

# Carterton District Council

**Annual Plan 2017/18**

*Proposed for adoption*

**ISSN 1171-7459 (print)**

**ISSN 1179-8815 (online)**

## 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)

### Auditors

Mari-Anne Williamson  
Audit New Zealand

### Solicitors

WCM Legal  
Mark Hinton

### Bankers

Bank of New Zealand  
Johan Otto

## Contents

	Page
Mayor and councillors	6
Senior executives	6
Message from the Mayor	7
<b>Introduction</b>	
Specific items for consultation	8
Financial overview	9
Policies	10
<b>Community outcomes</b>	
The vision	14
How Council activities relate to the community outcomes	15
<b>Council activities and services</b>	
Governance	18
Community support	21
Regulatory and planning	25
Roads and footpaths	29
Sewerage and the treatment and disposal of sewage	33
Stormwater drainage	37
Waste management	41
Water supply	45
Administration and support services	50
<b>Financial information</b>	
General forecasting assumptions	53
Financial forecasting assumptions	55
Accounting policies	58
Prospective financial statements	71
Statement of special funds reserves	74
Funding impact statement	76
Financial prudence disclosure statement	82
<b>Appendices</b>	
A—Schedule of fees and charges 2017/18	86

## Message from the Mayor



Mai i te pae maunga, raro ki te tai  
Mai i te awa tonga, raro ki te awa raki  
Tēnei te hapori awahi ai e Taratahi

Whano whano, haramai te toki  
Haumi ē, hui ē, tāiki ē!

Change is in the air! And it binds and strengthens our community.

This is the first annual plan of the new council elected last year and is based on year three of the current Long Term Plan. Having new faces around the Council table has stimulated new thoughts and new approaches.

In the community, change can be felt. There's a bounce in our step. New businesses are opening in town, housing developments and building activity remain strong, and our population continues its steady increase.

As a Council we recognise the importance of engagement with our community and the opportunities to lever off volunteers and service organisations. At this month's highly successful Charles Rooking Carter Awards we recognised the passion and commitment of volunteers, business people, and other achievers to make Carterton a caring and thriving place to live. One of the award recipients reminded us that it takes a village to raise a child, but it takes a community to support those that serve it.

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

- defer some of the construction work of the development project for treating and disposing sewage
- combine the Taratahi and Carrington water races for rating purposes
- amend the finance strategy to reduce the rate-funding of depreciation expenses.

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

In the submissions, we were strongly challenged on the way we engage our constituents. We have taken this seriously and are upping our game. We appreciate the time and effort that submitters take. We appreciate that many of them present orally to Council. And we appreciate straight talk. It is a vital input to our planning process. We will do better.

We are pleased that the feedback endorsed our proposal to stage the expansion of sewage treatment and disposal at Daleton Farm. The construction of the reservoirs that will feed the second pivot irrigator will be deferred a year. This and the reduced rate-funding of depreciation will make the project more affordable for ratepayers, without impacting the project completion date and still meeting our environmental responsibilities.

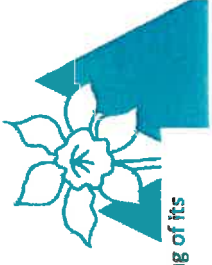
Over the next year, we will be renewing the asset management plans for the urban water supply, for wastewater, for stormwater, and for roads and footpaths. These along with our new Growth Strategy will help us update our Infrastructure Strategy. In turn, these will help inform the preparation over the next year of the 2018–2028 Long Term Plan.

As for that other change—the possible amalgamation of the three Wairarapa councils—for the purposes of this annual plan it is assumed that there will be no amalgamation. If the decision is to proceed, it will be reflected in the Long Term Plan.

All this and more is in our Annual Plan for 2017/18 as we keep working towards our vision for Carterton—a welcoming and vibrant community where people enjoy living.

I wish you all well.

Mayor John Booth  
28 June 2017



## Rating the water race network

The Council proposed to combine Taratahi and Carrington water races for rating purposes.

Several hundred rural ratepayers have access to either the Carrington or Taratahi water races for stock and domestic water supply.

Water for Taratahi comes from Waingawa and passes through farms to the North and East of Carterton. Carrington is fed from Mangatātere and runs West of town.

The Water Race Committee, representing its users, has recommended that rates no longer be calculated separately, rather all costs be combined and one rate be set to cover the whole network.

The Committee felt that this is fairer, as the races are managed as one network.

The Council considered two options—

1. The status quo. Continue with separate rates, one for ratepayers accessing the Carrington water race, and another for the Taratahi water race.
2. Changing to the same water race rates both Carrington and Taratahi water races.

Feedback from consultation supported the Council's preferred position that Taratahi and Carrington water races be considered as a single race for rating purposes.

## Finance strategy (depreciation)

The Council proposed to amend its finance strategy to reduce the rate-funding of its depreciation expense.

Currently, rates are set to cover the cost of depreciation and also the cost of borrowing (loan principal and interest) for capital expenditure. The exceptions are capital expenditure on roads (where it is part-funded through subsidy from the NZ Transport Authority), the treatment and disposal of sewage, and the Events Centre.

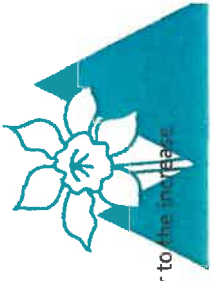
The financial strategy provides that rates will only cover the cost of borrowing for sewerage and Events Centre assets where the assets are being established through loan finance, and their cost of depreciation will only be covered once the loan is paid.

This policy is discussed in more detail in the Depreciation section of the Financial Summary below.

The Council considered two options—

1. The status quo. No change to the funding of depreciation.
2. Extending the policy to all capital expenditure, except for roads, where expenditure is funded through loan finance.

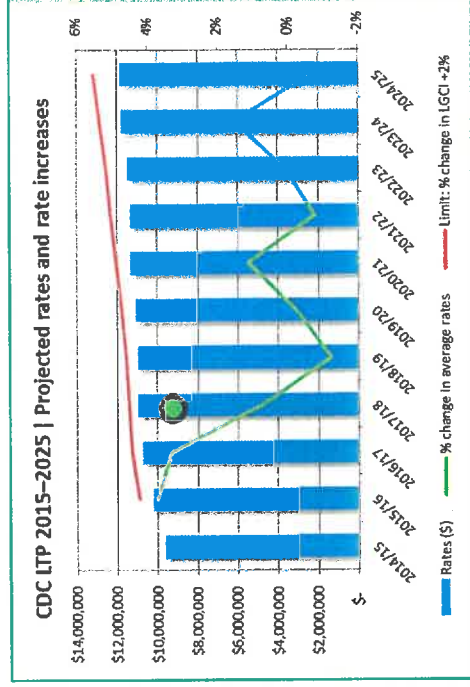
Feedback from consultation supported the Council's preferred position that for all capital expenditure funded through loans, that depreciation not be funded by rates.



**Rates increase**

The Council has decided to limit the increase in average rates<sup>1</sup> in any one year to the increase in the BERL local government cost index plus 2 percent.

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

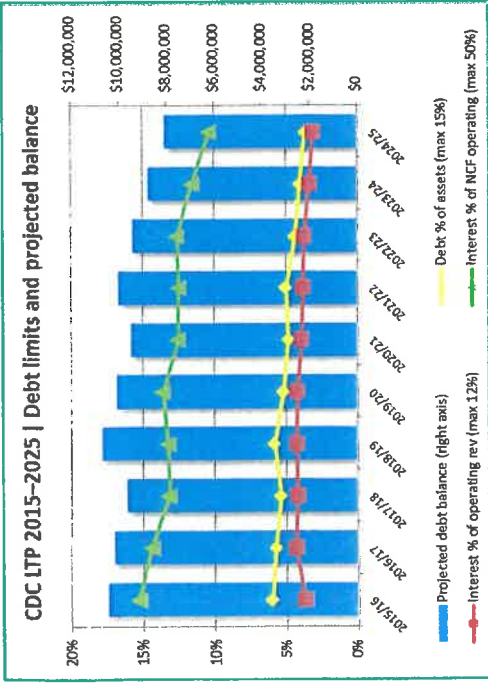


The limit for 2017/18 is 4.5 percent increase in the average rates. The Long Term Plan projection for 2017/18 was 0.4 percent.

This plan includes an increase of 0.7 percent in the average rates other than urban sewerage services. Overall, including the impact of the sewerage developments, there will be an increase of 3.4 percent in the average rates.

The impact on individual ratepayers 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 for 2017/18 divided by the total number of forecast rateable properties at 1 July 2017.



**Depreciation**

Charging depreciation each year spreads the cost of an asset over its useful life. Generally, depreciation is funded by income (including rates) in the same year that the depreciation is incurred.

