funded

### Capital

New capital expenditure and the renewal of capital items for the stormwater activity will be funded by way of the annual depreciation provisions and/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 Council has deemed that provision of the stormwater service provides a public benefit to the whole district of 10 percent of the cost of delivering the service. This is charged by way of general rate across all property owners in the district.

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

## Key assumptions and uncertainties

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

## Risk management

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

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

- the fulfilment of legal and statutory obligations
- identification of critical assets—all assets for this activity are equally critical to the function of each other
- the safeguarding of public and employees' health and safety requirements

- third party property damage and losses
- loss of service extent and duration, impacts of natural disasters
- contingency planning for foreseeable emergency situations.

## Significant negative effects

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

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

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

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—STORMWATER**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b><u>Income</u></b>		
171,897	Rates	170,424	181,612
-	Development and financial contributions	10,000	10,320
-	Miscellaneous income	-	-
171,897	<b>Total income</b>	180,424	191,932
	<b><u>Expenditure</u></b>		
172,240	Stormwater	170,097	182,178
172,240	<b>Total expenditure</b>	170,097	182,178
(343)	<b>Surplus/(deficit)</b>	10,327	9,754
	<b><u>Capital Expenditure</u></b>		
120,000	Waikakariki stream - diversion	20,000	-
4,000	Pipe drain - Lamberts property Belvedere Road	-	-
124,000	<b>Total capital expenditure</b>	20,000	-

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—STORMWATER**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b><u>Sources of Operating Funding</u></b>		
17,190	General rates, UAGC, rates penalties	17,042	18,161
154,707	Targeted rates (other than water supply)	153,382	163,451
-	Grants, subsidies and donations	-	-
-	Fees, charges and target rates for water supply	-	-
-	Internal charges and overheads recovered	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-
171,897	<b>Total operating funding</b>	170,424	181,612
	<b><u>Applications of Operating Funding</u></b>		
58,036	Payments to staff and suppliers	55,760	60,199
29,772	Finance costs	28,648	28,648
26,016	Internal charges and overheads applied	25,269	27,121
-	Other operating funding applications	-	-
113,824	<b>Total applications of operating funding</b>	109,677	115,968
58,073	<b>Surplus/(deficit) of operating funding</b>	60,747	65,644
	<b><u>Sources of Capital Funding</u></b>		
-	Grants, subsidies and donations	-	-
10,000	Development and financial contributions	10,000	10,320
(10,068)	Increase/(decrease) in debt	(11,193)	(11,193)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
(68)	<b>Total sources of capital funding</b>	(1,193)	(873)
	<b><u>Applications of Capital Funding</u></b>		
-	Capital expenditure - meet additional demand	-	-
124,000	Capital expenditure - improve level of service	20,000	-
-	Capital expenditure - replace existing assets	-	-
(65,995)	Increase/(decrease) in reserves	39,554	64,771
-	Increase/(decrease) of investments	-	-
58,005	<b>Total application of capital funding</b>	59,554	64,771
(58,073)	<b>Surplus/(deficit) of capital funding</b>	(60,747)	(65,644)
-	<b>Funding balance</b>	-	-

## Waste management

### This group of activities...

includes the following services:

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

### ...contributes to the community outcomes

*A healthy district*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

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

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

### What we will deliver

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

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

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

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

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

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

### What is different from the LTP

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

### How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Refuse and recycling services of a satisfactory standard	Urban residents are satisfied with refuse collection and with kerbside recycling	≥85%	≥85%	Survey of residents every three years <sup>11</sup>

<sup>11</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	100%	Resource consent

## Assets

### Existing Assets

The transfer station site comprises the following:

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

### Maintenance and operating

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

### Renewals plan

There are no renewals planned.

### Capital plan

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

There is no capital expenditure planned.

## How the group of activities is funded

### Capital

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

### Annual costs

#### *Urban refuse and recycling collection*

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

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

#### *Transfer Station*

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

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

## Key assumptions and uncertainties

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

## Significant negative effects

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

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

### CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—WASTE MANAGEMENT FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Income</b>		
409,319	Rates	497,633	425,688
64,000	Recoveries	64,000	66,048
258,000	Fees, charges and target rates for water supply	208,000	266,256
-	Miscellaneous income	-	-
<b>731,319</b>	<b>Total income</b>	<b>769,633</b>	<b>757,992</b>
	<b>Expenditure</b>		
251,217	Refuse collection	250,769	259,864
468,057	Transfer station	508,341	486,042
<b>719,274</b>	<b>Total expenditure</b>	<b>759,110</b>	<b>745,906</b>
<b>12,045</b>	<b>Surplus/(deficit)</b>	<b>10,522</b>	<b>12,086</b>
	<b>Capital Expenditure</b>		
-	Miscellaneous	-	-
<b>-</b>	<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>

### CARTERTON DISTRICT COUNCIL PROSPECTIVE FUNDING IMPACT STATEMENT—WASTE MANAGEMENT FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
271,320	General rates, UAGC, rates penalties	342,506	283,023
137,999	Targeted rates (other than water supply)	155,127	142,665
-	Grants, subsidies and donations	-	-
258,000	Fees, charges and target rates for water supply	208,000	266,256
-	Internal charges and overheads recovered	-	-
64,000	Local authorities fuel tax, fines, infringement fees and other	64,000	66,048
<b>731,319</b>	<b>Total operating funding</b>	<b>769,633</b>	<b>757,992</b>
	<b>Applications of Operating Funding</b>		
609,337	Payments to staff and suppliers	648,849	628,777
-	Finance costs	-	-
83,463	Internal charges and overheads applied	81,705	88,188
-	Other operating funding applications	-	-
<b>692,800</b>	<b>Total applications of operating funding</b>	<b>730,555</b>	<b>716,966</b>
<b>38,519</b>	<b>Surplus/(deficit) of operating funding</b>	<b>39,078</b>	<b>41,026</b>
	<b>Sources of Capital Funding</b>		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
<b>-</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>
	<b>Applications of Capital Funding</b>		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
-	Capital expenditure - replace existing assets	-	-
38,519	Increase/(decrease) in reserves	39,078	41,026
-	Increase/(decrease) of investments	-	-
<b>38,519</b>	<b>Total application of capital funding</b>	<b>39,078</b>	<b>41,026</b>
<b>(38,519)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(39,078)</b>	<b>(41,026)</b>
<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>





## Water supply

### This group of activities...

includes the following services:

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A healthy district*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

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

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

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

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

### What we will deliver

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

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

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

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

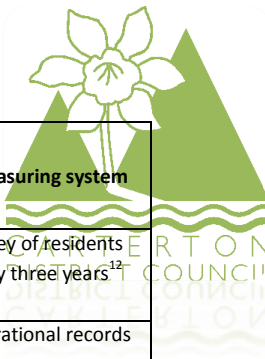
The urban water supply services the Carterton urban community, a number of rural properties on the periphery of the urban boundary and properties along SH2 North to Chester Road and part way up Chester Road.

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

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

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

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



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

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

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

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

## What is different from the LTP

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

## How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
The urban water service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Regular financial reporting to the Council
Water is safe to drink	Compliance with NZ Drinking Water Standards bacteriological requirements	100%	100%	Environmental Laboratory Services reports
Response to reticulated water system failures and service requests	Significant repairs and system failures resolved within 4 hours of notification	100%	100%	Operations records

The service broken down into measurable components	Performance measure	Target for year ending 30 June 2014		Measuring system
		Long Term Plan	Annual Plan	
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	≥90%	Survey of residents every three years <sup>12</sup>
Water resources are used sustainably	Reduction in community water consumption	≥2.5% per annum	≥2.5% per annum	Operational records
	Compliance with water resource consent conditions	100%	100%	Resource consent

## Assets

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

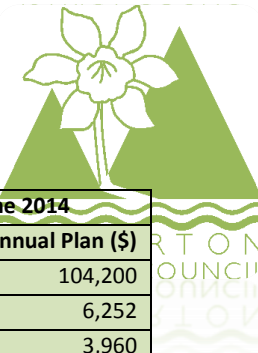
### Existing assets

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

### Asset valuations

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

<sup>12</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2014.



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 fittings	3,218,000	1,417,000	218,000
Supplementary supply	818,000	363,000	29,000
Headworks	807,000	189,000	11,000
Treatment plant	2,308,000	1,372,000	81,000
<b>Total</b>	<b>\$17,342,000</b>	<b>\$7,466,000</b>	<b>\$481,000</b>

### Maintenance and operating

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

### Renewals plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Mains upgrade/replacement	104,200	104,200
Information system data	6,252	6,252
Portable pump	3,960	3,960
Water race weirs	10,420	15,000

### Capital plan

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

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

Item	Year ending 30 June 2014	
	Long Term Plan (\$)	Annual Plan (\$)
Carrington—intake control gates	-	80,000
Kaipaitangata—fish ladders	-	50,000
Kaipaitangata—line concrete tank and install seismic baffles	-	40,000
Taratahi—intake control gates	-	120,000

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

### *Waingawa*

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

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

### *Rural water races*

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

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

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

## Key assumptions and uncertainties

- Water supply assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.

