

CARTERTON
DISTRICT COUNCIL

Ten Year Plan
Te Māhere Ngahurutanga
2018–2028

Consultation Draft

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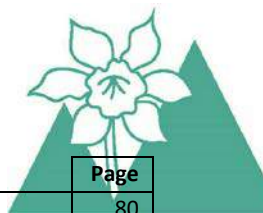


Carterton District

*A welcoming and vibrant community
where we all enjoy living*

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Mayor and councillors

Mayor

John Booth 06 378 2481 / 027 442 7469
john.booth@cdc.govt.nz

Deputy Mayor

Russell Keys 06 379 6433 / 027 454 0860
russell.keys@cdc.govt.nz

Councillors

Greg Lang 06 372 7080 / 027 898 1618
greg.lang@cdc.govt.nz

Ruth Carter 06 379 7467 / 027 379 7467
ruth.carter@cdc.govt.nz

Tracey O'Callaghan 06 372 7757 / 021 169 8080
tracey.ocallaghan@cdc.govt.nz

Jill Greathead 06 379 6193 / 027 488 4376
jill.greathead@cdc.govt.nz

Rebecca Vergunst 027 742 2264
rebecca.vergunst@cdc.govt.nz

Mike Ashby 06 379 7890 / 027 922 2999
mike.ashby@cdc.govt.nz

Brian Deller 06 379 8696 / 027 444 5340
brian.deller@cdc.govt.nz

Senior executives

Chief Executive

Jane Davis

Human Resources Manager

Peter Rickman

Corporate Services Manager

Marty Sebire

Infrastructure and Services Manager

Garry Baker

Regulatory and Planning Manager

Dave Gittings

Community Services Manager

Carrie Mckenzie

Directory

Carterton District Council

Holloway Street

PO Box 9

Carterton

Phone 06 379 4030

Fax 06 379 7832

www.cdc.govt.nz

info@cdc.govt.nz

Auditors

Mari-Anne Williamson

Audit New Zealand

on behalf of the Auditor-General

Solicitors

Mark Hinton

WCM Legal

Bankers

Johann Otto

Bank of New Zealand





Message from the Mayor

*Nāku te rourou
Nāhau te rourou
Ka ora ai te iwi.
Tihei mauriora !*

*With your basket of resources
Combined with ours
Together, we shall prosper.
We breathe with life!*

As a sixth generation resident of Carterton, I'm honoured to call this district home.

Here, we have much to be proud of—a well-connected and resilient community, an innovative creative sector, new business investment coming into the district, a strong rural economy and active community groups.

Carterton is steadily growing. In the last ten years, our district's population increased by 22 percent, and we are expecting it to increase a further 8 percent in the next ten years and 23 percent by 2043.

We welcome the diversity and innovation this growth will bring. But it will require forethought and planning to ensure our infrastructure and amenities are fit for purpose and can accommodate an expanding community.

For the next ten years, Carterton District Council will remain strongly focussed on delivering high quality core services to the district. As previously agreed with our community, we will upgrade our wastewater treatment and disposal system, for which we now have resource consents. We will improve the resilience of our water supply infrastructure so we are prepared for a possible major emergency event, and we will invest across all of our core infrastructure to make sure we can meet the demands of a growing population and changing economic activity, including the impacts on our roads.

Given the investment required for our infrastructure work we are not planning to do any other major projects over the next 10 years. Upgrading our key infrastructure will have a big impact on rates, particularly next year as the wastewater treatment plant upgrade moves into its major construction phase. Overall, our rates revenue in 2018/19 will be \$12.8 million—an increase of \$1.5 million on the current financial year, or an increase of 9.4 percent in the average rates. After 2018/19, the annual increase in average rates falls back into the 0–5 percent range. Our urban ratepayers will be meeting the vast majority of the wastewater treatment plant cost and we are very mindful of how challenging it is for many households to pay rates.

So for our other activities we will be keeping them modestly business-as-usual. Those activities are described in the activities sections of this document. We acknowledge the various community groups with whom the council works closely to deliver many of these services, including parks and gardens, emergency response preparation, wetlands restoration, rural rubbish clean-up, holiday programmes, and more. Carterton is certainly a better place because of the partnerships between our wonderful community groups and volunteers and the Council.

There is one initiative that doesn't involve our core infrastructure that we are looking to expand. Engagement with the community shows a desire to reduce household waste, and with that a need for better recycling services. Council is considering expanding our current recycling services to include food waste collection, an electronic waste drop-off facility, and more capacity for general household recycling. We welcome your feedback on this issue.

We are delighted with Carterton District's economic performance in the last year—especially with a GDP increase of 3.8 percent in 2017, which is above the national average. We hope to build on this, with support from the Government's \$1 billion-a-year Provincial Growth Fund, to which we expect to be making a bid. We will be working alongside the two other Wairarapa councils, Greater Wellington Regional Council, and others to prepare bids that, if supported by the Government, will boost employment opportunities.

Finally, and very importantly, we acknowledge Hurunui o Rangi Marae and its importance and status in the Carterton District. Earlier this year I was proud to sign a Memorandum of Understanding between the Council and Hurunui o Rangi as a serious commitment to our close working relationship.

As council begins planning for the next ten years, I encourage everyone in the Carterton District to have their say. We are committed to working with the community to create a healthy, safe, and vibrant place to live.

Mayor John Booth



Introduction



Navigating the Ten Year Plan

This guide is aimed at making it easier for readers to navigate this document and understand how each section relates to the other.

A Consultation Document will be published on the Council's website. Hard copies will be made available at the Council office and library and Councillors will have copies to hand out at the various meetings and engagement opportunities. The Ten Year Plan will be publicised in print media during the consultation period, and on the radio. Associated engagement activities will be undertaken to socialise the consultation issues and encourage feedback.

Introduction

The introduction explains what a Ten Year Plan ('10YP' or 'the Plan') is and why we produce one. It summarises what the Council wants to achieve over the life of the Plan.

Community outcomes

This section outlines what taking a 'sustainable development' approach means and describes what is important to the community by way of 'community outcomes'. It explains how the Council will contribute to furthering these outcomes and who else may contribute.

Council activities and services

This section provides an explanation of the groups of activities and services that the Council will provide and the reasons for doing so. It also includes a discussion on the strategic direction relating to each group of activities, how much it will cost, and how it will be funded.

Financial strategy and Infrastructure Strategy 2018–2048

The financial strategy explains how the Carterton District Council will manage its finances over the next ten years. It sets out the general approach and principles to be followed, and it provides a guide against which proposals for funding and expenditure can be assessed.

The infrastructure strategy outlines the key land transport, sewerage, stormwater, and water supply infrastructural issues that the council faces over the next 30 years. It helps the Council consult and make decisions on its infrastructure investment during the period of the ten year plan and beyond. It is discussed in the "Key planning documents" section.

Forecast financial information

This section provides details of the overall financial picture over the ten years of the 10YP, and assumptions used.

Audit opinion

Lastly, the 10YP when adopted will include a copy of the audit report. It sets out the opinion of the auditor whether the plan provides a reasonable basis for long-term, integrated decision-making and co-ordination of the Council's resources, and for accountability of the Council to the community, and whether the information and assumptions underlying the forecast information in the plan are reasonable.

The opinion does not provide assurance that the forecasts in the plan will be achieved. It does not guarantee complete accuracy of the information in the plan. Nor does it express an opinion on the merits of the plan's policy content.

Appendices

Appendix A contains the policies that particularly relate to the development of the 10YP. These policies provide the rules and guide decision-making on how the Council operates:

- Revenue and financing policy
- Investment policy
- Liability management policy
- Development contributions or financial contributions policy
- Remission of rates policy
- Postponement of rates policy
- Remission and postponement of rates on Māori freehold land policy
- Significance and engagement policy.

Appendix B provides a schedule of the 2018/19 fees and charges.

Appendix C includes the full Infrastructure Strategy for 2018–2048.



What is the Ten Year Plan?

The Local Government Act 2002 (the Act) requires each local authority to adopt a long-term plan.

The Ten Year Plan (10YP) is the Council's key planning document and one of its purpose is to enhance transparency and accountability to the Carterton community. It is another step in the ongoing process to understand community needs and how to best respond to them. It also provides a link to other Council planning documents, plus regional and national documents that are relevant to the Council.

Development of the 10YP requires the Council to look at the 'big picture' rather than focusing on planning on a year-to-year basis. The 10YP sets out the short, medium, and long-term priorities of the Council and shows how the Council will contribute to the four well-beings and achieve progress towards the community outcomes.

This document is also the annual plan for the 2018/19 financial year. This Plan replaces the 2015–2025 LTP, which was produced in 2015.

All future significant changes to Council policies or Council's direction, as identified in the Ten Year Plan, will be treated as an amendment to the Ten Year Plan and will consequently undergo formal public consultation.

Specific items for consultation

Refer to the consultation document for details.



Community outcomes



Community outcomes

‘Community outcomes’ are the outcomes, or results, that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region, in the present and for the future.

Each group of activities carried out by the Council contributes in some way to one or more of the community outcomes and this 10YP outlines specifically how the Council intends to contribute to the outcomes over the 2018–2028 period.

How the community outcomes were identified

As part of the development of the Consultation Document for the 2018–2028 10YP, the Council reviewed its existing vision and community outcomes to confirm whether they were still relevant to the community.

They refined the vision and amended the outcomes, using the categories developed for the City Resilience Framework¹. (Resilience is the capacity of a city, town, or district to function so that people living and working there survive and thrive no matter what stresses or shocks they encounter.) The impacts of climate change is one of the issues underlying our future infrastructure planning to meet the outcomes.

Councillors also spoke with and listened to the community about their views on Carterton’s future and what they would like to see the Council working towards.

The revised vision and community outcomes are shown on the next page.

How we will work with others to further outcomes

Currently many of the day-to-day activities of the Council, community organisations, and government agencies contribute to furthering the community outcomes.

Carterton is blessed with a large range of community and volunteer organisations working to enhance the district’s economic development, social well-being, and environment. The Council will continue to work with these organisations to achieve positive outcomes for the community.

In particular, the Council has an important relationship with Hurunui o Rangi Marae, who are represented at meetings of the Council, and some committees, advisory groups, and workshops. They provide valuable input and perspective for Māori well-being and for the wider community. Council is looking to broaden their engagement with other mana whenua entities.

How we will report on progress

The Council is required to report at least once every three years on progress made towards achieving the community outcomes for the district. In addition, the annual report will report on activities that have contributed to the achievement of community outcomes.

¹ The Rockefeller Foundation and Arup International Development, 2015. *City Resilience Framework*



Vision

A welcoming and vibrant community where we all enjoy living

Community outcomes

- A **strong community**, where people:
 - live in well-connected neighbourhoods
 - are empowered to participate in Council and community-based decision-making
 - are resilient to change and disruptive events
 - have access to quality homes, jobs and recreation opportunities
 - feel safe
 - are active and healthy.
- A **prosperous economy** based on:
 - an innovative and ambitious primary sector
 - a growing number of jobs and low unemployment
 - a workforce that is talented, available and skilled to match the jobs
 - a strong creative sector
 - successful and sustainable businesses that support one another
 - reliable commuting connections with Wellington and freight connections to ports and airports
 - quality visitor attractions and events
 - connections to wider region.
- A **healthy natural and built environment**, where
 - the health of our waterways is continuously improved
 - residential streets are attractive and safe
 - public spaces are inviting and well utilised
 - the central business area is attractive and where vibrant businesses can thrive.
- **Quality, fit-for-purpose infrastructure**, that is:
 - reliable and resilient, including to the impacts of climate change
 - safe
 - environmentally sustainable
 - cost-effective
 - well planned to meet future needs.

- A **strong and effective Council**, which
 - provides leadership within the community
 - strongly advocates for the interests of the district and wider region
 - is trusted by the community
 - is open, accessible and genuinely engages
 - shares its decision-making through community empowerment
 - supports community-led activities and development
 - builds and maintains strong relationships and partnerships, including with mana whenua.





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	A strong community	A prosperous economy	A healthy natural and built environment	Quality fit-for-purpose infrastructure	A strong and effective Council
Council group of activities					
Governance	✓				✓
Community services	✓	✓	✓	✓	✓
Regulatory and planning		✓	✓		✓
Roads and footpaths		✓	✓	✓	
Sewerage and the treatment and disposal of sewage			✓	✓	
Stormwater drainage			✓	✓	
Waste management			✓	✓	
Water supply and water races		✓	✓	✓	



Other key planning documents and commitments

Annual plan

The Council will produce an annual plan for each of the two years between revisions of the 10YP. The next annual plan will be produced for the 2019/20 year. Annual plans are less detailed than the 10YP and set out the proposed annual budget and funding requirements for the year. The annual plan identifies for that year any variations from the 10YP and provides an opportunity for the public to participate in decision-making processes about the costs and funding of activities to be undertaken by the Council.

Annual report

Each year the Council is required to produce an annual report, to report to the community on the Council's actual performance against the relevant annual plan or 10YP.

Combined District Plan

The District Plan provides the regulatory process for implementing the Resource Management Act. The policies in the District Plan are to ensure sustainable management of the natural and built environment, including appropriate use of the Council's infrastructure services.

The Carterton, Masterton, and South Wairarapa District Councils have chosen to prepare a combined District Plan so that consistent policies and methods will be used to address significant resource management and cross-boundary issues.

Arts, Culture, and Heritage Strategy

The Arts, Culture, and Heritage Strategy provides a framework for local authorities, organisations, groups, and artists in Wairarapa to recognise and grasp opportunities as they arise. It sets out the vision, strategies, and actions that enable arts, culture and heritage activities to contribute to:

- economic development, which in turn supports the financial viability of artists, productions, and heritage activities
- active participation, as individuals or in groups, as participants or as patrons
- fostering quality, growing skills, and encouraging co-operative efforts.

Asset management plans

Asset management plans set out how the Council will manage its assets in the longer term. They are key documents that the Council uses to assess and plan for core activities, such as water, sewerage, stormwater, and roading. They contain details about costs, maintenance, levels of service, demand for and capacity of particular assets. A brief overview of the information contained in the asset management plans is contained within the group of activities section.

Infrastructure strategy 2018–2048

Over half of the Council's operating expenditure and most of its capital expenditure is on its network infrastructure—roads and footpaths, wastewater, water supply, and stormwater—which are essential for the health, safety, and land transport needs of the district, and have a significant impact on the physical environment.

Getting the infrastructure spending right is important. This is why we have an infrastructure strategy that considers the significant issues for our infrastructure over the next 30 years, and how we will address them. The key issues are:

- demand for services with population growth
- the impact of climate change and more extreme weather events
- the risks to and resilience of our infrastructure assets
- the response to changing regulatory requirements.

Our Infrastructure Strategy is in Appendix C. This is our second infrastructure strategy. The first was three years ago, and much has happened since then.

We are drafting an Urban Growth Strategy to help us identify the key issues arising from population growth. Our water supply, sewerage, and stormwater infrastructure is all located in the Carterton urban area. The forecast population increase will have implications for this infrastructure, with the urban growth strategy helping us to plan where and how to accommodate the anticipated growth, whether our infrastructure has sufficient capacity to cope with the forecast urban growth, and whether our community facilities can provide for all our needs. For example, it is likely that future expansion of the urban area will be to the north-east, and it will require new sewer mains on the eastern side of town.

We have data about the location, age, type, and size etc of the asset components, their replacement cost, and which are the most critical. But much of it is underground, particularly



the water pipes and sewer mains, and information about the condition of some is limited. We have renewal strategies and policies, and we continue to improve our management systems and processes.

Specific considerations included in the Infrastructure strategy are summarised as follows:

Sewerage

There has been considerable progress around the treatment and disposal of sewage at our Daleton Farm facility. We now have a 35-year resource consent to further improve our treatment and disposal. The capital programme will significantly reduce the discharge of treated effluent to waterways. These developments are discussed further in the Sewerage section above. The long-term vision is to remove discharges into waterways completely.

Drinking water

The urban water supply will be the next significant challenge. An application has been lodged to renew the Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply. Under a new consent, it is likely that the summer water take allowed from this source will be reduced, and we will need to supplement the supply from an alternative source and reduce demand for water.

At present we use supplementary bores in Lincoln Road, and these should be adequate for the next ten years. A water conservation strategy is being developed that will include incentives, education, regulation, and operational means to reduce consumption and reduce water loss. This strategy is also a response to the likely impacts of climate change and to the sustainable development and management requirements underpinning New Zealand's freshwater legislation and policy.

In this next ten-year period we will investigate an additional source for the urban water supply, and have it operational by 2028. We will also address key risks by increasing the storage capacity at the existing Kaipaitangata treatment plant and at the supplementary plant to provide four days of treated water reserves, and by duplicating critical, riskier sections of the sole mains pipe that goes from the Kaipaitangata treatment plant to the township.

Stormwater

Most of the Carterton township does not have and does not need a reticulated stormwater network. Instead, most properties are adequately served by drainage to soakpits. The reticulated network of pipes and open drains discharging to waterways are likely to require a new discharge consent, with higher environmental standards possible under the regional council's Proposed Natural Resources Plan. These standards are yet to be finalised but, in

anticipation, modest funding has been set aside to improve the treatment of stormwater before discharge.

Roading

Roading is the biggest spend of our infrastructure networks. It is also vital for our economic and social well-being. Our roads are generally in good condition and compare well against the newly-introduced national standards.

However, some specific routes will require attention. Over the next ten years, a significant volume of forestry is expected to be harvested, and this will place extra demand on some rural roads, impacting on the required maintenance and renewal programme. Better information about when and where the harvest is planned, and the routes that will be used to transport the logs, will allow us to optimise our maintenance plans.

At the same time, vehicle loading limits have increased, with most new vehicles are being built to this higher '50Max' standard. To maintain current levels of services on the routes used by these larger vehicles will require more maintenance in the short-term, increased rehabilitation, and bridge strengthening.

Asset management

The infrastructure strategy also identifies areas of improvement for our asset management processes and systems, and the quality of the information we use to manage the assets. There are no significant issues. The strategy itself and the associated asset management plans are being continually improved.

A better understanding of asset condition across our entire infrastructure will better inform the forecasting and timing of renewals. We have invested in better asset systems to record the asset condition information and the maintenance work, and to help plan our maintenance and capital work.

A copy of the Infrastructure Strategy is attached as appendix C.

Assessment of water and sanitary services

Under the Local Government Act 2002 councils must from time to time assess the provision of the water supply services, the wastewater and stormwater services, and the sanitary services in its district.



The Carterton District Council last completed its water and sanitary services assessment in 2005. The assessment was included in the Council's 2009–2019 LTCCP and is available from the Council office or on its website.²

The assessment informed the development and ongoing review of the related asset management plans, and is consequently reflected in the 10YP. The only significant variation from the 2005 assessment reflected in this 10YP is that major additions at the two water treatment plants in 2009 and 2010 have contributed to the urban water supply meeting the New Zealand Drinking Water Standards.

Local Government Leaders' Climate Change Declaration

In 2017 our Mayor, along with most other Chairs and Mayors, re-signed a declaration on the urgent need for responsive leadership and a holistic approach to climate change. Climate change presents significant opportunities, challenges, and risks to our communities. Local and regional government undertakes a wide range of activities that will be impacted by climate change and provides infrastructure and services useful in reducing greenhouse gas emissions and enhancing resilience. The signatories to the declaration:

- acknowledged the importance and urgent need to address climate change
- supported the need for an ambitious transition plan toward a low carbon and resilient New Zealand
- encouraged central government to be more ambitious on climate change mitigation
- outlined key commitments our councils will take in responding to the opportunities and risks posed by climate change.

These commitments included:

- developing and implementing ambitious action plans to reduce greenhouse gas emissions and support resilience in the council and community by:
 - promoting walking, cycling, public transport and other low carbon transport options
 - working to improve the resource efficiency and health of homes, businesses and infrastructure in our district
 - supporting the use of renewable energy and uptake of electric vehicles

² www.cdc.govt.nz

- working with our communities to understand, prepare for, and respond to the physical impacts of climate change
- working with central government to deliver on national emission reduction targets and support resilience in our communities.

Our infrastructure strategy and asset management plans provide for the likely impacts of climate change, to ensure our infrastructure services are fit-for-purpose. We are working alongside the other councils in the Wellington Region to progress regional climate change mitigation and adaptation initiatives.

Local Government Leaders' Water Declaration

In 2017 our Mayor, along with most other Chairs and Mayors, signed a declaration on protecting our freshwater resources and the health of freshwater ecosystems. They committed to plentiful, clean, and safe water for generations to come by:

- continuing to make water a key priority
- working with the community to improve our freshwater
- providing information on the state of our freshwater
- being clear about the costs of improving our water
- calling on central government to work with local government on freshwater policies, standards, water quality, and water management.

We are addressing these commitments through the management of our water supply, wastewater and stormwater services.

Reserve management plans

Reserve management plans provide a framework for the day-to-day management of reserves within the district and put in place a process to develop reserve assets where appropriate. We are currently reviewing these plans.

Tourism Strategy

The Wairarapa Tourism Strategy supports the New Zealand Tourism Strategy 2015 and sets out roles and responsibilities of Destination Wairarapa, the regional tourism organisation, the district councils, and tourism operators.



The strategy includes plans for developing and marketing the region's tourism products, and goals for enhancing tourism infrastructure. Some of the national goals and strategies from the New Zealand Tourism Strategy have been adapted for Wairarapa.

Waste Management and Minimisation Plan 2017–2023

Under the Waste Minimisation Act 2008 councils must have in place a Waste Management and Minimisation Plan (WMMP). The councils of the Wellington region have jointly prepared and adopted a WMMP. In doing so, the councils recognised that they do not control much of the waste stream in the region, since large volumes of waste are produced and managed by the private sector.

The primary goal of the WMMP is to reduce the total quantity of waste sent to landfill by one-third by 2026, by undertaking joint regional actions and aligned individual council actions. These include communications and education to inspire households and communities, developing a resource recovery network, consistent by-laws, and research on various waste management issues.

We are consulting on options to increase recycling services through the Ten Year Plan Consultation Document.

Other

In addition, there are a large number of Acts, regulations, and central government-initiated strategies that influence how the Council conducts its business and require compliance. A few examples of these are:

- Building Act 2004
- Health Act 1956
- Local Government Acts 1974 and 2002
- Local Government Official Information and Meetings Act 1987
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Waste Minimisation Act 2008
- The New Zealand Biodiversity Strategy
- New Zealand Urban Design Protocol
- National Land Transport Programme

Risk management

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

In this context, Carterton's risk management process identifies the potential risk, the likelihood of that risk, the context, and the current levels of mitigation. These provide an overall risk evaluation. Risk management is reviewed on a six-monthly basis throughout the organisation, allowing for mitigation processes and identification of any potential new risks.



Relationships with Māori

The Carterton District Council recognises the importance of the Treaty of Waitangi as the founding document of Aotearoa New Zealand, which created a partnership between iwi and the Crown.

The Council also recognises that through legislation, the Council is devolved powers from the Crown for the whole community. Relevant legislation includes the Resource Management Act, the Local Government Act, the Heritage New Zealand Pouhere Taonga Act, and the Reserves Act.

The mana whenua status of Hurunui o Rangi Marae with Carterton District Council has been acknowledged since the inception of the Council. The Council acknowledges Hurunui o Rangi Marae as a mana whenua entity within its district and values the role of the Marae and associated hapū and whānau in the social and cultural fabric of our community.

The Marae and the Council wish to build on this developing relationship for the good of our communities, through respectful engagement, and taking note of our respective aspirations and capacity. It is through this evolving relationship that the Council can give effect to its statutory responsibilities, to provide opportunities and build capacity for Māori to contribute to Council decision-making, and for Council to contribute to Māori well-being as part of the outcomes sought for the broader community, in the present and for the future.

We have begun working together on a range of initiatives. Hurunui o Rangi Marae is now represented at meetings of the Council, the Policy and Strategy Committee, the Infrastructure and Services Committee, and Council's advisory groups and workshops with full speaking rights but not voting rights. Furthermore, the Council has undertaken to review the level of this representation in future, as it embarks on a journey to deepen its relationships with mana whenua.

In the near future, there will be post Treaty-settlement activity that will involve the Council and mana whenua, including new governance arrangement and bodies.



Council activities and services



Groups of activities

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

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

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

What the group includes and the related community outcomes

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

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

Strategic direction—future demand and sustainability

This section explains the strategic direction for the group of activities over the life of the plan, and explains future anticipated demands on the group of activities and their impact on sustainability.

What we will deliver over the next ten years

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

How we will measure what we deliver

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

Assets and asset valuations

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

Renewal and capital plans

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

How the group of activities is funded

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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

Prospective financial statements

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

The comparative budgets for 2017/18 are those stated in the Annual Plan 2017/18.



Governance

This group of activities...

includes the following services and programmes:

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

...contributes to the community outcomes

A strong community

A strong and effective Council

- by conducting Council business in an open, transparent, and democratically accountable manner
- through democratic decision-making at a local level
- by partnering with mana whenua
- by managing the Council's expenditure prudently
- by reporting progress against outcomes
- by encouraging participation within the district
- by managing risks well
- by providing strong advocacy for Carterton district within local government, and to central government and other agencies
- by identifying needs in the community and gaps in services and outcomes
- through shared services.

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

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

Role and purpose of local government

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

Under section 10:

The purpose of local government is—

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

and

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

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

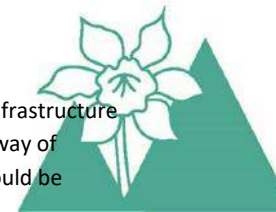
Strategic direction—future demand and sustainability

There are a number of strategic issues that need to be addressed by the Council. These are discussed in the relevant group of activities on the following pages. However, there are a few significant issues that relate to governance.

Local government reorganisation

The Local Government Act provides processes for applying for and determining the reorganisation of councils, including amalgamations. In late 2017, the Local Government Commission proposed the amalgamation of the three district councils in Wairarapa into one district council. A poll was demanded and the proposal was rejected. In Carterton District, 76 percent of voters supported the status quo.

Carterton District Council continues to look for opportunities for sharing services with Masterton and South Wairarapa district councils. We already have one combined district plan, and a common waste management contract. In roading, we now have one contractor across the three councils, and Carterton contracts Masterton to manage our roading programme. Building consent processes are looking to work together more closely. Many of our computer systems are common. The search for further opportunities will continue over the life of the ten-year plan.



Mana whenua engagement

The Carterton District Council recognises the importance of the Treaty of Waitangi as the founding document of Aotearoa New Zealand, which created a partnership between iwi and the Crown. It has also acknowledged the mana whenua status of Hurunui o Rangi Marae within its district and values the role of the Marae and associated hapū and whānau in the social and cultural fabric of our community.

Hurunui o Rangi Marae is now represented at meetings of the Council, the Policy and Strategy Committee, the Infrastructure and Services Committee, and Council’s advisory groups and workshops with full speaking rights but not voting rights.

The Marae and the Council have begun working together on a range of initiatives. Councillors and the management team have made a commitment to improve their understanding and use of te reo and tikanga in all Council activities.

Rangitāne o Wairarapa and the Crown have recently concluded a Treaty settlement. A settlement with Ngāti Kahungunu ki Wairarapa is expected to conclude this year. Both settlements are likely to include new mana whenua entities and new governance arrangements with local government in Wairarapa.

Urban growth

The Council is taking a proactive approach to growth in order to retain the good things about the District and enable the economic benefits to be realised by planning ahead. A technical document has been prepared that considers demographic trends, economic indicators, and development in and around the existing Carterton urban boundary, including any new ‘greenfield’ areas required to meet projected demand.

Currently, Carterton has existing capacity to accommodate urban growth. However, much of the current capacity in Carterton is located south of Brooklyn Road, and historical development trends and anecdotal evidence from development professionals indicate that there is greater demand for housing in the northern parts of Carterton, closer to the town centre.

By 2043 there is likely to be little or no available capacity to accommodate growth beyond this point as vacant residential zoned land will be used up. As well as residential growth, analysis on the demand and availability of industrial land suggests that there could be a shortfall in this type of land for businesses. Overtime, Carterton has grown along State Highway 2 giving it an

elongated shape. This type of shape creates inefficiencies and limitations for infrastructure and service provision, accessibility, and provision of community services. As a way of consolidating urban growth, the Council has identified residential areas that could be appropriate for accommodating growth into the future.

What we will deliver over the next ten years

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

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

When making decisions, the Council must:

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

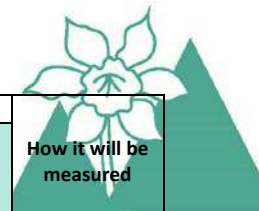
The Council must also:

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Open and transparent conduct of Council business	Agenda is available on website 3 working days before each scheduled Council or Committee meeting	new measure	90%	90%	90%	90%	Website log
Representation of residents by elected members	Residents' satisfaction ³ with the Council's overall governance and reputation	new ⁴ measure	≥ 65% rate 7–10	≥ 65% rate 7–10	≥ 65% rate 7–10	≥ 65% rate 7–10	Annual survey of residents
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unmodified audit opinion	100%	On time and unmodified	On time and unmodified	On time and unmodified	On time and unmodified	Annual report
	Net cash flow from operations: actual-planned variance from budgeted	3%	≤10%	≤10%	≤10%	≤10%	Annual report

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Māori engagement	Council engagement plans include specific actions for engagement with Māori	new measure	100%	100%	100%	100%	Engagement plans
Risk management	Appropriate risk management systems are in place	new measure	"Yes"	"Yes"	"Yes"	"Yes"	Assessment by independent chair of Audit and Risk Committee

Assets

Existing assets

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

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. No renewals are planned over the life of the plan.

Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs. No capital works are planned over the life of the plan.

³ Using a 1–10 scale where 1 means 'very poor' and 10 means 'excellent'

⁴ First survey in December 2017 had 69% satisfaction



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.

Annual costs

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

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

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

Key assumptions and uncertainties

Reorganisation of local government in Wairarapa proposed by the Local Government Commission was rejected by a poll in December 2017. Further proposals for changes are not anticipated.

Carterton will continue to pursue opportunities for shared services with neighbouring councils for better and more efficient delivery.

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

Changing demographics is likely to result in the Council needing to review more regularly the services it provides and the level of service of these activities. These and other uncertainties and assumptions are discussed below as they affect each of the Council's activities.