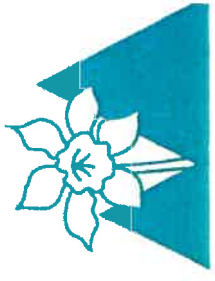
Funding of depreciation results in an increase in the Council's cash balance, and is held in depreciation reserves for the replacement of relevant infrastructure assets in the future.

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

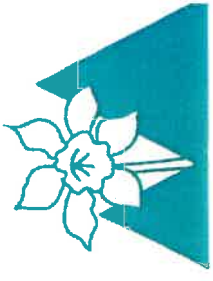
- roads and footpaths
- Events Centre building and fitout
- all loan-funded capital and renewals expenditure (as planned above—previously this was limited to loan-funded infrastructure development, such as the accelerated programme of sewerage renewals and treatment capacity).

This recognises that either we do not need to build up the full amount of funds for future replacement, or it would not be fair on the current generation of ratepayers to pay both the loan servicing for the current asset and building up funds for its eventual replacement.

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 towards the replacement cost.



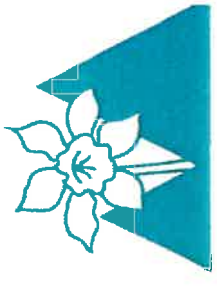
# Community outcomes



## How Council activities relate to the community outcomes

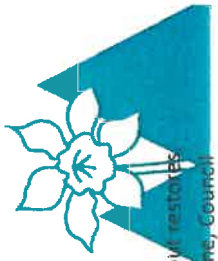
All of the Council's groups of activities contribute to all the community outcomes. The table below summarises the most significant relationships.

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





Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. From time to time, Council offices require refurbishment of the fittings to maintain fitness for purpose.

### Renewals plan

Item	2017/18 LTP \$	2017/18 Annual Plan \$
Building refurbishment	-	30,000

### Capital plan

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

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

Item	2017/18 LTP \$	2017/18 Annual Plan \$
Mayoral vehicle	-	15,000

### 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.

### How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2017 Annual Plan	2018 LTP	2018 Annual Plan	
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	100%	Regular financial reporting to the Council
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	≤5%	≤5%	Council minutes
Representation of residents by elected members	Residents rate the performance of the Mayor and councillors as 'very good' or 'fairly good'	≥75%	≥75%	≥75%	Survey of residents every three years <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%	100%	Annual report

### Assets

#### Existing assets

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

<sup>2</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.



## Community support

### This group of activities...

includes the following services and programmes:

#### Community development

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

#### Parks and reserves

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

#### Community amenities

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A healthy district*

*A district that enjoys creativity and recreation*

*A district that encourages lifelong learning*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

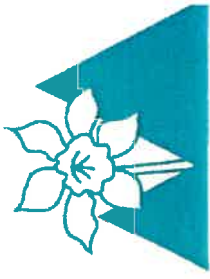
Supporting volunteer networks retains knowledge, expertise, and resources in the community.

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

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

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

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



## Assets

### Existing assets

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

### Maintenance and operating

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

### Renewals plan

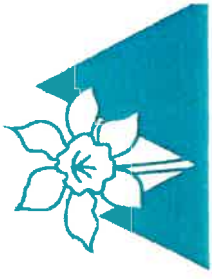
Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates, or renews an existing asset to its original capacity.

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

Item	2017/18 LTP \$	2017/18 Annual Plan \$
Carrington Park lighting	8,392	8,000
Park bins and picnic tables	1,574	

The service broken down into measurable components	Performance measure	Target for year ending June		Measuring system
		2017 Annual Plan	2018 LTP	
best possible cost for the level of service				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 of Carterton residents who are members of the Library	>75%	>75%	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 2017.



## Regulatory and planning

### This group of activities...

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

...contributes to the community outcomes

*A safe district*

*A healthy district*

*A district that values and protects its natural environment*

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

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

The Council considers that it can manage these risks.

### CARTERTON DISTRICT COUNCIL PROSPECTIVE FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT FOR THE YEAR ENDING 30 JUNE 2018

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2017 \$
<b>Sources of Operating Funding</b>			
General rates, UAGC, rates pena lies	3,036,836	3,420,381	3,164,545
Targeted rates	-	25,900	17,032
Grants, subsidies and donations	16,645	208,000	209,315
Fees and charges	204,210	-	-
Internal charges and overheads recovered	94,211	124,239	96,572
Local authorities fuel tax, fines, infringement fees and other	-	-	-
<b>Total operating funding</b>	<b>3,351,902</b>	<b>3,778,520</b>	<b>3,487,464</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,101,062	2,309,512	2,158,492
Finance costs	219,150	181,398	213,077
Internal charges and overheads applied	441,637	766,407	476,080
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,761,849</b>	<b>3,257,318</b>	<b>2,847,648</b>
<b>Surplus/(deficit) of operating funding</b>	<b>590,053</b>	<b>521,203</b>	<b>639,816</b>
<b>Sources of Capital Funding</b>			
Grants, subsidies and donations	-	-	-
Development and financial contributions	102,400	102,400	104,960
Increase/(decrease) in debt	(16,375)	(51,727)	(213,824)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>86,025</b>	<b>50,673</b>	<b>(108,864)</b>
<b>Applications of Capital Funding</b>			
Capital expenditure - meet additional demand	66,560	115,000	15,735
Capital expenditure - improve level of service	184,320	547,500	65,038
Capital expenditure - replace existing assets	205,312	675,344	483,065
Increase/(decrease) in reserves	219,886	(765,968)	(32,886)
Increase/(decrease) of investments	-	-	-
<b>Total application of capital funding</b>	<b>676,078</b>	<b>571,876</b>	<b>530,952</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(590,053)</b>	<b>(521,203)</b>	<b>(639,816)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

### How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2017 Annual Plan	2018 LTP	2018 Annual Plan	
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	Regular financial reporting to the Council
Timely processing of applications	LIMs <sup>4</sup> processed within 10 working days	100%	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	100%	Operational records
	PIMS <sup>5</sup> and building consents processed within statutory timeframes	100%	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 June			Measuring system
		2017 Annual Plan	2018 LTP	2018 Annual Plan	
Prompt responses to enquiries and complaints	Complaints are responded to within 4 working hours, to advise the complainant what action will be taken and in what timeframe	100%	100%	100%	Operational records
Safe and healthy food premises and liquor outlets.	Known food premises and liquor outlets in the district are registered or licensed	100%	100%	100%	Operational records

### Assets

#### Existing assets

- Geographic Information System (GIS)

#### Renewals plan

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

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

Item	2017/18 LTP \$	2017/18 Annual Plan \$
GIS data and equipment	5,255	5,000
Regulatory software and equipment	10,510	3,000





## Roads and footpaths

### This group of activities...

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

### ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A district that enjoys creativity and recreation*

*A district that promotes sustainable infrastructure and services*

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

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

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

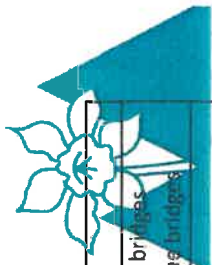
Residents and visitors feel safe when the roads, streets, footpaths, and street lighting are well-maintained and reliable.

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

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

### CARTERTON DISTRICT COUNCIL PROSPECTIVE FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING FOR THE YEAR ENDING 30 JUNE 2018

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$
<b>Sources of Operating Funding</b>			
General rates, UAC, rates penalties	416,272	550,972	435,497
Targeted rates	441,797	471,576	390,874
Grants, subsidies and donations	611,003	606,000	626,889
Fees and charges	-	-	-
Internal charges and overheads recovered	11,788	13,500	12,094
Local authorities fuel tax, fines, infringement fees and other	-	-	-
<b>Total operating funding</b>	<b>1,480,860</b>	<b>1,642,048</b>	<b>1,465,354</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,174,349	1,169,557	1,138,022
Finance costs	4,216	1,514	3,862
Internal charges and overheads applied	217,259	444,441	233,737
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>1,395,824</b>	<b>1,615,511</b>	<b>1,375,621</b>
<b>Surplus/(deficit) of operating funding</b>	<b>85,036</b>	<b>26,537</b>	<b>89,733</b>
<b>Sources of Capital Funding</b>			
Grants, subsidies and donations	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(5,264)	59,066	(5,618)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>(5,264)</b>	<b>59,066</b>	<b>(5,618)</b>
<b>Applications of Capital Funding</b>			
Capital expenditure - meet additional demand	-	231,000	-
Capital expenditure - improve level of service	-	60,000	-
Capital expenditure - replace existing assets	-	(205,397)	-
Increase/(decrease) in reserves	79,772	-	84,115
Increase/(decrease) of investments	-	-	-
<b>Total application of capital funding</b>	<b>79,772</b>	<b>85,603</b>	<b>84,115</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(85,036)</b>	<b>(26,537)</b>	<b>(89,733)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2017 Annual Plan	2018 LTP	2018 Annual Plan	
Safe footpaths	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	≥90%	≥90%	≥90%	Contract reports
	Road signs and markings found missing or not visible	≤5%	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Response to service requests	Public reports and complaints are acknowledged within 2 days	≥90%		≥90%	Complaints register
	Service requests relating to roads and footpaths responded to within 10 days	≥90%		≥90%	
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%		100%	Contract reports (monthly audits)

## Assets

### Existing Assets

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

Roadway component	Quantity	Units	Comment
Pavement <sup>10</sup> —sealed	Urban 28.2 Rural 261.2	km km	area 1,851,543 m <sup>2</sup>
Pavement—unsealed	Urban 0.2 Rural 155.9	km km	area 603,132 m <sup>2</sup>

<sup>10</sup> 'Pavement' is the road surface, not the footpath.