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

## Risk management

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

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

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

## Significant negative effects

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

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

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

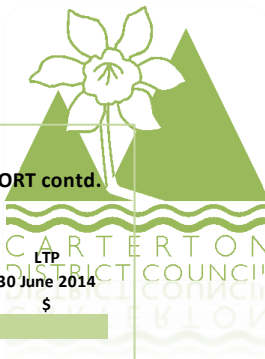
Excessive water extraction from the Kaipaitangata Stream, Waingawa and Mangatāre Rivers, and their associated aquifers could have adverse impacts on the environment or on community perceptions of waterway health and associated values.

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—WATER SUPPLY**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Income</b>		
1,264,640	1,387,324	1,309,755
-	-	-
-	50,000	51,600
-	-	-
254,635	218,000	264,011
-	-	-
<b>1,519,276</b>	<b>1,655,324</b>	<b>1,625,366</b>
<b>Expenditure</b>		
741,849	756,517	758,942
54,635	58,602	56,211
142,069	134,036	132,502
235,277	280,545	269,839
209,136	227,435	217,681
75,112	82,227	77,776
70,059	70,278	72,723
<b>1,528,138</b>	<b>1,609,641</b>	<b>1,585,674</b>
(8,862)	45,683	39,692
<b>Capital Expenditure</b>		
191,834	104,200	104,200
6,000	6,252	6,252
-	3,960	3,960
109,444	-	-
80,000	-	-
10,000	15,000	10,420
-	80,000	-
-	50,000	-
-	40,000	-
-	120,000	-
5,000	-	-
<b>402,278</b>	<b>419,412</b>	<b>124,832</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—WATER SUPPLY**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Sources of Operating Funding</b>		
126,464	138,732	130,975
1,138,176	1,248,592	1,178,779
-	-	-
254,635	218,000	264,011
-	-	-
-	-	-
<b>1,519,276</b>	<b>1,605,324</b>	<b>1,573,766</b>
<b>Applications of Operating Funding</b>		
827,720	898,219	863,927
27,101	27,927	26,881
208,272	204,239	218,445
-	-	-
<b>1,063,094</b>	<b>1,130,385</b>	<b>1,109,253</b>
456,182	474,941	464,513
<b>Sources of Capital Funding</b>		
-	-	-
50,000	50,000	51,600
(18,594)	173,291	(18,814)
-	-	-
-	-	-
<b>31,406</b>	<b>223,291</b>	<b>32,786</b>
<b>Applications of Capital Funding</b>		
-	-	-
-	290,000	-
402,278	129,412	124,832
85,310	278,820	372,467
-	-	-
<b>487,588</b>	<b>698,232</b>	<b>497,299</b>
(456,182)	(474,941)	(464,513)
-	-	-



## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—ADMINISTRATION AND SUPPORT SERVICES FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Income</b>		
60,000	Rates penalties	50,000	61,920
-	Grants, subsidies and donations	-	-
97,082	Interest	134,550	116,525
310,000	Development and financial contributions	-	-
200	Fees, charges and target rates for water supply	200	206
1,744,346	Internal charges and overheads recovered	1,693,329	1,827,211
40,000	Commissions	40,000	41,280
468	Revaluation gains	-	466
-	Rental income	-	-
50,000	Assets vesting in council	50,000	-
-	Profit on sale of assets	-	57,370
1,550	Miscellaneous income	1,550	1,582
<b>2,303,646</b>	<b>Total income</b>	<b>1,969,629</b>	<b>2,106,560</b>
	<b>Expenditure</b>		
1,416,504	Administration	1,366,008	1,475,371
293,800	Operations	295,691	311,915
27,247	Regulatory and planning	24,832	32,909
6,796	Garage	6,799	7,016
-	Revaluation losses	-	-
-	Loss on sale of assets	-	-
15,000	Bad debts	15,000	15,480
<b>1,759,346</b>	<b>Total expenditure</b>	<b>1,708,329</b>	<b>1,842,691</b>
<b>544,300</b>	<b>Surplus/(deficit)</b>	<b>261,300</b>	<b>263,869</b>

## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE—ADMINISTRATION AND SUPPORT SERVICES contd. FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Capital Expenditure</b>		
5,000	Administration - equipment contingency	5,000	5,170
5,000	Administration - software upgrade	5,000	5,170
5,600	Computer upgrade - building department	-	-
62,800	Computer upgrade - administration	12,100	7,341
-	Computer upgrade - library	2,800	-
-	Computer upgrade - Events Centre	2,800	-
6,300	Computer upgrade - operations department	-	-
8,400	Computer upgrade - public protection	-	-
2,800	Computer upgrade - regulatory	8,600	8,892
2,800	Computer upgrade - parks and reserves	-	-
-	Motor vehicle - EHO	35,000	-
-	Motor vehicle - handy man	35,000	36,190
-	Motor vehicle - water	35,000	-
-	Motor vehicle - operations manager	46,530	46,530
35,000	Motor vehicle - refuse	-	-
38,220	Motor vehicle - building inspector	-	-
-	Mower - cemetery	8,000	-
-	Mower - walk behind	1,000	-
-	Mower - campground	10,000	-
-	Mower - ride on	-	6,948
-	Kubota Digger	55,000	-
-	Laser level	4,000	-
5,500	Trailer	-	-
5,500	Wackers and plate compactors	-	-
5,000	GIS - contingency	5,000	5,170
15,000	Aerial mapping	-	-
5,000	Regulatory equipment - contingency	5,000	5,170
5,000	Regulatory software	5,000	5,170
<b>212,920</b>	<b>Total capital expenditure</b>	<b>280,830</b>	<b>131,752</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE FUNDING IMPACT STATEMENT—ADMINISTRATION AND SUPPORT SERVICES**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Sources of Operating Funding</b>		
60,000	General rates, UAGC, rates penalties	50,000	61,920
-	Targeted rates (other than water supply)	-	-
-	Grants, subsidies and donations	-	-
200	Fees, charges and target rates for water supply	200	206
1,744,346	Internal charges and overheads recovered	1,693,329	1,827,211
189,100	Local authorities fuel tax, fines, infringement fees and other	226,100	159,853
<b>1,993,646</b>	<b>Total operating funding</b>	<b>1,969,629</b>	<b>2,049,190</b>
	<b>Applications of Operating Funding</b>		
1,549,736	Payments to staff and suppliers	1,512,621	1,584,980
-	Finance costs	-	-
-	Internal charges and overheads applied	-	-
-	Other operating funding applications	-	-
<b>1,549,736</b>	<b>Total applications of operating funding</b>	<b>1,512,621</b>	<b>1,584,980</b>
<b>443,910</b>	<b>Surplus/(deficit) of operating funding</b>	<b>457,008</b>	<b>464,210</b>
	<b>Sources of Capital Funding</b>		
-	Grants, subsidies and donations	-	-
-	Development and financial contributions	-	-
-	Increase/(decrease) in debt	-	-
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
<b>-</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>
	<b>Applications of Capital Funding</b>		
-	Capital expenditure - meet additional demand	-	-
-	Capital expenditure - improve level of service	-	-
212,920	Capital expenditure - replace existing assets	280,830	131,752
230,990	Increase/(decrease) in reserves	176,178	332,458
-	Increase/(decrease) of investments	-	-
<b>443,910</b>	<b>Total application of capital funding</b>	<b>457,008</b>	<b>464,210</b>
<b>(443,910)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(457,008)</b>	<b>(464,210)</b>
<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>







# Financial information

## Significant forecasting assumptions

### General forecasting assumptions

#### Levels of service

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

#### District population growth

A district population growth assumption of 0.6 percent per annum from 2011 Estimate (8,175 by 2021) has been used. (Department of Statistics—mid-point Medium and High series—Population Projections). This a total increase of 7 percent over the ten years of the LTP.

#### **Risk**

Growth does not meet this assumption.

#### **Level of uncertainty**

Low

#### **Reasons and financial effect of uncertainty**

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

#### Number of rateable properties

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

#### **Risk**

Growth does not meet this assumption.

#### **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 (increased) for 2012/13 to 2014/15, and the approved dollar level for the same period.

#### **Risk**

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

#### **Level of uncertainty**

Medium

#### **Reasons and financial effect of uncertainty**

The government has not indicated any further changes to the subsidy rate. If the level of subsidy decreases, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.

#### Asset condition

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

#### **Risk**

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

#### **Level of uncertainty**

Low to moderate

#### **Reasons and financial effect of uncertainty**

Asset management plans are updated regularly following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. The asset inventories and condition ratings for roading infrastructure, which are the Council's most significant assets by a



considerable margin, are stored and maintained in the RAMM database. It was audited by NZTA in 2011 and found to be adequately maintained.

### **Insurance**

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

#### **Risks**

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

#### **Level of uncertainty**

Medium

#### **Reasons and financial effect of uncertainty**

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

### **External factors**

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

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

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

At this stage, the timing and extent of any changes is not known. For the purposes of this Annual Plan, it is assumed that there will be no significant changes to Carterton District Council during 2013/14. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist.

### **Climate change**

The Council does not expect there to be any quantifiable effects in terms of climate change over the life of this Plan. The Council will keep this subject under review as it is likely to be relevant for future Plans.

#### **Risk**

The effect of climate change occurs more rapidly than anticipated.