Significant negative effects and risks

The Council does not consider that there are significant negative effects or risks from undertaking the Governance group of activities.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - GOVERNANCE
FOR THE TEN YEARS ENDING 30 JUNE

Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	
Sources of Operating Funding											
General rates, UAGC, rates penalties	713,031	767,192	872,205	780,838	784,557	909,145	814,361	833,319	971,272	871,887	892,869
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	2,000	2,042	2,084	2,130	2,176	2,226	2,278	2,332	2,388	2,450	2,512
Total operating funding	715,031	769,234	874,289	782,968	786,733	911,371	816,639	835,651	973,660	874,337	895,381
Applications of Operating Funding											
Payments to staff and suppliers	535,463	585,530	703,917	612,620	625,713	751,146	653,977	668,817	803,480	700,769	717,613
Finance costs	5,775	1,573	1,210	1,386	1,511	1,063	1,599	2,119	2,041	2,600	3,116
Internal charges and overheads applied	165,779	237,294	222,684	226,568	230,668	234,984	239,299	244,046	248,794	253,757	258,935
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	707,017	824,397	927,812	840,574	857,892	987,193	894,875	914,982	1,054,315	957,125	979,664
Surplus/(deficit) of operating funding	8,014	(55,162)	(53,523)	(57,606)	(71,160)	(75,822)	(78,235)	(79,330)	(80,655)	(82,789)	(84,283)
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(14,358)	(23,833)	(26,087)	(2,436)	(10,310)	(699)	21,747	(1,484)	(1,561)	22,593	(2,494)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(14,358)	(23,833)	(26,087)	(2,436)	(10,310)	(699)	21,747	(1,484)	(1,561)	22,593	(2,494)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	21,320	-	-	22,820	-	-	24,600	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	45,000	15,315	15,645	15,990	16,335	16,725	17,115	17,550	17,970	18,450	18,945
Increase/(decrease) in reserves	(51,344)	(94,310)	(95,255)	(97,353)	(97,805)	(93,245)	(96,423)	(98,364)	(100,186)	(103,245)	(105,722)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	(6,344)	(78,995)	(79,610)	(60,043)	(81,470)	(76,520)	(56,488)	(80,814)	(82,216)	(60,195)	(86,777)
Surplus/(deficit) of capital funding	(8,014)	55,162	53,523	57,606	71,160	75,822	78,235	79,330	80,655	82,789	84,283
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Community services

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 development of Carrington, Howard Booth, South End, Bird's, 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 strong community

A prosperous economy

A healthy natural and built environment

A strong and effective Council

Quality fit-for-purpose infrastructure

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 development is vital to the district and region. The Council contributes to economic development initiatives to support strong businesses, 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.



Strategic direction—future demand and sustainability

Parks and reserves

The existing recreational reserves/areas are sufficient to accommodate population growth.

Increasingly, sports organisations that currently own their own property or use Crown land are unable to sustain or continue the status quo. This has resulted in them approaching the Council to use existing Council parks or provide additional land or facilities to accommodate these sports.

The Council continues to foster discussion about broader Wairarapa-wide needs, and how Councils, the sports organisations, and others can more effectively meet the demand. For example, the Council will jointly investigate the needs for an integrated sporting facility in Carterton.

Kaipaitangata Forest multi-purpose recreation park

The Kaipaitangata Forest block is currently used mainly as a pine plantation forest. There are some small stands of exotic forest, and recently mānuka has been planted in marginal areas for apiarists to use. The Council is opening access to the forest for additional use as a recreational area, consistent with its current use. This will include, for example, the use of logging roads for walking, mountain biking, horse riding, and off-road motorcycles. Some funding has been set aside to seed this development, in conjunction with interested recreational groups.

What we will deliver over the next ten years

CBD re-vitalisation

Go Carterton, the local business network, initiated the ‘Placemaking’ project in 2014, a programme to improve the relationship between places and people. Council has identified two sites to be incorporated in the project. The first, the public toilets at Carrington Park, has been completed. Further work on the entrance to the Park will take place over the next three years. A concept plan for the other site, Broadway, has been approved. It is not proposed to undertake this work at this stage.

Community development

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

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

To this end, the Council makes contributions in conjunction with the region’s other territorial authorities to organisations to provide agreed services to the Wairarapa region, provides direct funding to the community, or advocates on the community’s behalf. Council aims to partner with community to support initiatives that are community-led.

Parks and reserves

A number of sports clubs in Carterton have joined together to promote a community sports hub, to be known as HubCAP. This sees clubs and community groups combining resources, using the same facilities, and working together to share costs and services. It is proposed that Carterton HubCAP will be built on Howard Booth Park, which will continue be owned by the Council.

The Trust has undertaken a feasibility study, selected its preferred site, and is preparing a business plan. The proposal is heavily dependent on other funding (Stage 1 is expected to cost \$3.2 million) and the Council would not commit ratepayer funding until the other funding is confirmed. The Council will consult on the use of the park and any financial contribution it may make to the HubCAP once the Trust has finalised its business plan. This is likely to be in 2019.

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

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



Community amenities

The Council aims to maintain the Events Centre in good condition and work towards increasing the existing levels of room occupancy.

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

The public toilets are clean and useable during opening hours.

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

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

The public library will continue to provide excellent levels of service.

The council-owned open air swimming pools on Pembroke Street and the neighbouring indoor pool, owned and operated by the Carterton Swimming Club, are both showing their age, and require renovations to ensure they are safe for public use. A joint advisory group has been set up by council and the swimming club to consider options.

The preferred option is not yet known. At some point in the future we may need to construct a replacement aquatic centre. This is one of the options being considered by the joint advisory group. At this stage the Council is yet to consider the options, so no commitment has been made to any changes to the current facilities, except a small budget that has been set aside to address the changing shed earthquake-prone building issues.

There will be significant dialogue and community engagement if or when we need to consider a new aquatic facility or a major investment in our current facility.

In the meantime, the outdoor pools are managed to comply with NZS 5826:2000 Pool Water Quality. The assets are kept in a condition to maintain the existing level of service.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
A range of amenities of a standard satisfactory to residents	Residents' satisfaction ⁵ with the swimming pool	new ⁶ measure	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	Annual survey of residents
	Residents' satisfaction with public toilets	new ⁷ measure	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	Annual survey of residents
	Residents' satisfaction services provided at the library	new ⁸ measure	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	Annual survey of residents
High quality sports fields, parks, reserves, and playgrounds	Residents' satisfaction with the provision of open space, amenities, and gardens	new ⁹ measure	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	≥ 75% rate 7-10	Annual survey of residents
Events Centre usage	Year-on-year increase in number of bookings	new measure	≥10%	≥ 5%	≥ 2%	≥ 2%	Operational records

⁵ Using a 1-10 scale where 1 means 'very poor' and 10 means 'excellent'

⁶ First survey in December 2017 had 72% satisfaction

⁷ First survey in December 2017 had 79% satisfaction

⁸ First survey in December 2017 had 89% satisfaction

⁹ First survey in December 2017 had 83% satisfaction



Assets

Existing assets

- Library collection
- Carrington Park
- Howard Booth Park
- Memorial Square
- Millennium Park
- South End Park
- Bird's 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.

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on page 35.

How the group of activities is funded

Capital

New capital or renewal of existing capital items for community services will be generally funded by way of the annual depreciation provision or by loans. Parks and reserves, and other property may also be funded from recreation reserve levies or special funds. Where capital items are loan-funded, rates will fund the principal repayment and interest expense during the terms of the loan, after which rates will fully fund the annual depreciation expense.

Annual costs

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

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

Key assumptions and uncertainties

- There will be an ongoing requirement for this activity.
- Increasing promotion of the need to be physically active and lead physically active lifestyles may result in increased demand and requests for different activities and facilities to be available in this group of activities.
- As the district becomes more built-up there may be an increasing demand for more recreational reserves/areas for active and passive recreation pursuits.
- This will require ongoing reviews of the resources required to meet expectations.

Significant negative effects and risks

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

Parks and reserves can be a congregating point for anti-social behaviour. Noise and increased traffic movements could affect residents next to community amenities when big events are on. The provision by the Council of a holiday park may 'crowd out' private sector accommodation providers.



The health and safety of the public could be at risk when using our playgrounds and swimming pools. We regularly check our equipment, have supervisors on site where appropriate (including trained lifeguards at the pools) and have other procedures in place to mitigate the risks.

The Council considers that it can manage these risks.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—COMMUNITY SERVICES
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Library books	75,554	77,182	78,884	80,586	82,510	84,434	86,580	88,652	91,020	93,462
Christmas lighting	-	10,430	-	-	-	-	11,700	-	-	-
CBD security	6,126	6,258	6,396	6,534	6,690	6,846	7,020	7,188	7,380	7,578
Events Centre equipment	72,491	52,150	72,488	43,560	44,600	45,640	46,800	62,272	49,200	75,780
Cemetery	6,126	3,451	95,940	-	-	6,846	14,040	131,780	-	-
Holiday Park	8,551	63,727	1,173	55,648	3,903	4,564	3,510	8,386	12,300	-
Swimming pool equipment	13,018	-	-	-	4,460	13,692	-	-	-	106,092
All parks—gates, bins, BBQ	50,540	48,500	50,635	57,173	31,220	50,204	85,410	26,356	27,060	85,884
Carrington Park frontage	20,420	67,795	69,290	-	-	-	-	-	-	-
Howard Booth, Carrington, and other parks	8,781	135,590	37,310	-	-	-	64,350	17,970	12,300	-
Toilet and other facilities	22,462	-	2,132	-	24,530	-	2,340	-	2,460	25,260



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	3,420,381	3,741,582	3,862,580	3,881,830	3,991,932	4,052,135	4,018,874	4,130,561	4,203,186	4,090,277	4,023,646
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	25,900	25,600	25,500	25,500	25,500	25,600	25,600	25,600	25,700	25,700	25,700
Fees and charges	208,000	324,576	331,253	338,566	345,878	353,827	362,093	370,677	379,580	389,436	399,291
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	124,239	10,210	10,420	10,650	10,880	11,130	11,390	11,660	11,940	12,250	12,560
Total operating funding	3,778,520	4,101,968	4,229,753	4,256,545	4,374,190	4,442,691	4,417,957	4,538,499	4,620,406	4,517,663	4,461,197
Applications of Operating Funding											
Payments to staff and suppliers	2,077,262	2,062,854	2,132,070	2,183,882	2,238,149	2,295,688	2,355,107	2,419,212	2,484,744	2,557,288	2,632,221
Finance costs	181,398	173,647	168,478	163,046	155,003	146,239	135,790	125,176	113,934	101,038	88,306
Internal charges and overheads applied	766,407	978,870	998,584	996,009	1,042,033	1,043,776	1,051,751	1,092,309	1,113,526	1,133,774	1,137,477
Other operating funding applications	232,250	232,250	232,250	232,250	232,250	232,250	232,250	232,250	232,250	232,250	232,250
Total applications of operating funding	3,257,318	3,447,621	3,531,382	3,575,187	3,667,434	3,717,953	3,774,898	3,868,947	3,944,454	4,024,350	4,090,254
Surplus/(deficit) of operating funding	521,203	654,347	698,371	681,359	706,756	724,738	643,059	669,552	675,952	493,312	370,943
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	102,400	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645
Increase/(decrease) in debt	(51,727)	(125,289)	(124,890)	(116,545)	(180,296)	(206,590)	(247,213)	(216,303)	(272,601)	(283,137)	(256,939)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	50,673	63,356	63,755	72,100	8,349	(17,945)	(58,567)	(27,657)	(83,956)	(94,492)	(68,294)
Applications of Capital Funding											
Capital expenditure - meet additional demand	115,000	4,084	20,860	-	-	4,460	22,820	-	-	4,920	25,260
Capital expenditure - improve level of service	547,500	66,365	78,225	98,072	43,560	28,990	-	43,290	-	2,460	30,312
Capital expenditure - replace existing assets	675,344	213,619	365,998	316,176	199,940	164,463	189,406	278,460	342,604	194,340	338,484
Increase/(decrease) in reserves	(765,968)	433,635	297,043	339,211	471,605	508,881	372,265	320,145	249,392	197,100	(91,407)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	571,876	717,703	762,126	753,459	715,105	706,794	584,491	641,895	591,996	398,820	302,649
Surplus/(deficit) of capital funding	(521,203)	(654,347)	(698,371)	(681,359)	(706,756)	(724,738)	(643,059)	(669,552)	(675,952)	(493,312)	(370,943)
Funding balance	-	-	-	-	-	-	-	-	(0)	-	-



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.

...contributes to the community outcomes

A prosperous economy

A healthy natural and built environment

Quality fit-for-purpose infrastructure

A strong and effective Council

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

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

Strategic direction—future demand and sustainability

New Zealand Urban Design Protocol

The New Zealand Urban Design Protocol identifies that it is part of the government's Sustainable Development Programme of Action and seeks to make our cities and districts '*healthy, safe and attractive places where business, social and cultural life can flourish*'.

The Council became a signatory to the Protocol in December 2007, which sets out seven key principles for better design in New Zealand. These are known as the 'seven Cs':

- context
- character
- choice
- connections
- creativity
- custodianship
- collaboration.

As part of its commitment to the Urban Design Protocol, the Council commissioned an independent scoping assessment of the urban design issues in the urban Carterton and its rural periphery. The assessment took into consideration the seven Cs and actions required under the Wellington Regional Strategy, to which the Council is a signatory.

In many instances the assessment confirmed that projects currently underway or planned by the Council were in line with the principles of the Protocol. For example:

- upgrade of street furniture to be consistent throughout the urban area and is complementary with the landscape
- promotion of the heritage character of buildings in the CBD
- production of a landscape plan for the future development of Carrington Park
- upgrade and installation of parks and reserves signage to educate, inform, and promote the heritage of these facilities (reserve management plans).



Wairarapa Combined District Plan review

The District Plan became operative in 2011. A review is now due to commence.

The review process will take into account issues raised as part of the urban design assessment, eg the recommendation that further analysis be undertaken in consultation with their respect communities of areas in Carterton deemed to have distinct characters to see if their special characteristics could be further enhanced.

Building control

Council's building control functions are mandated through the building consent authority accreditation scheme. Accreditation Regulations set out the minimum policies, procedures, and systems that a building consent authority must have, and consistently and effectively implement, to perform its building control functions. Ongoing accreditation (auditing) ensures that there are appropriate, documented, and implemented policies, procedures, and systems along with sufficient skills and resources to undertake Council's statutory functions. It also ensures that employees and contractors have appropriate building control competencies and qualifications.

Civil Defence Emergency Management

Wairarapa is exposed to a wide range of natural and other hazards, such as earthquake, flooding, landslide, tsunami, storm, biological, and chemical. However, there is a great deal that we can do to reduce the impact of these hazards on our communities.

Carterton District Council with the other eight councils in Wellington and Wairarapa formed the Wellington Region Emergency Management Office (WREMO), responsible for providing an integrated Civil Defence Emergency Management (CDEM) service. Its emphasis is on developing resilient communities and providing the systems, people, and resources necessary to provide an effective response during an emergency.

While WREMO either delivers or facilitates many of the CDEM outcomes, the councils remain responsible for:

- providing suitable Emergency Operations Centres (EOC)—an EOC for the whole of Wairarapa is located at Masterton District Council offices
- maintaining the EOC and associated equipment to an acceptable operational standard
- providing the local communications network within their territory, including VHF radio and where appropriate satellite communications

- providing staff for an Incident Management Team
- providing a panel of Local Controllers
- co-ordinating the delivery of welfare within the community, including staff to operate the Community Emergency Hub situated in the Carterton Events Centre
- providing an Emergency Assist Centre as directed by the EOC during an emergency
- re-establishing life-lines of essential services such as water, sewerage, and roading.

Population trends

A district population growth assumption of a constant 0.75 percent per annum from the June 2017 Estimated Resident Population (9,050) has been used. This is a total increase of 7.8 percent over the ten years. More detail can be found in the 'Significant forecasting assumptions' section.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service. A series of amendments have recently been made to the Resource Management Act, with most changes being implemented in 2017. No further changes are anticipated in the short to medium-term.

Industrial growth

It is difficult to accurately determine the likely need for future industrial development over the next 20–30 years. However, sufficient land needs to be available to have an industrial land bank available to immediately provide for development opportunities as they arise. The Waingawa industrial zone comprises approximately 196 hectares. Although development at Waingawa slowed over the last three years, this appears to be starting to pick up again.

Based on the current pattern of development, it is possible that a range of new industrial sites could be formed, from about 10 new large sites through to 50 sites of mixed sizes. It is unlikely that the whole expanded zoning will be developed for industrial purposes in the immediate future, and is more likely to be staged over many years, as demand and opportunities arise. In the meantime the rezoning will not affect the existing farming uses of the land, which can carry on indefinitely.



Earthquake prone buildings

Earthquake prone building notices have been issued to a number of buildings mostly within the Central Business District. Building owners were notified in 2006 at the commencement of Council's Earthquake Prone Building Policy. The 15-year timeline starts at that point. The majority of building owners are aware of the situation and some are making plans for remediating or renewing their buildings.

What we will deliver over the next ten years

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

- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health
- Sale and Supply of Alcohol Act 2012, which requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety
- Animal Welfare Act 1999, which requires the Council to ensure owners of animals, and persons in charge of animals, attend properly to the welfare of those animals
- Building Act 2004 and amendments, which require the Council to ensure that there is strong decision-making at every stage of the building or renovating process, and includes inspecting the fencing of swimming pools to promote the safety of young children
- Local Government Act 1974, Local Government Act 2002, and subsequent amendments, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, eg the making of bylaws.

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Timely processing of applications	LIMs ¹⁰ processed within 10 working days	100%	100%	100%	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	100%	100%	100%	Operational records
	PIMs ¹¹ and building consents processed within statutory timeframes	98%	100%	100%	100%	100%	Operational records
Safe and healthy food premises	Known food premises in the district have food control measures in place	new measure	100%	100%	100%	100%	Operational records
Licensed liquor outlets	Known liquor outlets ¹² in the district have appropriate licences and certificates	100%	100%	100%	100%	100%	Operational records

¹⁰ Land Information Memorandums

¹¹ Project Information Memorandums

¹² This includes the venue for an event



Assets

Existing assets

- Wairarapa Combined District Plan
- Geographic Information System (GIS)
- Software and associated equipment
- Animal pound.

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

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

Annual costs

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

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

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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

Poor decision-making through resource consent and building consent processes could result in unsafe buildings or inappropriate development.

The Council has processes in place to mitigate these risks.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—REGULATORY
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Combined District Plan	82,701	84,483	-	-	-	-	-	-	-	102,303
Software and equipment	33,693	18,774	19,188	35,937	20,070	20,538	38,610	21,564	22,140	41,679
Animal pound	81,680	-	-	-	-	-	-	-	-	-



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

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding											
General rates, UAGC, rates penalties	550,972	619,284	650,061	628,187	662,618	657,380	659,824	688,657	700,416	710,401	715,036
Targeted rates	471,576	502,437	514,011	540,966	552,950	562,902	574,709	588,056	600,614	613,983	631,161
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	606,000	671,818	685,636	700,770	715,904	732,354	749,462	767,228	785,652	806,050	826,448
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	13,500	11,742	11,983	12,248	12,512	12,800	13,099	13,409	13,731	14,088	14,444
Total operating funding	1,642,048	1,805,280	1,861,690	1,882,171	1,943,984	1,965,436	1,997,093	2,057,350	2,100,413	2,144,521	2,187,089
Applications of Operating Funding											
Payments to staff and suppliers	1,169,557	1,186,142	1,218,525	1,242,279	1,266,690	1,292,795	1,319,419	1,347,875	1,376,850	1,408,037	1,439,882
Finance costs	1,514	2,124	4,122	3,989	3,850	3,704	3,550	3,388	3,217	3,038	2,849
Internal charges and overheads applied	444,441	577,242	589,772	584,841	616,738	614,763	617,533	644,774	657,293	668,909	667,766
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,615,511	1,765,508	1,812,419	1,831,109	1,887,279	1,911,263	1,940,502	1,996,037	2,037,361	2,079,985	2,110,498
Surplus/(deficit) of operating funding	26,537	39,771	49,272	51,062	56,706	54,173	56,592	61,313	63,052	64,537	76,592
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	59,066	80,471	(2,544)	(2,677)	(2,816)	(2,962)	(3,116)	(3,278)	(3,449)	(3,628)	(3,817)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	59,066	80,471	(2,544)	(2,677)	(2,816)	(2,962)	(3,116)	(3,278)	(3,449)	(3,628)	(3,817)
Applications of Capital Funding											
Capital expenditure - meet additional demand	231,000	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	81,680	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	60,000	116,394	103,257	19,188	35,937	20,070	20,538	38,610	21,564	22,140	143,982
Increase/(decrease) in reserves	(205,397)	(77,832)	(56,529)	29,197	17,953	31,141	32,938	19,425	38,040	38,769	(71,207)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	85,603	120,242	46,728	48,385	53,890	51,211	53,476	58,035	59,604	60,909	72,775
Surplus/(deficit) of capital funding	(26,537)	(39,771)	(49,272)	(51,062)	(56,706)	(54,173)	(56,592)	(61,313)	(63,052)	(64,537)	(76,592)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Roads and footpaths

This group of activities...

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

...contributes to the community outcomes

A prosperous economy

A healthy natural and built environment

Quality fit-for-purpose infrastructure

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.

Strategic direction—future demands and sustainability

Forestry and agricultural development in the district will result in continuing use by heavy vehicles using district roads, and the relatively static population growth trend in the rural parts of the District indicates that the number of light vehicles using our rural roads may not dramatically increase over the next ten years.

As part of our three-yearly roading activity planning, we will respond to any maintenance issues that may arise from changing weather patterns as a consequence of climate change.

Carterton Walking and Cycling Strategy

The Council recognises that walking and cycling has many environmental and health benefits for the community and has developed a Walking and Cycling Strategy for the district. Subdivisions will be required to include footpaths in conjunction with new roading. Demand on existing roads will be monitored to determine the need for any extensions to the existing footpaths. Most of the work will be covered by the existing work programme.

What we will deliver over the next ten years

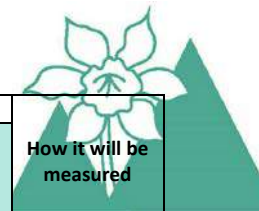
The district roading network is managed under the *Activity Management Plan—Roading 2017* that sets out the targets for asset condition, performance, and levels of service.

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

- community expectations and the Council's response the customer feedback
- legislative requirements, eg Land Transport NZ Act 1989 and Local Government Act 2002
- sustainable economic and safety matters embodied in the community outcomes
- community affordability.

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

Our Revitalisation Framework, adopted 2016, identifies Broadway as a key street linking the Railway Station to the town centre. The Council's Place Making Advisory Group has developed a concept for the enhancement of Broadway, which will create a tree-lined avenue with opportunities for linger nodes—places for people to slow down, stop and relax—create gateways at the town centre and Railway Station ends, and improve circulation for vehicles. This plan will not be implemented at this stage.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network	nil	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	NZTA CAS ¹³ reports
Up-to-date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	93%	90%	90%	90%	90%	Monthly contract reports
	Average quality of ride on the sealed local road network	100%	≥90%	≥90%	≥90%	≥90%	% VKT ¹⁴ smooth per NZTA report
	Percentage of the sealed local road network that is resurfaced	5.4%	≥5% ¹⁵	≥5%	≥5%	≥5%	NZTA annual achievement report
	Percentage of footpaths compliant with condition standards ¹⁶	100%	≥95%	≥95%	≥95%	≥95%	Footpath survey

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
	Residents' satisfaction with the district's roads, cycleways, footpaths, and walkways	new ¹⁷ measure	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	Annual survey of residents
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	0%	≥95%	≥95%	≥95%	≥95%	Contract reports
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	79%	≥70% ¹⁸	≥70%	≥70%	≥70%	Contract reports
	Road signs and markings found missing or not visible	1%	≤5%	≤5%	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	70%	≥70% ¹⁹	≥70%	≥70%	≥70%	Operational records

¹³ NZTA's Crash Analysis System

¹⁴ Vehicle-kilometres travelled

¹⁵ This activity is hard to control and is very weather dependent. Council is satisfied that a lower target of 5% is a more appropriate benchmark

¹⁶ Footpath condition standards set out in the Roding Activity Management Plan

¹⁷ First survey in December 2017 had 52% satisfaction

¹⁸ the target for this measure has been eased; after two years of measurement Council is satisfied that 70% is an appropriate benchmark

¹⁹ the target for this measure has been eased; after two years of measurement Council is satisfied that 70% is an appropriate benchmark



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	82%	100%	100%	100%	100%	Contract reports (monthly audits)

Assets

Existing Assets

Further information can be found in *Roading Activity Management Plan*.

Roading component	Quantity	Units	Comment
Pavement ²⁰ —sealed	Urban 29.9 Rural 262.8	km km	area 1,766,531 m ²
Pavement—unsealed	Urban 0.2 Rural 158.6	km	area 614,929 m ²
Bridges	50	number	41 two lane bridges 9 single lane bridges
Culverts > 3.4m ²	55	number	
Culverts < 3.4m ²	1,908	number	
Kerb and channel	46.7	km	
Catchpits	367	number	
Stormwater channel	193.9	km	
Guard rails	601.0	metres	
Sight rails	240.0	metres	
Footpaths	46.3	km	
Street lighting	640	number	108 managed for NZTA
Signs	2,179	number	and 966 edge markers

Asset valuations

Valuation of the road infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2017. 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	63,510,135	63,510,135	-
Pavement	58,092,543	46,743,443	752,068
Drainage	19,272,686	10,902,906	323,212
Footpaths	7,947,783	3,973,892	112,711
Signs and markings	536,024	268,012	60,440
Traffic facilities	468,677	234,338	18,846
Bridges and culverts	39,416,555	17,481,447	320,832
Retaining walls	66,555	65,109	832
Street lighting	1,469,862	890,342	59,008
Total	190,780,831	144,069,625	1,647,949

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the assets fail and need immediate repair to make the asset operational again. Routine maintenance is undertaken by Fulton Hogan Ltd under contract to the Council and the standards of work are controlled by that contract. The maintenance contract was let in conjunction with the two other Wairarapa councils, but it remains a separate contract with Carterton directly.

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

²⁰ 'Pavement' is the road surface, not the footpath.



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

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

New capital expenditure and renewal of existing capital items for the roads and footpaths group of activities will be funded by depreciation, loans, or NZTA subsidy. Over the term of this Ten Year Plan, the depreciation reserve for Roads and footpaths is inadequate to fully fund renewals expenditure. This is not sustainable long-term and Council will be considering other options over the next year. In the meantime, it is planned to meet the shortfall from new loans.

Annual costs

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

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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.

The Council has procedures in place to manage the risks, including the use of traffic management plans for all works undertaken on roads.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—ROADING
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Unsealed road metalling	449,240	482,279	492,914	503,549	515,572	527,594	541,003	553,950	568,747	584,006
Sealed road reseals	387,980	396,340	405,080	413,820	423,700	433,580	444,600	455,240	467,400	479,940
Kerb and channel	142,940	153,452	156,836	160,220	164,045	167,871	172,137	176,257	180,965	185,820
Pavement rehabilitation	304,258	310,814	317,668	324,522	332,270	340,018	348,660	357,004	366,540	376,374
Components structures	76,575	82,207	84,020	85,833	87,882	89,931	92,217	94,424	96,946	99,547
Traffic services	71,470	74,869	76,520	78,171	80,037	81,903	83,985	85,995	88,292	90,661
Footpath resurfacing	96,995	99,085	101,270	103,455	105,925	108,395	111,150	113,810	116,850	119,985
Minor improvements	367,560	286,825	421,070	326,700	334,500	342,300	351,000	359,400	369,000	378,900
Under verandah LEDs	-	52,150	-	-	-	-	-	-	-	-



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - ROADS AND FOOTPATHS
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding											
General rates, UAGC, rates penalties	1,617,300	2,034,677	2,122,728	2,177,572	2,264,927	2,318,410	2,387,080	2,473,188	2,546,575	2,636,662	2,699,583
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	726,149	754,335	795,627	813,189	830,751	849,840	869,692	890,309	911,688	935,358	959,029
Fees and charges	-	32,672	33,344	34,080	34,816	35,616	36,448	37,312	38,208	39,200	40,192
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	94,500	63,813	65,125	66,563	68,000	69,563	71,188	72,875	74,625	76,563	78,500
Total operating funding	2,437,949	2,885,497	3,016,825	3,091,404	3,198,494	3,273,429	3,364,407	3,473,683	3,571,096	3,687,783	3,777,304
Applications of Operating Funding											
Payments to staff and suppliers	1,687,757	1,800,807	1,886,945	1,929,082	1,971,473	2,017,567	2,065,678	2,115,832	2,168,057	2,225,844	2,284,047
Finance costs	39,272	49,283	60,161	71,560	81,479	89,906	97,868	105,392	112,687	119,385	125,573
Internal charges and overheads applied	180,964	282,030	290,270	279,872	306,590	298,598	295,426	316,515	322,648	327,565	319,221
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,907,993	2,132,119	2,237,376	2,280,514	2,359,542	2,406,071	2,458,972	2,537,739	2,603,392	2,672,795	2,728,841
Surplus/(deficit) of operating funding	529,956	753,377	779,449	810,889	838,952	867,358	905,436	935,944	967,704	1,014,988	1,048,463
Sources of Capital Funding											
Subsidies and grants for capital expenditure	954,751	954,012	946,997	1,035,677	1,003,192	1,027,143	1,051,095	1,077,809	1,103,603	1,133,082	1,163,481
Development and financial contributions	101,400	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645	188,645
Increase/(decrease) in debt	(40,684)	189,626	211,578	208,808	154,127	149,435	135,061	130,999	124,775	106,671	103,286
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	1,015,467	1,332,283	1,347,220	1,433,130	1,345,964	1,365,223	1,374,801	1,397,453	1,417,023	1,428,398	1,455,413
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	367,560	338,975	421,070	326,700	334,500	342,300	351,000	359,400	369,000	378,900
Capital expenditure - replace existing assets	2,080,840	1,529,458	1,599,046	1,634,308	1,669,570	1,709,431	1,749,292	1,793,753	1,836,680	1,885,740	1,936,333
Increase/(decrease) in reserves	(535,417)	188,642	188,648	188,641	188,647	188,650	188,644	188,645	188,647	188,646	188,643
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	1,545,423	2,085,660	2,126,669	2,244,019	2,184,916	2,232,581	2,280,236	2,333,398	2,384,727	2,443,386	2,503,876
Surplus/(deficit) of capital funding	(529,956)	(753,377)	(779,449)	(810,889)	(838,952)	(867,358)	(905,436)	(935,944)	(967,704)	(1,014,988)	(1,048,463)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Sewerage and the treatment and disposal of sewage

This group of activities...