Roadway component	Quantity	Units	Comment
Bridges	52	number	15 two lane bridges 37 single lane bridges
Culverts > 600mm dia.	253	number	
Culverts < 600mm dia.	1,475	number	
Kerb and channel	44.5	km	
Catchpits	350	number	
Stormwater channel	193.1	km	
Guard rails	601	metres	
Sight rails	240	metres	
Footpaths	47.5	km	
Street lighting	526	number	108 managed for NZTA 138 in parks and reserves
Signs	1,419	number	

### Asset valuations

Valuation of the road infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2014. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Formation	53,443,000	53,443,000	-
Pavement	46,025,000	37,771,000	646,000
Drainage	15,358,000	7,600,000	236,000
Footpaths	7,207,000	3,604,000	106,000
Signs and markings	327,000	185,000	28,000
Traffic facilities	56,000	28,000	2,000
Bridges and culverts	31,640,000	15,170,000	280,000
Street lighting	607,000	304,000	18,000
<b>Total</b>	<b>\$ 154,663,000</b>	<b>\$ 118,105,000</b>	<b>\$ 1,316,000</b>

## 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

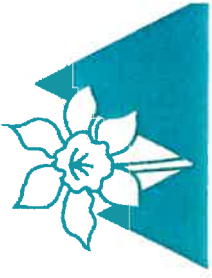
It is possible that significant negative effects of this group of activities could arise.

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 FUNDING IMPACT STATEMENT - ROADS AND FOOTPATHS FOR THE YEAR ENDING 30 JUNE 2018

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$
<b>Sources of Operating Funding</b>			
General rates, UAGC, rates penalties	2,037,630	1,617,300	2,092,602
Targeted rates	-	-	-
Grants, subsidies and donations	812,969	726,149	820,325
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	89,840	94,500	91,817
<b>Total operating funding</b>	<b>2,940,439</b>	<b>2,437,949</b>	<b>3,004,744</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,671,637	1,687,757	1,708,376
Finance costs	93,705	99,272	99,763
Internal charges and overheads applied	380,281	180,964	426,673
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,145,623</b>	<b>1,907,993</b>	<b>2,234,811</b>
<b>Surplus/(deficit) of operating funding</b>	<b>794,816</b>	<b>529,956</b>	<b>769,933</b>
<b>Sources of Capital Funding</b>			
Grants, subsidies and donations	771,305	954,751	837,457
Development and financial contributions	101,400	101,400	103,631
Increase/(decrease) in debt	(75,245)	(40,684)	(69,187)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>797,460</b>	<b>1,015,467</b>	<b>871,901</b>
<b>Applications of Capital Funding</b>			
Capital expenditure - meet additional demand	91,260	-	93,240
Capital expenditure - improve level of service	-	-	-
Capital expenditure - replace existing assets	1,546,553	2,080,840	1,580,107
Increase/(decrease) in reserves	(45,536)	(535,417)	(31,513)
Increase/(decrease) of investments	-	-	-
<b>Total application of capital funding</b>	<b>1,592,276</b>	<b>1,545,423</b>	<b>1,641,834</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(794,816)</b>	<b>(529,956)</b>	<b>(769,933)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>





## Existing assets

The urban reticulation system consists of:

- domestic pipes on private land—approximately 2,300 connections
- pipes and manholes of the municipal system— pipes ranging in size from 80 mm to 380 mm diameter, and 38 km of underground piping
- 15 pump stations located throughout the urban area to lift sewage from low-lying areas up into the gravity network.

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

## Asset valuations

Valuation of the sewerage and treatment infrastructural assets was undertaken by Opus International Consultants as at 30 June 2016. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	9,099,296	3,110,762	121,222
Sewer fittings	2,013,240	853,886	25,166
Pump stations	590,578	391,927	17,604
Sewage treatment plant	3,046,747	1,374,234	76,889
Sewerage upgrade	1,024,544	448,661	47,990
<b>Total</b>	<b>\$ 15,744,404</b>	<b>\$ 6,179,470</b>	<b>\$ 288,871</b>

## Maintenance and operating

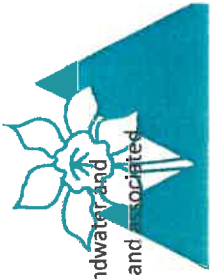
Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the asset fail and need

The service broken down into measurable components	Performance measure	Target for year ending June		Measuring system
		2017 Annual Plan	2018 LTP	
cost for the required level of service				
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	≤5	≤5	Operational records
Management of environmental impacts	Number of abatement notices	≤1	≤1	Operational records
	Number of infringement notices	0	0	Operational records
	Number of enforcement orders	0	0	Operational records
Response to sewerage system faults <sup>11</sup>	Number of successful prosecutions	0	0	Operational records
	Median attendance time <sup>12</sup>	≤1 hour	≤1 hour	Operational records
Customer satisfaction	Median resolution time <sup>13</sup>	≤4 hours	≤4 hours	Operational records
	Total number of complaints received per 1000 connections <sup>14</sup>	≤20	≤20	Operational records

## Assets

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

<sup>11</sup> sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system  
<sup>12</sup> from the time that the Council receives notification to the time that service personnel reach the site.  
<sup>13</sup> from the time that the territorial authority receives notification to the time that service personnel confirm resolution  
<sup>14</sup> total number of complaints received about: sewerage odour; sewerage system faults; sewerage system blockages; and the Council's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.



## Key assumptions and uncertainties

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

## Risk management

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

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

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

## Significant negative effects

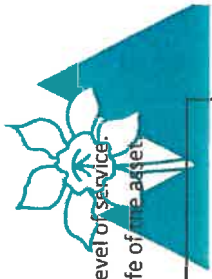
It is possible that significant negative effects of this group of activities could arise.

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

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

## CARTERTON DISTRICT COUNCIL PROSPECTIVE FUNDING IMPACT STATEMENT - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE YEAR ENDING 30 JUNE 2018

	LTP 30 June 2017	Annual Plan 30 June 2018	LTP 30 June 2018
	\$	\$	\$
<b>Sources of Operating Funding</b>			
General rates, UAGC, rates penalties	167,021	177,347	158,789
Tariffed rates	1,503,193	1,596,124	1,429,097
Grants, subsidies and donations	-	-	-
Fees and charges	244,975	350,000	198,762
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	50,020	47,860	51,321
<b>Total operating funding</b>	<b>1,965,210</b>	<b>2,171,331</b>	<b>1,837,968</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	943,936	793,986	703,918
Finance costs	300,626	270,573	290,231
Internal charges and overheads applied	157,278	372,771	169,770
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>1,401,839</b>	<b>1,437,330</b>	<b>1,163,919</b>
<b>Surplus/(deficit) of operating funding</b>	<b>563,371</b>	<b>734,001</b>	<b>674,049</b>
<b>Sources of Capital Funding</b>			
Grants, subsidies and donations	-	-	-
Development and financial contributions	51,250	51,250	52,583
Increase/(decrease) in debt	(151,395)	314,727	(213,070)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>(100,145)</b>	<b>365,977</b>	<b>(160,487)</b>
<b>Applications of Capital Funding</b>			
Capital expenditure - meet additional demand	-	5,000	-
Capital expenditure - improve level of service	307,500	290,000	157,650
Capital expenditure - replace existing assets	695,050	783,300	611,682
Increase/(decrease) in reserves	(543,324)	21,678	(255,770)
Increase/(decrease) of investments	-	-	-
<b>Total application of capital funding</b>	<b>463,226</b>	<b>1,099,978</b>	<b>513,562</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(563,371)</b>	<b>(734,002)</b>	<b>(674,049)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	7,046,331	4,552,139	70,864
Open drains	251,978	182,915	1,260
Manholes	679,371	509,953	6,794
Sumps	285,336	20,815	2,853
Soak pit chambers	84,921	75,538	849
<b>Total</b>	<b>\$ 8,347,938</b>	<b>\$ 5,521,359</b>	<b>\$ 82,620</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 an asset's design capacity but restores, rehabilitates, or renews an existing capacity to its original capacity.