#### **Level of uncertainty**

Low

### **Financial forecasting assumptions**

#### **Revaluation of non-current assets**

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

Revaluation movements will be shown in the Balance Sheet.

#### **Risk**

Actual revaluation results differ from those in the forecast.

#### **Level of uncertainty**

Low

#### **Reasons and financial effect of uncertainty**

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



## Interest rates

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

The interest rate on investments is calculated at 4.5 percent.

### **Risk**

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

### **Level of uncertainty**

Medium

### **Reasons and financial effect of uncertainty**

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

## Depreciation

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

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

### **Risks**

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

### **Level of uncertainty**

Low

### **Reasons and financial effect of uncertainty**

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

## Asset lives

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

### **Risk**

That assets wear out earlier than estimated.

### **Level of uncertainty**

Low

### **Reasons and financial effect of uncertainty**

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

## Sources of funds for future replacement of assets

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

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



**Risk**

That a particular funding source is unavailable.

**Level of uncertainty**

Low

**Reasons and financial effect of uncertainty**

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

**Investments and return on investments**

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

**Risk**

That the actual return on investment differs to that budgeted.

**Level of uncertainty**

Medium

**Reasons and financial effect of uncertainty**

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

**Commitments and contingencies**

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

**Opening Balance Sheet**

To provide a more accurate forecast, the opening balance sheet figures for 2013/14 are based on a forecast closing balance sheet at 30 June 2013, not necessarily the closing 2012/13 Annual Plan figures.

**Rounding differences**

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

**Authorisation for issue**

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

Following consultation, the final Annual Plan will be adopted by the Council on 26 June 2013.

**Purpose of the Annual Plan**

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



## Accounting policies

### Reporting entity

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

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

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

The financial forecasts of the Council are for the period from 1 July 2013 to 30 June 2014. The proposed financial forecasts were authorised for issue by the Council on 17 April 2013.

### Basis of preparation

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

These prospective financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBEs). In particular, these prospective financial statements have been prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42).

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for PBEs. The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2013/14 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards

### Statement of prospective financial information

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

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

The Annual Plan is in full compliance with 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 that arise during the forecast period.

### Accounting policies

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

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

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

#### *Changes in accounting policies*

There are no changes to accounting policies.

### *Standards and Interpretations issued and not yet adopted*

There are no standards, interpretations and amendments that have been issued, but are not yet effective, that the Council has not yet applied.

### **Revenue**

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

#### *Rates revenue*

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

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

#### *Other revenue*

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

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

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

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

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

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

Interest income is recognised using the effective interest method.

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

#### *Development contributions*

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

### **Borrowing costs**

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

### **Grant expenditure**

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

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

### **Income tax**

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

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. 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 estimated 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 estimate 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, the Council recognises finance leases as assets and liabilities in the 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 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 in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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

## Debtors and other receivables

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

## Derivative financial instruments and hedge accounting

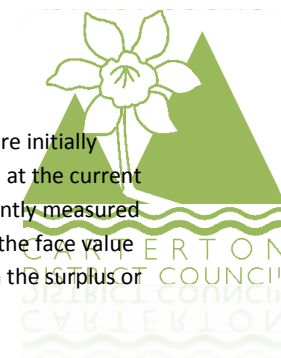
The Council does not engage in the use of derivative financial instruments and hedging activities.

## Other financial assets

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

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





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

- 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 estimated at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Council does not hold any financial assets in this category.

#### *Loans and receivables*

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

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

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

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

#### *Held to maturity investments*

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

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

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

#### *Fair value through other comprehensive income*

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

Council includes in this category:

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

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



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

### **Impairment of financial assets**

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

#### *Loans and other receivables*

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

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

#### *Financial assets at fair value through other comprehensive income*

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

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

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

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

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

### **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are estimated at the lower of cost and current replacement cost. The valuation includes allowance for slow moving and obsolete items. Where inventories are acquired at no cost or for nominal consideration, the cost is 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 or net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

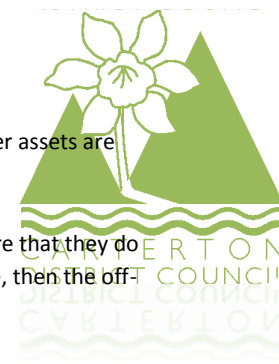
The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

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, not through continuing use. Non-current assets held for sale are estimated at the lower of their carrying amount and fair value less costs to sell.



Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

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 (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### **Property, plant and equipment**

Property, plant and equipment consists of:

#### *Operational assets*

These include land, buildings, landfill post closure, 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, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount

does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

The Council assesses the carrying values of its revalued assets 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.

The Council accounts for revaluations of property, plant and equipment 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 estimated reliably.

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

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

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### **Depreciation**

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

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

Motor vehicles	10 years	10.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Roads, bridges and footpaths*	9 to 63 years	1.58–11.42%
Water systems*	7 to 30 years	3.29–13.66%
Stormwater systems*	45 to 67 years	1.50–2.26%
Sewerage systems*	9 to 26 years	3.88–11.40%
Buildings	5 to 92 years	1.09–20.00%
Library collections	6 years	16.04%
Office equipment	5 to 10 years	10.00–20.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Heritage assets	20 years	5.00%
Intangible assets	5 years	20.00%

In relation to infrastructural assets marked \* (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by the Council'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 Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, and FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BAppSci (Ag and VFM), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. The landfill liner and water races were not revalued in the 2012 year and are currently valued using the deemed cost option under NZ IFRS 1. Heritage assets are also included in this category. Additions are recorded at cost.

### *Restricted land and buildings*

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA,

FNZIV, FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BAppSci (VFM and Ag), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. Additions are recorded at cost.

### *Infrastructure asset classes*

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

At fair value determined on a depreciated replacement cost basis by an independent valuer.

At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, than the off-cycle asset classes are revalued.

The most recent valuations were performed by John Vessey (BE (Civil), BA (Economics), Reg Eng (MIPENZ)) of Opus International Consultants. The valuation for the sewerage, water supply, and stormwater systems is effective as at 30 June 2010, and the valuation 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 (MIPENZ)) 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 cost. Land under roads is no longer revalued.

### *Library collections*

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

## Intangible assets

### *Software acquisition*

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



Staff training costs are recognised as an expense 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 statement of financial performance.

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

Computer software	5 years	20.00%
-------------------	---------	--------

**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 estimated initially at cost, including transaction costs.



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

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

### **Creditors and other payables**

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

### **Borrowings**

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

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

### **Employee entitlements**

#### *Short-term employee entitlements*

Employee benefits that the Council expects to be settled within twelve months of balance date are estimated 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.

The Council recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earning 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 that the Council anticipates it will be used by staff to cover those future absences.

The Council has determined that no liability should be recognised in the Annual Plan for sick leave as absences are not expected to exceed entitlements during the period of this Annual Plan.

The Council recognises a liability and an expense for bonuses where contractually obliged on where there is a past practice that has created a constructive obligation.

#### *Long-term employee entitlements*

Long service leave

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

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

A discount rate of 6.91 percent and an inflation factor of 3.0 percent were used. The discount rate is based on the weighted average of government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factors are based on the expected long-term increases 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**

The Council recognises a provision 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 not recognised for future operating losses.



Provisions are estimated 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.

#### *Financial guarantee contracts*

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

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

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

### **Equity**

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

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

#### *Restricted reserves*

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

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

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

The Council's objectives, policies and processes for managing capital are described in the Council's policies.

#### *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. Where GST is not recoverable as input tax then it 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 Council has derived the cost of service for each group of activities of the Council using the cost allocation system outlined below.

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

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

### Critical accounting estimates and assumptions

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

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

#### Landfill aftercare provision

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

#### Infrastructural assets

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

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

and water supply pipes that are underground.

This risk is minimised by the Council performing a combination of physical inspections and condition modelling 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 and under estimating the annual depreciation charge recognised as an expense in the statement of financial performance.

To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

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

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

Management has exercised the following critical judgments in applying the Council's accounting policies for the year ending 30 June 2014.