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

...contributes to the community outcomes

A healthy natural and built environment Quality fit-for-purpose infrastructure

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

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

Strategic direction—future demand and sustainability

Sewerage treatment and disposal

A resource consent for the discharge of treated sewage from the Daleton Farm treatment plant was granted in 2017 for 35 years. This will allow an increase in the holding capacity of storage of treated sewage, irrigation to land as much as possible, and the discharge of treated wastewater to Mangatāre Stream in times of high flow only. The long-term vision is to remove discharges into waterways completely.

Infiltration into the reticulation system

Under extreme or extended rainfall conditions, the inflow to the treatment plant increases many-fold that which would be normally expected from community use. This is caused by unusually high ground water levels infiltrating sewerage pipes that are damaged or worn. This

impacts highly the demand on the reticulation and treatment infrastructure. Sewerage in areas of high infiltration are given priority in the capital works programme.

Waingawa

The Waingawa Industrial Zone is the largest area of undeveloped land in the Wellington region. A structure plan for Waingawa is integrated into the Wairarapa Combined District Plan.

The rate at which the land at Waingawa will be developed is difficult to forecast. For potable water and sewerage services, the Council has an agreement with Masterton District Council to provide services to Waingawa. However the capacity of the pipeline from Masterton is only sufficient for a mix of light and medium industries. Separate arrangements will need to be made for industries that require significant volumes of water.

Population trends

A district population growth assumption of a constant 0.75 percent per annum from the June 2017 Estimated Resident Population (9,050) has been used. This is a total increase of 7.8 percent over the ten years. More detail can be found in the 'Significant forecasting assumptions' section.

Industrial growth

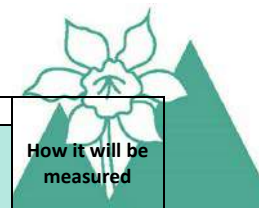
Significant industrial growth is not anticipated to occur within Carterton township as provision for such growth and land use is provided in the Waingawa Industrial Zone.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service, with change likely to require improvements to infrastructure. This is not forecast to occur in the short to medium-term.

The outcome of Greater Wellington Regional Council's Natural Resources Plan and Whaitua processes may result in regulations and environmental standards that may require higher quality discharge. The development underway in accordance with the 35-year resource consent provides for meeting any foreseeable changes to standards.





What we will deliver

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

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

The urban reticulated sewerage network is managed under the *Asset Management Plan—Wastewater 2017*, which sets out the targets for asset condition, performance, and levels of service.

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

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	0	≤5	≤5	≤5	≤5	Operational records

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Management of environmental impacts	Number of abatement notices	0	≤ 1	≤ 1	≤ 1	≤ 1	Operational records
	Number of infringement notices	0	0	0	0	0	Operational records
	Number of enforcement orders	0	0	0	0	0	Operational records
	Number of successful prosecutions	0	0	0	0	0	Operational records
Response to sewerage system faults ²¹	Median attendance time ²²	not known ²³	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	Operational records
	Median resolution time ²⁴	0.8	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	Operational records
Customer satisfaction	Total number of complaints received per 1000 connections ²⁵	6.39	≤20	≤20	≤20	≤20	Operational records
	Residents’ satisfaction with the town’s sewerage system	new ²⁶ measure	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents

²¹ sewerage overflows resulting from a blockage or other fault in the territorial authority’s sewerage system

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

²³ in 2017, the time of attendance was not recorded

²⁴ from the time that the territorial authority receives notification to the time that service personnel confirm resolution

²⁵ total number of complaints received about: sewage 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.

²⁶ First survey in December 2017 had 83% satisfaction



Assets

Further information can be found in the *Asset Management Plan—Wastewater 2017*.

Existing assets

The urban reticulation system consists of:

- domestic pipes on private land—2,666 connections
- pipes and manholes of the municipal system— 42.7 km of underground pipes ranging in size from 63 mm to 380 mm diameter, and 551 manholes
- 15 pump stations located throughout the urban area to lift sewage from low-lying areas up into the gravity network.

The current 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
Total	15,774,404	6,179,470	288,871

Maintenance and operating

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

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on page 53.

How the group of activities is funded

Capital

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

During the ten years of the Plan, loans will be sought for the design and construction of the storage reservoirs, and some of the reticulation renewals. During the terms of these loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense.

Annual costs

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

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



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

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

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

Key assumptions and uncertainties

- Sewerage assets will remain in Council ownership throughout the planning period and that there will be an ongoing requirement for this activity.
- The demand for this activity will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.
- That in the short to medium term the supply of services to Waingawa from Masterton District Council will be adequate.

Significant negative effects and risks

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 Council has procedures in place to manage these risks, and has qualified people operating the network.

The disposal of treated wastewater to ground or river may 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. The Council is satisfied that these risks have been adequately addressed in the resource consent, through the consent conditions. This includes the requirement for ongoing monitoring and reporting.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—SEWERAGE & TREATMENT OF SEWAGE

FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Reticulation network	563,592	419,286	364,572	372,438	381,330	390,222	400,140	409,716	420,660	431,946
Extension of Rutland Road	-	-	-	-	-	855,750	-	-	-	-
Waingawa reticulation	30,630	-	-	-	-	17,115	-	-	-	-
Treatment of sewage	102,100	10,430	10,660	19,602	11,150	11,410	23,400	69,484	61,500	63,150
Other treatment and disposal works	15,315	293,187	359,338	332,679	405,013	46,929	63,332	51,754	53,136	7,578
Storage reservoirs	4,231,669	262,054	26,650	-	-	-	-	-	-	-
Relocate discharge	-	312,900	-	-	-	-	-	-	-	-
Second irrigator	-	-	356,844	-	-	-	-	-	-	-



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding											
General rates, UAGC, rates penalties	177,347	198,678	229,374	244,622	258,143	257,066	266,920	276,688	271,518	276,759	280,226
Targeted rates	1,596,124	1,788,100	2,064,366	2,201,597	2,323,284	2,313,597	2,402,284	2,490,189	2,443,660	2,490,828	2,522,035
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	350,000	508,315	518,770	530,221	541,672	554,118	567,063	580,505	594,445	609,879	625,312
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	47,860	-	-	-	-	-	-	-	-	-	-
Total operating funding	2,171,331	2,495,092	2,812,510	2,976,440	3,123,098	3,124,781	3,236,267	3,347,381	3,309,623	3,377,465	3,427,573
Applications of Operating Funding											
Payments to staff and suppliers	793,986	963,118	1,007,727	1,077,290	1,136,755	1,201,172	1,232,793	1,278,030	1,317,097	1,366,027	1,403,987
Finance costs	270,573	329,800	444,944	467,904	475,672	473,143	484,179	483,822	459,972	434,437	407,445
Internal charges and overheads applied	372,771	500,251	510,120	509,580	532,020	533,593	538,108	558,080	568,921	579,342	581,991
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,437,330	1,793,170	1,962,791	2,054,774	2,144,447	2,207,908	2,255,079	2,319,931	2,345,990	2,379,806	2,393,423
Surplus/(deficit) of operating funding	734,001	701,922	849,718	921,666	978,652	916,873	981,187	1,027,450	963,633	997,659	1,034,150
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	51,250	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323
Increase/(decrease) in debt	314,727	3,941,953	494,635	360,764	(73,592)	(16,325)	447,197	(429,658)	(467,397)	(493,310)	(566,883)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	365,977	4,036,275	588,957	455,086	20,731	77,998	541,520	(335,335)	(373,074)	(398,988)	(472,560)
Applications of Capital Funding											
Capital expenditure - meet additional demand	5,000	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	290,000	4,246,984	868,141	742,831	332,679	405,013	902,679	63,332	51,754	53,136	7,578
Capital expenditure - replace existing assets	783,300	696,322	429,716	375,232	392,040	392,480	418,747	423,540	479,200	482,160	495,096
Increase/(decrease) in reserves	21,678	(205,109)	140,819	258,689	274,664	197,379	201,281	205,242	59,605	63,375	58,915
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	1,099,978	4,738,198	1,438,676	1,376,752	999,382	994,871	1,522,707	692,114	590,559	598,671	561,589
Surplus/(deficit) of capital funding	(734,002)	(701,922)	(849,718)	(921,666)	(978,652)	(916,873)	(981,187)	(1,027,450)	(963,633)	(997,659)	(1,034,150)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Stormwater drainage

This group of activities...

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

...contributes to the community outcomes

A healthy natural and built environment Quality fit-for-purpose infrastructure

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

Strategic direction—future demand and sustainability

Climate change

Modelling of climate change predicts that we will experience an increase in weather extremes. Increases in the frequency of high intensity rainfall events may result in significant inundation from flooding.

Existing stormwater systems are unlikely to cater adequately under such a scenario and the Council will consider additional or alternative disposal and retention systems capable of delivering the required levels of service when the stormwater services are reviewed over the next three years.

Population trends

A district population growth assumption of a constant 0.75 percent per annum from the June 2017 Estimated Resident Population (9,050) has been used. This is a total increase of 7.8 percent over the ten years. More detail can be found in the 'Significant forecasting assumptions' section.

Industrial growth

Significant industrial growth is not anticipated to occur within Carterton township as provision for such growth and land use is provided in the Waingawa Industrial Zone.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service with change likely to require improvements to infrastructure. The outcome of Greater Wellington Regional Council's Natural Resources Plan and Whaitua processes may result in regulations and environmental standards that may require higher quality discharge.

Water race network

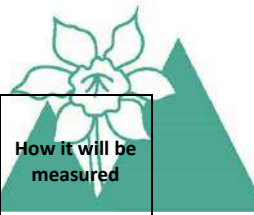
The Carrington and Taratahi water race systems play an important role in the rural areas near Carterton township in carrying excess water during a high rainfall event.

What we will deliver over the next ten years

The urban reticulated stormwater network is managed under the *Asset Management Plan—Stormwater 2017*, which sets out the asset condition, performance, and levels of service.

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

- community expectations and the Council's response to customer feedback
- consent requirements
- sustainable health and environmental matters embodied in the community outcomes
- impacts of climate change over time
- community affordability.



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

It is likely that resource consents will be required for the discharge at multiple points from the stormwater network to natural water courses. The work to obtain resource consents will be undertaken over the next three years.

It is also planned to replace the drain on the town's eastside boundary over a period of ten years starting in 2022/23.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
System and adequacy	Number of flooding events ²⁷	0	≤1	≤1	≤1	≤1	Operational records
	For each flooding event, the number of habitable floors affected, per 1000 properties connected.	na	≤1	≤1	≤1	≤1	Operational records
Management of environmental impacts	Number of abatement notices	0	0	0	0	0	Operational records
	Number of infringement notices	0	0	0	0	0	Operational records
	Number of enforcement orders	0	0	0	0	0	Operational records
	Number of	0	0	0	0	0	Operational

²⁷ an overflow of stormwater from the Council's stormwater system that enters a habitable floor

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
	successful prosecutions						records
Response to stormwater system issues	The median response time ²⁸ to attend a flooding event	0	≤ 3 hours	≤ 3 hours	≤ 3 hours	≤ 3 hours	Operational records
Customer satisfaction	Total number of complaints ²⁹ received per 1000 properties connected	4.95	≤10	≤10	≤10	≤10	Operational records
	Residents' satisfaction with the town's stormwater systems	new ³⁰ measure	≥ 60% rate 7–10	≥ 60% rate 7–10	≥ 60% rate 7–10	≥ 60% rate 7–10	Annual survey of residents

Assets

Further information can be found in the *Asset Management Plan—Stormwater 2017*.

Existing assets

- 16 km of piped stormwater reticulation in the urban area ranging in diameter from 100 mm up to 1200 mm
- 400 catch pits or 'sumps' and 141 manholes
- 7 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.

²⁸ measured from the time that the Council receives notification to the time that service personnel reach the site

²⁹ total number of complaints received about faults or blockages, expressed per 1000 customers charged in their rates for council stormwater services.

³⁰ First survey in December 2017 had 64% satisfaction



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.

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	70,964
Open drains	251,978	182,915	1,260
Manholes	679,371	509,953	6,794
Sumps	285,336	200,815	2,853
Soak pit chambers	84,921	75,538	849
Total	8,347,938	5,521,359	82,620

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.

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on page 59.

How the group of activities is funded

Capital

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

Annual costs

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

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

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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

There are health and safety risks associated with operating the stormwater network and flooding incidents. Infrastructure failure could result in loss of income and business. Ongoing capacity risks will be addressed through a review of the stormwater system. The system will continue to be maintained, including ensuring blockages are cleared, on a regular basis.

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





CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—STORMWATER
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Upgrade existing stormwater facilities	255,250	260,750	266,500	272,250	345,650	638,960	362,700	371,380	381,300	391,530
Obtain global consent and improvements	10,210	10,430	53,300	-	-	-	-	-	-	-
Stormwater treatment : design and construction	-	-	-	-	111,500	342,300	-	-	-	-



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - STORMWATER
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	23,258	27,654	28,655	29,560	31,945	33,266	37,047	40,630	41,931	43,133	44,240
Targeted rates	209,322	248,882	257,893	266,039	287,504	299,395	333,420	365,671	377,380	388,200	398,159
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	232,580	276,535	286,548	295,599	319,448	332,661	370,467	406,301	419,311	431,334	442,399
Applications of Operating Funding											
Payments to staff and suppliers	66,160	67,804	70,656	73,265	86,909	90,171	93,633	97,374	101,348	105,717	110,335
Finance costs	17,698	17,080	16,541	17,041	17,120	18,634	36,211	49,827	46,975	43,963	40,781
Internal charges and overheads applied	45,124	53,890	55,117	54,442	57,719	57,346	57,483	60,235	61,404	62,468	62,153
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	128,982	138,774	142,313	144,748	161,748	166,151	187,327	207,436	209,727	212,148	213,269
Surplus/(deficit) of operating funding	103,599	137,761	144,234	150,851	157,700	166,511	183,140	198,865	209,584	219,185	229,129
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	10,250	18,865	18,865	18,865	18,865	18,865	18,865	18,865	18,865	18,865	18,865
Increase/(decrease) in debt	(9,569)	(7,640)	(8,801)	31,969	(23,428)	85,037	588,507	(51,034)	(53,886)	(56,898)	(60,079)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	681	11,224	10,063	50,833	(4,563)	103,901	607,372	(32,169)	(35,021)	(38,033)	(41,215)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	132,730	135,590	138,580	141,570	211,850	216,790	222,300	227,620	233,700	239,970
Capital expenditure - improve level of service	86,000	10,210	10,430	53,300	-	111,500	627,550	-	-	-	-
Capital expenditure - replace existing assets	-	122,520	125,160	127,920	130,680	133,800	136,920	140,400	143,760	147,600	151,560
Increase/(decrease) in reserves	18,280	(116,475)	(116,883)	(118,115)	(119,113)	(186,738)	(190,748)	(196,004)	(196,817)	(200,148)	(203,615)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	104,280	148,985	154,297	201,685	153,137	270,412	790,512	166,696	174,563	181,152	187,915
Surplus/(deficit) of capital funding	(103,599)	(137,761)	(144,234)	(150,851)	(157,700)	(166,511)	(183,140)	(198,865)	(209,584)	(219,185)	(229,129)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Waste management

This group of activities...

includes the following services:

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

...contributes to the community outcomes

A healthy natural and built environment

Quality fit-for-purpose infrastructure

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

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

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

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

Strategic direction—future demand and sustainability

The Waste Minimisation Act 2008 deals with waste. Its purpose is to encourage a reduction in the amount of waste we generate and dispose of, in New Zealand and lessen the environmental harm of waste. Under the Act, councils are required to have a Waste Management and Minimisation Plan. It must contain a summary of the council's objectives, policies, methods and funding to 'achieve effective and efficient waste management and minimisation within the territorial authority's district'.

The city and district councils of the Wellington region jointly prepared and adopted the *Waste Management and Minimisation Plan 2017–2023* (the WMMP). In doing so, the councils

recognised that they do not control much of the waste stream in the region, since large volumes of waste are produced and managed by the private sector.

The primary goal of the WMMP is to reduce the total quantity of waste sent to landfill by one-third by 2026, by undertaking joint regional actions and aligned individual council actions. These include communications and education to inspire households and communities, developing a resource recovery network, consistent by-laws, and research on various waste management issues.

The WMMP considers waste and diverted materials in keeping with the order of priority stated in the Act—namely reduction, reuse, recycling, recovery, treatment, and disposal.

Under the Act, a waste levy is charged on all waste disposed of in a landfill. This levy will be used by government to improve waste minimisation. Half the levy money goes to territorial authorities, on a population basis, so that they can improve waste minimisation in their areas. The other half is put into a contestable fund for waste minimisation projects.

The Council on-charges the waste levy payable through the entry fees at the transfer station. It is also included in the costs covered by the urban refuse collection rate.

Carterton, Masterton, and South Wairarapa district councils share Wairarapa-wide waste management services and waste minimisation actions, including kerbside collection of waste and recycling and waste minimisation education programmes. This is co-ordinated through the shared role of Zero Waste Co-ordinator.

Waste from kerbside collection has increased slightly, while the volume of recycling is increasing by a greater amount. The facilities available will cater for medium needs and growth provided that minimisation initiatives are maintained and continue to be encouraged.

What we will deliver over the next ten years

There is a legislative requirement under the Local Government Act 2002, for the Council to:

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



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

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

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

From 2018/19, it is proposed to extend services with wheelie bins for kerbside recycling and the processing of e-waste. There will also be a modest increase in the transfer station's opening hours, and we will continue to promote waste reduction through the shared Zero Waste Co-ordinator role.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Refuse and recycling services of a satisfactory standard	Residents' satisfaction with waste disposal services	new ³¹ measure	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	No ³²	100%	100%	100%	100%	Resource consent

³¹ First survey in December 2017 had 74% satisfaction

³² More detail can be found in the Annual Report for the year ended 30 June 2017

Assets

Existing Assets

The transfer station site comprises the following:

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

Maintenance and operating

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

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on page 64.

How the group of activities is funded

Capital

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



Annual costs

Urban refuse and recycling collection

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

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

Transfer Station

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

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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

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

The Council has procedures in place to mitigate these risks, including responding to complaints about fly-tipping.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—WASTE MANAGEMENT
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Transfer station refurbish and improvement	20,420	-	21,320	-	-	68,460	-	-	-	-



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WASTE MANAGEMENT
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	406,964	544,347	561,461	572,313	601,225	616,770	627,316	647,066	666,410	687,958	708,299
Targeted rates	118,640	91,856	99,162	96,758	94,355	91,742	89,025	86,204	83,278	80,038	76,799
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	278,000	363,476	370,952	379,140	387,328	396,228	405,484	415,096	425,064	436,100	447,136
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	803,605	999,680	1,031,575	1,048,212	1,082,908	1,104,740	1,121,826	1,148,366	1,174,752	1,204,096	1,232,234
Applications of Operating Funding											
Payments to staff and suppliers	714,190	904,254	934,028	954,581	988,204	1,010,850	1,020,724	1,044,863	1,069,886	1,097,571	1,125,270
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	26,932	37,255	38,306	37,074	40,407	39,475	39,136	41,784	42,594	43,257	42,293
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	741,122	941,510	972,334	991,655	1,028,611	1,050,325	1,059,860	1,086,647	1,112,480	1,140,828	1,167,563
Surplus/(deficit) of operating funding	62,483	58,170	59,241	56,556	54,297	54,415	61,966	61,719	62,272	63,268	64,671
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	40,000	20,420	-	21,320	-	-	68,460	-	-	-	-
Increase/(decrease) in reserves	22,483	37,750	59,241	35,236	54,297	54,415	(6,494)	61,719	62,272	63,268	64,671
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	62,483	58,170	59,241	56,556	54,297	54,415	61,966	61,719	62,272	63,268	64,671
Surplus/(deficit) of capital funding	(62,483)	(58,170)	(59,241)	(56,556)	(54,297)	(54,415)	(61,966)	(61,719)	(62,272)	(63,268)	(64,671)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Water supply and water races

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 healthy natural and built environment

Quality fit-for-purpose infrastructure

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.

A public water supply system provides water suitable for drinking for the general well-being and health of its community. A safe 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.

The water races provide vital stock drinking water to rural properties to support farming operations.

Strategic direction—future demand and sustainability

Consent renewal

The Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply expired in 2013. An application has been lodged to renew the consent. In addition to the work underway, it is possible that the Council may need to complete further work to comply with any new resource consent conditions. If less water take than sought is agreed, a new source will need to be identified and developed.

Water conservation strategy

A water conservation strategy is being developed, which covers a variety of initiatives ranging from incentives, education, regulation and operational means to reduce potable water consumption and water loss. This strategy is a response to the likely impacts of climate change and to the sustainable development and management requirements underpinning New Zealand's freshwater legislation and policy. It is predicted that New Zealand will become wetter in the west and drier in the east, with Wairarapa experiencing heat and drought conditions more often, and significantly less flow in rivers.

Actions to be implemented include:

- reduction in indoor household water use through the use/promotion of water saving fixtures
- promoting on-site rainwater collection
- regular review of water meter pricing mechanisms
- xeriscaping—matching private and public garden space and species to the climate and landscape conditions.

It is planned to replace existing water meters with smart meters that can be read remotely. This will make the reading more accurate and efficient, and provides the opportunity to consider a range of pricing and billing options to influence demand. Currently meters are read six-monthly, but this could be done more often to provide more up-to-date data for households. Volume charges could be seasonal, ie different in summer than in winter.

These actions will not only reduce water use, but also lead to a reduction in sewage flows (and the demand for sewage treatment), deferral of capital expenditure for renewals and improvements to the water supply network, and delaying the need for the Council to explore new water sources.



Population trends

A district population growth assumption of a constant 0.75 percent per annum from the June 2017 Estimated Resident Population (9,050) has been used. This is a total increase of 7.8 percent over the ten years. More detail can be found in the 'Significant forecasting assumptions' section.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service with change likely to require improvements to infrastructure. This is not anticipated to occur in the short to medium term.

Industrial growth

Significant industrial growth is not anticipated to occur within Carterton township as provision for such growth and land use is provided in the Waingawa Industrial Zone.

In addition dual water supply systems such as reticulated water being used only for potable purposes and stored rainwater runoff for non-potable uses are currently being considered by the Council to establish (in terms of life-cycle cost) the most sustainable solution for the Carterton community.

Waingawa

The rate at which the land at Waingawa will be developed is difficult to forecast. In respect to potable water and sewerage services the Council has an agreement with Masterton District Council to provide services to Waingawa. However the capacity of the pipeline from Masterton is only sufficient for a mix of light and medium industries. Industries that require significant volumes of water will need separate arrangements.

Water races

The water races, overseen by the Water Race Committee, will continue to provide water to numerous rural properties to support their farming operations. They are currently developing a water conservation strategy to ensure the water is used efficiently.

Water Wairarapa

Greater Wellington Regional Council has been exploring ways of ensuring greater certainty of water supply for Wairarapa. This programme is called Water Wairarapa. Greater Wellington currently has led and funded this initiative with assistance from Crown Irrigation Investments Limited (funding to date has been split approximately 50/50). The project commenced in 2012.

To date, they have completed investigations to identify potential sites for water storage, looked at environmental factors such as the impact of climate change, and completed assessments of land use change that may occur if there were a secure water supply. Greater Wellington has also worked with the community to assess where there might be demand for stored water, in both urban and rural locations.

A completed scheme could comprise multiple water storage locations and a distribution network via rivers and piping. It could provide irrigation support to around 8,000 hectares of productive land as an initial stage, service each of the towns' future drinking water needs, and could be used to bolster minimum flows in rivers and streams, thus protecting water quality where it is most threatened. Discussions have been undertaken with local iwi, businesses, and other interested groups. Upon completion of the feasibility study, a commercial entity could be formed to raise the capital to develop and construct the scheme.

The next step is for Greater Wellington and the Wairarapa Councils to work together to look at how the right infrastructure for a long-term secure water supply might be provided, and whether or not there is a viable commercial model that could allow the project to be successfully funded into the future.

What we will deliver over the next ten years

The Council's role is to ensure that the community has an adequate potable 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—Water 2017*, 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.

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

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

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

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

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

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

The Inquiry set up in response to the Havelock North water supply contamination released a report in 2017, signalling possible future changes to the treatment and supply of drinking water in New Zealand. We will be actively following the Government’s response to the Inquiry’s recommendations. In the meantime, we will continue to be vigilant in how we manage our town water supply.

Wairarapa is vulnerable to a range of natural hazards. Therefore, we need to make sure our water supply infrastructure can withstand a major emergency.

We only have one mains pipe to transport water to Carterton from the Kaipaitangata treatment plant, which could be compromised during a disaster event. Within the next two years, council will be starting work to duplicate the sections of the pipe that run through high risk sections, such as over fault lines and close to bridges. This is estimated to cost \$522,000 in 2019/20.

We also plan to increase the storage capacity by constructing eight more reservoir tanks to provide four days’ emergency water supply. At the moment we have emergency storage for only 12 hours. These tanks will be constructed over four years to 2024 at a total cost of \$3,529,000.

Main activity over the next ten years includes:

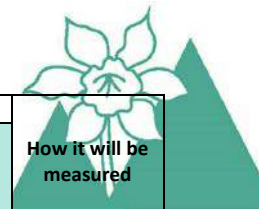
- investigating an additional source for the urban water supply 2018–2020
- design and construction of additional source 2025–2028
- increasing the storage capacity at the existing Kaipaitangata treatment plant and at the supplementary plant to provide four days reserve
- reduce the risk of having one mains pipe from the treatment plant to the township, by duplicating sections of the pipe at critical, riskier sections
- replacing existing household meters with smart meters, allowing quicker reading and providing more efficient and accurate reading, options for reading more frequently, and more data on household use.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Safety of drinking water	Compliance with part 4 of DW Standards ³³ (bacteriological requirements)	not compliant ³⁴	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database

³³ New Zealand Drinking Water Standards

³⁴ More detail can be found in the Annual Report for the year ended 30 June 2017. Issues with compliance have been addressed through improved monitoring equipment and telemetry.



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
	Compliance with part 5 of DW Standards (protozoal requirements)	not compliant ³⁵	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database
Maintenance of the reticulation network	Real water loss from networked reticulation system	42%	≤45% ³⁶	≤45%	≤45%	≤45%	Treatment system and water meter data ³⁷
Fault response times	Median time to attend ³⁸ urgent ³⁹ call-outs	0 hours ⁴⁰	≤2 hours	≤2 hours	≤2 hours	≤2 hours	Operational records
	Median time to resolve ⁴¹ urgent call-outs	0 hours ⁴²	≤4 hours	≤4 hours	≤4 hours	≤4 hours	Operational records
	Median time to attend non-urgent ⁴³ call-outs	not available ⁴⁴	≤12 hours	≤12 hours	≤12 hours	≤12 hours	Operational records
	Median time to resolve non-urgent call-outs	21 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours	Operational records

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2017 Actual	2019	2020	2021	2022 to 2028	
Customer satisfaction	Number of complaints ⁴⁵ received per 1000 connections	49	≤15	≤15	≤15	≤15	Operational records
Demand management	Average consumption of drinking water per day per resident within the district	396 litres	≤400 litres	≤400 litres	≤400 litres	≤400 litres	Operational records
Urban water system of a satisfactory standard	Residents' satisfaction with their household water supply	new ⁴⁶ measure	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
Adverse effects on the environment are minimised	Compliance with water resource consent conditions	100%	100%	100%	100%	100%	Resource consent

Assets

Further information can be found in the *Asset Management Plan—Water 2017*.

Existing assets

- Kaipaitangata dam 4,546 cubic metres
- Kaipaitangata reservoirs 500 and 1000 cubic metres
- Kaipaitangata Filtration Reservoir 500 cubic metres

³⁵ More detail can be found in the Annual Report for the year ended 30 June 2017. Issues with compliance have been addressed with the introduction of continuous monitoring equipment.

³⁶ the target for this measure has been eased; after two years of measurement Council is satisfied that 45% is an appropriate benchmark

³⁷ total water outlet from Kaipaitangata and Supplementary reservoirs less sum of water meter usage

³⁸ from the time that the Council receives notification to the time that service personnel reach the site

³⁹ an urgent call-out is one that leads to a complete loss of supply of drinking water

⁴⁰ there were no urgent callouts

⁴¹ from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption

⁴² there were no urgent callouts

⁴³ a non-urgent call-out is one where there is still a supply of drinking water

⁴⁴ in 2017, the time of attendance was not recorded

⁴⁵ complaints received about any of the following: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; or the Council's response to any of these issues

⁴⁶ First survey in December 2017 had 83% satisfaction



- Lincoln Road Supplementary Supply 42 litres per second
- Lincoln Road Reservoirs 200 and 300 cubic metres
- underground water mains 8.0 km trunk supply
60.6 km reticulation piping
- a hydraulic model of the urban network

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
Kaipaitangata headworks	1,010,140	416,087	34,602
Treatment plant	577,424	151,718	7,155
Supplementary supply	2,774,252	1,465,443	78,278
Total	20,625,959	7,830,982	553,598

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.

Capital expenditure 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. 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 expenditure in this group of activities in the next ten years are shown in the table on page 72.

How the group of activities is funded

Capital

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

Annual costs

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

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

Urban water

All properties connected to the urban water supply are metered. Each property connection is charged a fixed amount in rates for an allowance of up to a number of cubic metres per year. Water usage above the allowance is charged per cubic metre. This charge is invoiced separately from land rates.

Waingawa

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



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

Key assumptions and uncertainties

- Water supply assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.
- Demand for urban water will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations staff for work required in Carterton district. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.
- 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.
- 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.
- No significant changes are made to the national water supply standards.