No renewals are planned in the next year.

### Capital plan

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

Item	2017/18 LTP \$	2017/18 Annual Plan \$
Waikāriki Stream diversion	-	86,000

The service broken down into measurable components	Performance measure	Target for year ending June		Measuring system
		2017 Annual Plan	2018 LTP	
Response to stormwater system issues	Number of successful prosecutions	0	0	Operational records
	The median response time <sup>16</sup> to attend a flooding event	≤ 3 hours	≤ 3 hours	Operational records
Customer satisfaction	Total number of complaints <sup>17</sup> received per 1000 properties connected	≤ 10	≤ 10	Operational records

### Assets

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

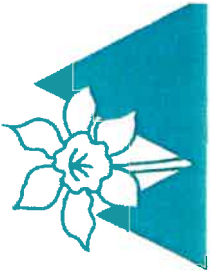
### Existing assets

- 12.4 km of piped stormwater reticulation in the urban area ranging in diameter from 150 mm up to 1200 mm
- 267 sumps and 126 manholes
- about 6.5 km of open drain in the urban area
- about 20 km of open drain in the rural area, some of which also forms part of the rural water race network.

### Asset valuations

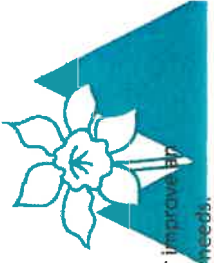
Valuation of the infrastructural assets for stormwater was undertaken by Opus International Consultants Ltd as at 30 June 2016. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practice.

<sup>16</sup> measured from the time that the Council receives notification to the time that service personnel reach the site  
<sup>17</sup> total number of complaints received about faults or blockages, expressed per 1000 customers charged in their rates for council stormwater services.



**CARTERTON DISTRICT COUNCIL  
PROSPECTIVE FUNDING IMPACT STATEMENT - STORMWATER  
FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$
<b>Sources of Operating Funding</b>			
General rates, UAGC, rates penalties	21,365	23,258	21,671
Targeted rates	192,286	209,322	195,042
Grants, subsidies and donations	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	-
<b>Total operating funding</b>	<b>213,652</b>	<b>232,580</b>	<b>216,713</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	58,436	66,160	59,823
Finance costs	32,151	17,698	30,844
Internal charges and overheads applied	27,533	45,124	29,486
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>118,120</b>	<b>128,982</b>	<b>120,153</b>
<b>Surplus/(deficit) of operating funding</b>	<b>95,531</b>	<b>103,599</b>	<b>96,560</b>
<b>Sources of Capital Funding</b>			
Grants, subsidies and donations	-	-	-
Development and financial contributions	10,250	10,250	10,517
Increase/(decrease) in debt	(20,699)	(9,569)	(22,006)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>(10,449)</b>	<b>681</b>	<b>(11,490)</b>
<b>Applications of Capital Funding</b>			
Capital expenditure - meet additional demand	-	-	-
Capital expenditure - improve level of service	-	86,000	-
Capital expenditure - replace existing assets	-	-	-
Increase/(decrease) in reserves	85,082	18,280	85,071
Increase/(decrease) of investments	-	-	-
<b>Total application of capital funding</b>	<b>85,082</b>	<b>104,280</b>	<b>85,071</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(95,531)</b>	<b>(103,599)</b>	<b>(96,560)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Capital plan

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

No capital works are planned in the next year.

## How the group of activities is funded

### Capital

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

### Annual costs

#### Urban refuse and recycling collection

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

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

#### Transfer Station

The Council has deemed that the provision of the transfer station provide a public benefit to the whole district. All users of the transfer station are required to pay a gate charge for disposal of their refuse. The balance of funds required to operate the transfer station come from general rates levied on all property owners in the district.

## Key assumptions and uncertainties

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

The service broken down into measurable components	Performance measure	Target for year ending June			Measuring system
		2017 Annual Plan	2018 LTP	2018 Annual Plan	
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	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

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

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

Item	2017/18	2017/18
	LTP	Annual Plan
Transfer Station buildings refurbishment	\$ -	\$ 40,000



# Water supply

## This group of activities...

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

## ...contributes to the community outcomes

*A vibrant and prosperous economy*

*A safe district*

*A healthy district*

*A district that values and protects its natural environment*

*A district that promotes sustainable infrastructure and services*

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

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

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

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



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

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

## What we will deliver

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

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

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

The urban reticulated water network is managed under the *Asset Management Plan—Municipal Water Supply: March 2015*, which sets out the targets for asset condition, performance, and levels of service.

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

The Council manages the Carrington and Taratahi Water Race systems so that property owners and businesses who have access to the water races have an adequate supply of non-potable water that is sustainable and does not adversely affect the environment.

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

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

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



## Asset valuations

Valuation of the urban water infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2016. The valuation basis is optimised depreciated replacement costs, which is in accordance with generally accepted accounting practices.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	12,787,331	4,754,609	174,599
Reticulation fittings	3,476,811	1,043,125	258,964
Supplementary supply	1,010,140	416,087	34,602
Kaipaitangata headworks	577,424	151,718	7,155
Treatment plant	2,775,252	1,465,443	78,278
<b>Total</b>	<b>\$ 20,625,959</b>	<b>\$ 7,830,982</b>	<b>\$ 553,598</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 an asset's design capacity but restores, rehabilitates, or renews an existing asset to its original capacity. A contingency fund operates for the water races to provide funds for replacing or repairing the river intakes when they are damaged from time to time by river floods.

The service broken down into measurable components	Performance measure	Target for year ending June		Measuring system	
		2017 Annual Plan	2018 LTP		2018 Annual Plan
Demand management	Average consumption of drinking water per day per resident within the district	≤400 litres	≤400 litres	≤400 litres	Operational records
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	≥90%	≥90%	Survey of residents every three years <sup>26</sup>
Water resources are used sustainably	Reduction in community water consumption	≥2.5% per annum	≥2.5% per annum	≥2.5% per annum	Operational records
	Compliance with water resource consent conditions	100%	100%	100%	Resource consent

## Assets

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

### Existing assets

- Kaipaitangata dam 4,546 cubic metres
- Kaipaitangata reservoirs 500 and 1000 cubic metres
- Kaipaitangata Filtration Reservoir 500 cubic metres
- Lincoln Road Supplementary Supply 42 litres per second
- Lincoln Road Reservoirs 200 and 300 cubic metres
- underground water mains 9.0 km trunk supply
- a hydraulic model of the urban network 39.5 km reticulation piping
- Taratahi Water Race 242 km
- Carrington Water Race 36 km

<sup>26</sup> NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.



- That GWRC will approve the Council's application for resource consent to take adequate water from the Kaipaitangata Stream for the urban water supply. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- Any dam in the Waingawa catchment will not impact on the operation of and water take for the water races.
- Masterton District Council will be able to supply services to Waingawa.
- The operational and maintenance requirements for this activity could change depending on conditions imposed by any new resource consents.

## **Risk management**

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

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

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

## **Significant negative effects**

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

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

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

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





**CARTERTON DISTRICT COUNCIL  
NOTE—DEPRECIATION PER GROUP OF ACTIVITIES**

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

	Annual Plan 30 June 2017 \$	Annual Plan 30 June 2018 \$
Governance	1,440	2,178
Roads and footpaths	1,348,697	1,399,350
Water supply	525,953	700,378
Sewerage	627,509	787,801
Stormwater	89,025	122,861
Waste management	34,323	37,601
Community support	676,048	744,463
Regulatory and planning	20,242	32,615
Administration and support services	225,546	254,391
<b>Total depreciation</b>	<b>3,548,783</b>	<b>4,081,638</b>

## General forecasting assumptions

(from the Long Term Plan 2015–2025)

### Levels of service

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

### District population trends

A district population growth assumption of a constant 0.6 percent per annum from the June 2014 Estimated Resident Population (8,680) has been used.<sup>27</sup> This a total increase of 6 percent over the ten years. The Department of Statistics has projected that most of the increase is in the 65+ age group. The Council’s anecdotal experience is that while most of the new properties built in Carterton recently have been for this age group, the consequent property sales have included a significant number to young families coming to Carterton, particularly in the south end of town.