#### Classification of property

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





## Statement of cash flows

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

## Group of 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.

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Operating Income</b>		
8,453,838	9,023,488	8,994,668
60,000	50,000	61,920
97,082	134,550	116,525
1,430,899	1,394,810	1,500,444
103,928	105,142	107,190
44,000	44,000	45,396
1,576,238	1,597,911	1,629,060
56,000	57,736	57,736
50,298	25,333	25,391
246,682	248,790	253,836
310,000	310,000	319,920
-	-	-
50,000	-	-
-	50,000	57,370
-	-	-
468	-	466
24,506	70,002	69,601
(64,000)	(64,000)	(66,048)
<b>12,439,939</b>	<b>13,047,762</b>	<b>13,173,474</b>
<b>Operating Expenditure</b>		
732,466	786,007	818,877
3,220,566	3,347,134	3,363,234
1,528,138	1,609,641	1,585,674
1,034,195	1,256,728	1,243,203
172,240	170,097	182,178
719,274	759,110	745,906
353,498	428,944	367,875
810,903	755,917	750,815
2,461,433	2,158,800	2,736,523
1,183,105	1,192,228	1,170,727
15,000	15,000	15,480
-	-	-
-	-	-
(64,000)	(64,000)	(66,048)
<b>12,166,820</b>	<b>12,415,606</b>	<b>12,914,443</b>
<b>273,119</b>	<b>632,156</b>	<b>259,031</b>
-	-	-
<b>273,119</b>	<b>632,156</b>	<b>259,031</b>
<b>Note: total expenditure includes –</b>		
3,271,686	3,105,513	3,564,852
519,815	577,087	672,144

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
273,119	632,156	259,031
-	-	-
1,938,804	16,164,146	13,601,803
<b>2,000</b>	<b>-</b>	<b>2,000</b>
1,940,804	16,164,146	13,603,803
<b>2,213,923</b>	<b>16,796,302</b>	<b>13,862,833</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
146,577,142	146,441,265	148,791,065
2,213,923	16,796,302	13,862,833
<b>148,791,065</b>	<b>163,237,567</b>	<b>162,653,898</b>
<b>Components of equity</b>		
108,279,768	108,780,261	108,843,891
273,119	632,156	259,031
291,004	(738,477)	(1,199,692)
108,843,891	108,673,940	107,903,230
33,690,093	33,464,356	35,628,897
1,938,804	16,164,146	13,601,803
35,628,897	49,628,502	49,230,699
4,607,281	4,196,648	4,318,277
(291,004)	738,477	1,199,692
2,000	-	2,000
4,318,277	4,935,125	5,519,969
<b>148,791,065</b>	<b>163,237,567</b>	<b>162,653,898</b>



**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Assets</b>		
<b>Current assets</b>		
2,120,385	2,942,755	3,307,497
-	-	-
1,199,008	1,436,905	1,269,543
3,645	3,686	3,645
<b>3,323,038</b>	<b>4,383,347</b>	<b>4,580,685</b>
<b>Non-current assets</b>		
142,865	43,089	144,865
9,247	5,687	8,161
16,053	-	16,518
294,213	146,401	294,213
155,895,575	171,025,833	169,444,761
<b>156,357,952</b>	<b>171,221,010</b>	<b>169,908,518</b>
<b>159,680,990</b>	<b>175,604,357</b>	<b>174,489,203</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
1,172,818	1,538,582	1,244,705
272,673	309,818	279,217
468,830	425,011	505,228
<b>1,914,321</b>	<b>2,273,411</b>	<b>2,029,150</b>
<b>Non-current liabilities</b>		
30,547	24,157	27,153
8,945,057	10,069,222	9,779,003
<b>8,975,603</b>	<b>10,093,379</b>	<b>9,806,155</b>
<b>Equity</b>		
108,843,891	108,673,940	107,903,230
1,529,193	1,881,112	1,597,209
35,628,897	49,628,502	49,230,699
2,789,084	3,054,013	3,922,760
<b>148,791,065</b>	<b>163,237,567</b>	<b>162,653,898</b>
<b>159,680,990</b>	<b>175,604,357</b>	<b>174,489,203</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$	Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
<b>Cash flows from Operating Activities</b>		
<b>Cash was received from:</b>		
8,513,838	9,073,488	9,056,588
1,626,536	1,623,244	1,654,451
56,000	57,736	57,736
97,082	134,550	116,525
988,544	1,042,549	1,047,857
3,225,413	963,994	2,210,371
14,507,413	12,895,561	14,143,527
<b>Cash was applied to:</b>		
9,022,939	8,799,299	8,652,979
988,544	1,042,549	1,047,857
519,815	577,087	672,144
10,531,298	10,418,934	10,372,979
<b>3,976,115</b>	<b>2,476,626</b>	<b>3,770,548</b>
<b>Cash flows from Investing Activities</b>		
<b>Cash was received from:</b>		
-	-	250,000
-	-	-
-	-	-
-	-	250,000
6,952,833	4,502,824	3,703,780
-	-	-
6,952,833	4,502,824	3,703,780
<b>(6,952,833)</b>	<b>(4,502,824)</b>	<b>(3,453,780)</b>
<b>Cash flows from Financing Activities</b>		
<b>Cash was received from:</b>		
3,484,018	1,653,640	1,339,174
3,484,018	1,653,640	1,339,174
<b>Cash was applied to:</b>		
333,126	425,011	468,830
333,126	425,011	468,830
<b>3,150,893</b>	<b>1,228,629</b>	<b>870,344</b>
174,175	(797,569)	1,187,112
1,946,210	3,740,324	2,120,385
<b>2,120,385</b>	<b>2,942,755</b>	<b>3,307,497</b>
<b>Represented by:</b>		
2,120,385	2,942,755	3,307,497

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
273,119	Surplus/(deficit) after tax	632,156	259,031
	<b>Add/(Less) non cash expenses</b>		
-	Revaluation (gains)/losses	-	-
3,271,686	Depreciation & amortisation	3,105,513	3,564,852
15,000	Bad debts	15,000	15,480
(50,000)	Assets vesting in council	(50,000)	-
3,236,686		3,070,513	3,580,332
	<b>Add/(Less) items classified as investing or financing activities</b>		
-	(Gains)/losses on sale of property, plant and equipment	-	(57,370)
-	(Gains)/losses in fair value of forestry assets	-	-
(468)	(Gains)/losses in fair value of investment properties	-	(466)
(468)		-	(57,836)
	<b>Plus/(less) movements in working capital</b>		
-	(Increase)/decrease in inventories	-	-
1,065,397	(Increase)/decrease in debtors and other receivables	(1,208,750)	(86,015)
(595,226)	Increase/(decrease) in creditors and other payables	(14,608)	71,886
-	Increase/(decrease) in employee entitlements	-	6,544
(3,394)	Increase/(decrease) in provisions	(2,684)	(3,394)
466,777		(1,226,043)	(10,979)
<b>3,976,115</b>	<b>Net cashflow from operating activities</b>	<b>2,476,626</b>	<b>3,770,548</b>

**CARTERTON DISTRICT COUNCIL**  
**FUNDING IMPACT STATEMENT**  
**FOR THE YEAR ENDING 30 JUNE 2014**

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Operating Funding</b>		
	<b>Sources of operating funding</b>		
6,000,371	General rates, UAGC and rates penalties	6,229,113	6,377,641
2,513,468	Targeted rates (other than water supply)	2,844,375	2,678,947
707,816	Grants, subsidies and donations	700,170	709,071
1,430,899	Fees, charges and target rates for water supply	1,394,810	1,500,444
97,632	Interest and dividends from investments	135,100	117,075
461,034	Local authorities fuel tax, fines, infringement fees and other	511,120	467,626
11,211,219	<b>Total operating funding</b>	11,814,688	11,850,804
	<b>Applications of operating funding</b>		
8,375,319	Payments to staff and suppliers	8,733,006	8,677,447
519,815	Finance costs	577,087	672,144
-	Other operating funding applications	-	-
8,895,134	<b>Total applications of operating funding</b>	9,310,093	9,349,591
<b>2,316,085</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,504,595</b>	<b>2,501,213</b>
	<b>Capital Funding</b>		
	<b>Sources of capital funding</b>		
918,720	Grants, subsidies and donations	923,074	945,380
310,000	Development and financial contributions	310,000	319,920
3,150,893	Increase/(decrease) in debt	1,228,629	870,344
-	Gross proceeds from sale of assets	-	250,000
-	Lump sum contributions	-	-
4,379,613	<b>Total capital funding</b>	2,461,703	2,385,644
	<b>Applications of capital funding</b>		
1,124,589	Capital expenditure - meet additional demand	558,372	12,372
1,530,728	Capital expenditure - improve level of service	1,263,640	404,474
4,297,516	Capital expenditure - replace existing assets	2,680,812	3,286,934
(257,135)	Increase/(decrease) in reserves	463,474	1,183,077
-	Increase/(decrease) of investments	-	-
6,695,698	<b>Total applications of capital funding</b>	4,966,298	4,886,857
<b>(2,316,085)</b>	<b>Surplus/(deficit) of Capital Funding</b>	<b>(2,504,595)</b>	<b>(2,501,213)</b>
-	<b>Funding balance</b>	-	-

## CARTERTON DISTRICT COUNCIL

### PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE 2014

LTP 30 June 2013 \$		Annual Plan 30 June 2014 \$	LTP 30 June 2014 \$
	<b>Operating surplus/(deficit) from cost of service statements</b>		
8,923	Governance	(18,262)	(11,813)
144,150	Roads and footpaths	306,217	194,325
(8,862)	Water supply	45,683	(11,908)
(8,996)	Sewerage	40,629	(50,336)
(343)	Stormwater	10,327	(566)
12,045	Waste management	10,522	12,086
(8,060)	Community support - community development	(7,753)	(8,532)
(12,177)	Community support - parks and reserves	90,319	(11,829)
(468,416)	Community support - community amenities	(177,610)	(506,731)
70,556	Regulatory and planning	70,782	70,546
544,300	Administration and support services	261,300	583,789
-	add Vested assets	-	-
-	add Interest on internal borrowing	-	-
<b>273,119</b>	<b>Surplus/(deficit) after tax per Statement of Financial Performance</b>	<b>632,156</b>	<b>259,031</b>
-	add Proceeds from sale of assets not included in the FIS	-	192,630
-	less Vested assets and interest on internal borrowing not included in the FIS	-	-
<b>273,119</b>	<b>Surplus/(deficit) before vested assets and internal interest</b>	<b>632,156</b>	<b>451,661</b>
(918,720)	less Capital grants, subsidies and donations	(923,074)	(945,380)
(310,000)	less Development and financial contributions	(310,000)	(319,920)
-	less Gross proceeds from sale of assets	-	(250,000)
3,271,686	add Depreciation not included in the FIS	3,105,513	3,564,852
<b>2,316,085</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,504,595</b>	<b>2,501,213</b>
<b>2,316,085</b>	<b>Balance as per Council FIS surplus/(deficit) of funding</b>	<b>2,504,595</b>	<b>2,501,213</b>