Significant negative effects and risks

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, including the risk of contamination. In response to the recent water supply contamination experience in Havelock North, we reviewed our own supply to identify any risks. We have made some small changes, but we are very satisfied that our treatment and reticulation systems mean we are delivering safe drinking water. We currently filter, chlorinate, and UV treat the water.

Excessive water extraction from the Kaipaitangata Stream and its associated aquifers could have adverse impacts on the environment or on community perceptions of waterway health and associated values. Compliance with the resource consent will mitigate these risks.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—WATER SUPPLY
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Reticulation network	190,417	131,940	134,849	301,109	141,048	144,337	148,005	151,547	155,595	159,770
Treatment plants	183,780	165,837	14,924	223,245	-	123,228	-	-	14,760	88,410
Installation of smart meters	-	938,700	-	-	-	-	-	-	-	-
Investigate, identify and develop new water supply	-	260,750	266,500	-	-	-	-	179,700	184,500	9,598,800
Duplicate sections of main pipe to town	-	521,500	-	-	-	-	-	-	-	-
Increase storage capacity at existing treatment plants	-	-	852,800	871,200	892,000	912,800	-	-	-	-
Improvements to rural water supply	71,470	-	319,800	76,230	-	-	81,900	-	-	88,410



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WATER SUPPLY
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding											
General rates, UAGC, rates penalties	198,182	203,067	208,842	224,044	240,944	247,906	261,225	271,817	267,901	273,339	331,349
Targeted rates	1,783,639	2,006,282	2,061,931	2,202,768	2,358,896	2,425,930	2,550,350	2,650,400	2,620,059	2,674,424	3,201,943
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	220,000	45,945	46,890	47,925	48,960	50,085	51,255	52,470	53,730	55,125	56,520
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	2,201,821	2,255,294	2,317,663	2,474,736	2,648,800	2,723,921	2,862,830	2,974,686	2,941,690	3,002,888	3,589,812
Applications of Operating Funding											
Payments to staff and suppliers	1,113,324	1,144,767	1,172,825	1,203,237	1,229,364	1,257,575	1,286,237	1,321,639	1,352,848	1,386,985	1,421,527
Finance costs	57,069	27,859	42,608	76,390	121,534	165,907	206,136	221,421	212,291	207,489	451,807
Internal charges and overheads applied	373,452	535,281	546,079	544,602	569,865	570,758	575,081	597,326	608,928	619,994	621,952
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,543,846	1,707,907	1,761,511	1,824,230	1,920,763	1,994,240	2,067,453	2,140,386	2,174,067	2,214,467	2,495,286
Surplus/(deficit) of operating funding	657,975	547,387	556,152	650,507	728,037	729,681	795,377	834,300	767,624	788,420	1,094,527
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	51,900	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323	94,323
Increase/(decrease) in debt	209,720	53,526	499,245	786,538	935,911	770,011	766,176	(178,087)	(187,218)	(15,048)	9,256,482
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	261,620	147,849	593,568	880,861	1,030,234	864,334	860,498	(83,765)	(92,895)	79,274	9,350,804
Applications of Capital Funding											
Capital expenditure - meet additional demand	100,000	61,260	260,750	266,500	-	-	114,100	-	179,700	184,500	9,598,800
Capital expenditure - improve level of service	56,400	85,764	542,360	852,800	1,034,550	892,000	921,928	-	-	-	12,630
Capital expenditure - replace existing assets	191,500	298,643	1,215,617	469,573	437,234	141,048	144,337	229,905	151,547	170,355	323,960
Increase/(decrease) in reserves	571,695	249,569	(869,007)	(57,506)	286,487	560,967	475,511	520,630	343,481	512,839	509,941
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	919,595	695,236	1,149,719	1,531,367	1,758,271	1,594,014	1,655,876	750,535	674,728	867,694	10,445,331
Surplus/(deficit) of capital funding	(657,975)	(547,387)	(556,152)	(650,507)	(728,037)	(729,681)	(795,377)	(834,300)	(767,624)	(788,420)	(1,094,527)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Administration and support services

Administration and support services provide support and overheads for the groups of activities above. The expenditure related to these services is allocated by way of internal charges and overheads to the groups of activities based on a range of usage factors.

Capital expenditure 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. 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 expenditure in the next ten years in the administration and support services are as follows:

CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—ADMINISTRATION FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
IT and telephony	141,000	112,018	270,948	183,279	90,761	179,023	196,911	206,263	163,467	174,168
Vehicles and plant	343,434	195,166	188,128	195,998	303,626	203,526	12,870	92,845	172,200	210,921
Property	15,315	15,645	15,990	16,335	16,725	17,115	17,550	17,970	18,450	18,945

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



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - ADMINISTRATION AND SUPPORT SERVICES

FOR THE TEN YEARS ENDING 30 JUNE

Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding										
General rates, UAGC, rates penalties	25,000	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900
Targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	511	521	533	544	557	570	583	597	613
Internal charges and overheads recovered	2,375,870	3,202,114	3,250,932	3,232,989	3,396,040	3,393,292	3,413,817	3,555,069	3,624,108	3,689,067
Local authorities fuel tax, fines, infringement fees and other	47,000	45,945	46,890	47,925	48,960	50,085	51,255	52,470	53,730	55,125
Interest and dividends from investments	74,424	138,544	147,225	156,553	174,325	190,338	202,604	219,325	230,848	247,960
Total operating funding	2,522,294	3,457,013	3,515,468	3,507,899	3,689,770	3,704,172	3,738,146	3,897,347	3,979,183	4,062,664
Applications of Operating Funding										
Payments to staff and suppliers	2,135,230	2,554,927	2,579,330	2,634,649	2,682,642	2,740,933	2,798,085	2,855,148	2,915,744	2,979,446
Finance costs	-	4,713	2,821	719	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total applications of operating funding	2,135,230	2,599,640	2,622,150	2,675,368	2,722,642	2,780,933	2,838,085	2,895,148	2,955,744	3,019,446
Surplus/(deficit) of operating funding	387,064	857,374	893,318	832,531	967,127	923,239	900,061	1,002,199	1,023,440	1,043,218
Sources of Capital Funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding										
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	314,100	484,434	307,184	437,756	379,277	394,387	359,729	209,781	299,108	311,067
Increase/(decrease) in reserves	72,964	372,940	586,133	394,775	587,850	528,853	540,332	792,418	724,331	732,151
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	387,064	857,374	893,318	832,531	967,127	923,239	900,061	1,002,199	1,023,440	1,043,218
Surplus/(deficit) of capital funding	(387,064)	(857,374)	(893,318)	(832,531)	(967,127)	(923,239)	(900,061)	(1,002,199)	(1,023,440)	(1,043,218)
Funding balance	-	-	-	-	-	-	-	-	-	-



Financial strategy



Financial strategy

This financial strategy explains how the Carterton District Council will manage its finances over the next ten years. It sets out the general approach and principles to be followed, and it provides a guide against which proposals for funding and expenditure can be assessed.

In preparing this ten-year plan to meet the reasonable needs of our community, the Council applied the following principles:

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

Being fair to our ratepayers and customers means our activities are cost-effective and necessary for the community's current and future needs. Those who benefit from our services pay for those services through rates and charges. Where we invest in our infrastructure assets, we spread costs across today's and tomorrow's users (intergenerational equity) in order to match when benefits arise. We are also aware of not excessively burdening today's users with the impact of yesterday's users not having contributed enough.

We plan well. We have good asset management systems. Asset management plans are renewed regularly, and inform a 30-year infrastructure strategy. Every three years we prepare a ten-year plan. Every year we prepare a detailed annual plan. We consult the community on what is proposed. And at the end of every year we report back to the community on how well we have done against the plans.

Levels of service and demand

Our levels of service and activities are driven by our plans and strategies. These are described in more detail in the sections for each group of activities.

Although property numbers in Carterton township is anticipated to increase, the Council is not promoting or encouraging growth. It is a priority to retain the 'character' of

Carterton—friendly, caring, vibrant, connected, and engaged—which unmanaged growth could put at risk.

The economic climate is steady, but global financial and geopolitical issues continue. Consequently, the Council has allowed for growth in the rating base to be lower in the next decade than it has in the past, falling from 1.5 percent to 1.2 percent per annum increases and staying at that level for the ten-year period.

For most of our activities this modest growth will not impact our levels of service. The financial numbers in this ten-year plan are largely based on maintaining business as usual. In other words, the Council is planning to continue with its current range of activities and generally to the same level of service as at present.

There are significant exceptions to this, where Council wishes to address issues of capacity and quality:

- continued expansion of the sewage treatment capacity, in line with the consent conditions, and to create additional headroom to meet ongoing and peak demand
- increasing capacity and mitigating risks associated with the town water supply.

As well as the above, this plan identifies several reviews of activities that the Council intends to undertake.

Balancing the budget

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

The rates are set to cover:

- the net cost of the activity (expenses less any revenue)
- plus an amount to cover the repayment of loan principal, or to build up reserves for future year expenses (such as the three-yearly elections)
- less any expenses, especially depreciation, that don't need to be funded or the Council has chosen not to fund.

In this Ten Year Plan all activities other than Governance will run a surplus, the revenue including rates will be more than the expenses.



Inflation

The numbers in this 10YP incorporate inflation as forecast by economics consulting company BERL.⁴⁷ Over the ten years of the Plan, BERL forecasts local government faces inflation rates of 26 percent in their operating and capital costs.

Depreciation

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

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

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

- roads and footpaths
- Events Centre building and fitout
- all loan-funded capital and renewals expenditure.

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

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

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

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

Reserve funds

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

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

Borrowing

Security on borrowing

The Council provides lenders with security on its borrowings through a debenture trust deed. This gives lenders a charge over Council's rates income. In the unlikely event of Council defaulting on a loan, the lender has the ability to ensure a rate is set to recover the outstanding amount owed. This security is attractive to lenders and helps ensure Council can obtain ongoing support for its debt programme and reduces the interest rate required by lenders.

Security may also be offered over specific assets with prior Council approval. The Council will offer security on infrastructure assets only where special rating provisions apply. It intends to continue to secure its borrowing in the current manner.

⁴⁷ Business and Economic Research Limited, September 2017. Forecasts of Price Level Change Adjustors–2017 Update: Note to Society of Local Government Managers

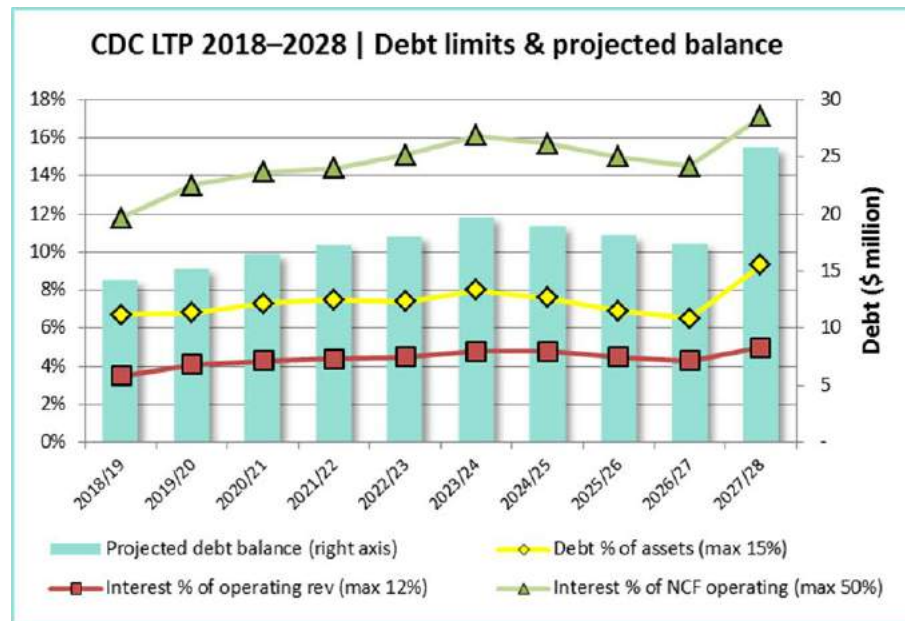


Borrowing limits

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

- total debt as a percentage of total assets will not exceed 15 percent
- in any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue
- in any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities.

These measures over the next ten years are shown in the following chart. All are well within the limits set by the Council.



Financial investments and equity securities

An investment is an asset held by Council that provides service potential or future economic benefit to Council. Investments include property, ownership in Council related trading entities and financial assets. A financial asset is any asset that is cash or the contractual right to receive cash including financial investment instruments.

Council holds financial investments sufficient to match reserve accounts created by Council resolution and as a result of short-term cash flow surpluses. The Council recognises that as a responsible public authority, any investments that it does hold should be of a relatively low risk. It further recognises that lower risk generally means lower returns. Council aims to maximise investment income within a prudent level of investment risks. Council currently has money invested with banks in New Zealand. Council aims to achieve market rates for these investments.

Council's quantified target for returns on financial investments is to achieve a return equivalent to market rates. Council will ensure that all funds are placed in suitable deposit accounts and no excess funds will remain not on deposit for more than 90 days, in line with the Council's investment policy.

The Council has three small shareholdings with NZ Local Government Insurance Corporation (Civic Insurance), Airtel Ltd, and Farmlands. These investments are required to enable the Council to utilise specific services. With the exception of the above three shareholdings, the Council will not acquire equity investments. Council's target for returns on these equity investments is that access to the organisation's services continues.

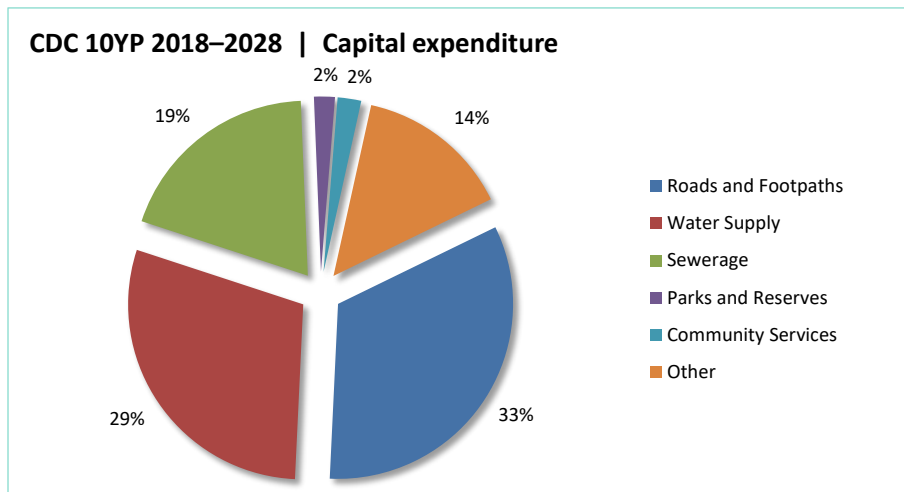
Capital expenditure

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

The assets managed by the Council are forecast to grow from \$188 million to \$279 million over the ten years of this plan.



The Council will spend in total \$63.5 million on capital expenditure over the next ten years (\$8.6 million in 2018/19). The chart below provides a breakdown by major group of activities. The largest share of the capital spend is on roads and footpaths (\$20.9 million or 33 percent) followed by water supply (\$18.6 million or 29 percent).

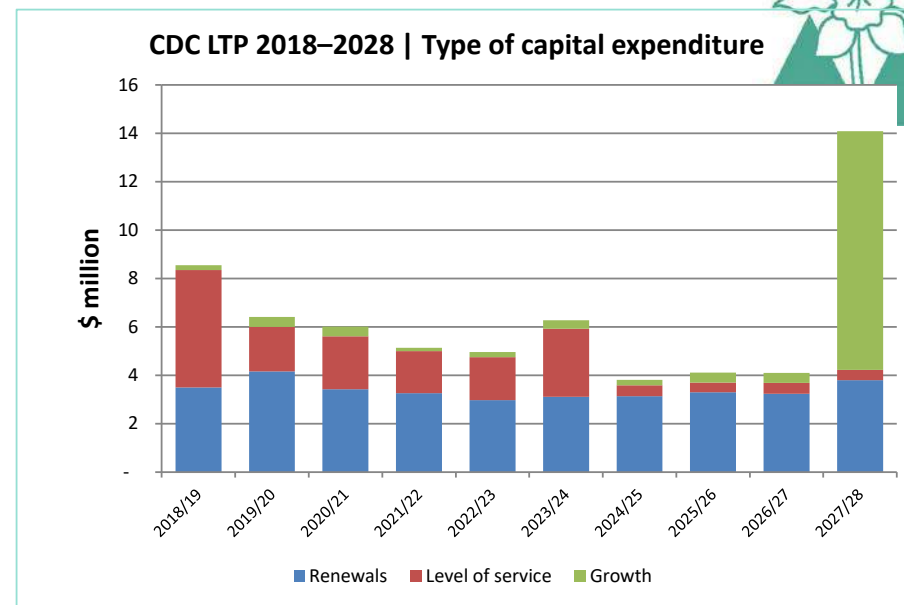


The key capital projects over the ten-year plan are as follows.

- further development of our sewage treatment and disposal facilities (\$7,674,000)
- a new source of water for our urban water supply (\$10,490,000).

The chart below breaks down capital expenditure between renewal of existing assets, responding to or anticipating growth in demand, and improving levels of service.

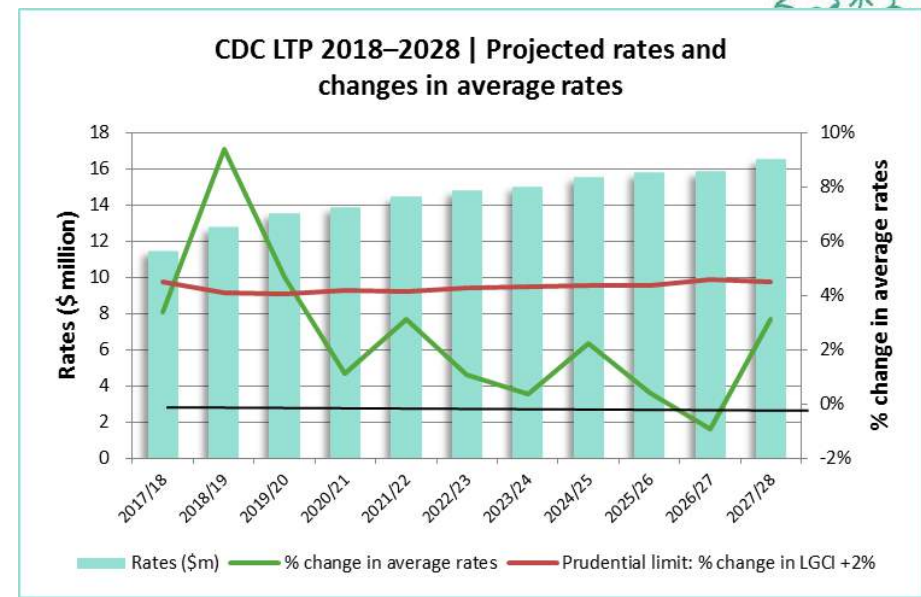
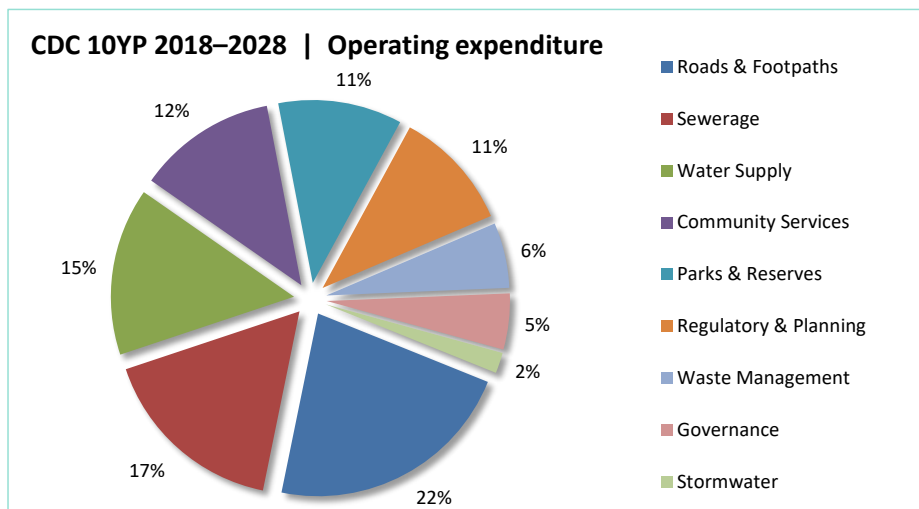
As shown in the chart, renewals are reasonably consistent across the ten years. In 2018/19 there is level of service improvements relating to the sewage treatment and disposal development. In 2027/28 there is growth expenditure for the additional water supply. In the intermediate years, there is a mix of levels of service and growth expenditure relating to the sewage developments, smart water meters, water supply resilience, and the additional water supply.



Operating expenditure

Operating expenditure is forecast to increase from \$15.2 million to \$20.9 million over the next ten years, an increase of 38 percent, compared with the 26 percent BERL forecast for local government inflation over the same time period. The following chart shows the split between groups of activities.

The greatest operating expenditure over the next ten years is on roads and footpaths (\$41.4 million or 22 percent), followed by sewerage (\$31.2 million or 17 percent).



Rates

The purpose of local government is to enable democratic local decision-making and to meet its communities’ needs for services—now and in the future. These responsibilities often create conflicting views from the community and organisations on what the Council’s priorities should be and how much money is spent.

Affordability is a concern for most ratepayers, whilst many feel that the Council should be doing more to accommodate the needs of a changing community. While grappling with this balancing act, the Council has taken into account as far as practicable the requirements of the current community without compromising future generations.

Rates limit

The Council has a prudential policy to limit the increase in average rates in any one year to the increase in the BERL local government cost index plus 2 percent.

The following chart shows the projected rates during the Ten Year Plan (the blue bars) and the percentage increase (the green line) compared with the limit in rates increases (the red line). The spikes in 2018/19 reflect the major capital expenditure for wastewater.

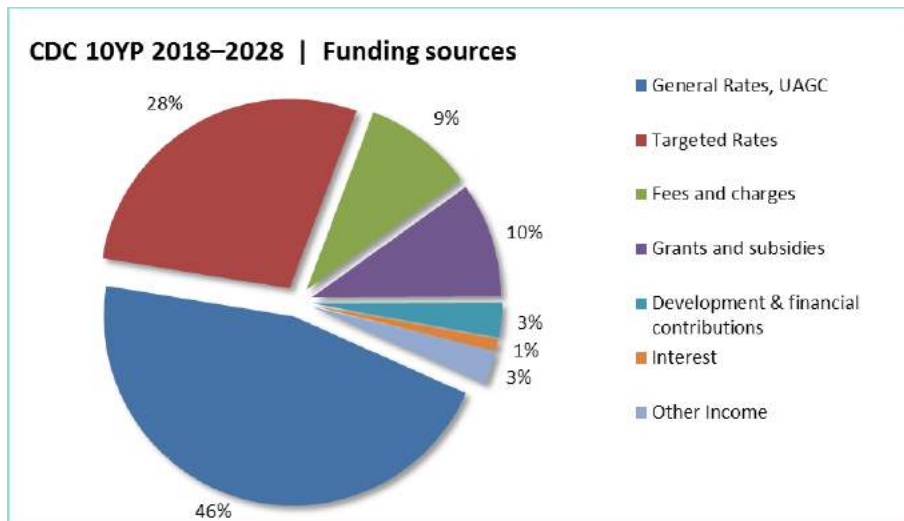
In the 2018/19 financial year, the Council proposes to collect \$12.8 million in rate revenue. This is an increase of \$1.5 million on the current financial year and equates to an increase of 9.4 percent in the average rates, after taking into account growth in the rating base.⁴⁸

Actual rates each year for individual properties will vary depending upon the targeted rates that are applicable, the differential rating category, and the valuation of each property. In 2018/19, most of the increased expenditure will impact on urban rates.

Other funding sources

The graph below shows how the Council will fund the services and projects it will deliver to the community over the next ten years. Currently, the Council draws about two-thirds of its operating revenue from rates because it does not have alternative revenue streams, such as significant financial investment funds or investments in corporate enterprises, and has taken a fairly low risk approach to borrowing.

⁴⁸ The average rates is the total forecast rates divided by the total number of forecast rateable properties.



Policies

The Council has a range of funding and financial policies that affect the Ten Year Plan. The full policies can be found in appendix A. No significant changes to the policies have been made.

Revenue and financing policy

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

The Council has reviewed its revenue and financing policy to meet requirements under the Local Government Act. Some minor changes have been made. More significant changes may be proposed after the rating review planned to start in 2018.

Investment policy

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

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

The Council has reviewed its investment policy and expanded the financial institutions at which it invests to include non-bank deposit-takers, with more detailed requirements about the institutions.

Remission of rates policy

The remission of rates policy specifies the circumstances under which rates will be considered for remission.

The Council has reviewed its remission of rates policy and has extended the period during which an application can be made for remission of penalties, and extended the relief available to owners of sub-divided rating units.

Significance and engagement policy

The significance and engagement policy explains how the Council will determine the degree of significance of particular issues, proposals, assets, decisions, and activities.

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



Financial information



Significant forecasting assumptions

General forecasting assumptions

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.

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 0.75 percent per annum from the June 2017 Estimated Resident Population (9,050) has been used. This is a total increase of 7.8 percent over the ten years.

The Statistics NZ prepares projections with low, medium, and high growth, and considers the medium projection to be the most suitable for assessing future population change.⁴⁹ The low and high projections allow users to assess the impact on population size and structure resulting from lower growth and higher growth scenarios, respectively, based on different fertility, mortality, and net migration scenarios. They advise that the projections should be used as an indication of the overall trend, rather than as exact forecasts.

Their medium series projects an average increase of 0.5 percent per annum or 5.1 percent over the ten years to 2028. Their high series projects an average increase of 1.0 percent per annum or 10.8 percent over the ten years to 2028.

The Council uses .id consultants to provide more detailed forecasts of the most likely population and housing outcome based on current information on supply and demand. The

forecasts by .id⁵⁰ show an average 1.1 percent per annum for 2018–2023 and 0.8 percent per annum for 2023–2028, an overall increase of 9.8 percent over the ten years.

Statistics NZ projects most of the increase will continue to be in the 65+ age group. This is most marked in their high series, increasing from 22 percent of the population to 31 percent in 2028. The forecasts by .id corroborate this trend.

Risk

Population growth across the District is at a significantly different rate (much faster or much slower) than assumed. The projections are highly sensitive to migration in and out of the District, and responses to external factors such as the neighbouring housing market and international migration, all of which is difficult to forecast.

The age distribution of the population is significantly different from that assumed, eg if there were a lesser increase in the younger age groups and an even greater increase in the older age groups. (and vice versa).

Level of uncertainty

Medium (short-term) and High (long-term)

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 demand for services and facilities would increase and could mean that they might need to be replaced or introduced earlier than planned, and expenditure will be higher than forecast.

Different age distributions place different demands on the kinds of services, and their quality and location. This is unlikely to be significant and would be managed by the Council reprioritising their spending.

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 5,500 by 2028, which is a growth of 12.7 percent over the ten years of the Plan. See table below.

⁴⁹ Statistics NZ. *Sub-national Population Projections: 2013(base)–2043*

⁵⁰ .id - the population experts. *Presentation of draft forecasts – February 2018*



Projected number of rateable properties as at 30 June										
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
4,840	4,898	4,957	5,016	5,077	5,137	5,199	5,261	5,325	5,389	5,453

Risk

Growth does not meet this assumption.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

The growth estimate reflects recent changes in rateable properties and takes into account ongoing development in the district. Should such growth not continue as forecast then some projects responding to demand will be deferred or 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.

Climate change

Human-induced climate change is real and occurring now. It is the biggest environmental challenge we face.^{51, 52, 53, 54}

Action to reduce climate change and its effects is required now, within the timeframe of this Plan, even though the more severe effects of climate change may not become apparent until a later period.

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.^{55,56}

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 to encourage reduced carbon emissions.⁵⁷ It plans to have a Zero Carbon Act in place by 2019, with zero net carbon emissions by 2050, and an independent Climate Change Commission. It requires local government to provide for ‘adaptation’ (dealing with the effects of climate change), such as managing the effect of weather extremes.^{58,59} The Greater Wellington Regional Council has adopted a Climate Change Strategy⁶⁰ for mitigation and 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.^{61,62} In Wairarapa that will include hotter temperatures, more severe drought, wind, and storm events, and changing weather patterns. Rising sea levels and associated storm surges are less likely to directly affect Carterton District than its neighbours. Internationally, successive IPCC reports have underestimated the rate and severity of change.

⁵¹ 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.

⁵² Parliamentary Commissioner for the Environment. 2014. Changing climate and rising seas: understanding the science.

⁵³ NZ Climate Change Centre summary of NZ findings, see http://www.nzclimatechange.org/sites/nzclimatechange.org/files/images/research/NZCCC%20Summary_IPCC%20AR5%20NZ%20Findings_April%202014%20WEB.pdf

⁵⁴ Royal Society, 2017. Human Health Impacts of Climate Change for New Zealand

⁵⁵ see for example reports and case studies of the international association ICLEI—Local Governments for Sustainability

⁵⁶ ICLEI 2015, Seoul Declaration

⁵⁷ Climate Change Response Act 2002

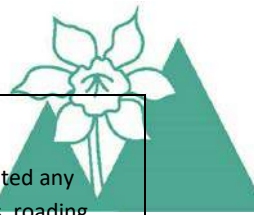
⁵⁸ Ministry for the Environment, 2008. Preparing for climate change: A guide for local government in New Zealand.

⁵⁹ Climate Change Adaptation Technical Working Group, 2017. Adapting to Climate Change in New Zealand

⁶⁰ Greater Wellington Regional Council, 2015. Climate Change Strategy: A strategy to guide the Wellington Regional Council’s climate change response.

⁶¹ NIWA’s scenarios report, www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios

⁶² NIWA, 2017. Climate change and variability—Wellington Region.



The impacts of climate change have been considered in each of the infrastructure asset management plans and in the infrastructure strategy. The Council will keep this subject under review as it will continue to be relevant for future 10YPs. It plans to assess its risk and capability to deal with significant adverse weather events.

Asset condition

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

Risk

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

Level of uncertainty

Low to moderate

Reasons and financial effect of uncertainty

Asset management plans are updated regularly following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. The asset inventories and condition ratings for roading infrastructure, which are the Council's most significant assets by a considerable margin, are stored and maintained in the RAMM database. It was audited by NZTA in 2016 and found to be adequately maintained.