### Risk

Growth does not meet this assumption.

### Level of uncertainty

Low

### Reasons and financial effect of uncertainty

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

### Number of rateable properties

The growth in rateable properties has slowed somewhat but continues to be positive. The number of rateable properties is assumed to reach about 5,250 by 2025, which is a growth of 12 percent over the ten years of the Plan. See table below.

<sup>27</sup> Department of Statistics. *Sub-national Population Projections: 2013(base)–2043*, Medium series



Projected number of rateable properties as at 30 June

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
4,670	4,750	4,820	4,890	4,940	4,990	5,040	5,090	5,140	5,190	5,250

### Risk

Growth does not meet this assumption.

### Reasons and financial effect of uncertainty

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

### NZTA

Subsidies from the NZTA have been included at the approved rate of 53 percent and the approved (reduced) dollar level for the same period.

### Risk

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

### Level of uncertainty

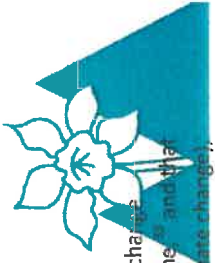
Medium. The next review point by government is in three years’ time, before the next Long Term Plan is prepared

### Reasons and financial effect of uncertainty

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

### Resource consents

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



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.

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

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

## Climate change

Human-induced climate change is real and occurring now. It is the biggest environmental challenge we face.<sup>28,29,30</sup>

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

Changes required are reducing energy use (particularly that which creates carbon emissions), reforestation, and a return to localised, more traditional farming practices. This could be achieved partly through technology but more likely through fundamental changes to societal and economic structures. The behavioural shift will need education, support, and leadership.<sup>31,32</sup>

<sup>28</sup> see for example IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp.

<sup>29</sup> Parliamentary Commissioner for the Environment, 2014. Changing climate and rising seas: understanding the science. NZ Climate Change Centre summary of NZ findings. see [http://www.nzclimatchangecentre.org/sites/nzclimatchangecentre.org/files/images/research/NZCCC%20Summary\\_IPCC%20AR5%20NZ%20Findings\\_April%202014%20WEB.pdf](http://www.nzclimatchangecentre.org/sites/nzclimatchangecentre.org/files/images/research/NZCCC%20Summary_IPCC%20AR5%20NZ%20Findings_April%202014%20WEB.pdf)

<sup>31</sup> see for example reports and case studies of the international association ICLEI—Local Governments for Sustainability

Central government has said that it is responsible for the mitigation of climate change (slowing down and reversing climate change), using an emissions trading scheme, and that local government must provide for 'adaptation' (dealing with the effects of climate change), such as managing the effect of weather extremes.<sup>34</sup> The Wellington Regional Council has prepared a Climate Change Strategy<sup>35</sup> for adaptation in Wellington and Wairarapa.

### Risk

The effect of climate change occurs more rapidly than anticipated.

### Level of uncertainty

Medium

### Reasons and financial effect of uncertainty

There is uncertainty about how quickly the effects will be felt and where. Predictions are that weather extremes will be more common and of a greater scale.<sup>36</sup> In Wairarapa that will include more severe drought, wind, and storm events.<sup>37,38</sup> Rising sea levels and associated storm surges are less likely to directly affect Carterton District than its neighbours.

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

## Financial forecasting assumptions

### Revaluation of non-current assets

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

<sup>32</sup> ICLEI 2015, Seoul Declaration

<sup>33</sup> Climate Change Response Act 2002

<sup>34</sup> Ministry for the Environment, 2008. Preparing for climate change: A guide for local government in New Zealand.

<sup>35</sup> [www.gw.govt.nz/assets/Climate-change/GWRCCClimateChangeStrategy7-10-15.pdf](http://www.gw.govt.nz/assets/Climate-change/GWRCCClimateChangeStrategy7-10-15.pdf)

<sup>36</sup> NIWA's scenarios report, [www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios](http://www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios)

<sup>37</sup> Greater Wellington Regional Council, 2013. Regional Policy Statement for the Wellington region.

<sup>38</sup> NIWA *ibid*.



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

- The Council has, over the term of the Annual Plan, set revenue levels sufficient to fully fund depreciation of its assets with the exception of roading where approximately 48% of depreciation is funded.
- The funding for the replacement of any individual asset will be funded from the following sources in the following order of priority:
  - From prior year credit depreciation reserve balances
  - From the current year's cash arising from the funding of depreciation
  - Loan funding with a loan being for the term of the life of the asset
  - Special funds set aside for specific purposes identified by Council.

**Risk**

That a particular funding source is unavailable.

**Level of uncertainty**

Low.

**Reasons and financial effect of uncertainty**

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

**Inflation**

**Operating revenues and expenses**

2017/18 revenues and expenses have been predicted using estimated dollar values for the 2017/18 financial year. Guidance has been taken from the BERL (Business & Economic Research Limited) forecasts of price level change adjusters for inflation.

**Risk**

That actual inflation differs to that predicted.

**Level of uncertainty**

Medium.

**Reasons and financial effect of uncertainty**

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

**Investments and return on investments**

The Council's Long Term Special Funds will be retained in their present form throughout the Annual Plan. Additions and withdrawals from the funds have been accounted for in the Annual Plan where identified and required. A rate of 3.5% has been assumed for the return on the Special Funds investment.

**Risk**

That the actual return on investment differs to that budgeted.

**Level of uncertainty**

Medium.

**Reasons and financial effect of uncertainty**

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

**Commitments and contingencies**

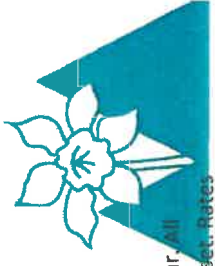
There are no commitments or contingencies that the Council is aware of that have not been included in the Annual Plan.

**Rounding differences**

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

**Authorisation for issue**

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



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

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

## Significant Accounting Policies

### Revenue

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

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

#### *Revenue from exchange and non-exchange transactions*

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

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

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

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

### *Rates revenue*

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

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

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

### *Other revenue*

Water billing revenue is recognised on an accrual basis and is a tax that uses a specific charging mechanism to collect the rate and is non-exchange revenue. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

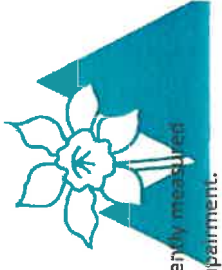
Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

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

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

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





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

## Leases

### *Finance leases*

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

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

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

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

### *Operating leases*

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

## Cash and cash equivalents

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

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

## Debtors and other receivables

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

## Derivative financial instruments and hedge accounting

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

## Other financial assets

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

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

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

- Fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive income

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

### *Financial assets at fair value through surplus or deficit*

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

payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

*Financial assets at fair value through other comprehensive income*

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

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

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

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

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

**Inventory**

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

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

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

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

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

**Non-current assets held for sale**

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

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

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

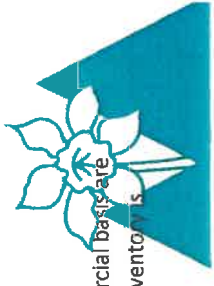
Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

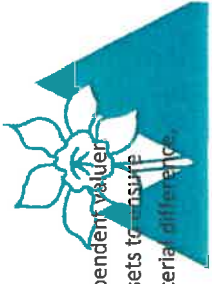
**Property, plant, and equipment**

Property, plant, and equipment consists of:

Operational assets

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





Library collections	6 years	16.67%
Office equipment	5 to 10 years	10.00–20.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Heritage assets	20 to 50 years	2.00–5.00%
Intangible assets	5 years	20.00%

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

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

## Revaluation

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

### Operational land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. The landfill liner and water races were not revalued in the 2015 year. Heritage assets are also included in this category. Additions are recorded at cost.

### Restricted land and buildings

The most recent valuation was performed by independent valuers Andrew Parkyn (Registered Valuer, B.Com (VPM), PG Dip Com, SPINZ, ANZIV), Angela Scott (BBS (VPM), MPINZ) and David Cornford (BBS (VPM), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2015. Additions are recorded at cost.

### Infrastructure asset classes

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

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the Council assess the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

### Land under roads

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

### Library Collections

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand in May 2002. The most recent library valuation was independent valuer Colin Gerrard (BSc, MSc, GIPENZ) and reviewed by Sarah Seel (BE, MIPENZ) of AECOM New Zealand, and the valuation is effective as at 30 June 2015.

### Intangible assets

#### Software acquisition

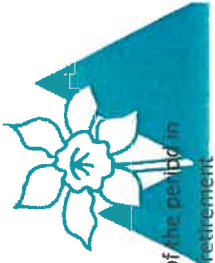
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

Staff training costs are recognised in the surplus or deficit when incurred.