## CARTERTON DISTRICT COUNCIL

### NOTE—DEPRECIATION PER GROUP OF ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2014

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

	Annual Plan 30 June 2014 \$
Governance	1,274
Roads and footpaths	1,276,177
Water supply	479,256
Sewerage	381,320
Stormwater	60,420
Waste management	28,556
Community support	664,443
Regulatory and planning	18,359
Administration and support services	195,709
<b>Total depreciation</b>	<b>3,105,514</b>



## 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 following statement presents movements over the ten years of the Plan for each of the reserves. An explanation of the purpose and activities of each reserve is included in the Council's investment policy (see appendix A of the Long Term Plan).

### CARTERTON DISTRICT COUNCIL STATEMENT OF SPECIAL FUNDS RESERVES FOR THE YEAR ENDING 30 JUNE 2014

	Year ending 30 June 2014 \$
<b>Plant Purchase &amp; Renewal Fund</b>	
Opening Balance	34,024
Deposits	1,531
Withdrawals	35,000
<b>Closing Balance</b>	<b>555</b>
<b>Recreation Reserve Levy Fund</b>	
Opening Balance	413,652
Deposits	118,614
Withdrawals	50,000
<b>Closing Balance</b>	<b>482,266</b>
<b>Roading Emergency Works Fund</b>	
Opening Balance	104,239
Deposits	39,791
Withdrawals	-
<b>Closing Balance</b>	<b>144,030</b>

### CARTERTON DISTRICT COUNCIL STATEMENT OF SPECIAL FUNDS RESERVES—contd. FOR THE YEAR ENDING 30 JUNE 2014

	Year ending 30 June 2014 \$
<b>Water Race Intake Fund</b>	
Opening Balance	26,943
Deposits	6,212
Withdrawals	-
<b>Closing Balance</b>	<b>33,155</b>
<b>Waste Disposal Fund</b>	
Opening Balance	29,068
Deposits	19,308
Withdrawals	-
<b>Closing Balance</b>	<b>48,376</b>
<b>Creative NZ Fund</b>	
Opening Balance	2,736
Deposits	123
Withdrawals	-
<b>Closing Balance</b>	<b>2,859</b>
<b>Sparc Rural Travel Fund</b>	
Opening Balance	563
Deposits	25
Withdrawals	-
<b>Closing Balance</b>	<b>588</b>
<b>Keep Carterton Beautiful Fund</b>	
Opening Balance	5,454
Deposits	245
Withdrawals	559
<b>Closing Balance</b>	<b>5,140</b>
<b>Water Race Resource Consent Fund</b>	
Opening Balance	-
Deposits	12,000
Withdrawals	-
<b>Closing Balance</b>	<b>12,000</b>
<b>Clareville Grave Maintenance Trust Fund</b>	
Opening Balance	2,236
Deposits	10
Withdrawals	-
<b>Closing Balance</b>	<b>2,337</b>



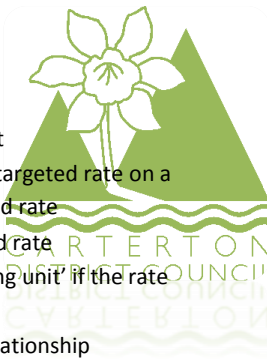
**CARTERTON DISTRICT COUNCIL**  
**STATEMENT OF SPECIAL FUNDS RESERVES—contd.**  
**FOR THE YEAR ENDING 30 JUNE 2014**

	Year ending 30 June 2014 \$
<b>Memorial Square Trust Fund</b>	
Opening Balance	6,361
Deposits	286
Withdrawals	-
<b>Closing Balance</b>	<b>6,647</b>
<b>WWII Memorial Trust Fund</b>	
Opening Balance	62,105
Deposits	4,395
Withdrawals	2,600
<b>Closing Balance</b>	<b>63,900</b>
<b>Longbush Domain Board Fund</b>	
Opening Balance	2,241
Deposits	-
Withdrawals	-
<b>Closing Balance</b>	<b>2,241</b>
<b>West Taratahi Hall Board</b>	
Opening Balance	19,642
Deposits	-
Withdrawals	-
<b>Closing Balance</b>	<b>19,642</b>
<b>Election Contingency Fund</b>	
Opening Balance	17,920
Deposits	806
Withdrawals	17,000
<b>Closing Balance</b>	<b>1,726</b>
<b>Workshop Depot Upgrade Fund</b>	
Opening Balance	19,686
Deposits	886
Withdrawals	-
<b>Closing Balance</b>	<b>20,572</b>
<b>Combined District Plan Fund</b>	
Opening Balance	-619,416
Deposits	80,500
Withdrawals	27,874
<b>Closing Balance</b>	<b>-566,790</b>

**CARTERTON DISTRICT COUNCIL**  
**STATEMENT OF SPECIAL FUNDS RESERVES—contd.**  
**FOR THE YEAR ENDING 30 JUNE 2014**

	Year ending 30 June 2014 \$
<b>Roading Contribution Fund</b>	
Opening Balance	836,782
Deposits	137,655
Withdrawals	200,000
<b>Closing Balance</b>	<b>774,437</b>
<b>Infrastructure Contributions Reserve</b>	
Opening Balance	865,260
Deposits	138,937
Withdrawals	320,000
<b>Closing Balance</b>	<b>684,197</b>
<b>Waingawa Infrastructure Contributions Reserve</b>	
Opening Balance	104,652
Deposits	14,709
Withdrawals	-
<b>Closing Balance</b>	<b>119,361</b>
<b>Belvedere Hall Fund</b>	
Opening Balance	2,967
Deposits	-
Withdrawals	-
<b>Closing Balance</b>	<b>2,967</b>
<b>Waingawa Industrial Zone Services Deficit</b>	
Opening Balance	20,006
Deposits	900
Withdrawals	-
<b>Closing Balance</b>	<b>20,906</b>

<b>Special Funds Reserves—Summary</b>	
Opening Balance	1,957,121
Deposits	549,150
Repayments	625,159
<b>Closing Balance</b>	<b>1,881,112</b>



## Funding impact statement

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

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

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

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

## Rating system

### Introduction

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

The funding impact statement must identify:

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

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

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

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

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

### General rates

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

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

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



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

### Uniform Annual General Charge

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

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

### Targeted rates

#### *Resource management and planning service rate*

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

#### *Urban sewerage rate*

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

The rate applied is as follows:

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

For the purposes of this rate:

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

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

#### *Waingawa sewerage rate*

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

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

For the purposes of this rate:

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

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

#### *Stormwater rate*

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

#### *Refuse collection and kerbside recycling rate*

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

#### *Urban water rate*

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



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

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

For the purposes of this rate:

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

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

#### *Rural water race rate*

#### Carrington Water Race System

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

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

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

#### Taratahi Water Race System

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

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

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

#### *Waingawa water rate*

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

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

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

For the purposes of this rate:

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

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

## Rates and charges 2013/14

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

	GST inclusive
<b>General rates—differential factor</b>	
Residential	1.0
Commercial	2.0
Rural	0.8
<b>General rates—capital value</b>	
Residential	0.23833 cents in the \$
Commercial	0.47666 cents in the \$
Rural	0.19066 cents in the \$
<b>Uniform Annual General Charge</b>	\$742.39
50% Uniform Annual General Charge	\$371.19
<b>Regulatory and planning services—capital value</b>	0.02013 cents in the \$
<b>Urban sewerage</b>	
Connected	\$412.13
Able to be connected (half charge)	\$206.06
<b>Waingawa sewerage—capital value</b>	
Connected	\$361.37
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.2984 cents in the \$
Connected or able to be connected residential properties in the Waingawa industrial zone	0.1492 cents in the \$

	GST inclusive
<b>Stormwater—land value</b>	0.08790 cents in the \$
<b>Refuse collection and kerbside recycling</b>	\$80.21
<b>Urban water</b>	
Connected	\$441.86
Able to be connected	\$220.93
Metered water in excess of 300 cubic metres	\$1.90 per cubic metre
<b>Rural water race</b>	
<b>Carrington water race</b>	
Class A	\$62.12280 per ha
Class B	\$12.95090 per ha
Class C	\$109.04868 per ha
Rural water services rate	\$221.62
<b>Taratahi water race</b>	
Class A	\$12.34889 per ha
Class B	\$2.51795 per ha
Class C	\$112.17924 per ha
Rural water services rate	\$171.42
<b>Waingawa water</b>	
Connected	\$183.87
Metered water	\$1.89 per cubic metre





# Appendix A

## Significance policy

## Significance policy

### Introduction

This policy has been prepared to satisfy the Council's obligations under Section 90 of the Local Government Act 2002.