NZTA subsidies

Subsidies from the NZTA have been assumed to continue at the approved rate of 53 percent.

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

Low. The next review point by government is in three years' time, before the next Ten Year Plan is prepared

Reasons and financial effect of uncertainty

In 2015, the Agency 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, 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. It has been assumed that applications for renewal of those expiring over the next ten years will be approved:

- The Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply expired in 2013. An application has been lodged to renew the consent. The consent for the supplementary bores expires in 2034.
- The consent for the discharge to air, land, and water in relation to the sewage treatment plant expires in 2053.
- Consents to take water for the water race network and to discharge back into a range of natural water courses expire in 2023.
- The district-wide comprehensive consent for discharges from the stormwater system expired in 2016.

Risk

GWRC will not approve the Council's application for new or renewed consents. Alternatively, it may place more restrictions on the activity sought, or require substantial monitoring or mitigation work. Consent conditions may also be affected by the current review of the Regional Council's Natural Resources Plan.

Level of uncertainty

Low. The Council has worked closely with the Regional Council to concurrently seek the renewal of resource consent and plan the development work at the sewage treatment facility and its associated irrigation. This has led to a strong, respectful relationship between the two councils. As a result, there is unlikely to any significant surprises.

Reasons and financial effect of uncertainty

Some increased costs for monitoring have already been included in the Plan, but these may be insufficient.



The future consent will likely restrict water take from the Kaipaitangata Stream during low flow/high demand periods, placing increased demand on bore water source and storage. During this Ten Year Plan, storage capacity will be increased at the main water treatment plant and at the supplementary facility. Council is also planning to locate and construct an alternative water source before the end of the ten year period.

Insurance

Insurance costs have varied significantly over recent years. The Council's broker has advised that the underlying adjustment by reinsurers to risk has levelled off, and increases are likely continue through the ten years of the 10YP in line with asset price level adjustments. Currently the Council has full cover for above ground assets, while infrastructural assets have limited cover provided by the Local Authority Protection Programme Disaster Fund (LAPP).

Risk

Reinsurance costs escalate beyond forecast budgets. Cover may not be available for certain assets or risks. LAPP may not be able to secure cover for the 40% balance not assured by central government. The central government has been considering removing the 40% it now covers.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

Financial forecasting assumptions

Interest rates

The range of interest rates on term debt is assumed to be 5.2 percent, in line with existing loan facilities and current long-term rates on offer, and allowing a slight increase in long-term

interest rates. To allow for anticipated timing of capital expenditure, only half a year's interest expenditure is provided for on new loans.

The interest rate on investments is calculated at 3.0 percent.

Risk

Interest rates differ from those used in the calculations.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

Higher interest rates than anticipated would increase the cost of borrowing and therefore the cost of loan-funded projects. This may make those capital projects and services less affordable. Overall, if the interest rates were 1% more than assumed this would add about \$60,000 to total expenditure in year 1 of the Plan through to \$200,000 in year 10.

Borrowing limits (expressed in terms of debt-to-assets and gross interest costs) are set out in the Liability Management Policy.

Revaluation of non-current assets

Revaluation assumptions have been included in the 10YP. These have been done following the Business and Economic Research Limited (BERL) forecasts of price level change adjusters.

Revaluation movements will be shown in the prospective financial statements in accordance with the revaluation policies of the 'Property, plant, and equipment', 'Revaluation', and 'Impairment' sections of the accounting policies.

Risk

Actual revaluation results differ from those in the forecast.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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



The 10YP for each subsequent year is reviewed by way of the annual plan round and a new 10YP is produced every three years.

Depreciation

Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost thereafter. The rates applied are listed in the 'Depreciation' section of the accounting policies. It is assumed that:

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

Risk

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

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

Development and financial contributions

The Council assesses financial contributions under the Resource Management Act 1991. These contributions are used to help fund new capital infrastructure, particularly in response to growth. The legislation has changed and financial contributions will cease in April 2021.

This Ten Year Plan assumes that financial contributions will be replaced by development contributions under the Local Government Act, at a similar level of revenue.

Risk

The Council will not receive the same level of development contributions as it was able to under financial contributions.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

Although development contributions are conceptually similar to financial contributions, the legislative changes also made the purposes for which they could be collected and applied more restrictive than they were previously. It is possible, therefore, that we may not be able to assess similar levels of contributions that that assumed in the Plan. It will become clearer as other councils adopt new contribution policies and are tested in court. Lower revenue from development contributions could mean funding growth-related capital expenditure by borrowing more, with associated increase in debt, financing expenses, and rates, or alternatively a reduction in levels of service.

Asset lives

Useful lives of assets are based on professional advice and experience captured in the asset management system. These are summarised in the depreciation note within the accounting policies.

Risk

Assets wear out earlier than estimated.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

Asset life is based on estimates of engineers, valuers, and asset managers. Capital projects can be brought forward in event of early expiration of assets (this would affect depreciation and interest, of which the amounts are unknown). Conversely, other assets may not need to be replaced until after the estimated useful life.

Sources of funds for future replacement of assets

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



- In accordance with its revenue and financing policy and its financial strategy, the Council has, over the term of the 10YP, set revenue levels sufficient to fully fund depreciation of its assets and loan repayments, with the exception of roading (where approximately 47 percent of depreciation is funded) and where assets are loan-funded.
- The funding for the replacement of any individual asset will be funded from the following sources:
 - from prior year credit depreciation reserve balances
 - from the current year’s cash arising from revenue funding of depreciation
 - infrastructure contributions under the development contributions or financial contributions policy
 - loan funding with a loan being the shorter of either a 20-year loan term or the life of the asset
 - special funds set aside for specific purposes identified by the Council.

Existing loan facilities are based on 20-year terms and mature every five years. It is assumed that these loans will be rolled by the bank on maturity for a further five years.

<p>Risk A planned funding source is unavailable.</p> <p>Level of uncertainty Low</p> <p>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. Local authorities have the power to rate, and that makes them attractive borrowers to private bankers and investors. The Council has the further ability to indirectly borrow through the Local Government Funding Agency. It is likely that alternative sources of borrowing than that planned would be at similar interest expense.</p>

Inflation

Expenditure for 2018/19 has been estimated based on 2017/18 estimated out-turn; personnel costs were increased by 2% and other operating costs (excluding interest, depreciation, and some other minor costs) were adjusted by the BERL⁶³ forecasts of price level change adjusters. Beyond this, inflation has been factored into the Plan using the BERL forecast changes as follows:

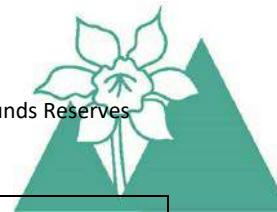
Year	Operating excluding Personnel	Capital	Personnel
2018/19	2.1%	2.1%	1.7%
2019/20	2.1%	2.2%	1.5%
2020/21	2.2%	2.2%	1.7%
2021/22	2.2%	2.2%	1.8%
2022/23	2.3%	2.4%	1.9%
2023/24	2.3%	2.3%	1.8%
2024/25	2.4%	2.5%	2.0%
2025/26	2.4%	2.4%	1.9%
2026/27	2.6%	2.7%	2.0%
2027/28	2.5%	2.7%	2.0%

Revenue has been estimated using the BERL adjuster for operating costs where an inflationary effect is anticipated. This excludes development and financial contributions (see separate assumption above), grants received for distribution, interest, and rates penalties.

Capital expenditure has been estimated using the BERL adjuster for capital costs.

<p>Risk That actual inflation differs to that predicted, on which decisions are made.</p> <p>Level of uncertainty Medium</p>
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⁶³ *Forecasts of Price Level Change Adjustors—2017 Update*: Note to Society of Local Government Managers, Business and Economic Research Limited, September 2017



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. Higher than forecast inflation would likely mean higher operating and capital costs and higher revenue; higher capital expenditure could mean greater borrowing; and there would be pressure on rates to increase to cover these costs.

Each subsequent year of the ten-year plan is reviewed by way of the Annual Plan round and a new ten-year plan is produced every three years.

Investments and return on investments

The Council's Special Funds Reserves will be retained in their present form throughout the term of the Plan. Additions and withdrawals from the Funds have been accounted for each

year through the Plan where identified and required. A return on the Special Funds Reserves investment of 3.0 percent has been assumed.

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 but unlikely to be significant.



Accounting policies

Reporting Entity

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

The Council is a separate legal entity and does not have any subsidiaries. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice

The financial forecasts of the Council comply with PBE standards.

The financial forecasts of the CDC are for the ten financial years from 1 July 2018 to 30 June 2028. The financial forecasts were authorised for issue by Council on XX June 2018.

Basis of Preparation

The prospective financial statements of the Carterton District Council have been prepared in accordance with the requirements of the Local Government Act 2002, section 93 and Part 1 of Schedule 10, and the information may not be appropriate for other purposes.

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

Statement of prospective financial information

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

Council does not intend to update the prospective financial statements subsequent to the final presentation of the Ten Year Plan. It will however update the prospective financial statements relating to the financial year being considered within each subsequent Annual Plan to this Ten Year Plan.

The Ten Year Plan is in full compliance with PBE FRS 42.

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

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

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

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



Changes in accounting policies

There have been no changes in accounting policies in the financial forecasts for the ten years from 2018/19 to 2027/28.

Significant Accounting Policies

Revenue

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

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

Revenue from exchange and non-exchange transactions

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

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

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

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

Rates revenue

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

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

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

Other revenue

Water billing revenue is recognised on an accrual basis and 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.



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

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

Interest income is exchange revenue and is recognised using the effective interest method.

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

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

Other gains and losses

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

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

Development and financial contributions

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

Borrowing costs

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

Grant expenditure

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

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

Income tax

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

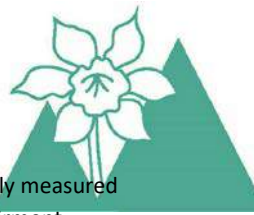
Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

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

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

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



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

Leases

Finance leases

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

Derivative financial instruments and hedge accounting

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

Other financial assets

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

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

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

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

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

Loans and receivables

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



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

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

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

Held to maturity investments

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

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

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

Fair value through other comprehensive income

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

Council has financial assets in this category:

- Investments that it intends to hold long-term but which may be realised before maturity

- Shareholdings that it holds for strategic purposes

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

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

Impairment of financial assets

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

Loans and other receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive income

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

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



If impairment evidence exists for the investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) 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 inventory is determined using the first-in first-out (FIFO) method.

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

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-

current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

Property, plant, and equipment

Property, plant, and equipment consists of:

Operational assets

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

Restricted assets

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

Infrastructure assets

Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Heritage assets

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

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



Revaluation

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

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

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

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

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

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

Subsequent costs

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

Disposals

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

Depreciation

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

Buildings	3 to 100 years	1.00–35.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Motor vehicles	10 years	10.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Office equipment	5 to 10 years	10.00–20.00%
Library collections	5 to 6 years	18.90%
Roads, bridges & footpaths*	8 to 65 years	1.60–12.00%
Water systems*	4 to 80 years	1.60–23.00%
Stormwater systems*	20 to 100 years	1.00–5.00%
Sewerage systems*	10 to 80 years	1.5–10.0%
Heritage assets	20 to 50 years	2.00–5.00%

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 2016, and the valuations for roads, streets and footpaths is effective as at 30 June 2017. 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 Ian Martin (BSc, BE (Hons), CPEng, CEng (UK), CWEM (UK), MIPENZ, MCIWEM), both of AECOM New Zealand, and the valuation is effective as at 30 June 2017.

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.

Easements

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

Amortisation

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

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

Computer software	5 years	20.00%
Resource consents	3–10 years	10.00–33.33%

Impairment of property, plant and equipment and intangible assets

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



impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Forestry assets

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

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

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

Investment property

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

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

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

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

Creditors and other payables

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

Borrowings

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

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



Employee entitlements

Short-term employee entitlements

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

These include salaries and wages accrued up to balance date, annual leave earned 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”.

Financial guarantee contracts

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

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

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



guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

Equity

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

- Public equity – accumulated funds
- Restricted reserves
- Other reserves – trust funds
- Asset revaluation reserves
- Fair value through other comprehensive income reserves

Restricted reserves

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

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

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

Council's objectives, policies, and processes for managing capital are described in note 29 of the 2017 Annual Report.

Asset revaluation reserves

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

Fair value through other comprehensive income reserves

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

Goods and services tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

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

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

Prospective statement of cash flows

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



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

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

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

Prospective significant activity statements

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

Critical accounting estimates and assumptions

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

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

Infrastructural assets

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

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is

particularly so for those assets that are not visible, for example stormwater, sewerage and water supply pipes that are underground.

This risk is 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.

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

Critical judgments in applying Council's accounting policies

There are no notable critical judgements exercised by management in applying the Council's accounting policies for the ten financial years ending 30 June 2019 to 30 June 2028.

Prospective total surplus/(deficit)

Council is projecting a surplus for the ten financial years ending 30 June 2019 to 30 June 2028.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE TEN YEARS ENDING 30 JUNE

Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	
Operating Revenue											
Rates	11,286,737	12,774,036	13,533,268	13,847,094	14,453,279	14,785,644	15,022,436	15,542,445	15,794,201	15,837,889	16,525,344
Rates penalties	25,000	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900
Finance revenue	73,924	138,544	147,225	156,553	174,325	190,338	202,604	219,325	230,848	247,960	264,791
Fees and charges	1,662,000	1,667,804	1,702,107	1,739,678	1,777,248	1,818,086	1,860,557	1,904,661	1,950,399	2,001,038	2,051,676
Recoveries	32,000	112,310	114,620	117,150	119,680	122,430	125,290	128,260	131,340	134,750	138,160
Commissions	48,000	49,008	50,016	51,120	52,224	53,424	54,672	55,968	57,312	58,800	60,288
NZTA subsidy	1,680,900	1,708,347	1,742,624	1,848,866	1,833,943	1,876,983	1,920,787	1,968,118	2,015,291	2,068,440	2,122,510
Petrol tax	62,500	63,813	65,125	66,563	68,000	69,563	71,188	72,875	74,625	76,563	78,500
Grants and subsidies	25,900	25,600	25,500	25,500	25,500	25,600	25,600	25,600	25,700	25,700	25,700
Rentals	149,599	146,473	149,485	152,785	156,084	159,671	163,401	167,274	171,291	175,739	180,186
Contributions	317,200	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800
Forestry harvest	-	-	-	-	-	-	-	-	-	-	-
Profit on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Assets vested in council	-	-	-	-	-	-	-	-	-	-	-
Share revaluation	-	-	-	-	-	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	37,500	41,657	42,515	43,454	44,393	45,414	46,476	47,579	48,722	49,988	51,254
Internal charges	-	-	-	-	-	-	-	-	-	-	-
Total operating income	15,401,260	17,382,291	18,227,186	18,703,463	19,359,377	19,801,853	20,147,711	20,786,805	21,154,430	21,331,565	22,153,109
Operating Expenditure											
Governance	709,195	827,775	931,531	843,903	862,508	991,912	898,364	918,604	1,057,887	959,974	982,429
Roads & footpaths	3,307,343	3,636,783	3,777,821	3,867,521	3,983,703	4,067,623	4,179,012	4,296,640	4,401,842	4,544,421	4,640,084
Water Supply	2,244,223	2,255,294	2,317,663	2,474,736	2,648,800	2,723,921	2,862,830	2,974,686	2,941,690	3,002,888	3,589,812
Sewerage	2,198,881	2,495,092	2,812,510	2,976,440	3,123,098	3,124,781	3,236,267	3,347,381	3,309,623	3,377,465	3,427,573
Stormwater	251,843	265,656	274,983	282,911	305,569	318,004	354,472	388,887	400,962	411,392	420,768
Waste management	778,723	971,092	1,002,399	1,018,392	1,052,444	1,073,576	1,089,934	1,115,718	1,141,320	1,169,796	1,197,066
Community support	4,001,781	4,065,455	4,194,268	4,218,504	4,339,894	4,400,358	4,366,271	4,488,359	4,559,670	4,445,829	4,403,795
Regulatory & planning	1,648,125	1,805,280	1,861,690	1,882,171	1,943,984	1,965,436	1,997,093	2,057,350	2,100,413	2,144,521	2,187,089
Bad debts	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Gifted assets	-	-	-	-	-	-	-	-	-	-	-
Revaluation losses	-	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	15,180,115	16,362,427	17,212,865	17,604,577	18,300,000	18,705,611	19,024,243	19,627,627	19,953,408	20,096,286	20,888,616
Operating Surplus/(deficit)		1,019,865	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
Revaluation gains	-	226,124	-	-	-	-	-	-	-	-	-
Fair value gain/(losses)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) before tax	221,145	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
Taxation expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	221,145	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
Note: Total expenditure includes -											
Personnel	3,738,480	3,967,388	4,094,344	4,165,757	4,241,137	4,320,485	4,399,833	4,487,115	4,574,398	4,665,648	4,760,865
Depreciation	4,081,638	4,213,894	4,493,707	4,619,407	4,945,682	4,876,869	4,961,009	5,215,442	5,139,987	5,084,401	5,312,507
Finance costs	573,300	606,078	740,885	802,036	856,168	898,596	965,332	991,145	951,118	911,950	1,119,878



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE TEN YEARS ENDING 30 JUNE

Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	
Surplus/(deficit) after tax	221,145	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
Increase/(decrease) in revaluation reserves	2,934,942	849,931	8,967,575	1,331,102	1,986,334	10,637,597	1,421,686	2,542,269	12,466,292	1,553,239	2,775,648
Financial assets at fair value through other comprehensive revenue and expense	1,000										
Total other comprehensive revenue and expense	2,935,942	849,931	8,967,575	1,331,102	1,986,334	10,637,597	1,421,686	2,542,269	12,466,292	1,553,239	2,775,648
Total comprehensive revenue and expense	3,157,087	2,095,919	9,981,896	2,429,987	3,045,710	11,733,839	2,545,154	3,701,447	13,667,314	2,788,518	4,040,140



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE TEN YEARS ENDING 30 JUNE

Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equity at start of year	170,470,541	196,242,891	206,224,787	208,654,774	211,700,484	223,434,323	225,979,477	229,680,924	243,348,238	246,136,756
Total comprehensive revenue and expense	3,157,087	2,095,919	9,981,896	2,429,987	3,045,710	11,733,839	2,545,154	3,701,447	13,667,314	2,788,518
Equity at end of year	173,627,629	196,242,891	206,224,787	208,654,774	211,700,484	223,434,323	225,979,477	229,680,924	243,348,238	246,136,756
Components of equity										
Retained earnings at start of year	112,377,136	113,242,721	114,676,683	115,557,795	115,684,904	115,080,696	114,387,735	113,994,997	113,341,420	113,174,876
Surplus/(deficit) after tax	221,145	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279
Transfers (to)/from revaluation reserves	-	-	-	-	-	-	-	-	-	-
Transfers (to)/from restricted/council created reserves	-	187,974	(133,209)	(971,777)	(1,663,584)	(1,789,203)	(1,516,206)	(1,812,755)	(1,367,566)	(1,491,555)
Retained earnings at end of year	112,598,281	114,676,683	115,557,795	115,684,904	115,080,696	114,387,735	113,994,997	113,341,420	113,174,876	112,918,600
Revaluation reserves at start of year	49,562,196	72,598,680	73,448,610	82,416,185	83,747,287	85,733,620	96,371,218	97,792,904	100,335,172	112,801,464
Transfers (to)/from Equity	1,000	-	-	-	-	-	-	-	-	-
Financial asset revaluation gains	2,934,942	849,931	8,967,575	1,331,102	1,986,334	10,637,597	1,421,686	2,542,269	12,466,292	1,553,239
Revaluation reserves at end of year	52,498,138	73,448,610	82,416,185	83,747,287	85,733,620	96,371,218	97,792,904	100,335,172	112,801,464	114,354,703
Restricted/council created reserves at start of year	8,531,209	2,426,596	2,911,930	3,201,313	3,512,246	4,104,643	4,638,400	5,047,283	5,604,629	5,988,740
Transfers (to)/from reserves	-	485,334	289,383	310,933	592,397	533,757	408,884	557,346	384,110	570,384
Transfers (to)/from other reserves	(6,135,303)	-	-	-	-	-	-	-	-	-
Restricted reserves at end of year	2,395,906	2,911,930	3,201,313	3,512,246	4,104,643	4,638,400	5,047,283	5,604,629	5,988,740	6,559,124
Other (Council created) reserves at start of year	6,135,303	5,878,975	5,205,667	5,049,494	5,710,337	6,781,525	8,036,971	9,144,293	10,399,702	11,383,158
Transfers (to)/from restricted/council created reserves	-	(673,307)	(156,174)	660,843	1,071,188	1,255,446	1,107,322	1,255,409	983,456	921,171
Other (Council created) reserves at end of year	6,135,303	5,205,667	5,049,494	5,710,337	6,781,525	8,036,971	9,144,293	10,399,702	11,383,158	12,304,329
Equity at end of year	173,627,629	196,242,891	206,224,787	208,654,774	211,700,484	223,434,323	225,979,477	229,680,924	243,348,238	246,136,756



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets											
Current assets											
Cash and cash equivalents	8,698,174	4,070,922	4,010,231	4,681,987	5,774,866	7,086,142	8,196,291	9,474,456	10,519,219	11,465,570	11,882,245
Investments	13,517	4,618,129	4,907,512	5,218,445	5,810,842	6,344,599	6,753,482	7,310,828	7,694,939	8,265,323	8,826,358
Debtors and other receivables	1,687,809	1,309,206	1,298,550	1,324,329	1,363,630	1,391,246	1,414,932	1,452,206	1,477,564	1,494,768	1,541,745
Inventory	-	-	-	-	-	-	-	-	-	-	-
Total current assets	10,399,500	9,998,258	10,216,293	11,224,762	12,949,337	14,821,986	16,364,705	18,237,491	19,691,722	21,225,660	22,250,348
Non-current assets											
Investments	50,399	51,208	51,208	51,208	51,208	51,208	51,208	51,208	51,208	51,208	51,208
Intangible assets	660,210	1,126,826	1,164,312	1,156,632	1,098,812	1,049,974	998,917	971,892	930,532	887,005	952,812
Investment property	-	-	-	-	-	-	-	-	-	-	-
Forestry assets	490,855	536,852	536,852	536,852	536,852	536,852	536,852	536,852	536,852	536,852	536,852
Property, plant and equipment	176,707,466	200,734,375	211,587,711	214,319,022	216,557,564	227,327,846	230,115,111	231,280,884	242,759,456	243,375,988	254,860,221
Total non-current assets	177,908,930	202,449,260	213,340,082	216,063,714	218,244,436	228,965,880	231,702,088	232,840,836	244,278,047	244,851,053	256,401,092
Total assets	188,308,430	212,447,518	223,556,375	227,288,475	231,193,773	243,787,866	248,066,793	251,078,326	263,969,769	266,076,713	278,651,441
Liabilities											
Current liabilities											
Creditors and other payables	1,871,521	1,613,250	1,684,156	1,712,581	1,764,901	1,839,172	1,856,510	1,906,558	1,983,140	2,015,037	2,070,378
Employee entitlements	257,373	338,471	350,085	356,021	362,334	369,024	375,685	383,126	390,539	398,325	406,485
Borrowings	442,826	737,927	793,013	859,728	915,595	1,021,117	1,119,536	1,185,531	1,257,224	1,462,503	1,654,569
Total current liabilities	2,571,720	2,689,648	2,827,255	2,928,330	3,042,830	3,229,313	3,351,731	3,475,215	3,630,903	3,875,865	4,131,433
Non-current liabilities											
Provisions	-	-	-	-	-	-	-	-	-	-	-
Employee entitlements	-	65,280	66,586	67,917	69,276	70,661	72,074	73,516	74,986	76,486	78,016
Borrowings	12,109,081	13,449,699	14,437,748	15,637,454	16,381,183	17,053,569	18,663,511	17,848,671	16,915,642	15,987,606	24,265,096
Total non-current liabilities	12,109,081	13,514,979	14,504,333	15,705,371	16,450,459	17,124,231	18,735,585	17,922,187	16,990,628	16,064,092	24,343,111
Equity											
Public equity	112,598,281	114,676,683	115,557,795	115,684,904	115,080,696	114,387,735	113,994,997	113,341,420	113,174,876	112,918,600	113,224,635
Restricted reserves	2,395,906	2,911,930	3,201,313	3,512,246	4,104,643	4,638,400	5,047,283	5,604,629	5,988,740	6,559,124	7,120,159
Revaluation reserves	52,498,138	73,448,610	82,416,185	83,747,287	85,733,620	96,371,218	97,792,904	100,335,172	112,801,464	114,354,703	117,130,351
Other reserves	6,135,303	5,205,667	5,049,494	5,710,337	6,781,525	8,036,971	9,144,293	10,399,702	11,383,158	12,304,329	12,701,751
Total equity	173,627,629	196,242,891	206,224,787	208,654,774	211,700,484	223,434,323	225,979,477	229,680,924	243,348,238	246,136,756	250,176,896
Total liabilities and equity	188,308,430	212,447,518	223,556,375	227,288,475	231,193,773	243,787,866	248,066,793	251,078,326	263,969,769	266,076,713	278,651,440



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASH FLOWS
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from Operating Activities											
Cash was received from:											
Receipts from rates revenue	11,311,737	12,713,345	13,498,155	13,832,580	14,425,244	14,770,273	15,011,485	15,518,396	15,782,557	15,835,868	16,493,550
Grants, subsidies and donations	1,706,800	1,733,947	1,768,124	1,874,366	1,859,443	1,902,583	1,946,387	1,993,718	2,040,991	2,094,140	2,148,210
Petrol tax	62,500	63,813	65,125	66,563	68,000	69,563	71,188	72,875	74,625	76,563	78,500
Finance revenue	73,924	138,544	147,225	156,553	174,325	190,338	202,604	219,325	230,848	247,960	264,791
Other revenue	2,127,941	2,730,235	2,719,213	2,707,621	2,753,065	2,801,480	2,852,361	2,905,218	2,960,050	3,019,830	3,081,080
	15,282,902	17,379,883	18,197,842	18,637,683	19,280,076	19,734,236	20,084,025	20,709,531	21,089,072	21,274,361	22,066,131
Cash was applied to:											
Payments to suppliers & employees	10,317,571	11,474,694	11,854,447	12,107,443	12,398,159	12,807,800	13,032,489	13,322,109	13,736,838	14,018,751	14,351,201
Finance expenditure	573,300	606,078	740,885	802,036	856,168	898,596	965,332	991,145	951,118	911,950	1,119,878
	10,890,871	12,080,772	12,595,331	12,909,479	13,254,327	13,706,396	13,997,821	14,313,254	14,687,956	14,930,701	15,471,079
Net cash flow from operating activities	4,392,031	5,299,111	5,602,511	5,728,205	6,025,749	6,027,840	6,086,204	6,396,277	6,401,116	6,343,660	6,595,053
Cash flows from Investing Activities											
Cash was received from:											
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Term investments, shares & advances	-	4,618,129	4,618,130	4,907,512	5,218,446	5,810,843	6,344,599	6,753,483	7,310,829	7,694,939	8,265,323
Forestry investment	-	-	-	-	-	-	-	-	-	-	-
	-	4,618,129	4,618,130	4,907,512	5,218,446	5,810,843	6,344,599	6,753,483	7,310,829	7,694,939	8,265,323
Cash was applied to:											
Purchase of property, plant and equipment	5,620,984	8,553,761	6,416,954	6,011,936	5,140,071	4,960,715	6,275,531	3,811,921	4,110,907	4,104,168	14,086,898
Term investments, shares & advances	-	4,618,130	4,907,512	5,218,446	5,810,843	6,344,599	6,753,483	7,310,829	7,694,939	8,265,323	8,826,358
Forestry investment	-	-	-	-	-	-	-	-	-	-	-
	5,620,984	13,171,891	11,324,467	11,230,382	10,950,914	11,305,314	13,029,014	11,122,750	11,805,846	12,369,491	22,913,257
Net cash flow from investing activities	(5,620,984)	(8,553,762)	(6,706,337)	(6,322,870)	(5,732,468)	(5,494,472)	(6,684,415)	(4,369,267)	(4,495,017)	(4,674,552)	(14,647,933)
Cash flows from Financing Activities											
Cash was received from:											
Proceeds from borrowings	2,160,000	4,740,149	1,781,062	2,059,434	1,659,325	1,693,503	2,729,477	370,691	324,195	534,467	9,932,059
	2,160,000	4,740,149	1,781,062	2,059,434	1,659,325	1,693,503	2,729,477	370,691	324,195	534,467	9,932,059
Cash was applied to:											
Repayment of borrowings	442,824	631,335	737,927	793,013	859,728	915,595	1,021,117	1,119,536	1,185,531	1,257,224	1,462,503
	442,824	631,335	737,927	793,013	859,728	915,595	1,021,117	1,119,536	1,185,531	1,257,224	1,462,503
Net cash flow from financing activities	1,717,176	4,108,814	1,043,135	1,266,421	799,597	777,908	1,708,360	(748,845)	(861,336)	(722,757)	8,469,556
Net increase/(decrease) in cash held	488,223	854,163	(60,691)	671,756	1,092,878	1,311,276	1,110,149	1,278,166	1,044,763	946,350	416,676
Add cash at start of year (1 July)	8,209,951	3,216,759	4,070,922	4,010,231	4,681,987	5,774,866	7,086,142	8,196,291	9,474,456	10,519,219	11,465,570
Balance at end of year (30 June)	8,698,174	4,070,922	4,010,231	4,681,987	5,774,866	7,086,142	8,196,291	9,474,456	10,519,219	11,465,570	11,882,245
Represented by:											
Cash and cash equivalents and bank overdrafts	8,698,174	4,070,922	4,010,231	4,681,987	5,774,866	7,086,142	8,196,291	9,474,456	10,519,219	11,465,570	11,882,245



CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Surplus/(deficit) after tax	221,146	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
Add/(Less) non cash expenses											
Revaluation (gains)/losses	-	(226,124)	-	-	-	-	-	-	-	-	-
Depreciation & amortisation funded	4,081,638	4,213,894	4,493,707	4,619,407	4,945,682	4,876,869	4,961,009	5,215,442	5,139,987	5,084,401	5,312,507
Bad debts	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Share revaluation	-	-	-	-	-	-	-	-	-	-	-
Gifted assets	-	-	-	-	-	-	-	-	-	-	-
Assets vesting in council	-	-	-	-	-	-	-	-	-	-	-
	4,121,638	4,027,770	4,533,707	4,659,407	4,985,682	4,916,869	5,001,009	5,255,442	5,179,987	5,124,401	5,352,507
Add/(Less) items classified as investing or financing activities											
(Gains)/losses on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses in fair value of forestry assets	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses in fair value of investment properties	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Plus/(less) movements in working capital											
(Increase)/decrease in inventories	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in debtors and other receivables	(118,358)	(2,408)	(29,344)	(65,779)	(79,300)	(67,616)	(63,686)	(77,274)	(65,358)	(57,204)	(86,977)
Increase/(decrease) in creditors and other payables	167,605	70,354	70,906	28,425	52,320	74,271	17,338	50,048	76,582	31,897	55,341
Increase/(decrease) in employee entitlements	-	(42,594)	12,920	7,268	7,671	8,075	8,075	8,883	8,883	9,286	9,690
Increase/(decrease) in provisions	-	-	-	-	-	-	-	-	-	-	-
	49,247	25,352	54,483	(30,087)	(19,310)	14,730	(38,273)	(18,343)	20,107	(16,021)	(21,947)
Net cashflow from operating activities	4,392,031	5,299,111	5,602,511	5,728,205	6,025,749	6,027,840	6,086,204	6,396,277	6,401,116	6,343,660	6,595,053



CARTERTON DISTRICT COUNCIL
FUNDING IMPACT STATEMENT
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Operating Funding											
Sources of operating funding											
General rates, UAGC and rates penalties	7,132,435	8,206,381	8,605,807	8,608,865	8,906,190	9,161,978	9,142,548	9,431,826	9,739,110	9,660,315	9,765,148
Targeted rates	4,179,302	4,637,556	4,997,362	5,308,129	5,616,989	5,693,566	5,949,789	6,180,519	6,124,991	6,247,474	6,830,096
Subsidies and grants for operational purposes	752,049	779,935	821,127	838,689	856,251	875,440	895,292	915,909	937,388	961,058	984,729
Fees and charges	1,662,000	1,947,312	1,987,366	2,031,234	2,075,102	2,122,784	2,172,374	2,223,871	2,277,275	2,336,402	2,395,528
Interest and dividends from investments	74,424	138,544	147,225	156,553	174,325	190,338	202,604	219,325	230,848	247,960	264,791
Local authorities fuel tax, fines, infringement fees and other	329,099	133,751	136,502	139,515	142,528	145,803	149,209	152,746	156,414	160,475	164,536
Total operating funding	14,129,309	15,843,479	16,695,389	17,082,986	17,771,385	18,189,909	18,511,816	19,124,196	19,466,026	19,613,683	20,404,827
Applications of operating funding											
Payments to staff and suppliers	10,525,176	11,270,204	11,706,023	11,910,885	12,225,900	12,657,896	12,825,652	13,148,790	13,590,053	13,827,685	14,183,981
Finance costs	573,300	606,078	740,885	802,036	856,168	898,596	965,332	991,145	951,118	911,950	1,119,878
Other operating funding applications	-	272,250	272,250	272,250	272,250	272,250	272,250	272,250	272,250	272,250	272,250
Total applications of operating funding	11,098,476	12,148,533	12,719,158	12,985,171	13,354,318	13,828,742	14,063,234	14,412,185	14,813,421	15,011,885	15,576,109
Surplus/(deficit) of operating funding	3,030,833	3,694,947	3,976,231	4,097,815	4,417,067	4,361,167	4,448,583	4,712,011	4,652,606	4,601,799	4,828,718
Capital Funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	954,751	954,012	946,997	1,035,677	1,003,192	1,027,143	1,051,095	1,077,809	1,103,603	1,133,082	1,163,481
Development and financial contributions	317,200	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800	584,800
Increase/(decrease) in debt	467,174	4,108,814	1,043,135	1,266,421	799,597	777,908	1,708,360	(748,845)	(861,336)	(722,757)	8,469,556
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total capital funding	1,739,125	5,647,626	2,574,932	2,886,898	2,387,589	2,389,851	3,344,254	913,765	827,068	995,124	10,217,838
Applications of capital funding											
Capital expenditure - meet additional demand	451,000	198,074	417,200	426,400	141,570	216,310	376,530	222,300	407,320	447,720	9,864,030
Capital expenditure - improve level of service	979,900	4,858,563	1,838,131	2,168,073	1,737,489	1,772,003	2,794,457	457,622	411,154	424,596	429,420
Capital expenditure - replace existing assets	4,190,084	3,497,124	4,161,623	3,417,463	3,261,013	2,972,403	3,104,543	3,131,999	3,292,433	3,231,852	3,793,448
Increase/(decrease) in reserves	(851,026)	788,811	134,209	972,777	1,664,584	1,790,303	1,517,306	1,813,855	1,368,766	1,492,755	959,657
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	4,769,958	9,342,572	6,551,163	6,984,713	6,804,656	6,751,018	7,792,837	5,625,776	5,479,673	5,596,923	15,046,555
Surplus/(deficit) of Capital Funding	(3,030,833)	(3,694,947)	(3,976,231)	(4,097,815)	(4,417,067)	(4,361,167)	(4,448,583)	(4,712,011)	(4,652,606)	(4,601,799)	(4,828,718)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



CARTERTON DISTRICT COUNCIL

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

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Surplus/(deficit) after tax per Statement of Financial Performance	221,146	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
add Proceeds from sale of assets not included in the FIS	-										
less Vested assets and interest on internal borrowing not included in the FIS	-										
Surplus/(deficit) before vested assets and internal interest	221,146	1,245,988	1,014,321	1,098,885	1,059,376	1,096,242	1,123,468	1,159,179	1,201,022	1,235,279	1,264,492
less Capital grants, subsidies and donations	(954,751)	(954,012)	(946,997)	(1,035,677)	(1,003,192)	(1,027,143)	(1,051,095)	(1,077,809)	(1,103,603)	(1,133,082)	(1,163,481)
less Development and financial contributions	(317,200)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)	(584,800)
less Gross proceeds from sale of assets	-										
Less Gain in asset revaluations	-	(226,124)	-	-	-	-	-	-	-	-	-
less Gain in fair value	-										
add loss on sale/gifting of assets	-										
add Depreciation not included in the FIS	4,081,638	4,213,894	4,493,707	4,619,407	4,945,682	4,876,869	4,961,009	5,215,442	5,139,987	5,084,401	5,312,507
Surplus/(deficit) of operating funding	3,030,833	3,694,947	3,976,231	4,097,815	4,417,067	4,361,167	4,448,583	4,712,011	4,652,606	4,601,799	4,828,718
Balance as per Council FIS surplus/(deficit) of funding	3,030,833	3,694,947	3,976,231	4,097,815	4,417,067	4,361,167	4,448,583	4,712,011	4,652,606	4,601,799	4,828,718

CARTERTON DISTRICT COUNCIL DEPRECIATION PER GROUP OF ACTIVITIES

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

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
ANNUAL DEPRECIATION EXPENSE											
Governance	2,178	3,379	3,719	3,329	4,616	4,720	3,489	3,623	3,572	2,849	2,765
Roads and footpaths	1,399,350	1,504,664	1,540,445	1,587,006	1,624,162	1,661,552	1,720,040	1,758,901	1,798,450	1,871,626	1,911,243
Water supply	700,378	547,387	556,152	650,507	728,037	729,681	795,377	834,300	767,624	788,420	1,094,527
Sewerage	787,801	701,922	849,718	921,666	978,652	916,873	981,187	1,027,450	963,633	997,659	1,034,150
Stormwater	122,861	126,882	132,669	138,162	143,820	151,853	167,144	181,451	191,235	199,244	207,499
Waste management	37,601	29,582	30,065	26,736	23,833	23,251	30,074	29,071	28,840	28,968	29,503
Community support	744,463	617,833	662,886	643,318	672,459	682,406	591,373	619,413	615,216	421,479	313,541
Regulatory and planning	32,615	39,771	49,272	51,062	56,706	54,173	56,592	61,313	63,052	64,537	76,592
Administration and support services	254,391	642,474	668,781	597,620	713,398	652,360	615,732	699,921	708,364	709,621	642,688
Total depreciation	4,081,638	4,213,894	4,493,707	4,619,407	4,945,682	4,876,869	4,961,009	5,215,442	5,139,987	5,084,401	5,312,507



Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 16 of the Local Government Act 2002 requires certain information to be included in the Ten Year Plan about these reserves. The Act defines reserve funds as ‘money set aside by a local authority for a specific purpose’. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity.

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



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Plant Purchase & Renewal Fund											
Opening Balance	1,629	1,660	1,710	1,810	1,910	2,010	2,110	2,210	2,310	2,410	2,510
Deposits	52	50	100	100	100	100	100	100	100	100	100
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,681	1,710	1,810	1,910	2,010	2,110	2,210	2,310	2,410	2,510	2,610
Recreation Reserve Levy Fund											
Opening Balance	473,775	487,606	683,914	877,304	1,097,947	1,325,192	1,554,677	1,772,102	2,019,547	2,274,393	2,531,818
Deposits	117,561	200,395	214,245	220,645	227,245	233,945	240,245	247,445	254,845	262,345	269,545
Withdrawals	-	(4,088)	(20,855)	(2)	-	(4,460)	(22,820)	-	-	(4,920)	(25,262)
Closing Balance	591,336	683,914	877,304	1,097,947	1,325,192	1,554,677	1,772,102	2,019,547	2,274,393	2,531,818	2,776,101
Roading Emergency Works Fund											
Opening Balance	242,579	248,627	258,377	266,177	274,177	282,377	290,877	299,577	308,577	317,877	327,377
Deposits	7,763	9,750	7,800	8,000	8,200	8,500	8,700	9,000	9,300	9,500	9,800
Withdrawals	(80,000)	-	-	-	-	-	-	-	-	-	-
Closing Balance	170,342	258,377	266,177	274,177	282,377	290,877	299,577	308,577	317,877	327,377	337,177
Rural Water Contingency Fund											
Opening Balance	59,007	60,327	62,027	63,927	65,827	67,827	69,827	71,927	74,127	76,327	78,627
Deposits	6,888	1,700	1,900	1,900	2,000	2,000	2,100	2,200	2,200	2,300	2,400
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	65,895	62,027	63,927	65,827	67,827	69,827	71,927	74,127	76,327	78,627	81,027
Waste Disposal Fund											
Opening Balance	87,189	89,252	119,640	153,316	188,636	225,700	264,564	305,356	348,104	392,936	440,036
Deposits	30,790	30,388	33,676	35,320	37,064	38,864	40,792	42,748	44,832	47,100	49,468
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	117,979	119,640	153,316	188,636	225,700	264,564	305,356	348,104	392,936	440,036	489,504
Creative NZ Fund											
Opening Balance	2,802	2,865	-	-	-	-	-	-	-	-	-
Deposits	90	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	(2,865)	-	-	-	-	-	-	-	-	-
Closing Balance	2,892	-	-	-	-	-	-	-	-	-	-



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

	Annual Plan 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
Sport New Zealand Rural Travel Fund											
Opening Balance	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-	-
Keep Carterton Beautiful Fund											
Opening Balance	5,324	5,403	5,578	5,778	5,978	6,178	6,378	6,578	6,778	6,978	7,178
Deposits	170	175	200	200	200	200	200	200	200	200	200
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	5,494	5,578	5,778	5,978	6,178	6,378	6,578	6,778	6,978	7,178	7,378
Water Race Resource Consent Fund											
Opening Balance	12,000	12,384	12,749	13,149	13,549	13,949	14,349	14,749	15,149	15,649	16,149
Deposits	12,384	365	400	400	400	400	400	400	500	500	500
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	24,384	12,749	13,149	13,549	13,949	14,349	14,749	15,149	15,649	16,149	16,649
Clareville Grave Maintenance Fund											
Opening Balance	2,542	2,523	2,598	2,698	2,798	2,898	2,998	3,098	3,198	3,298	3,398
Deposits	81	75	100	100	100	100	100	100	100	100	100
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,623	2,598	2,698	2,798	2,898	2,998	3,098	3,198	3,298	3,398	3,498
Memorial Square Trust Fund											
Opening Balance	7,600	7,745	8,020	8,220	8,420	8,720	9,020	9,320	9,620	9,920	10,220
Deposits	243	275	200	200	300	300	300	300	300	300	300
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	7,843	8,020	8,220	8,420	8,720	9,020	9,320	9,620	9,920	10,220	10,520
WWII Memorial Trust Fund											
Opening Balance	64,032	66,141	67,141	68,141	69,141	70,141	71,141	72,141	73,141	74,141	75,141
Deposits	2,049	3,100	3,000	3,000	3,000	3,100	3,100	3,100	3,200	3,200	3,200
Withdrawals	-	(2,100)	(2,000)	(2,000)	(2,000)	(2,100)	(2,100)	(2,100)	(2,200)	(2,200)	(2,200)
Closing Balance	66,081	67,141	68,141	69,141	70,141	71,141	72,141	73,141	74,141	75,141	76,141



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

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Longbush Domain Board Fund											
Opening Balance	3,095	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100
Deposits	-	100	100	100	100	100	100	100	100	100	100
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	3,095	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200
West Taratahi Hall Board											
Opening Balance	25,398	30,939	31,889	32,889	33,889	34,889	35,889	36,989	38,089	39,189	40,389
Deposits	-	950	1,000	1,000	1,000	1,000	1,100	1,100	1,100	1,200	1,200
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	25,398	31,889	32,889	33,889	34,889	35,889	36,989	38,089	39,189	40,389	41,589
Election Contingency Fund											
Opening Balance	9,911	37,244	38,394	39,594	40,794	41,994	43,294	44,594	45,894	47,294	48,694
Deposits	317	1,150	1,200	1,200	1,200	1,300	1,300	1,300	1,400	1,400	1,500
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	10,228	38,394	39,594	40,794	41,994	43,294	44,594	45,894	47,294	48,694	50,194
Workshop Depot Upgrade Fund											
Opening Balance	23,524	23,973	24,723	25,423	26,223	27,023	27,823	28,623	29,523	30,423	31,323
Deposits	753	750	700	800	800	800	800	900	900	900	900
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	24,277	24,723	25,423	26,223	27,023	27,823	28,623	29,523	30,423	31,323	32,223
Combined District Plan Fund											
Opening Balance	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-	-
Roading Contribution Fund											
Opening Balance	442,001	444,225	652,367	866,215	1,086,457	1,313,404	1,547,154	1,787,898	2,035,843	2,291,191	2,554,236
Deposits	115,544	208,145	213,845	220,245	226,945	233,745	240,745	247,945	255,345	263,045	270,945
Withdrawals	(300,000)	(3)	3	(3)	1	5	(1)	(0)	2	0	(3)
Closing Balance	257,545	652,367	866,215	1,086,457	1,313,404	1,547,154	1,787,898	2,035,843	2,291,191	2,554,236	2,825,178



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

	Annual Plan 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure Contributions Reserve Fund											
Opening Balance	692,314	712,693	743,955	571,823	385,452	464,893	474,350	361,472	357,080	161,966	139,879
Deposits	135,554	225,260	224,210	218,710	221,010	221,310	218,010	217,910	212,210	211,610	210,710
Withdrawals	-	(193,998)	(396,341)	(405,081)	(141,569)	(211,853)	(330,887)	(222,302)	(407,324)	(233,696)	(239,968)
Closing Balance	827,868	743,955	571,823	385,452	464,893	474,350	361,472	357,080	161,966	139,879	110,621
Waingawa Infrastructure Contributions Reserve Fund											
Opening Balance	146,145	149,524	154,024	158,624	163,424	168,324	173,324	178,524	183,924	189,424	195,124
Deposits	4,677	4,500	4,600	4,800	4,900	5,000	5,200	5,400	5,500	5,700	5,900
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	150,822	154,024	158,624	163,424	168,324	173,324	178,524	183,924	189,424	195,124	201,024
Belvedere Hall Fund											
Opening Balance	1,180	1,832	1,892	1,992	2,092	2,192	2,292	2,392	2,492	2,592	2,692
Deposits	-	60	100	100	100	100	100	100	100	100	100
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,180	1,892	1,992	2,092	2,192	2,292	2,392	2,492	2,592	2,692	2,792
Waingawa Industrial Zone Services Deficit Fund											
Opening Balance	37,737	38,432	39,632	40,832	42,032	43,332	44,632	45,932	47,332	48,732	50,232
Deposits	1,208	1,200	1,200	1,200	1,300	1,300	1,300	1,400	1,400	1,500	1,500
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	38,945	39,632	40,832	42,032	43,332	44,632	45,932	47,332	48,732	50,232	51,732
Special Funds Reserves - Summary											
Opening Balance	2,339,782	2,426,596	2,911,930	3,201,313	3,512,246	4,104,643	4,638,400	5,047,283	5,604,629	5,988,740	6,559,124
Deposits	436,124	688,388	708,576	718,020	735,964	752,164	764,692	781,748	793,632	811,200	828,468
Withdrawals	(380,000)	(203,054)	(419,193)	(407,087)	(143,567)	(218,407)	(355,808)	(224,402)	(409,522)	(240,816)	(267,433)
Closing Balance	2,395,906	2,911,930	3,201,313	3,512,246	4,104,643	4,638,400	5,047,283	5,604,629	5,988,740	6,559,124	7,120,159



Funding impact statement

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

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

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

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

Rating system

Introduction

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

A funding impact statement table is presented on page 110, which identifies:

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

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

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

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

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

General rates

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

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

General rates—differential factor	
Residential	1.0
Commercial	2.0
Rural	0.8

where—

- Residential means
 - all rating units used primarily for residential purposes within the residential zone of the Carterton District as depicted in the District Plan
 - all rating units located in the commercial and industrial zones of Carterton District, as depicted in the District Plan, that are used primarily for residential purposes
 - 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.

Urban sewerage rate

The Council proposes to set a differential targeted rate for the Council's urban sewerage and treatment and disposal of sewage services of a fixed amount per separately used or inhabited

part of a rating unit in relation to all land in the district to which the Council's 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 (pan charge) 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 separately used or inhabited part of 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:

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



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

Stormwater rate

The Council proposes to set a stormwater rate on all rating units within the urban area and is calculated on land value. For the purposes of this rate the 'urban area' includes rating units:

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

Refuse collection and kerbside recycling rate

The Council proposes to set a refuse collection and kerbside recycling rate for kerbside refuse and recycling collection on every separately used or inhabited part of a rating unit to which the Council's collection service is provided or available.

Urban water rate

The Council proposes to charge a targeted urban water rate of a fixed amount on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Council's urban water supply system.

Additionally, the Council proposes to charge a targeted metered water rate per cubic metre of water supplied, as measured by meter, for water consumed over 225 cubic metres per year. This rate will be invoiced separately from land rates.

The Council proposes to charge a targeted urban water rate of a fixed amount per separately used or inhabited part of a rating unit for rating units that are not yet connected but are able to be connected to the urban water supply.

For the purposes of this rate:

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

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

Rural water race rate

Carterton Water Race Systems

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

- Class A land area 200 metres either side of the centreline of the water race
- Class B land area from 200 to 500 metres either side of the centreline of the water race
- Class C land area able to be irrigated from water drawn from natural watercourses fed from the Carrington Water Race System, calculated from conditions of the applicable resource consent.

Additionally, the Council proposes to set a rural water services rate on every rating unit situated in both the Carrington and Taratahi Water Race Classified Areas for provision of the service. The amount is a rate per rating unit. For the purposes of this rate 'provision of the service' means the provision of water for stock or domestic use, including where:

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

Waingawa water rate

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

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

For the purposes of this rate:

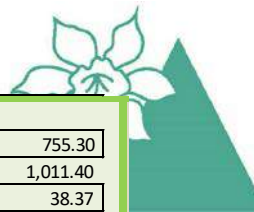
- 'connected' means a rating unit to which water is supplied.

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		capital value	land value	water over allowance	rates total	rates %	rates \$
rating category	features	\$	\$	cubic metres	\$	increase	increase
Residential	low value	238,000	102,000	-	\$3,043.72	10.3%	\$ 285.23
Residential	medium value	388,000	150,000	15	\$3,464.41	10.4%	\$ 327.63
Residential	high value	478,000	163,000	50	\$3,745.69	10.3%	\$ 350.60
Commercial	2 toilets	471,000	261,000	100	\$5,615.40	0.4%	\$ 23.59
Commercial - rural	water and sewerage connected	179,000	na	-	\$3,854.77	6.8%	\$ 246.32
Rural 1	no water race	4,018,000	na	na	\$8,654.36	4.3%	\$ 356.36
Rural 2	no water race	1,674,000	na	na	\$4,195.65	4.8%	\$ 193.84
Rural - single water race	8 hectares serviced by Carrington water race	700,000	na	na	\$2,760.46	7.2%	\$ 185.95
Rural - single water race	17 hectares serviced by Taratahi water race	1,116,000	na	na	\$3,760.69	4.5%	\$ 160.90



Residential		multiplier	GST inclusive
General-residential	Capital value	238,000 x 0.0021098 =	502.13
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	238,000 x 0.0002144 =	51.02
Urban sewerage			712.20
Stormwater	Land value	102,000 x 0.0009702 =	98.96
Refuse collection and kerbside recycling			42.72
Urban water-connection			625.30
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			3,043.72

Residential		multiplier	GST inclusive
General-residential	Capital value	388,000 x 0.0021098 =	818.59
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	388,000 x 0.0002144 =	83.17
Urban sewerage			712.20
Stormwater	Land value	150,000 x 0.0009702 =	145.52
Refuse collection and kerbside recycling			42.72
Urban water-connection			625.30
Metered water	Cubic metres over 225	15 x \$1.70 =	25.50
Total			3,464.41

Residential		multiplier	GST inclusive
General-residential	Capital value	478,000 x 0.0021098 =	1,008.47
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	478,000 x 0.0002144 =	102.46
Urban sewerage			712.20
Stormwater	Land value	163,000 x 0.0009702 =	158.14
Refuse collection and kerbside recycling			42.72
Urban water-connection			625.30
Metered water	Cubic metres over 225	50 x \$1.70 =	85.00
Total			3,745.69

Commercial		multiplier	GST inclusive
General-commercial	Capital value	471,000 x 0.0042196 =	1,987.41
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	471,000 x 0.0002144 =	100.96
Urban sewerage	No. pans	2 x \$712.20 =	1,424.40
Stormwater	Land value	261,000 x 0.0009702 =	253.21
Refuse collection and kerbside recycling			42.72
Urban water-connection			625.30
Metered water	Cubic metres over 225	100 x \$1.70 =	170.00
Total			5,615.40

Commercial - rural		multiplier	GST inclusive
General-commercial	Capital value	179,000 x 0.0042196 =	755.30
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	179,000 x 0.0002144 =	38.37
Urban sewerage	No. pans	2 x \$712.20 =	1,424.40
Stormwater	Land value	N/A rural x 0.0009702 =	-
Refuse collection and kerbside recycling			N/A rural
Urban water-connection			625.30
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			3,854.77

Rural 1		multiplier	GST inclusive
General-rural	Capital value	4,018,000 x 0.0016878 =	6,781.67
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	4,018,000 x 0.0002144 =	861.29
Total			8,654.36

Rural 2		multiplier	GST inclusive
General-rural	Capital value	1,674,000 x 0.0016878 =	2,825.41
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	1,674,000 x 0.0002144 =	358.84
Total			4,195.65

Rural - with water race 1		multiplier	GST inclusive
General-rural	Capital value	1,116,000 x 0.0016878 =	1,883.61
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	1,116,000 x 0.0002144 =	239.22
Total			3,134.23

Single water race		multiplier	GST inclusive
Class A	Hectares	1 x \$234.01 =	234.01
Class B	Hectares	15.0000 x \$25.39160 =	380.87
Class C	Hectares	2.0000 x \$5.78190 =	11.56
		- x \$134.54639 =	-
Total			3,760.69

Rural - with water race 2		multiplier	GST inclusive
General-rural	Capital value	700,000 x 0.0016878 =	1,181.48
Uniform Annual General Charge			1,011.40
Regulatory and planning services	Capital value	700,000 x 0.0002144 =	150.05
Total			2,342.93

Single water race		multiplier	GST inclusive
Class A	Hectares	1 x \$234.01 =	234.01
Class B	Hectares	7.0000 x \$25.39160 =	177.74
Class C	Hectares	1.0000 x \$5.78190 =	5.78
		- x \$134.54639 =	-
Total			2,760.46



Rates and charges 2018/19

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

	GST inclusive 2018/19	Rates required \$ incl GST
General rates—capital value		
Residential	0.21098 cents in the \$	\$1,746,123
Commercial	0.42196 cents in the \$	\$391,180
Rural	0.16878 cents in the \$	\$2,984,405
Uniform Annual General Charge	\$1,011.40	\$4,228,670
Regulatory and planning services—capital value	0.02144 cents in the \$	\$577,802
Urban sewerage		
Connected	\$712.20	\$1,851,006
Able to be connected (half charge)	\$356.10	\$37,034
Pan charge	\$712.20	\$96,859
Waingawa sewerage—capital value		
Connected	\$272.81	\$4,135
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.35802 cents in the \$	\$67,276
Connected or able to be connected residential properties in the Waingawa industrial zone	0.17901 cents in the \$	-

	GST inclusive	Rates required \$ incl GST
Stormwater—land value	0.09702 cents in the \$	\$286,214
Refuse collection and kerbside recycling	\$42.72	\$105,635
Urban water		
Connected	\$625.30	\$1,656,430
Able to be connected	\$312.65	\$31,578
Metered water in excess of 225 cubic metres	\$ 1.70/cubic metre	\$61,260
Rural water rate		
Rural water services rate	\$234.01	\$117,942
Class A	\$ 25.3916 per ha	\$201,128
Class B	\$ 5.7819 per ha	\$20,369
Class C	\$ 134.54639 per ha	\$64,986
Waingawa water		
Connected	\$136.54	\$9,315
Metered water	\$ 2.73/cubic metre	\$117,415



Financial prudence disclosure statement

What is the purpose of this statement?

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

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

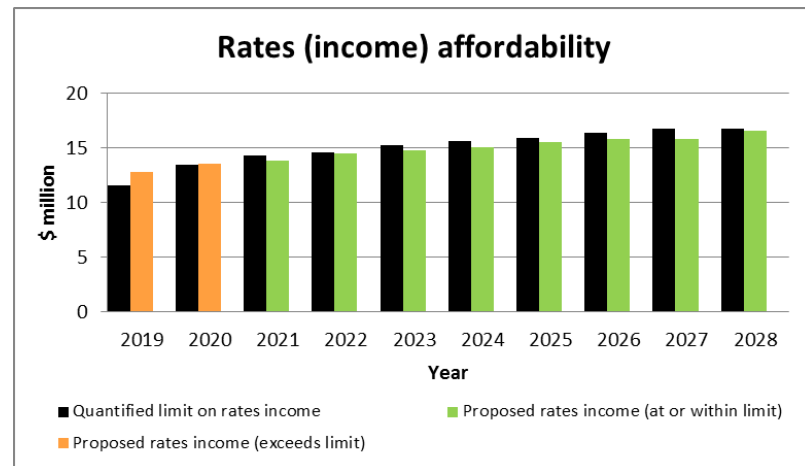
Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

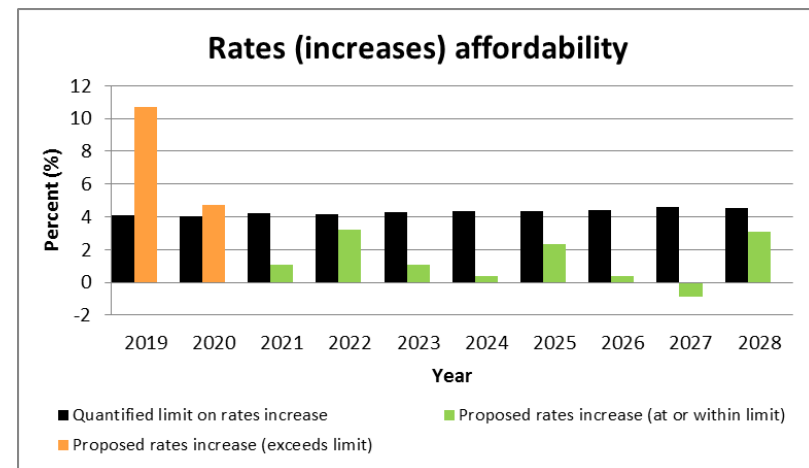
A graph is required that compares the council's planned rates with the quantified limit on rates contained in the financial strategy included in this long-term plan. The financial strategy does not contain a quantified limit.



However, for the purposes of compliance with the regulations, a rates (income) affordability graph is presented based on applying the percentage limits cumulatively to the 2017/18 Annual Plan rates and adjusted for the change in the number of forecast rating units.

Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is the percentage change in average rates⁶⁴ must not exceed the increase in the BERL local government cost index plus 2 percent.



Debt affordability benchmark

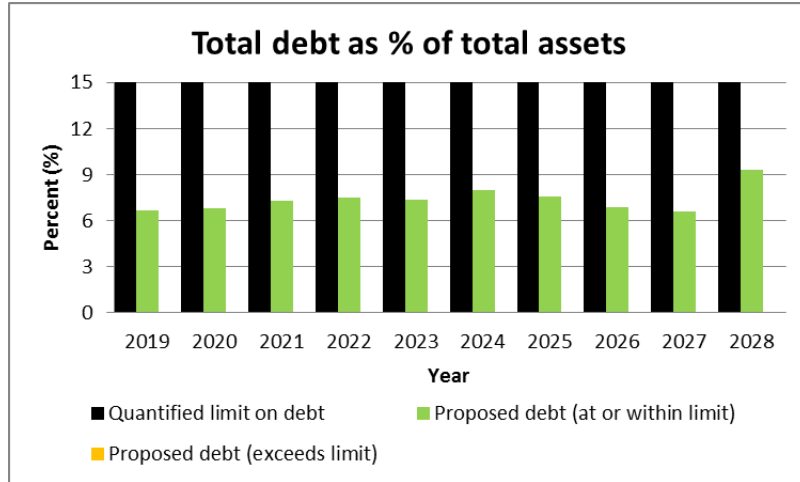
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that total debt as a percentage of total assets must not exceed 15 percent.