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





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

### **Creditors and other payables**

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

### **Borrowings**

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

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

### **Employee entitlements**

#### *Short-term employee entitlements*

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

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

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

### **Long-term employee entitlements**

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

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

A discount rate of 5.78% and an inflation factor of 3.00% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

#### *Presentation of employee entitlements*

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

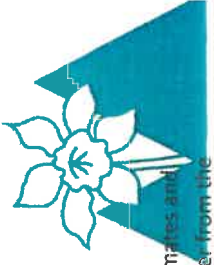
### **Superannuation schemes**

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

### **Provisions**

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

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



## Cost allocation

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

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

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

## Prospective statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management. GST is disclosed net as disclosing gross amounts does not provide any further meaningful information.

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

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

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

## Prospective significant activity statements

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

## Critical accounting estimates and assumptions

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

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

### *Infrastructural assets*

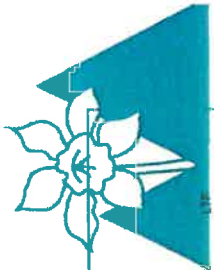
There are a number of assumptions and estimates used when performing depreciated replacements cost valuations of infrastructural assets. These include the following items:

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

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

- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance.

To 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, and 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.



**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017	Annual Plan 30 June 2018	LTP 30 June 2018
Surplus/(deficit) after tax	746,791	221,145	905,019
Increase/(decrease) in restricted reserves	-	-	-
Increase/(decrease) in revaluation reserves	3,735,198	2,934,942	1,335,156
Financial assets at fair value through other comprehensive revenue and expense	1,350	1,000	1,350
Total other comprehensive revenue and expense	3,736,548	2,935,942	1,336,506
Total comprehensive revenue and expense	4,483,339	3,157,087	2,241,526

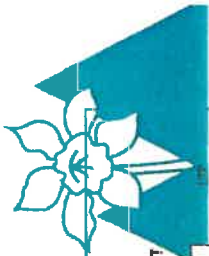
**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017	Annual Plan 30 June 2018	LTP 30 June 2018
Equity at start of year	161,810,349	170,470,541	166,293,688
Total comprehensive revenue and expense	4,483,339	3,157,087	2,241,526
Equity at end of year	166,293,688	173,627,629	168,535,214
<b>Components of equity</b>			
Retained earnings at start of year	110,441,420	112,377,136	110,533,137
Surplus/(deficit) after tax	746,791	221,145	905,019
Transfers (to)/from revaluation reserves	(655,074)	-	(638,285)
Transfers (to)/from restricted/council created reserves	110,533,137	112,598,281	110,799,872
Retained earnings at end of year	43,627,940	49,562,196	47,363,138
Revaluation reserves at start of year	-	-	-
Transfers (to)/from Equity	3,735,198	2,934,942	1,335,156
Revaluation gains	47,363,138	52,497,138	48,698,294
Revaluation reserves at end of year	7,740,989	8,531,209	8,397,413
Restricted/council created reserves at start of year	655,074	-	638,285
Transfers (to)/from reserves	1,350	1,000	1,350
Financial asset revaluation gains	8,397,413	8,532,209	9,037,048
Restricted/council created reserves at end of year	166,293,688	173,627,629	168,535,214
Equity at end of year			

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017	Annual Plan 30 June 2018	LTP 30 June 2018
<b>Operating Revenue</b>			
Rates	10,833,328	11,286,737	11,039,256
Rates penalties	51,250	25,000	52,583
Finance revenue	266,000	73,924	287,172
Fees and charges	1,347,733	1,662,000	1,330,154
Recoveries	94,600	32,000	96,944
Commissions	51,759	48,000	53,100
NZTA subsidy	1,584,274	1,680,900	1,657,782
Petrol tax	60,840	62,500	62,178
Grants and subsidies	16,645	25,900	17,032
Rentals	126,655	149,599	129,872
Contributions	317,200	317,200	325,147
Forestry harvest	-	-	-
Profit on sale of assets	-	-	-
Assets vested in council	-	-	-
Share revaluation	-	-	-
Revaluation gains	-	-	-
Miscellaneous revenue	73,697	37,500	28,277
Internal charges	(65,600)	-	(67,306)
Total operating income	14,758,381	15,401,260	15,012,191
<b>Operating Expenditure</b>			
Governance	861,829	709,195	832,232
Roads & footpaths	3,505,292	3,307,343	3,617,791
Water Supply	1,792,067	2,244,223	1,854,575
Sewerage	2,002,686	2,198,881	1,812,916
Stormwater	210,273	251,843	212,305
Waste management	798,691	778,723	826,272
Community support - community development	401,310	495,251	416,569
Community support - parks & reserves	968,354	1,066,978	1,015,001
Community support - community amenities	2,097,269	2,439,552	2,162,945
Regulatory & planning	1,418,918	1,648,125	1,402,838
Bad debts	20,500	40,000	21,093
Loss on sale of assets	-	-	-
Gifted assets	-	-	-
Revaluation losses	(65,600)	-	(67,306)
Internal charges	14,011,590	15,180,115	14,107,172
Total operating expenditure	14,011,590	15,180,115	14,107,172
Operating Surplus/(deficit)	746,791	221,145	905,019
Fair value gain/(losses)	-	-	-
Surplus/(deficit) before tax	746,791	221,145	905,019
Taxation expense	-	-	-
Surplus/(deficit) after tax	746,791	221,145	905,019
Note: Total expenditure includes -			
Depreciation	3,601,132	4,081,638	3,759,067
Finance costs	671,025	573,300	663,172

Proposed for adoption



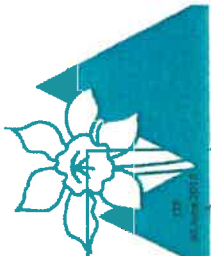
**CARTERTON DISTRICT COUNCIL**  
**FUNDING IMPACT STATEMENT**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$
<b>Operating Funding</b>			
Sources of operating funding			
General rates, UAGC and rates penalties	7,013,365	7,132,435	7,286,652
Targeted rates	3,871,213	4,179,302	3,805,187
Grants, subsidies and donations	829,613	752,049	837,357
Fees and charges	1,347,733	1,662,000	1,330,154
Interest and dividends from investments	266,510	74,424	287,692
Local authorities fuel tax, fines, infringement fees and other	341,441	329,099	302,545
<b>Total operating funding</b>	<b>13,669,876</b>	<b>14,129,309</b>	<b>13,849,588</b>
Applications of operating funding			
Payments to staff and suppliers	9,739,433	10,525,176	9,684,933
Finance costs	671,025	573,300	663,172
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>10,410,458</b>	<b>11,098,476</b>	<b>10,348,105</b>
<b>Surplus/(deficit) of operating funding</b>	<b>3,259,418</b>	<b>3,030,833</b>	<b>3,501,483</b>
<b>Capital Funding</b>			
Sources of capital funding			
Grants, subsidies and donations	771,305	954,751	837,457
Development and financial contributions	317,200	317,200	325,147
Increase/(decrease) in debt	(274,441)	467,174	(578,349)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total capital funding</b>	<b>814,064</b>	<b>1,739,125</b>	<b>584,255</b>
Applications of capital funding			
Capital expenditure - meet additional demand	157,820	451,000	108,975
Capital expenditure - improve level of service	525,036	979,900	229,096
Capital expenditure - replace existing assets	2,756,052	4,190,084	3,130,413
Increase/(decrease) in reserves	634,575	(851,026)	617,253
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>4,073,483</b>	<b>4,769,958</b>	<b>4,085,737</b>
<b>Surplus/(deficit) of Capital Funding</b>	<b>(3,259,418)</b>	<b>(3,030,833)</b>	<b>(3,501,483)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	30 June 2018 \$
Operating surplus/(deficit) from cost of service statements			
Governance	(28,308)	5,836	14,446
Roads and footpaths	307,853	186,757	329,041
Water supply	38,819	9,498	35,061
Sewerage	13,774	(2,549)	77,635
Stormwater	13,628	(9,012)	14,924
Waste management	7,023	24,882	6,581
Community support - community development	(11,619)	(3,919)	(12,374)
Community support - parks and reserves	94,365	86,500	98,977
Community support - community amenities	(95,377)	(213,442)	(88,694)
Regulatory and planning	61,942	(6,078)	62,516
Administration and support services	344,692	132,674	367,907
add Vested assets	-	-	-
add interest on Internal borrowing	-	-	-
<b>Surplus/(deficit) after tax per Statement of Financial Performance</b>	<b>746,791</b>	<b>221,146</b>	<b>905,019</b>
add Proceeds from sale of assets not included in the FIS	-	-	-
less Vested assets and interest on Internal borrowing not included in the FIS	-	-	-
<b>Surplus/(deficit) before vested assets and Internal Interest</b>	<b>746,791</b>	<b>221,146</b>	<b>905,019</b>
less Capital grants, subsidies and donations	(771,305)	(954,751)	(837,457)
less Development and financial contributions	(317,200)	(317,200)	(325,147)
less Gross proceeds from sale of assets	-	-	-
less Gain in fair value	-	-	-
add loss on sale/gifting of assets	-	-	-
add Depreciation not included in the FIS	3,601,132	4,081,638	3,759,067
<b>Surplus/(deficit) of operating funding</b>	<b>3,259,418</b>	<b>3,030,833</b>	<b>3,501,483</b>
<b>Balance as per Council FIS surplus/(deficit) of funding</b>	<b>3,259,418</b>	<b>3,030,833</b>	<b>3,501,483</b>