### Legislative requirement

The Local Government Act 2002 requires every local authority to adopt a policy setting out:

- the local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters
- any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.

The policy must list the assets considered by the local authority to be strategic assets.

### Objective

To apply a disciplined, standardised process that enables the Council to assess the significance of issues, assets or other matters and fulfil its legislative obligations under the Local Government Act 2002, particularly in relation to significant strategic assets, decision making processes and consultation procedures.

### Defining significance

Every decision the Council makes must be made in accordance with the decision making requirements set out in sections 77, 78, 80, 81, and 82 of the Act. However, the nature, extent, and detail of compliance that is appropriate in any particular case will be guided by the 'significance' of the matter (section 79). The level of 'compliance' includes:

- the extent to which different options are considered
- the degree to which benefits and costs are quantified
- the extent and detail of information to be considered
- the extent and nature of any written records to be kept as to compliance.

Section 90(1)(a) of the Act requires local authorities to set out their 'general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters'.

### General approach to determining significance

The Act includes definitions of 'significant' and 'significance':

- significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,*
- *the district or region*
  - *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter*
  - *the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

***significant**, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.*

The Council will determine the significance of any issue requiring a decision by making judgements about the likely impact of that decision on:

- the district
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter
- the Council's capacity to perform its role and carry out its activities, now and in the future, and the financial resources and other costs of doing so

and by taking a sustainable development approach, by taking into account:

- the social, economic, and cultural interests of people and communities
- the need to maintain and enhance the quality of the environment
- the reasonably foreseeable needs of future generations.

As part of its consideration the Council will take into account how important the decision or matter is in terms of the achievement of, or ability to achieve, the community outcomes in the Long Term Plan.



## Procedures for assessing significance

The policy must also set out any ‘thresholds, criteria, and procedures’ that the council uses for assessing significance (section 90(1) (b)).

The range of issues requiring decisions by local authorities is very wide and it is impossible to foresee every possibility. It is, therefore recommended that thresholds are not used in assessing significance but that the criteria for assessing significance will be the **general approach** outlined above for determining significance.

The following procedure is then followed:

1. Council officers identify whether an issue, proposal or other matter requires a decision by the elected Council.
2. Council officers consider the issue, proposal or other matter and document an assessment of significance, using the general approach to determining significance.
3. Council officers provide the Council with a report on significance and options.
4. The Council considers and makes the final decision based on the degree of significance of the issue and the appropriate level and type of consultation.

## Procedure for reporting to the Council

Council reports will include an assessment of the significant quantitative or qualitative (as appropriate) impact of the issue, proposal, decision or other matter, including *inter alia*:

- how many residents and ratepayers the issue may affect or interest
- to what extent residents and ratepayers may be affected or interested
- how much public interest the issue is likely to generate
- to what extent the issue is likely to affect the current and future social, economic, and cultural interests of residents and ratepayers in the Carterton District
- to what extent is the issue likely to affect the capability to maintain and enhance the quality of the District’s environment
- to what extent the issue will affect the capacity of the Council to perform its role and carry out its existing activities, now and in the future
- to what extent the issue is likely to affect service levels of any significant activity
- to what extent the outcome(s) of the issue is likely to affect the way in which any significant activity is carried out
- to what extent the outcome(s) of the issue is likely to affect the capacity of the Council to provide any significant service or carry out any significant activity.

Finally, the report should include a recommendation on the type and extent of consultation (if any) that is appropriate given the nature of the issue.

## Strategic assets

This policy must also list those council-owned assets, considered by the council to be ‘strategic assets’ (section 90(2)).

Strategic asset is defined in the LGA as an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- any asset or group of assets listed in accordance with section 90(2) by the local authority
- any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy
- any equity securities held by the local authority in:
  - a port company within the meaning of the Port Companies Act 1988
  - an airport company within the meaning of the Airport Authorities Act 1966.

The Council has identified its strategic assets as:

- roading network, including bridges, street lighting, and footpaths
- water treatment, storage, and supply network
- sewerage reticulation network and sewage treatment facilities
- stormwater drainage network
- rural water race network
- landfill site, including transfer station
- parks and reserves, Council-owned land and buildings, public toilets, and sports fields
- cemetery
- Events Centre
- Outdoor Swimming Complex
- housing for the elderly
- Kaipaitangata Forest.

Significant decisions in relation to strategic assets will be those decisions that affect the whole asset group and not individual components, unless that component substantially affects the ability of the Council to deliver the service. It is the principle of provision of the services, not individual items that make these asset groups strategic.

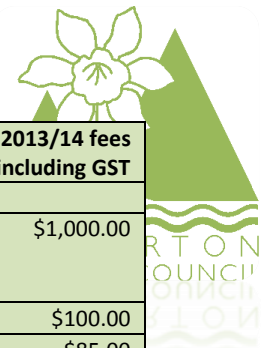






# **Appendix B**

## **Schedule of fees and charges 2013/14**



## Schedule of fees and charges 2013/14

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 2013/14 year.

2012/13 fees including GST		2013/14 fees including GST
	<b>Health licences</b>	
\$210.00	New food premises	\$250.00
\$175.00	Cafés, restaurants, catteries/kennels	\$200.00
\$175.00	Supermarket and food manufacturers	\$200.00
\$150.00	Mobile shops	\$180.00
\$175.00	Motels	\$200.00
\$200.00	Itinerant trader—annual registration including inspection	\$220.00
\$100.00	Hawkers licence	\$100.00
\$75.00	Transfer of registration	\$100.00
\$105.00	Hairdressers	\$110.00
\$110.00	Inspection on request	\$110.00
\$75.00	Re-inspection for failure to comply with requisition or FCP record	\$75.00
\$20.00 per week	Street stall licence	\$20.00 per week
\$130.00	Offensive trade, sale yards, camping grounds	\$130.00
\$60.00	Hall (inspection services)	\$60.00
	Noise control—recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
	Noise/health-related complaints under the Resource Management Act 1991 and Health Act 1956—recover all reasonable costs associated with investigating/resolving the matter	
\$100.00	Gambling venue applications	\$100.00
\$50.00	Beekeepers	\$50.00
\$175.00	Funeral directors	\$175.00
\$11.25	Amusement devices	\$11.25

2012/13 fees including GST		2013/14 fees including GST
	<b>Resource Consent Fees (deposit only)</b>	
\$1,000.00	Non-notified resource consents, including land subdivision up to 4 lots—deposit only (applicants are to meet the full cost of processing applications)	\$1,000.00
\$100.00	• plus each additional lot thereafter	\$100.00
\$85.00 per hour	• additional processing time above 5 hours	\$85.00 per hour
\$5,000.00	District Plan changes—deposit only (applicants are required to meet the full cost of processing applications)	\$5,100.00
\$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
\$400.00	Application for land use of a minor nature (eg relocated dwelling, building setback dispensation)	\$400.00
\$500.00	Change or cancellation of consent conditions under Section 127 Resource Management Act	\$500.00
\$300.00	Certificate of Compliance and any other certificates eg Section 226	\$300.00
\$300.00	Section 223 and 224 certificates	\$300.00
\$1,000.00	Monitoring compliance with resource consents—cost, with maximum of	\$1,000.00
\$85.00	District Plan	\$85.00
\$185.00	Land Information Memorandum	\$189.00
\$250.00	Land Information Memorandum—urgent service	\$255.00
actual cost	Other external reports, eg engineers, commissioners, solicitors, special advisors (indicative charges between \$150–300 per hour)	actual cost
\$5,750.00	Infrastructure Contribution	\$5,750.00
\$7,475.00	Infrastructure Contribution—Waingawa Industrial Zone	\$7,475.00
2% of land value + GST	Roading Contribution—Residential, Commercial, and Industrial Zones	2% of land value + GST
3% of land value + GST	Roading Contribution—Rural Zone	3% of land value + GST
3% of land value + GST	Reserve Contribution—Residential, Commercial, and Industrial Zones	3% of land value + GST
2% of land value + GST	Reserve Contribution—Rural Zone	2% of land value + GST
\$105.00 per hour	Rural effluent field assessment Labour in excess of 2 hours charged at \$26.25 per 15 minutes or part thereof	\$105.00 per hour
\$10.00	Monthly building consent lists	\$10.00