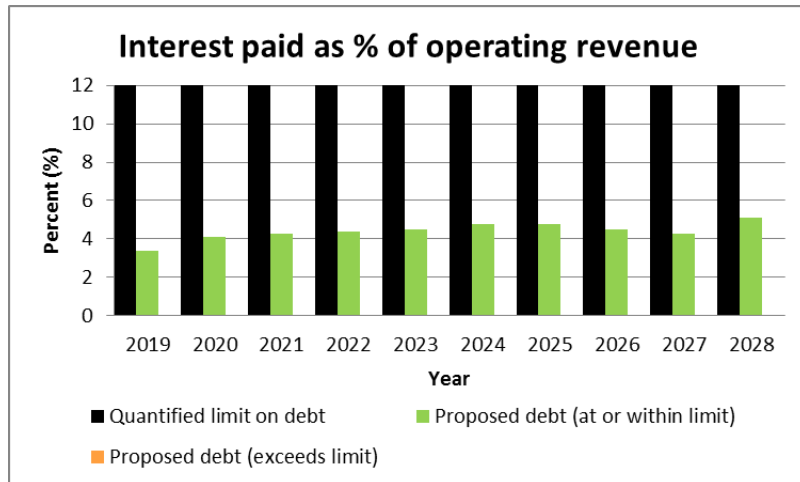
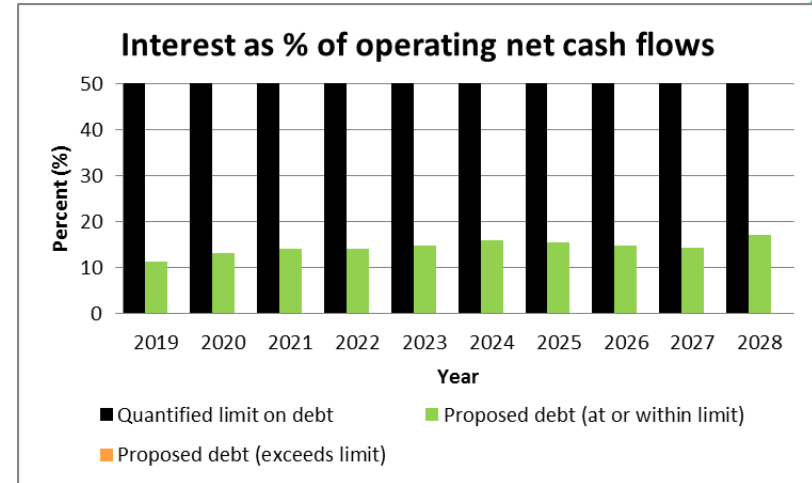
⁶⁴ The average rates is the total rates income divided by the total number of forecast rateable properties.



gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that gross interest paid on term debt must not exceed 12 percent of gross operating revenue.

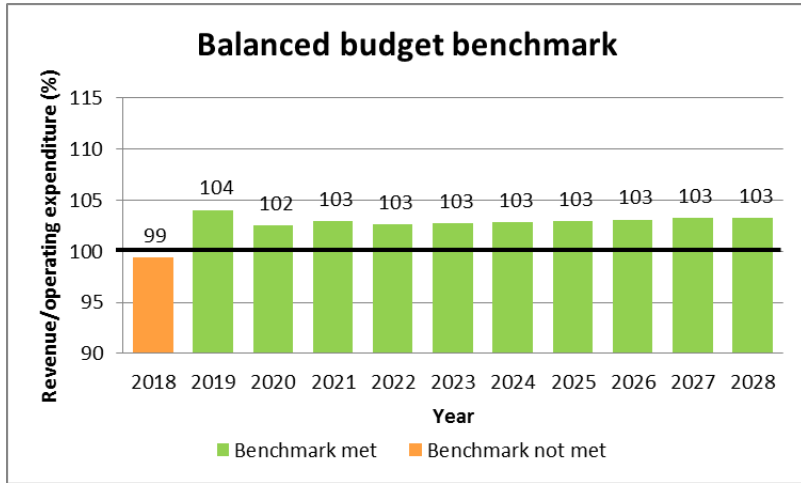


The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that

Balanced budget benchmark

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

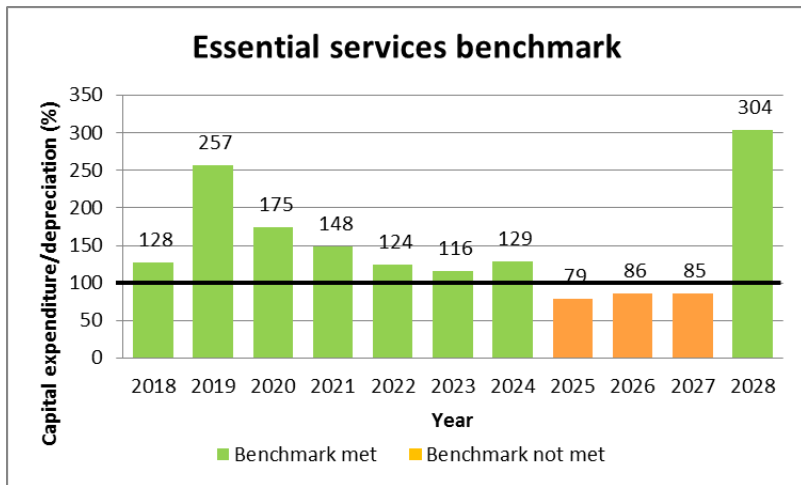
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

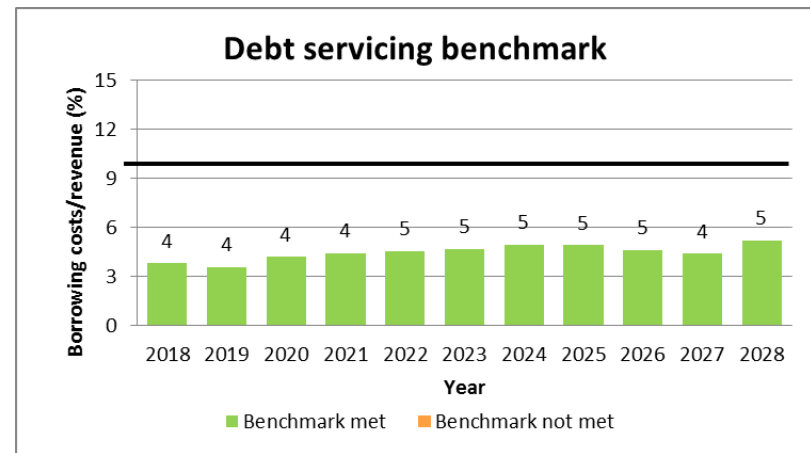
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its revenue.





The consultation document for the Ten Year Plan includes an independent auditor's report from the auditors, Audit New Zealand.

The final adopted Ten Year Plan will also include an audit report.



Appendix A

Funding and financial policies



Introduction to funding and financial policies

The Council has a number of funding and financial policies that affect the Plan. These policies are required by the Local Government Act 2002.

Revenue and financing policy

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

Investment policy

The investment policy sets out the Council's policy in respect to investments. It includes the Council's general objectives of holding investments and for holding equity. The Council gives preference to conservative investment policies and avoids speculative investments. The Council accepts that lower risk generally means lower returns on investment.

Liability management policy

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

Development contributions or financial contributions policy

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

Remission and postponement of rates policies

These policies provide for those circumstances where there is legitimate case for some rates to be reduced, or for the payment to be deferred, and include a specific policy on the remission and postponement of rates on Māori freehold land that is not alienated by commercial activity.

Significance and engagement policy

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

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

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



Revenue and financing policy

Introduction

This revenue and financing policy summarises the funding of activities undertaken by the Council, with a view to achieving the fairest funding mix for the community as a whole. Section 103 of the Local Government Act 2002 ('the Act') requires a local authority to have a revenue and financing policy that demonstrates how operating expenditure and capital expenditure are funded.

Legislative requirements

Section 103 of the Act requires the Council to:

- state the Council's policies in respect of funding operating expenses
- state the Council's policies in respect of funding capital expenditure
- state the Council's policy for general rates, including the choice of valuation system, and the use of differentials and uniform annual general charges
- show how the funding mechanisms chosen comply with section 101(3) of the Act.

Section 101 of the Act requires the Council to:

- manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community
- make adequate and effective provision in its LTP and in its annual plan to meet the expenditure needs identified in the LTP and annual plan
- meet its funding needs from those sources that it determines to be appropriate, following consideration of the:
 - community outcomes to which the activity primarily contributes
 - distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
 - period in or over which those benefits are expected to occur
 - extent to which the action or inaction of particular individuals or a group contributes to the need to undertake the activity
 - costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

- overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

How the Council decides to fund its activities

Councils are required to have a revenue and financing policy to show who pays for the services it provides, and why. The principles relating to this are outlined above. When determining how to fund an activity the council considers, among other things, who benefits from the activity. This is done by considering the private and public benefits of an activity.

Private benefits

Some services are provided to distinct groups of properties within the service or contract areas. The prominent services under this heading are:

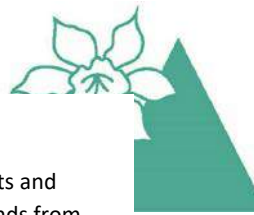
- sewerage and the treatment and disposal of sewage
- stormwater drainage
- waste management
- water supply.

The costs of these services are generally shared among the ratepayers who either have access to or use these services. These are called private benefits.

Public benefits

More difficult to determine are the beneficiaries of other Council services such as:

- cemeteries
- governance (the cost of running the Council and its committees)
- social and economic development
- Events Centre
- parks and reserves
- public toilets
- roads and footpaths.



Control of negative effects

The Council may incur expenditure to protect the community from actual or potential problems. Wherever possible the cost of this will be passed on to those persons who cause the negative effect. Dog control and noise control are examples where the Council will endeavour to pass on expenditure through fines and penalties.

Funding of operating expenditure

The funding for operating expenditure will come from the following sources:

General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general district-wide benefit to providing the service. The general rate is to be based on the capital value of each rating unit in the District, and will be set on a differential basis over three rating categories—residential, commercial, and rural.

Uniform Annual General Charge (UAGC)

A UAGC is a rate of a uniform amount assessed on each rating unit. The Council endeavours to use the UAGC for services that have a roughly equal value of public benefit to each ratepayer.

Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service, eg water and wastewater services.

Fees and charges

Where the Council has deemed there is a direct or partial benefit to the end user, eg building control and resource consents. For activities where enforcement action is necessary the 'exacerbator pays' principle applies where practicable.

Other sources

There are other sources of funding for operating expenditure. These include grants and subsidies, the majority of which are from the NZTA, as well as interest and dividends from investments, proceeds from the sale of assets, and donations.

Section 100 of the Act requires that the Council set operating revenue at such a level as to meet the year's operating expenditure. The Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses from the immediately preceding year or subsequent years. An operating deficit will only be budgeted for when it is beneficial to avoid significant fluctuations in rates, fees or charges.

Funding of capital expenditure

Capital expenditure relates to the purchase of new assets, the replacement and renewal of existing assets, and the repayment of loan principal.

The funding for capital expenditure will generally come from depreciation reserves, subdivision financial contributions, borrowing, or a combination. Targeted rates may also fund some of the loan principal repayments for community support, water supply, stormwater drainage, sewerage and the treatment and disposal of sewage, waste management, and regulatory and planning services.

One of the considerations in relation to the funding of activities is 'the period in or over which the benefits are expected to occur' [Section 101(3)(a)(iii)]. The principle is that if the Council provides a new asset or renews an existing asset (such as a new sewerage treatment system) the cost of providing that asset should be spread over its life, so that all who benefit from it pay for its cost. This is described as 'inter-generational equity'. This is achieved by borrowing for the cost of the asset and repaying the loan over the life of the asset, thus spreading the capital cost over the life of the asset.

Borrowing is managed within the framework specified in the liability management policy.

The Council's overall borrowing requirement is reduced to the extent that other funds are available to fund capital expenditure. Such other funds include:

- Council special fund reserves
- development contributions and financial contributions under the Resource Management Act 1991 (criteria are set out in the Wairarapa District Plan)



- annual revenue collected to cover depreciation charges
- proceeds from the sale of assets
- grants and subsidies
- donations.

Groups of activities

The following sections outline the Council's revenue and financing policy for each group of activities of the Council's operations:

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

Governance

Description

- Reflects the cost of democracy associated with elected members and meetings including the cost of administration services to elected members and meetings.
- The function includes election and operating costs of the Council, standing committees and advisory groups. The costs include the holding of regular meetings and the preparation and consideration of reports for policy development, resource allocation and performance monitoring. Also the costs of general services provided for the public benefit including records preservation and costs associated with representing the interests of residents and ratepayers.

Distribution of Benefits

- Benefits the district as a whole.

Funding Mechanism

- 100 percent Uniform Annual General Charge

Community support

Description

Community development

- Promotion of economic growth and tourism potential in the district.
- Provision of funds to actively promote health, cultural and community development initiatives in the Carterton district.

Parks and reserves

- Active promotion of the use of recreational facilities by providing parks and reserves for community use.
- Management of the Kaipaitangata forest and of miscellaneous small roadside blocks in the Admiral/Clifton Grove area.

Community amenities

- A multi-purpose Events Centre that is vibrant, welcoming, and the heart of the community for cultural and social services.
- An efficient and effective library service that will meet the recreational, educational and information needs of the residents of Carterton.
- A cemetery that meets the needs of the people of the district and maintains the dignity of a last resting place.
- An outdoor swimming complex during the summer months to meet the recreational needs of the general public.
- Clean and tidy public toilets for the general public.
- A clean and tidy holiday park to attract visitors to the district.



Distribution of benefits

Community development

- Benefits to the district are related to the economic, social and cultural well-being of the community.
- Benefits the district as a whole.

Parks and reserves

- Benefits to the district are related to the recreational and aesthetic value of having attractive open spaces available for residents and visitors to the district.
- Proceeds from the sale of timber after costs of replanting and loan repayments will be used for any other purpose as resolved by the Council for the benefit of the district as a whole.

Community amenities

- Benefits to the district are related to the health of the district's community and the general welfare of the community.

Funding mechanisms for operating expenditure

Community development

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 100 percent Uniform Annual General Charge

Parks and reserves

After taking into account income received the balance of funding required for this activity is funded as follows:

- 70 percent Uniform Annual General Charge
- 30 percent General Rates

If overall Uniform Annual General Charge exceeds the statutory limit, then increase General

Rates for parks and reserves first, then increase General Rates for community amenities.

Community amenities

The district as a whole benefits from the provision of these community amenities. After taking into account income received the balance of funds required to operate the community amenities is funded as follows:

- Uniform Annual General Charge, up to the statutory limit

If overall Uniform Annual General Charge exceeds the statutory limit, then increase General Rates for parks and reserves first, then increase General Rates for community amenities.

Regulatory and planning

Description

- Undertaking environmental, land use and development controls and monitoring within the district in accordance with the Resource Management Act and the District Plan.
- Maintenance and development of the Council's Geographic Information System.
- Provision of environmental health services, building control, liquor licensing, civil defence/emergency management, animal and dog control and rural fire control in compliance with the relevant legislation, regulations and bylaws in the interests of the health, safety and general welfare of residents of the district and the public in general.

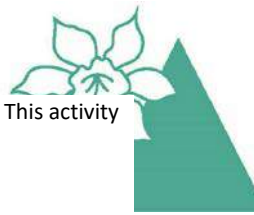
Distribution of benefits

- Benefits to the district are related to the public health, safety and welfare of the community. These activities substantially benefit the district as a whole.
- There are benefits to individuals for some activities.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funds required for this activity is funded as follows:

- 100 percent Targeted Rates for resource management and planning



- 100 percent General Rates for environmental health services, building control, liquor licensing, and other regulatory services

Roads and footpaths

Description

- Development and maintenance of roads, streets, footpaths and associated infrastructure.
- Promotion of policies and allocation of resources and achievement of a safe efficient land transport system that maximises local safety, economic and social benefits in partnership with NZTA.

Distribution of benefits

- Benefits to the district relating to the general availability of the roading system for public good.
- Benefits to individual users and properties at the end of rural roads, access for forestry operations, use of roads by heavy carriers, tankers and trucks.

Funding mechanisms for operating expenditure

After taking into account income received (Land Transport Subsidy) the balance of funding required for this activity is funded as follows:

- 100 percent general rates

Sewerage and the treatment and disposal of sewage

Description

- Providing the residents of the Carterton urban area, limited adjacent rural areas where access is available, and Waingawa industrial zone with a high quality and efficient sewerage system that will satisfy the needs of domestic, commercial, and industrial users.

Distribution of benefits

- Benefits to the district are related to the public health of the community.

- Benefits to the individual property owners is access to the sewerage system. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 10 percent General Rates
- 90 percent Targeted Rates

Stormwater drainage

Description

- Providing the residents and ratepayers of the Carterton urban area with an efficient stormwater drainage system that will satisfy the needs of domestic, commercial and industrial users.

Distribution of benefits

- Benefits to the district are related to the protection of infrastructural assets of the district, providing safe access to the public and maintaining public health.
- Benefit to the individual property owner is that stormwater drainage is available to private properties. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

- 10 percent General Rates
- 90 percent Targeted Rates

Waste management

Description

- Provision of a contracted refuse and recycling collection and disposal service for urban households and some commercial properties and a disposal service for delivered solid waste.



- Provision of transfer station and facilities for disposal of refuse.

Distribution of benefits

- Benefits to the district are related to the public health of the community.
- Benefits to the individual property owners is the availability of the service. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

Refuse collection and kerbside recycling rate

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 5 percent General Rates
- 95 percent Targeted Rates

Transfer station

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 100 percent General Rates

Water supply

Description

- This activity involves the provision and maintenance of a quality water supply to meet the needs of the Carterton urban ward, of rural users where access is approved by the Council, and of commercial users in the Waingawa industrial zone.
- The provision of water for stock, industrial users at Waingawa, non-potable domestic users, and other rural users through the open water race system and the maintenance of that system.

Distribution of benefits

- Benefits to the district are public health from a quality water supply, the availability of water for fire fighting purposes, the provision of water for wetlands, and protection of the ecosystem.
- Availability of potable water to property owners connected to the water supply system is a benefit to the individual properties that can be clearly identified.
- Access to the water race system and use of water by property owners is a benefit to the individual properties that can be clearly identified.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for each activity—urban water, Waingawa water, and rural water races—is funded as follows:

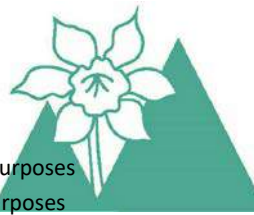
- 10 percent General Rates
- 90 percent Targeted Rates



Operating expenditure

The following table summarises the funding mix for operating expenditure for each group of activities.

Group of activities	General rates	UAGC	Targeted rates	User charges	Subsidies
Governance		100%			
Community support—community development		100% of balance required		√	
Community support—parks and reserves	30% of balance required	70% of balance required		√	
Community support—community amenities		100% of balance required		√	
Regulatory and planning—resource management and planning			100% of balance required	√	
Regulatory and planning—regulatory services	100% of balance required			√	
Roads and footpaths	100% of balance required				√
Sewerage and the treatment and disposal of sewage	10% of balance required		90% of balance required	√	
Stormwater drainage	10%		90%		
Waste management—refuse collection and recycling	5% of balance required		95% of balance required	√	
				√	
Waste management—transfer station	100% of balance required			√	
Water supply	10% of balance required		90% of balance required	√	



Investment policy

Introduction

This policy has been prepared to fulfil the Council's obligations under Section 102(2)(c) and Section 105 of the Local Government Act 2002.

Legislative requirements

The Local Government Act 2002 requires every local authority to adopt a policy in respect to investments, including:

- the objectives in terms of which financial and equity investments are to be managed
- the mix of investments
- the acquisition of new investments
- an outline of the procedures by which investments are managed and reported on to the local authority
- an outline of how risks associated with investments are assessed and managed.

General policies on investments

The objectives of the Investment Policy will be consistent with overall Council objectives and strategic plans. In particular, investments will be made with regard to the following objectives:

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

The Council acknowledges that there are various financial risks arising from its financial activities. The Council recognises its fiduciary responsibility as a public authority and any investments that it does hold should be at an appropriate level of risk, giving preference to conservative investment policies and avoiding speculative investments. The Council accepts that lower risk generally means lower returns on investment.

The Council has the following investments:

- cash investments held with banks and non-bank deposit-takers for general purposes
- cash investment held with banks and non-bank deposit-takers for specific purposes
- equity (shares)
- property intended for sale
- forestry
- land and buildings for strategic and investment purposes.

Cash investments held with banks and non-bank deposit-takers for general purposes

The Council holds cash for a variety of reasons. These include sums reserved for particular purposes and funds held for working capital requirements. These funds are managed according to the following policies:

- To minimise the risk to the Council, funds will only be invested in institutions with a high degree of security (NZ Government, State Owned Enterprises, and Local Authorities) or with institutions, being registered Banks or non-bank deposit-takers with:
 - a physical branch in Wairarapa
 - for long term investment, a credit rating of Standard & Poors 'A' (or equivalent) or better
 - for short term investment, a credit rating of Standard & Poors 'BB' (or equivalent) or better.
- Within the above institutions, funds are invested to optimise the return to the Council from the investment.
- Funds are invested in a way that maintains the liquidity of the Council's investment so that cash is available when needed.

Cash investment held with banks and non-bank deposit-takers for specific purposes

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Equity (shares)

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

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

Property intended for sale

The Council will not purchase property solely for investment purposes. It may purchase property to assist in social, physical, and economic development of the community in ways that the Council considers the private sector would be unlikely to achieve without the



Council's intervention. Once these goals have been achieved, the properties will be disposed of.

The Council will review its portfolio of properties intended for sale every three years.

Forestry

The Council has a substantial investment in forestry due to the extensive planting of 243.8 ha from 1973 to 1983, assisted by forestry encouragement loans from the Ministry of Agriculture and Forestry ('MAF').

Harvesting began in the summer of 2003/04. Harvesting is continuing during times of favourable log prices. As trees are felled the forest is being re-planted.

Mix of investments and acquisition of new investments

The mix of Council's investments will be determined by the individual investment decisions made in furtherance of the Council's goals and objectives as set out in the LTP and Annual Plan. Investments are made to achieve a particular goal or objective.

Cash investments

Surplus funds are invested in a way that maintains the liquidity of the Council's investments so that cash is available when needed. New investments are acquired when surplus funds are available for investing. The Chief Executive has delegated authority to acquire these investments.

Disposition of revenue from investment and proceeds from sale

Revenue from special funds and reserves is retained in that fund, unless the Council approves otherwise in the Long Term Plan or Annual Plan.

Revenue from the sale of investment property is retained in the Council's Major Projects Fund. Revenue from the realisation of the forestry investment is retained in the Council's Major Projects Fund.

Revenue from sales is either reserved or off-set for further asset acquisition.

Managing and reporting to the Council on investments

The Chief Executive has delegated authority to invest funds within the criteria outlined in this investment policy. The Chief Executive is authorised to sub-delegate this authority to the Corporate Services Manager.

The monthly financial report to the Council is to provide a copy of the bank reconciliation and a list of investment accounts, amounts invested, and the banks in which those investments are held.

Given that the Council has only three small equity investments, disclosure in the Annual Report on these items is sufficient for reporting to the Council.

The disposal of properties can only proceed by resolution of the Council.

The Council's forestry consultants provide annual reports to the Council on the forest valuation and calculations of the anticipated cash flows from harvest.

Investment risk management

The Council's exposure to risk in relation to its investment activities is relatively minimal. The greatest risk exposure arises in relation to its cash investments and property investments.

In managing its investments, the Council always seeks to minimise its risk by investing only in institutions with a high degree of security and credit rating.

The Council will not generally invest surplus funds in equity investments due to the risks involved.

The Council has a statutory obligation to promote prudent, effective, and efficient financial management. In considering investments, the Council may consider the following:

- managing risk by having a diversified investment portfolio
- identifying all or any risks
- the estimated return on investment
- the term of the investment
- the marketability of the proposed investment during its term and on completion.



Liability management policy

Introduction

This policy has been prepared to fulfil the Council's obligations under Section 102(2)(b) and Section 104 of the Local Government Act 2002.

Legislative requirements

Section 104 of the Act sets out what is to be included in the Council's Policies with respect to the management of both borrowing and other liabilities and must include the following:

- interest and rate exposure
- liquidity
- credit exposure
- debt repayment
- specific borrowing limits
- the giving of securities.

General policy

The Carterton District Council will use term borrowing to fund capital expenditure providing assets where the benefits of such expenditure are received over terms greater than one financial year and the term of borrowing would be related to the expected economic life of the assets purchased.

Internal borrowing

The Council will fund its borrowing programme for both the purchase of new assets and the re-financing of existing term debt by way of internally borrowing if it is considered prudent to do so in any given circumstances. The rate of interest charged on internal borrowing is calculated to be the weighted average rate that the Council receives on its investment portfolio.

Interest rate exposure policy

Interest rate exposure refers to the impact that movements in interest rates has on the Council's debt servicing costs and cash flow.

Factors that influence interest rates for long and short term securities are beyond the control of the Council. It is prudent to be aware of where interest rate cycles are when making a decision as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing.

The Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

Liquidity management policy

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs.

The Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall.

Short-term liquidity management is monitored and controlled through daily cash management activities with long-term liquidity management being monitored and controlled through the annual plan and LTP.

As part of its overall liquidity policy, the Council seeks to avoid a concentration of debt maturity dates and may maintain an overdraft facility to meet cash requirements if required.

Credit exposure policy

The only credit exposure risk to the Council in relation to its borrowing activities is the risk that a counterpart to an incidental arrangement may default.

Any incidental arrangement involving a contract or arrangement for the hedging of financial risks is restricted to only those with credit worthy counterparts. Creditworthy counterparts are selected on the basis of their current rating with Standard & Poors, which must be A- or better.



Any incidental arrangements involving contracts or arrangements with underwriters, brokers or any other agents are considered to be low risk and therefore do not require Council approval.

Debt payment policy

The objective of the debt payment policy is to ensure that the Council is able to repay debt on maturity with minimum impact on Council cash flows.

The Council repays its debt from targeted rates, general funds, debt repayment reserves, or from any other source that the Council may resolve to use for debt repayment.

The Council may establish 'debt repayment reserves' for external loans, but will have the discretion whether to repay or reinvest those funds having regard to the comparative interest rates and other relevant market conditions.

Borrowing limits

The Council will limit its borrowing such that all three of the following conditions are met:

- total debt as a percentage of total assets will not exceed 15 percent
- in any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue
- in any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities.

Security

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

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

Management of borrowing

The Council approves all proposed borrowing through the annual plan process and reports public debt levels in the annual report.

The Council's borrowing activities are managed through its finance function, which has the following responsibilities:

- provide appropriate finance, in terms of both maturity and interest rates and manage the Council's borrowing programme to ensure funds are readily available at the best margins and costs available to the market
- minimise adverse interest rate related increases on ratepayers' charges and maintain overall interest cost and revenues within budgeted parameters
- management the overall cash and liquidity position of the Council's operations
- provide timely and accurate reporting of treasury activity and performance.



Development contributions or financial contributions policy

Introduction

This policy is prepared under section 106 of the Local Government Act 2002 (The Act) and it outlines in which circumstances the Council intends to require development or financial contributions.

Legislative requirements

The Act requires the Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991.

Once adopted, this policy may be amended as a Long Term Plan (LTP) amendment.

Financial contributions provision in the Wairarapa Combined District Plan

The Council has adopted the Wairarapa Combined District Plan. Section 23 specifies in detail the provisions relating to financial contributions:

23. Financial Contributions

23.1 Introduction

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works and services and may include the provision of roads and services, the

protection of important historic or natural features, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents many include the cost of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewerage and stormwater.

This section deals with the requirements for financial contributions, with as a standard of a permitted activity, or a land use or subdivision consent.

Where a financial contribution is required as a condition of a permitted activity or resource consent, the purpose, circumstances in which a contribution may be required, and the amount of that contribution are stated. For some types of contributions, a maximum contribution is specified to ensure such contributions are equitable and not unreasonably onerous for some forms of development.

Contributions for land use development through the resource consent process will be sought in full, unless a previous contribution has been received in the subdivision of the site. Conversely, if a contribution was paid at the time of land use development, then no contribution may be required at the time of any subsequent subdivision consent in recognition of the previous contributions.

23.2 Reserves Contributions Standard

23.2.1 Circumstances when a general reserve contribution is required as a condition of a permitted activity or a resource consent.

(a) As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term Council Community Plan.



(c) As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of code of Code of Compliance Certificate for the building consent, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

23.2.2 Amount of Contribution Required as a Condition of a Permitted Activity or Resource Consent

(a) For subdivision, 3 percent of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision, or

(b) For land use development for residential purposes, 0.25 percent of the value of each additional residential unit (plus GST).

23.2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution

In determining whether to grant a remission or waiver of any reserves contribution, regard shall be had, but not limited to, the following criteria:

(a) The activity's impacts on the reserves network and the cost to the relevant Council to avoid, remedy or mitigate these impacts.

(b) Measures proposed by the developer to enhance an existing reserve or the open space of the locality.

(c) Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.

(d) Whether any site of natural and cultural heritage can and should be enhanced or protected.

23.2.4 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

If a reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as a reserve shall be established on the basis of a registered valuer's report. Registered valuer's reports shall be produced at the consent holders cost and be no older than three months at the time the contribution is paid.

23.2.5 Purpose

(a) To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.

(b) To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.

(c) To provide opportunities for public access to and along water bodies including the coast.

(d) To provide recreational opportunities near water bodies.

23.2.6 Contributions

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.



23.3 Infrastructure Contributions Standard

23.3.1 Circumstances when an infrastructure contribution is required as a condition of a permitted activity or resource consent

(a) As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes, provided that any infrastructure contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that an infrastructure contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that an infrastructure contribution has not already been made at the time of subdivision creating that lot under the relevant Council's Long Term Council Community Plan.