**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$	Annual Plan 30 June 2018 \$
<b>Combined District Plan Fund</b>				
Opening Balance			(60,684)	(60,684)
Deposits			60,743	60,743
Withdrawals				
Closing Balance			(581,941)	(581,941)
<b>Roading Contribution Fund</b>				
Opening Balance			520,709	442,001
Deposits			122,228	115,584
Withdrawals			(233,300)	(900,000)
Closing Balance			409,637	257,585
<b>Infrastructure Contributions Reserve Fund</b>				
Opening Balance			474,110	892,314
Deposits			132,864	135,554
Withdrawals				
Closing Balance			606,474	827,868
<b>Waingawa Infrastructure Contributions Reserve Fund</b>				
Opening Balance			117,832	146,145
Deposits			4,713	4,877
Withdrawals				
Closing Balance			122,545	150,822
<b>Behadene Hill Fund</b>				
Opening Balance			1,837	1,180
Deposits				
Withdrawals				
Closing Balance			1,837	1,180
<b>Waingawa Industrial Zone Services Deficit Fund</b>				
Opening Balance			26,760	37,737
Deposits			1,070	1,208
Withdrawals				
Closing Balance			27,830	38,945
<b>Special Funds Reserves - Summary</b>				
Opening Balance			1,734,225	2,359,782
Deposits			591,145	436,124
Withdrawals			(927,900)	(380,000)
Closing Balance			1,997,470	2,395,906

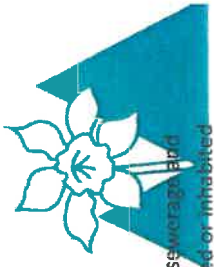
**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$	Annual Plan 30 June 2018 \$
<b>Water Race Resource Consent Fund</b>				
Opening Balance			12,000	12,000
Deposits			12,880	12,884
Withdrawals				
Closing Balance			24,880	24,884
<b>Cleavelly Gravel Maintenance Fund</b>				
Opening Balance			2,448	2,542
Deposits			98	81
Withdrawals				
Closing Balance			2,546	2,623
<b>Memorial Squares Trust Fund</b>				
Opening Balance			7,153	7,600
Deposits			286	743
Withdrawals				
Closing Balance			7,439	7,843
<b>WWII Memorial Trust Fund</b>				
Opening Balance			65,509	64,032
Deposits			4,220	2,049
Withdrawals			(2,600)	(7,600)
Closing Balance			67,129	66,081
<b>Loughish Domain Board Fund</b>				
Opening Balance			2,984	3,095
Deposits				
Withdrawals				
Closing Balance			2,984	3,095
<b>West Taranaki Hill Board</b>				
Opening Balance			19,516	25,398
Deposits				
Withdrawals				
Closing Balance			19,516	25,398
<b>Election Contingency Fund</b>				
Opening Balance			27,103	9,911
Deposits			1,084	317
Withdrawals			(27,000)	
Closing Balance			1,187	10,228
<b>Workshop Depot Upgrade Fund</b>				
Opening Balance			23,100	23,524
Deposits			886	733
Withdrawals				
Closing Balance			23,986	24,277

**CARTERTON DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES**  
**FOR THE YEAR ENDING 30 JUNE 2018**

	LTP 30 June 2017 \$	Annual Plan 30 June 2018 \$	LTP 30 June 2018 \$	Annual Plan 30 June 2018 \$
<b>Plant Purchase &amp; Renewal Fund</b>				
Opening Balance			1,629	
Deposits			52	
Withdrawals				
Closing Balance			1,681	
<b>Recreation Reserve Levy Fund</b>				
Opening Balance			679,898	744,494
Deposits			128,596	134,740
Withdrawals			(65,000)	(15,000)
Closing Balance			744,494	864,234
<b>Roading Emergency Works Fund</b>				
Opening Balance			269,657	380,454
Deposits			90,787	94,418
Withdrawals			(80,000)	
Closing Balance			380,454	454,872
<b>Rural Water Contingency Fund</b>				
Opening Balance			46,014	52,855
Deposits			6,881	6,888
Withdrawals				
Closing Balance			52,895	59,743
<b>Waste Disposal Fund</b>				
Opening Balance			65,394	87,189
Deposits			23,416	30,790
Withdrawals				
Closing Balance			88,810	117,979
<b>Creative NZ Fund</b>				
Opening Balance			9,960	2,802
Deposits			398	90
Withdrawals				
Closing Balance			10,358	2,892
<b>Sports New Zealand Rural Travel Fund</b>				
Opening Balance				
Deposits				
Withdrawals				
Closing Balance				
<b>Keep Carterton Beautiful Fund</b>				
Opening Balance			5,875	5,324
Deposits			235	170
Withdrawals				
Closing Balance			6,110	5,494

Proposed for adoption



### *Urban sewerage rate*

The Council proposes to set a differential targeted rate for the Council's urban sewerage 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 urban sewerage service is provided or available.

The rate applied is as follows:

- a charge per separately used or inhabited part of a rating unit that is able to be connected
  - a charge per separately used or inhabited part of a rating unit connected
- The Council also proposes to set a rate per water closet or urinal within each separately used or inhabited part of a rating unit after the first one for rating units with more than one water closet or urinal.

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 or urinal.

### *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 differential targeted rate based on capital value on all properties connected or able to be connected to the Waingawa sewerage service. The rate will be set on a differential basis over two rating categories:

- all rating units located in the Waingawa industrial zone of Carterton District, as depicted in the District Plan, that are used primarily for residential purposes
- all other rating units in the Waingawa industrial zone of Carterton District.

For the purposes of this rate:

- all rating units associated with utility services (water, telecommunications, etc) that are located in the urban area.
- Commercial means
  - 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 1991.
- Rural means
  - 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 1991
  - all rating units associated with utility services (water, telecommunications, etc) that are located in the rural area.

### **Uniform Annual General Charge**

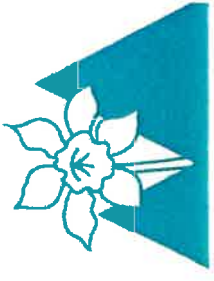
The Council proposes to set a Uniform Annual General Charge on each rating unit in the District to fully fund Governance activities and to fund Community Support activities up to the maximum possible under section 21 of the Local Government (Rating) Act 2002.

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

### **Targeted rates**

#### *Regulatory and planning service rate*

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



For the purposes of this rate:

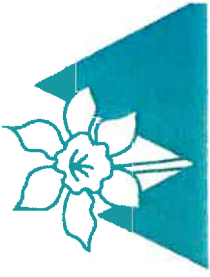
- ‘connected’ means a rating unit to which water is supplied.