2012/13 fees including GST		2013/14 fees including GST
	<b>Service fees</b>	
Actual Cost	Water connection	Actual Cost
Actual Cost	Sewer connection	Actual Cost
\$51.00	Administration fee	\$51.00
Actual Cost	Combined sewer and water connection	Actual Cost
Actual Cost	Standard vehicle crossing	Actual Cost
\$57.50	Applications for water race draw off	\$57.50
Actual Cost	Clearing sewers (property owner boundary to main)	Actual Cost
Actual Cost	Damage to Road Reserve	Actual Cost
	<b>Transfer station entry fees</b>	
	<b>General refuse</b>	
\$15.00	Car boot	\$16.00
\$33.00	Small trailer or ute up to 1.8m x 1.2m x 0.4 high (sorted)	\$34.00
\$176.00	Any load after this weight (per tonne)	\$181.00
\$26.00	Car bodies (stripped)	\$26.00
	<b>Green waste</b>	
\$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
\$41.00	Large truck up to 6 tonne	\$41.00
	Any larger loads as charged by Council	
	<b>Tyres</b>	
\$500.00	Tyres (per tonne)	\$500.00
\$3.00 each	Car and 4WD tyres—up to 4 tyres on rims	\$3.00 each
\$5.00 each	Truck tyres—up to 4 tyres	\$5.00 each
\$500.00 per tonne	Tractor or earthmover tyres, more than 4 tyres/load (any type) or mixed load containing tyres	\$500.00 per tonne
	<b>Dog registration</b>	
	Before 1 August	
\$84.00	Urban—entire dogs	\$84.00
\$59.00	Urban—spayed/neutered dogs	\$59.00
\$59.00 per dog	Rural—non-neutered and neutered dogs—first two dogs	\$59.00 per dog
\$31.00 per dog	Rural—non-neutered and neutered dogs—all remaining dogs	\$31.00 per dog
\$88.50	Dog classified as dangerous	\$126.00

2012/13 fees including GST		2013/14 fees including GST
	For certified seeing-eye or hearing dogs, a fee of 50% of those stated above	
	From 1 August—50% of the fee will be added as penalty	
	<b>Impounding fees</b>	
\$50.00	Dogs, sheep, goats	\$50.00
\$75.00	Cattle, deer, horses and all other animals	\$75.00
	Droving charge—calculated on actual cost including labour and plant hire	
\$8.00 per day	Sustenance fee—dogs	\$8.00 per day
\$10.00 per day	Sustenance fee—all other animals	\$10.00 per day
	<b>Outdoor swimming complex</b>	
Free	Entry fee adult/child—per person	Free
Free	School groups—per child per season (schools are responsible for lifeguard arrangements and costs)	Free
	<b>Cemetery</b>	
\$25.00	Headstone permit	\$25.00
	Plots	
\$980.00	• lawn	\$1,000.00
\$153.00	• child under 1 year old	\$156.00
\$306.00	• child over 1 year old and below 10 years old	\$312.00
\$204.00	• cremation	\$208.00
\$255.00	Extra depth charge	\$260.00
	Interment	
\$665.00	• lawn	\$680.00
\$153.00	• cremation	\$156.00
\$123.00	• child under 1 year old	\$125.00
\$305.00	• child over 1 year old and below 10 years old	\$312.00
\$600.00	• servicemen	\$612.00
\$777.00	Out-of-town burial fee	\$792.00
\$1,022.00	Saturday burials	\$1,042.00
\$1,278.00	Saturday burials—out of town	\$1,305.00
Actual Cost	Disinterment	Actual Cost
	No burials on Public Holidays	
	<b>Private Burial Service</b>	
\$50.00	Chapel	\$51.00



2012/13 fees including GST		2013/14 fees including GST
	<b>Park Fees</b>	
\$572.00	Association Football—per ground	\$572.00
\$884.00	Cricket Association	\$884.00
\$572.00	Athletic Club	\$572.00
	<i>Additional charges may be levied for additional services, including pitch preparation and repairs</i>	
	<b>Housing for the Elderly—rentals per week (GST exempt)</b>	
\$87.00	Porritt Place unit	\$87.00
\$90.00	Dudson Place single unit	\$90.00
\$100.00	Dudson Place double unit	\$100.00
\$120.00	Fisher Place unit	\$120.00
\$120.00	Wakelin Street single unit	\$120.00
\$132.00	Wakelin Street double unit	\$132.00
Note: The above housing rentals are a subsidised rental for those tenants on low incomes and with limited assets. Tenants who do not meet the criteria to qualify for a subsidised rental will be charged the market rate rental.		
	<b>Community Notice Board</b>	
Free	Use of the Community Notice Board—community groups	Free
\$5.00 per day	Use of the Community Notice Board—commercial and private	\$5.00 per day
	<b>Holiday Park (per night)</b>	
\$28.00	Tent site (2 persons)	\$30.00
\$14.00	• additional person	\$15.00
\$5.00	• additional children	\$5.00
	Cabins—peak season rates may apply	
\$40.00	• standard cabin (2 persons)	\$40.00
\$75–95.00	• self-contained cabin (2 persons)	\$80–95.00
\$15.00	• additional adult	\$15.00
\$5.00	• additional child	\$5.00
	<b>Library</b>	
	Rentals (per issue)	
\$0.50	• fiction books (including re-issues)	\$0.50

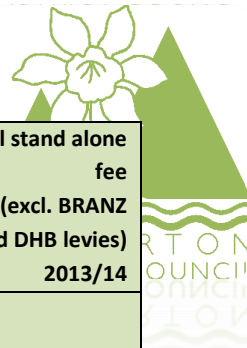
2012/13 fees including GST		2013/14 fees including GST
\$0.50	• magazines	\$0.50
\$2.00	• DVDs	\$2.00
	Fines	
\$0.50	• adult book—first week	\$0.50
\$1.00	• per week thereafter	\$1.00
\$0.20	• children's books—first week	\$0.20
\$0.70	• per week thereafter	\$0.70
\$0.50	Reserves	\$0.50
	Inter-loans	
\$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
	<b>Administration</b>	
	Photocopying—per page	
\$1.00	• A3 black and white	\$1.00
\$0.50	• A4 black and white	\$0.50
	• double-sided black and white—add 10 cents per page	
\$0.10	• school homework	\$0.10
	• 20 or more copies—Librarian's discretion	
\$2.00	• A3 colour	\$2.00
\$1.00	• A4 colour	\$1.00
	• double-sided colour—add 30 cents per page	
	Laminating per page	
\$3.00	• A3	\$3.00
\$2.00	• A4	\$2.00
\$2.60	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 2012/13	When included with other work (excl. BRANZ and DHB levies) 2012/13	Total stand alone fee (excl. BRANZ and DHB levies) 2012/13	Classification	PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14
			<b>Minor work</b>			
\$42.00	\$109.00	\$260.00	Solid fuel heater	\$42.00	\$109.00	\$260.00
\$42.00	\$109.00	\$344.00	Minor plumbing and drainage work, eg fittings, drain alteration	\$42.00	\$109.00	\$344.00
\$42.00		\$882.00	Drainage work, eg new minor, subdivision service, and common drains	\$42.00		\$882.00
\$42.00	\$311.00	\$748.00	Drainage work, eg new effluent disposal system	\$42.00	\$311.00	\$748.00
\$42.00	\$176.00	\$479.00	Wet area shower (vinyl floor)	\$42.00	\$176.00	\$479.00
\$42.00	\$210.00	\$655.00	Wet area shower (tile floor)	\$42.00	\$210.00	\$655.00
\$42.00		\$126.00	Private marquee >100 m <sup>2</sup> – professional assembly only (no inspection)	\$42.00		\$126.00
\$42.00		\$126.00	Public marquee >100 m <sup>2</sup> <50 people – professional assembly (no inspection)	\$42.00		\$126.00
\$42.00		\$260.00	Public marquee >100 m <sup>2</sup> >50 people	\$42.00		\$260.00
\$42.00		\$260.00	Private marquee >100 m <sup>2</sup> (with inspection)	\$42.00		\$260.00
			<b>Sheds / garages / conservatories etc</b>			
na		\$84.00	Swimming pool 1200mm above ground & pool fencing only	na		\$84.00
\$42.00		\$344.00	Inground swimming pools (includes fence)	\$42.00		\$344.00
\$42.00		\$521.00	Garden sheds/retaining walls/carports/conservatories/other minor works	\$42.00		\$521.00
\$84.00		\$605.00	Minor farm buildings haysheds covered yards 1–6 bays, etc	\$84.00		\$605.00
\$84.00		\$874.00	Larger farm buildings (covered yards, wool sheds)	\$84.00		\$874.00
\$84.00		\$605.00	Proprietary garages standard	\$84.00		\$605.00
\$84.00		\$739.00	Proprietary garages with fire wall	\$84.00		\$739.00
\$84.00		\$739.00	Proprietary garages including sleepout	\$84.00		\$739.00
\$84.00	\$197.00	\$1,008.00	Plumbing and drainage	\$84.00	\$197.00	\$1,008.00
\$84.00		\$781.00	Garages, simple custom design, single level	\$84.00		\$781.00
\$42.00		\$521.00	Residential repile	\$42.00		\$521.00
\$42.00		\$193.00	Residential demolition	\$42.00		\$193.00
			<b>Residential dwellings – new (note: double units charged at single unit rate + 50%)</b>			

PIM only fee 2012/13	When included with other work (excl. BRANZ and DHB levies) 2012/13	Total stand alone fee (excl. BRANZ and DHB levies) 2012/13	Classification	PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14
\$336.00		\$3,326.00	Single storey	\$336.00		\$3,326.00
\$504.00		\$3,394.00	Multi-storey	\$504.00		\$3,394.00
\$84.00		\$2,570.00	Transportable dwelling (yard built)	\$84.00		\$2,570.00
\$420.00		\$1,478.00	Relocated residential dwelling <i>(if applicable, add alteration fee)</i>	\$420.00		\$1,478.00
			<b>Residential dwellings – additions and alterations</b>			
\$42.00		\$521.00	Internal alterations	\$42.00		\$521.00
\$84.00		\$1,226.00	Addition to single storey	\$84.00		\$1,226.00
\$84.00		\$1,310.00	Addition to multi-storey	\$84.00		\$1,310.00
	\$197.00	\$1,008.00	Plumbing and drainage		\$197.00	\$1,008.00
			<b>Commercial / industrial</b>			
\$42.00		\$521.00	Commercial demolition	\$42.00		\$521.00
\$84.00		\$1,084.00	Single storey shop fitouts	\$84.00		\$1,084.00
\$84.00		\$1,352.00	Multi-storey shop fitouts	\$84.00		\$1,352.00
\$546.00		\$1982.00 plus \$403 per unit	Single storey, multi-unit apartments/motels	\$546.00		\$1982.00 plus \$403 per unit
\$756.00		\$2318.00 plus \$672 per unit	Multi-storey, multi-unit apartments/motels	\$756.00		\$2318.00 plus \$672 per unit
\$231.00		\$689.00	Minor commercial work eg signs/shop fronts/minor fitouts (no plumbing or drainage)	\$231.00		\$689.00
\$445.20		\$2,050.00	Commercial/industrial ≤\$50,000.00	\$445.20		\$2,050.00
\$613.20		\$2,856.00	Commercial/industrial \$50,000.01–\$100,000.00	\$613.20		\$2,856.00
\$781.20		\$3,662.00	Commercial/industrial \$100,000.01–\$150,000.00	\$781.20		\$3,662.00
\$949.20		\$4,469.00	Commercial/industrial \$150,000.01–\$250,000.00	\$949.20		\$4,469.00
\$1,117.20		\$5,275.00	Commercial/industrial \$250,000.01–\$350,000.00	\$1,117.20		\$5,275.00
\$1,285.20		\$6,082.00	Commercial/industrial \$350,000.01–\$500,000.00	\$1,285.20		\$6,082.00
\$1,285.20		\$6,619.00	Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,285.20		\$6,619.00
\$749.70		\$6,619 plus \$403 per \$100,000 or part thereof	Commercial/industrial/agricultural >\$1,000,000.00	\$749.70		\$6,619 plus \$403 per \$100,000 or part thereof
			<b>Other charges</b>			
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000
		\$2.01 per \$1,000	DBH levy for work \$20,000 or more			\$2.01 per \$1,000
		\$134.00	Unscheduled building, plumbing, and drainage inspections			\$134.00
		cost plus 10 percent	Structural engineering or fire engineering assessment/peer			cost plus 10 percent



PIM only fee 2012/13	When included with other work (excl. BRANZ and DHB levies) 2012/13	Total stand alone fee (excl. BRANZ and DHB levies) 2012/13	Classification	PIM only fee 2013/14	When included with other work (excl. BRANZ and DHB levies) 2013/14	Total stand alone fee (excl. BRANZ and DHB levies) 2013/14
			review (the building consent fee does not include the cost of any structural or fire engineers assessments that may be required)			
		\$168.00	Compliance schedule change			\$168.00
		\$168.00	Inspection hourly rate			\$168.00
		\$134.00	Re-inspection fee per inspection			\$134.00
			Certificate of acceptance—building consent fee for the applicable building payable on lodgement plus actual costs			
		\$168.00 plus \$168.00 per hour after first half hour	Reassessment fee (amended plans) lodgement fee (includes first half hour)			\$168.00 plus \$168.00 per hour after first half hour
		\$168.00 lodgement fee plus \$168.00 per hour after first half hour	Building warrant of fitness audit inspection fee—actual cost if not current			\$168.00 lodgement fee plus \$168.00 per hour after first half hour
			Vehicle crossing bonds will be assess for each application where required			
		\$1,500.00	Street, crossing, footpath, and berm damage bond for buildings removed from site			\$1,500.00

### Trade waste (all fees exclude GST)

2012/13 charges	Category	Description	2013/14 charges
<b>Administration charges</b>			
At cost	Connection fee	Payable on application for connection to discharge	At cost
At cost	Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
At cost	Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560	Trade waste application fee	Payable on an application for a trade waste discharge	Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560
\$85 per hour	Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority (WWA) where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour

2012/13 charges	Category	Description	2013/14 charges
<b>Small</b> Controlled \$190 pa Conditional \$390 pa <b>Medium</b> Controlled \$650 pa Conditional \$1,050 pa <b>Large</b> Controlled \$1,400 pa Conditional \$2,000 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the WWA's costs associated with for example: a. administration b. general compliance monitoring c. general inspection of trade waste premises d. use of the sewerage system  This charge may vary depending on the trade waste sector or category of the discharger	<b>Small</b> Controlled \$190 pa Conditional \$390 pa <b>Medium</b> Controlled \$650 pa Conditional \$1,050 pa <b>Large</b> Controlled \$1,400 pa Conditional \$2,000 pa
Discretion of Council As calculated by Council	Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2). Section 150(4) of the LGA states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.	Discretion of Council As calculated by Council
As per charges outlined below	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
\$0.52/ m <sup>3</sup>	B1 Volume	Payment based on the volume discharged	\$0.52/ m <sup>3</sup>
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.65/kg	B4 Organic Loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.65/kg
\$10.00/kg	B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.	\$10.00/kg
\$10.00/ kg	B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg.	\$10.00/ kg
<b>Tanker Waste Charges</b>			
\$120 per cubic metre or tonne (1000kg)	C1 Tankered Waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$120 per cubic metre or tonne (1000kg)



## Events Centre charges and fees (all fees \$ including GST)

### Commercial

Per hour		Meeting Room	Auditorium	Foyer	Ron Wakelin wing	Divas Rooms	Youth Centre	Library					
8.30am–5.00pm	per hour	30	50	20	20	20	25	20					
5.00pm–12.00am midnight	per hour	30	50	20	20	20	25	20					
Per day		Meeting Room	Auditorium for performance includes Diva rooms	Foyer	Pack-in/rehearsals Auditorium only	Exclusive Use of Kitchen	Civic Plaza	Ron Wakelin wing	Divas Rooms	Youth Centre	Library		
8.30am–5.00pm	per day	240	400	160	100	100	160	150	160	200	160		
5.00pm–12.00am midnight	per day	240	400	160	100	100	160	150	160	200	160		
Additional charges													
Functions taking place after 5.00pm		\$20 per hour											
Staff time for pack-in or assistance to set up		\$20 per hour											
AV		75	75										
Wifi			30	30					30	30			
Social Event Bond		200	500							200			
Lighting	per light	20 first day; 2 per day after											
	dimmer pack	10 first day; 5 per day after											
	lighting desk	50 first day; 15 per day after											
Sound system	basic conference or meeting	100											
	musical performance	200											
Staging—erect and dismantle	per hour	30											
Seating Block—erect and dismantle		1500											
Electronic white board		tba											
Flip chart		10											
Piano		40											
Easy lift scaffold		20											

Chairs, tables and use of shared kitchen, and kitchen contents included in room hire fees.

### Cleaning

The Auditorium, Foyer, and Youth Centre need to be put back into a reasonable state. This includes chairs and tables folded down and stacked to side of room, hired equipment stack in loading bay, floor swept and spills mopped up, and kitchen tidied—all dishes done, benches wiped, floor mopped, ovens cleaned, and rubbish put out into allocated place.

## Events Centre charges and fees (all fees \$ including GST) contd.

### Community

Per hour		Meeting Room	Auditorium	Foyer	Ron Wakelin wing	Divia Rooms	Youth Centre	Library			
8.30am–5.00pm	per hour	10	20	10	10	10	10	10			
5.00pm–12.00am midnight	per hour	10	20	10	10	10	10	10			
Per day		Meeting Room	Auditorium for performance includes Divia rooms	Foyer	Pack-in/rehearsals Auditorium only	Exclusive Use of Kitchen	Civic Plaza	Ron Wakelin wing	Divia Rooms	Youth Centre	Library
8.30am–5.00pm	per day	80	150	80	50	30	80	80	80	80	80
5.00pm–12.00am midnight	per day	80	150	80	50	30	80	80	80	80	80
Additional charges											
Functions taking place after 5.00pm		\$20 per hour									
Staff time for pack-in or assistance to set up		\$20 per hour									
AV		30	30								
Wifi			10	10					10	10	
Social Event Bond		200	500							200	
Lighting		per light									
		dimmer pack									
		lighting desk									
Sound system		basic conference or meeting									
		musical performance									
Staging—erect and dismantle		per hour									
Seating Block—erect and dismantle		1100									
Electronic white board		tba									
Flip chart		10									
Piano		no charge									
Easy lift scaffold		15									

Chairs, tables and use of shared kitchen, and kitchen contents included in room hire fees.

### Cleaning

The Auditorium, Foyer, and Youth Centre need to be put back into a reasonable state. This includes chairs and tables folded down and stacked to side of room, hired equipment stack in loading bay, floor swept and spills mopped up, and kitchen tidied—all dishes done, benches wiped, floor mopped, ovens cleaned, and rubbish put out into allocated place.