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

### Examples

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

Example properties rating category	features	capital value \$	land value \$	water over allowance cubic metres	rates total \$	rates % Increase	rates \$ Increase
Residential	low value	165,000	75,000	-	\$2,758.49	10.2%	\$ 254.81
Residential	medium value	290,000	110,000	15	\$3,136.78	8.3%	\$ 241.16
Residential	high value	365,000	120,000	50	\$3,395.09	7.4%	\$ 232.90
Commercial	2 toilets	475,000	225,000	100	\$5,591.82	5.0%	\$ 265.17
Commercial - rural	water and sewerage connected	160,000	na	-	\$3,608.45	11.7%	\$ 376.52
Rural	no water race	1,500,000	na	na	\$4,001.81	-1.3%	-\$ 52.70
Rural - single water race	8 hectares serviced by Carrington water race	600,000	na	na	\$2,574.51	-11.3%	-\$ 327.09
Rural - single water race	17 hectares serviced by Taratahi water race	1,000,000	na	na	\$3,589.78	4.3%	\$ 149.68



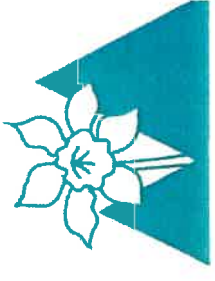
## Rates and charges 2017/18

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

	GST inclusive	Rates required \$ incl GST
<b>General rates—capital value</b>		
Residential	0.22458 cents in the \$	\$ 1,342,611
Commercial	0.44915 cents in the \$	\$ 413,336
Rural	0.17966 cents in the \$	\$ 2,660,465
<b>Uniform Annual General Charge</b>	\$ 933.10	\$ 3,751,072
<b>Regulatory and planning services—capital value</b>	0.02492 cents in the \$	\$ 547,313
<b>Urban sewerage</b>		
Connected	\$ 647.80	\$ 1,497,064
Able to be connected (half charge)	\$ 323.90	\$ 27,855
Pan charge	\$ 647.80	\$ 230,617
<b>Waingawa sewerage—capital value</b>		
Connected	\$ 414.87	\$ 4,135
Connected or able to be connected commercial and industrial properties in the Waingawa industrial zone	0.33881 cents in the \$	\$ 75,871
Connected or able to be connected residential properties in the Waingawa industrial zone	0.16941 cents in the \$	

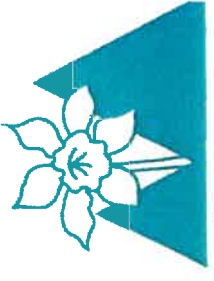
	GST inclusive	Rates required \$ incl GST
<b>Stormwater—land value</b>	0.16690 cents in the \$	\$ 240,721
<b>Refuse collection and kerbside recycling</b>	\$ 57.01	\$ 136,436
<b>Urban water</b>		
Connected	\$ 624.23	\$ 1,590,359
Able to be connected	\$ 310.62	\$ 26,402
Metered water in excess of 225 cubic metres	\$ 1.70 per cubic metre	\$ 115,000
<b>Rural water rate</b>		
<b>Carrington/Taratahi water rate</b>		
Rural water services rate	\$ 232.37	\$ 123,749
Class A	\$ 25,19134 per ha	\$ 211,031
Class B	\$ 5,41523 per ha	\$ 21,372
Class C	\$ 130.12527 per ha	\$ 68,186
<b>Waingawa water</b>		
Connected	\$211.77	\$ 10,086
Metered water	\$2.27 per cubic metre	\$ 115,000





**5 Debt servicing benchmark**

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



# Appendix A

## Schedule of fees and charges 2017/18









PIM only fee 2016/17	When included with other work (excl. BRANZ and DHB levies) 2016/17	Total stand alone fee (excl. BRANZ and DHB levies) 2016/17	Classification	PIM only fee 2017/18	When included with other work (excl. BRANZ and DHB levies) 2017/18	Total stand alone fee (excl. BRANZ and DHB levies) 2017/18
			<b>Residential dwellings—new (note: double units charged at single unit rate + 50%)</b>			
\$361.00		\$3,600.00	Single storey	\$361.00		\$3,600.00
\$542.00		\$3,672.00	Multi-storey	\$542.00		\$3,872.00
\$90.50		\$2,787.00	Transportable dwelling (yard built)	\$90.50		\$2,787.00
\$451.50		\$1,614.00	Relocated residential dwelling <i>(if applicable, add alteration fee)</i>	\$451.50		\$1,614.00
			<b>Residential dwellings—additions and alterations</b>			
\$45.50		\$396.00	Alterations (minor) up to 3 inspections plus processing time	\$45.50		\$1062.00
\$45.50		\$585.00	Alterations (major) up to 6 inspections plus processing time	\$90.50		\$2478.00
\$90.50		\$1,343.00	Addition to single storey (category ceased)			
\$90.50	\$212.00	\$1,433.00	Addition to multi-storey (category ceased)		\$212.00	\$1,108.00
		\$1,108.00	Plumbing and drainage			
			<b>Commercial / industrial</b>			
\$45.50		\$585.00	Commercial demolition	\$45.50		\$585.00
\$90.50		\$1,189.00	Single storey shop fitouts	\$90.50		\$1,189.00
\$90.50		\$1,478.00	Multi-storey shop fitouts	\$90.50		\$1,478.00
\$587.00		\$2,113 plus \$425 per unit	Single storey, multi-unit apartments/motels	\$587.00		\$2,113 plus \$425 per unit
\$813.00		\$2,467 plus \$708 per unit	Multi-storey, multi-unit apartments/motels	\$813.00		\$2,467 plus \$708 per unit
\$248.50		\$765.00	Minor commercial work	\$248.50		\$765.00
			eg signs/shop fronts/minor fitouts (no plumbing or drainage)			
\$478.50		\$2,228.00	Commercial/industrial <\$50,000.00	\$478.50		\$2,228.00
\$659.00		\$3,094.00	Commercial/industrial \$50,000.01–\$100,000.00	\$659.00		\$3,094.00
\$839.50		\$3,961.00	Commercial/industrial \$100,000.01–\$150,000.00	\$839.50		\$3,961.00
\$1,020.00		\$4,827.00	Commercial/industrial \$150,000.01–\$250,000.00	\$1,020.00		\$4,827.00
\$1,200.50		\$5,694.00	Commercial/industrial \$250,000.01–\$350,000.00	\$1,200.50		\$5,694.00
\$1,381.50		\$6,561.00	Commercial/industrial \$350,000.01–\$500,000.00	\$1,381.50		\$6,561.00
\$1,381.50		\$7,138.00	Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,381.50		\$7,138.00
\$1,381.50		\$6,999 plus \$423 per \$100,000	Commercial/industrial/agricultural >\$1,000,000.00	\$1,381.50		\$6,999 plus \$423 per \$100,000
			<b>Other charges</b>			
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000

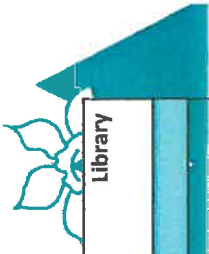
Proposed for adoption



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

2016/17 charges	Category	Description	2017/18 charges
At cost	Connection fee	Payable on application for connection to discharge	At cost
At cost	Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
At cost	Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Small business (1-5 staff) \$152 Medium business (6-15 staff) \$288 Large Business (16+ staff) \$560	Trade waste application fee	Payable on an application for a trade waste discharge	Small business (1-5 staff) \$152 Medium business (6-15 staff) \$288 Large Business (16+ staff) \$560
\$85 per hour	Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour
<b>Small</b> Permitted \$190 pa Conditional \$390 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the Waste Water Authority's costs associated with for example: a. administration b. general compliance monitoring c. general inspection of trade waste premises d. use of the sewerage system	<b>Small</b> Permitted \$190 pa Conditional \$390 pa
<b>Medium</b> Permitted \$650 pa Conditional \$1,050 pa			<b>Medium</b> Permitted \$650 pa Conditional \$1,050 pa
<b>Large</b> Permitted \$1,400 pa Conditional \$2,000 pa		This charge may vary depending on the trade waste sector or category of the discharger.	<b>Large</b> Permitted \$1,400 pa Conditional \$2,000 pa
Discretion of Council As calculated by Council	Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2) of the Local Government Act. Section 150(4) states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.	Discretion of Council As calculated by Council
As per charges outlined below	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
\$0.60/ m <sup>3</sup>	B1 Volume	Payment based on the volume discharged	\$0.60/ m <sup>3</sup>
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.92/kg	B4 Organic Loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.92/kg
\$10.00/kg	B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.	\$10.00/kg
\$15.00/ kg	B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg.	\$15.00/ kg
\$62.00 per cubic metre	C1 Tankered Waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$62.00 per cubic metre





Charges per day unless otherwise stated	Hurunui o Rangī Room	Taratahi Auditorium	Te Mahau Foyer	Civic Plaza	Plunket Rooms	Diva Rooms	Rangatahi Hub	Library
Exclusive use of kitchen				\$50.00				
Use of AV	\$25.00	\$50.00	\$25.00		\$25.00	\$25.00	\$25.00	\$25.00
Wifi	\$10.00	\$10.00	\$10.00		\$10.00	\$10.00	\$10.00	
Lighting	Pricing confirmed upon application							
Sound system	Pricing confirmed upon application							
Staging set up—per hour		\$30.00						
Seating block—to erect and dismantle		\$1,100.00						
Electronic white board	No charge							
Flip chart	\$10.00	\$10.00	\$10.00	\$10.00		\$10.00	\$10.00	\$10.00
Piano	No charge							
Easy lift scaffold	\$10.00							
*Chairs, trestle tables, and use of shared kitchen, and kitchen contents included in room hire fees.								