23.3.1 Amount of Contribution as a condition of a permitted activity or a resource consent

(a) The actual cost of water supply, wastewater or stormwater disposal systems to the development, and

(b) The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building, and

(c) The actual cost of connecting between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system, and

(d) The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development, and

(e) A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future

development. The share will be calculated on the proportion of the additional capacity required to service the development, and

(f) A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development—the share will be calculated on the proportion of the additional capacity required by the development, and

(g) For subdivisions, \$5000 (plus GST) per allotment that connects with public infrastructure and services, or

(h) For land use development for residential, administrative, commercial and industrial purposes, \$5,000 (plus GST) per new unit for linking with public infrastructure and services, plus 0.5 percent of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or

(i) For land use development for additions and alternations for administrative, commercial or industrial purposes that connects with public infrastructure and services 0.5 percent of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated value (excluding GST) of the building as stipulated on the building consent application.

23.3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution

In determining whether to grant a remission of any infrastructure contribution, regard shall be had, but not limited to, the following criteria:

(a) Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.

(b) The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.



(c) Measures proposed by the developer to upgrade any existing infrastructure.

(d) Whether any contribution has been previously made towards the establishment or upgrade of the infrastructure.

23.3.4 Form of Contribution

(a) The contribution may be required in the form of money or works or any combination thereof.

23.3.5 Purpose

(a) To provide a potable water supply.

(b) To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.

(c) To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.

(d) To ensure sufficient water is available for fire fighting purposes.

23.3.6 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.4 Roads, Access Parking and Loading Contributions Standard

23.4.1 Circumstances when a roads, access parking and loading contribution is required as a condition of a permitted activity or resource consent

(a) As a condition of a land use resource consent for any residential, commercial or industrial activity, provided that a roads, access parking and loading contributions has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of a subdivision resource consent for any new allotment, provided that a roads, access parking and loading contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a roads, access, parking and loading contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(d) AS a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

23.4.2 Amount of contribution for roads, access, parking and loading as a condition of a permitted activity or resource consent

(a) The actual cost of providing a road or access to the development, and

(b) The actual cost of all necessary roads and accesses within the development area for each allotment or building, and

(c) The actual cost of road or access crossings between allotments, or buildings in the development, and

(d) A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development, and



(e) A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of the additional capacity necessary to serve the development, and

(f) The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space, and

(g) For subdivision, 2 percent of the land value of each allotment to be created in the Residential, Commercial, Industrial Zones (plus GST), and 3 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision.

23.4.3 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

23.4.4 Purpose

(a) To provide for the safe and convenient movement on roads of motor vehicles, bicycles and pedestrians within and through the Wairarapa.

23.4.5 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.



Remission of rates policy

Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

Legislative requirement

Section 109 Local Government Act 2002 requires the Council to adopt a Rates Remission Policy that includes:

- the objectives sought to be achieved by the remission of rates
- the conditions and criteria to be met in order for rates to be remitted.

Remission of penalty rates

Objectives

- To enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

Criteria and Conditions

The Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- Remission of penalty incurred on instalment one will be considered where the ratepayers pays the total amount due for the year on or before the penalty date of the second instalment.

- Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.
- Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criterion will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
- Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with the Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.
- Remission will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one instalment. Future instalments do not qualify under this criterion.

Conditions

- Application for remission of penalty rates must be in writing using the prescribed form.
- Penalty rates will not be considered for remission if the penalty rates were incurred more than twelve months before the date of application, whether or not the application otherwise meets the criteria.

Delegation

The Council delegates the authority to remit penalty rates to the Chief Executive and the Corporate Services Manager.

Remission of rates for land used by sporting, recreational and community organisations

Objectives

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of Carterton.
- To provide indirect financial assistance to community organisations.



- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

This policy will apply to land owned by the Council, or owned and occupied by a charitable organisation, that is used exclusively or principally for sporting, recreation or community purposes.

The Council will remit 50 percent of rates, with the exception of targeted rates, for organisations that qualify under this policy. Sporting organisations will qualify for 50 percent remission regardless of whether they hold a current license under the Sale of Liquor Act 1989.

The Council will remit 100 percent of all rates for Rural Halls, to be reviewed annually to ensure that the use still remains the same.

The policy does not apply to organisations that operate for pecuniary profit or that charge tuition fees.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

Applications for remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be back dated.

Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives

Delegation

The Council delegates the authority to remit 50 percent of rates for sporting, recreational and community organisations to the Chief Executive and the Corporate Services Manager.

Remission of rates on land protected for natural, historical, or cultural conservation purposes

Objective

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

- Ratepayers who own rating units that have some feature of cultural, natural or historic heritage that is voluntarily protected may qualify for remission of rates under this part of the policy.
- Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.
- Applications must be made in writing, Applications should be supported by documentary evidence of the protected status of the rating unit eg a copy of the covenant or other legal mechanism.
- In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
 - the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
 - the degree to which features of natural, cultural or historic heritage are present on the land
 - the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
 - the degree to which features of natural, cultural or historic heritage are present on the land.
- In granting remissions under this part of the policy, the Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
- The Council will decide what amount of rates will be remitted on a case by case basis.

Delegations

Applications for remission of rates on land protected for natural, historical, or cultural conservation purposes will be considered by the Council.



Remission of specified rates in certain circumstances

Objective

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple rating units in the first year.

Conditions and Criteria

This policy will apply to land that fulfils all three of the following criteria:

- subdivided into three lots or more
- where title has been issued
- is owned by the original developer who is holding the individual titles.

Remission will only apply for the first rating year that the individual titles have been separately rated after subdivision. To avoid doubt, remission under this policy will not be given to subdivisions that were given a block rating valuation for any rating year prior to 1 July 2003.

Remission will be limited to 100 percent of the following rates for each unsold lot except one:

- UAGC
- urban sewerage rate
- refuse collection and kerbside recycling rate
- urban water rate.

Delegation

The Council delegates the authority to remit rates on multiple rating units to the Chief Executive and the Corporate Services Manager.

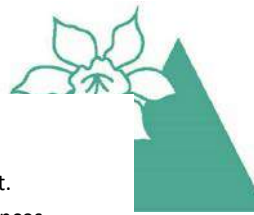
Remission of rates for natural disasters

Objectives

- To provide relief to properties affected by natural disasters.

Conditions and criteria

- The Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.
- The level of remission will be the extent of funding provided by Central Government.



Postponement of rates policy

Introduction

This policy is prepared under Section 110 Local Government Act 2002.

Legislative requirements

The Local Government Act 2002 requires that the Postponement of Rates Policy must state:

- the objectives sought to be achieved by a postponement of the requirement to pay rates.
- the conditions and criteria to be met in order for the requirement to pay rates to be postponed.

Objective

To assist ratepayers experiencing extreme financial circumstances that affects their ability to pay rates.

Criteria and conditions

The Council will consider, on a case by case basis, all applications received that meet all the criteria and conditions listed below.

Criteria

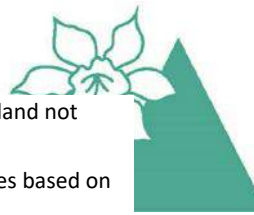
- The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The ratepayers(s) must be the current owner of the rating unit and have owned or resided on the property or within the district for not less than five years.
- The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
- The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

Conditions

- Application must be in writing by the ratepayer(s) or by any authorised agent.
- The ratepayer(s) is required to disclose to the Council, all personal circumstances, including the following factors; age, physical or mental disability, injury, illness and family circumstances so that the Council can consider these factors to establish whether extreme financial hardship exists.
- Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.
- If the Council decides to postpone rates the ratepayer(s) must first enter into an agreement with the Council to make regular payments for future rates.
- The Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.
- Any postponed rates will be postponed until:
 - The death of the ratepayer(s), or
 - the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
 - the ratepayer(s) ceases to use the property as their residence, or
 - a date specified by the Council as determined by council in any particular case.
- Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- Postponed rates will be registered as a statutory land charge on the rating unit under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of the Council.

Delegation

The Council delegates the authority to approve applications for rate postponement to the Chief Executive and the Corporate Services Manager.



Remission and postponement of rates on Māori freehold land policy

Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission or postponement under this policy. Currently there are 38 rating units in the district that meet the definition of Māori freehold land, of which 16 are non-rateable.

Whether rates are remitted or postponed in any individual case will depend on the individual circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
- Meeting the requirement of Section 108 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.
- In determining the policy, the Council has considered the matters set out in Schedule 11 of the Act.

Objectives

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rāhui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

- Where only part of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate development or use of the land where the Council considers rates based on the rateable value make the use of the land uneconomic.

Conditions and criteria

Application for the remission or postponement should be made prior to commencement of the rating year.

Applications made after the commencement of the rating year may be accepted at the discretion of the Council. Owners or trustees making application should include the following information in their application:

- Details of the property.
- The objectives that will be achieved by providing the remission.
- Documentation that proves the land that is the subject of the application is Māori freehold land.

The Council may, of its own will, investigate and grant remissions or postponement of rates on any Māori freehold land in the district.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

The Council will give a remission or postponement of up to 100 percent of all rates, except targeted rates set for water supply or wastewater disposal, based on any of the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land.
- The land is better set aside for non-use (whenua rāhui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.



Significance and engagement policy

(Pursuant to section 76AA of the Local Government Act 2002)

Purpose

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

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

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

Introduction

Councillors are elected to make decisions on behalf of their communities. Consultation with the community is one of a number of ways in which the Council interacts and engages with the people of Carterton to help it make informed decisions.

Effective community engagement builds trust in Council decision-making, while also increasing the Council's awareness of issues in the community, but over-consultation can exhaust the community's willingness to participate.

As well as the informal methods of consultation, some decisions require a more structured form of engagement, due to the significance that a matter has within the wider community, or for groups within the community.

The Council may choose not to consult on some projects when it believes it has enough information with which to make an informed decision. The Council may choose not to consult when it believes the matter is not significant enough. In these cases, the public will receive information about the project and the decision.

This policy does **not** apply to decision-making under the Resource Management Act 1991.

This policy is made up of two parts. The first part on significance explains how decisions on significance will be determined and what happens when something is highly significant or not.

The second part focuses on engagement and consultation. It sets out the principles of engagement the Council will use, minimum information requirements, and the special consultative procedure.

This Policy also lists the assets the Council considers to be strategic assets.

Part 1—Significance

Definition

Section 5 of the Local Government Act 2002 (the Act) defines **significance** as:

'in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) the current and future social, economic, environmental, or cultural wellbeing of the district or district:*
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so'.*

And it defines **significant** as:

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

Determining significance

Councils must make decisions about a wide range of matters and most will have a degree of significance, but not all will be considered to be 'significant'. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement and consultation, will be considered in the early stages of a proposal before decision-making occurs.



The following questions should be considered when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- Does it relate to a 'strategic asset', as defined by the Act or Schedule 1 of this policy, including the transfer of ownership or control, or the construction, replacement or abandonment?
- How many residents and ratepayers may be affected or interested?
- To what extent may residents and ratepayers be affected or interested?
- How much public interest is likely to be generated?
- To what extent is the current and future social, economic, environmental, and cultural well-being of the Carterton District likely to be affected?
- To what extent will it affect the capacity of the Council to perform its role and carry out its existing activities, now and in the future?
- To what extent are service levels of any significant activity likely to be affected?
- To what extent is the outcome(s) likely to affect the way in which any significant activity is carried out?
- To what extent is the outcome(s) likely to affect the capacity of the Council to provide any significant service or carry out any significant activity?
- Will a specific area be affected (eg geographic area, or area of a community by interest, age or activity)?
- Will council debt, rates on residents, or the financial figures in any one year or more of the Long Term Plan be substantially affected?
- Does it involve the sale of a substantial proportion of, or controlling interest in, the Council's shareholding in any council-controlled trading organisation or council-controlled organisation?
- Does it involve contracting out, or entry into any partnership with the private sector, to carry out a significant activity?
- Will an existing activity cease or a new group of activities be added?

Process

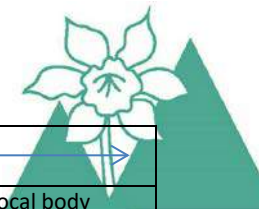
Decisions on significance will be made in accordance with this policy, the Council's Governance Statement, Standing Orders, and other policies including Delegations.

In practice, this means:

- Where any issue, policy, decision, or other matter meets one or more criterion and is deemed to have significance (low, moderate or high), the matter shall be reported to Council.
- Each report shall include a statement indicating that the issue, policy, decision, or other matter has been considered in regard to Significance and Engagement Policy. The report shall include an assessment of the degree of significance of the issue, policy, decision, or other matter, based on the criteria outlined in this Policy.
- The assessment should consider each criterion of significance and report on these, where applicable. The report should include a statement on the level of significance and reasoning behind the conclusion (eg why was it determined to have moderate significance) using the following table for guidance.



Matter/Issue	Determining the Level of Significance		
	Low Significance	Moderate	High
Relates to an asset that is a 'strategic asset'	Does not relate to strategic assets or does not substantially affect other Council assets	Involves sale of, or substantial impact on, part of a strategic asset, or other Council asset	Sale of a strategic asset, or activities that affect the performance of the strategic asset as a whole
Changes to levels of service	Minor loss of, or change to, service levels provided by the Council (or its contractors)	Moderate changes to the level of service provided by the Council.	Decision or proposal creates substantial change in the level of service provided by the Council
Likely level of community interest	Decision or consequence has little impact or is easily reversible	Minor or moderate level of community interest in a proposal or decision; or there is a moderate impact arising from changes; or one or more areas of the District are affected disproportionately to another; or duration of an effect may impact detrimentally on people or a community	A high level of community interest in a proposal or decision; likely to be, or is, controversial in the context of the impact or consequence of the change; involves a specific area affected (eg geographic area, or area of a community by interest, age or activity); or there are substantial impacts or consequences arising from the duration of the effect
Financial impact	No material effect on the Council's budget, debt, or residents' rates	Minor effect on rates, debt, or the financial figures in any one year or more of the Long Term Plan	Substantially affects debt, rates, or the financial figures in any one year or more of the Long Term Plan
Changes to Groups of Activities	Minor change to how Council manages groups of activities	Partial exit from a group of activities	Ceasing an existing activity or adding a new group of activities
Delivery arrangements	No substantive change to partnership arrangements for delivery of services, or consultant services	Contracting out or entering partnership with the private sector to carry out minor activities on behalf of the Council	Contracting out or entering partnership with the private sector to carry out a significant activity or a group of activities



- The assessment, and where appropriate the report, must also include consideration of the following requirements, matters, and procedures set out in the Act:
 - s77 Requirements in Relation to Decisions
 - s78 Community Views in Relation to Decisions
 - s79 Compliance with Procedures in Relation to Decisions
 - s80 Identification of Inconsistent Decisions
 - s81 Contributions to Decision-making Processes by Maori
 - s82 Principles of Consultation.
- The report should recommend appropriate methods and extent of consultation and engagement, proportionate to the level of significance.

Part 2—Engagement and consultation

The primary purpose of consulting with the community is to enable effective participation of individuals and communities in the decision-making of councils. This will enable elected representatives to make better-informed decisions on behalf of those they represent.

Matching engagement to significance

In any engagement process undertaken with the community, that engagement will be in proportion to the significance of the matter being considered and any statutory requirements. This is illustrated in the table below.

← LOW to MEDIUM to HIGH significance → <i>(one or more approach may be used)</i>				
The community is provided with objective information to assist in its understanding of problems, solutions, performance	Feedback is obtained from the community to assist in the formulation of options and decisions	The Council works directly with the public throughout the process, to ensure both public and private concerns are understood	The Council seeks direct advice from the community in formulating solutions, and this advice is incorporated in decisions to the maximum extent possible	The public is empowered to make the decision

← EXAMPLES OF ENGAGEMENT METHODS <i>(additional activities, from left to right)</i>				
Reports, website update, media release, public notice, letter, <i>Snippets</i> , social media, customer services staff information training, or councillor or staff email networks	Notifications to those directly affected, information displays at Council and Library, and at targeted venue, public meeting, open days, focus groups, online consultation, public hearings, print and radio advertising	Discussion groups and workshops, road shows, residents' survey, community-led development, pre-engagement strategy to heighten awareness and create interest and participation, expert opinion on outcomes sought	Working groups, advisory boards	Local body elections

Engagement principles

When any engagement takes place, other than simply providing information, the Council will:

- ensure that elected members are a primary conduit for engagement with the community they represent
- ensure that the engagement has sufficient time and adequate resources to be effective
- seek to hear from everyone likely to be affected
- ask for views early in the decision-making process so that there is enough time for feedback, and for views to be considered properly
- consider different ways in which views can be presented
- listen to and consider views in an open and honest way
- respect everyone's point of view
- work in partnership with appropriate representative and special interest groups
- be sensitive to engagement becoming a burden
- ensure that the engagement process is efficient and cost-effective
- provide information about the outcome of the engagement and the reasons for any decisions.



Information Requirements

At a minimum, the Council will provide the following information when conducting consultation or engagement:

- what is being proposed
- why it is being proposed
- what the reasonably practicable options and consequences are for the proposal
- if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document
- if a plan or policy or similar document is proposed to be amended, details of the proposed changes
- what impacts may occur if the proposal goes ahead
- how submitters and participants can provide their views
- the timeframe for consultation and engagement
- how the decisions will be made and who will be making them
- how submitters and participants will be informed about the outcome.

Special consultative procedure

There are still situations where the Special Consultative Procedure (section 83 of the Act) must be used:

- adoption or amendment of a Long Term Plan
- making amending or revoking a by-law
- reviewing a strategic asset.

There are also statutes that require the special consultative procedure to be followed in specific situations, including:

- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012
- Reserves Act 1977
- Dog Control Act 1996
- Building Act 1991.

Review of the Policy

The Significance and Engagement Policy will be reviewed at least every three years.

Schedule 1—Strategic assets

Strategic asset is defined in the Local Government Act 2002 as an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- any asset or group of assets listed in accordance with section 76AA by the local authority
- any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy
- any equity securities held by the local authority in:
 - a port company within the meaning of the Port Companies Act 1988
 - an airport company within the meaning of the Airport Authorities Act 1966.

The Council has identified its strategic assets as:

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



Appendix B

Schedule of fees and charges 2018/19



Schedule of fees and charges 2018/19

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

The following schedule of fees and charges are for the 2018/19 year.

2017/18 fees including GST		2018/19 fees including GST
	Health licences	
\$78.00 fixed fee plus \$78.00 per hour for every additional hour	Application for registration, renewal, or amendment of food control plan based upon a template or model issued by MPI; or a business subject to a national programme. (Fixed fee includes up to one hour to process application.)	\$78.00 fixed fee plus \$78.00 per hour for every additional hour
\$351.00	Annual registration (Food Hygiene Regulations 1974) Class 1 food premises, equivalent	\$351.00
\$273.00	Annual registration (Food Hygiene Regulations 1974) Class 2 food premises, equivalent	\$273.00
\$273.00 fixed fee plus \$78.00 for every additional hour of verification activity	Verification food premises including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow-up verification site visits to check remedial actions. (Fixed fee includes up to 3.5 hours of verification activity, additional verification activity will be dependent on scope of operations.)	\$273.00 fixed fee plus \$78.00 for every additional hour of verification activity
\$351.00 fixed fee plus \$78.00 for every additional hour of verification activity	Verification of VIP Food Control Plans including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow up verification site visits to check remedial actions. (Fixed fee includes up to 3.5 hours of verification activity, additional verification activity will be dependent on scope of operations.)	\$351.00 fixed fee plus \$78.00 for every additional hour of verification activity
Food businesses transitioning from the Food Hygiene Regulations 1974 to the Food Act 2014 will be able to transfer fees on a pro rata basis to the Food Act registration.		
\$110.00	Minor food retailers (limited sale)	\$110.00
\$200.00	Motels	\$200.00
\$252.00	Itinerant trader—annual registration including inspection	\$252.00
\$110.00	Hawkers licence	\$110.00
\$120.00	Transfer of registration	\$120.00

2017/18 fees including GST		2018/19 fees including GST
\$139.50	Hairdressers	\$139.50
\$110.00	Inspection on request	\$110.00
\$75.00	Re-inspection for failure to comply with requisition or Food Control Plan record	\$75.00
\$20.00 per week	Street stall licence	\$20.00 per week
\$139.50	Offensive trade, sale yards	\$139.50
	Noise control—recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
	Noise/health-related complaints under the RMA ⁶⁵ and Health Act 1956—recover all reasonable costs associated with investigating/resolving the matter	
\$100.00	Gambling venue applications	\$100.00
\$50.00	Beekeepers	\$50.00
\$175.00	Funeral directors	\$175.00
\$11.50 for 1 device \$2.30 each additional device	Amusement devices in accordance with Amusement Regulations 1978	\$11.50 for 1 device \$2.30 each additional device
\$180.00	Camping ground (annual charge)	\$180.00
	Compliance and monitoring (Food Act 2014)	
\$120.00 per hour	Complaint-driven investigation resulting in issue of improvement notice by Environmental Health Officer	\$120.00 per hour
\$120.00 per hour	Application for review of issue of improvement notice	\$120.00 per hour
\$120.00 per hour	Monitoring of food safety and suitability	\$120.00 per hour
	Resource Consent Fees (deposit only)	
\$600.00	Controlled activity (other than minor land use)	\$600.00
\$600.00	Restricted Discretionary – non-notified	\$600.00
\$1,000.00	Restricted Discretionary – limited notification	\$1,000.00
\$1,000.00	Discretionary activity	\$1,000.00

⁶⁵ Resource Management Act 1991



2017/18 fees including GST		2018/19 fees including GST
new	Permitted boundary activity	\$150.00
\$1500.00	Non-complying	\$1500.00
Free	Heritage items	Free
	Additional Charges	
\$700.00	Public notification	\$700.00
\$350.00	Limited notification (excluding restricted discretionary)	\$350.00
\$500.00	Pre-hearing	\$500.00
\$350.00	Post decision –requested changes	\$350.00
\$150.00	Post decision –minor changes	\$150.00
\$90.00 per hour	Additional processing time above 5 hours	\$90.00 per hour
\$350.00	Certificate of Compliance and any other certificates eg Section 226 RMA	\$350.00
\$200.00	Section 223 RMA certificates	\$200.00
\$300.00	Section 224 RMA certificates	\$300.00
\$1,000.00	Monitoring compliance with resource consents—cost, with maximum of	\$1,000.00
\$5,100.00	District Plan changes—deposit only (applicants are required to meet the full cost of processing applications)	\$5,100.00
\$85.00	Copy of District Plan	\$85.00
\$250.00	Land Information Memorandum	\$250.00
\$350.00	Land Information Memorandum—urgent service	\$350.00
actual cost	Other external reports, eg engineers, commissioners, solicitors, special advisors (indicative charges between \$150–300 per hour)	actual cost
\$5,750.00	Infrastructure Contribution	\$5,750.00
\$7,475.00	Infrastructure Contribution—Waingawa Industrial Zone	\$7,475.00
2% of land value + GST	Roading Contribution—Residential, Commercial, and Industrial Zones	2% of land value + GST
3% of land value + GST	Roading Contribution—Rural Zone	3% of land value + GST
3% of land value + GST	Reserve Contribution—Residential, Commercial, and Industrial Zones	3% of land value + GST
2% of land value + GST	Reserve Contribution—Rural Zone	2% of land value + GST
\$105.00 per hour	Rural effluent field assessment Labour in excess of 2 hours charged at \$26.25 per 15 minutes or part thereof	\$105.00 per hour
\$10.00	Monthly building consent lists	\$10.00
\$90.00 per hour	Officer consultation (first half hour free)	\$90.00 per hour

2017/18 fees including GST		2018/19 fees including GST
	Service fees	
Actual Cost	Water connection	Actual Cost
Actual Cost	Sewer connection	Actual Cost
\$51.00	Administration fee	\$51.00
Actual Cost	Combined sewer and water connection	Actual Cost
Actual Cost	Standard vehicle crossing	Actual Cost
\$57.50	Applications for water race draw off	\$57.50
\$57.50 plus expenses	Applications for piping or relocating water race	\$57.50 plus expenses
actual cost	Clearing sewers (property owner boundary to main)	actual cost
actual cost	Damage to Road Reserve	actual cost
	Transfer station entry fees	
	General refuse	
\$17.00	Car boot	\$17.00
\$36.00	Small trailer or ute up to 1.8m x 1.2m x 0.4 high (sorted)	\$36.00
new	Other trailer up to 500 kg	\$62.00
\$200.00 per tonne	Any load after this weight (minimum \$36.00)	\$200.00 per tonne
	Green waste	
\$5.00	Car boot	\$5.00
\$10.00	Small trailer or ute	\$10.00
\$20.00	Large trailer/medium truck less than 2 tonne	\$20.00
\$42.00	Large truck up to 6 tonne	\$42.00
	Any larger loads as charged by Council	
	Tyres	
\$510.00	Tyres (per tonne)	\$510.00
\$3.50 each	Car and 4WD tyres—up to 4 tyres on rims	\$3.50 each
\$5.50 each	Truck tyres—up to 4 tyres	\$5.50 each
\$510.00 per tonne	Tractor or earthmover tyres, more than 4 tyres/load (any type) or mixed load containing tyres	\$510.00 per tonne
	Dog registration fees (before 1 August)	
	From 1 August—50% of the fee will be added as penalty. For certified seeing-eye or hearing dogs, a fee of 50% of those stated below.	
\$85.00	Urban—entire dogs	\$85.00
\$60.00	Urban—spayed/neutered dogs	\$60.00



2017/18 fees including GST		2018/19 fees including GST
\$60.00 per dog	Rural—non-neutered and neutered dogs—first two dogs	\$60.00 per dog
\$32.00 per dog	Rural—non-neutered and neutered dogs—all remaining dogs	\$32.00 per dog
\$127.50	Dog classified as dangerous	\$127.50
\$60.00	Urban—application for permit to keep more than two dogs	\$60.00
	Impounding fees	
\$60.00	Dogs, sheep, goats	\$60.00
\$120.00	Second time impounding (dogs)	\$120.00
\$180.00	Third and subsequent impounding (dogs)	\$180.00
\$75.00	Cattle, deer, horses and all other animals	\$75.00
actual cost	Droving charge—calculated on actual cost including labour and plant hire	actual cost
\$12.00 per day	Sustenance fee—all animals	\$12.00 per day
	Outdoor swimming complex	
Free	Entry fee adult/child—per person	Free
Free	School groups—per child per season (schools are responsible for lifeguard arrangements and associated costs)	Free
	Cemetery	
\$25.00	Headstone permit	\$25.00
	Plots	
\$1,100.00	• lawn	\$1,100.00
\$160.00	• child under 1 year old	\$160.00
\$320.00	• child over 1 year old and below 10 years old	\$320.00
\$215.00	• cremation	\$215.00
\$300.00	Extra depth charge	\$300.00
	Interment	
\$750.00	• lawn	\$750.00
\$170.00	• cremation	\$170.00
\$130.00	• child under 1 year old	\$130.00
\$320.00	• child over 1 year old and below 10 years old	\$320.00
\$615.00	• servicemen	\$615.00
\$900.00	Out-of-town burial fee	\$900.00
\$1,200.00	Saturday burials	\$1,200.00
\$1,450.00	Saturday burials—out of town	\$1,450.00

2017/18 fees including GST		2018/19 fees including GST
Actual Cost	Disinterment	Actual Cost
	No burials on Public Holidays	
	Private burial service	
\$60.00	Chapel	\$60.00
	Park fees	
\$572.00	Association Football—per ground	\$572.00
\$100.00	Cricket Association	\$100.00
\$572.00	Athletic Club	\$572.00
	<i>Additional charges may be levied for additional services, including pitch preparation and repairs</i>	
	Community Notice Board	
Free	Use of the Community Notice Board—community groups	Free
\$10.00 per day	Use of the Community Notice Board—commercial and private	\$10.00 per day
	Holiday Park (per night)	
\$30.00	Tent site (2 persons)	\$30.00
\$15.00	• additional person	\$15.00
\$5.00	• additional children	\$5.00
	Cabins—peak season rates may apply	
\$40.00	• standard cabin (2 persons)	\$40.00
\$80–95.00	• self-contained cabin (2 persons)	\$80–95.00
\$15.00	• additional adult	\$15.00
\$5.00	• additional child	\$5.00
	Library	
	Rentals (per issue)	
\$0.50	• fiction books (including re-issues)	\$0.50
free	• magazines	free
\$2.00	• DVDs	\$2.00
	Fines	
\$0.50	• adult book—first week	\$0.50
\$1.00	• per week thereafter	\$1.00
\$0.20	• children's books—first week	\$0.20
\$0.70	• per week thereafter	\$0.70
\$0.50	Reserves	\$0.50
	Inter-loans	
\$10.00	• per book, article, or subject request	\$10.00



2017/18 fees including GST		2018/19 fees including GST
	• charges from other libraries (at cost)	
\$2.00	Replacement cards	\$2.00
Replacement cost	Lost library book	Replacement cost
	Administration	
	Photocopying—per page	
\$0.40	• A3 black and white	\$0.40
\$0.20	• A4 black and white	\$0.20
	• double-sided black and white—add 10 cents per page	
\$0.10	• school homework	\$0.10
	20 or more copies—Librarian’s discretion	
\$0.80	A3 colour	\$0.80
\$0.40	A4 colour	\$0.40
	double-sided colour—add 20 cents per page	
	Laminating per page	
\$3.00	• A3	\$3.00
\$2.00	• A4	\$2.00
\$2.70	Rubbish bags	\$2.80
\$11.50	Replacement/additional recycling bins	\$11.50
\$15.00	Rating information schedule	\$15.00



Building consent and PIM fees (all fees include GST)

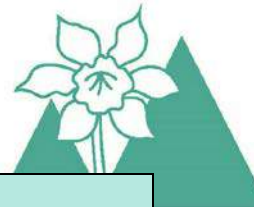
PIM only fee 2017/18	When included with other work (excl. BRANZ and DHB levies) 2017/18	Total stand alone fee (excl. BRANZ and DHB levies) 2017/18	Classification	PIM only fee 2018/19	When included with other work (excl. BRANZ and DHB levies) 2018/19	Total stand alone fee (excl. BRANZ and DHB levies) 2018/19
			Minor work			
\$45.50	\$117.00	\$305.00	Solid fuel heater	\$45.50	\$117.00	\$305.00
\$45.50	\$117.00	\$395.00	Minor plumbing and drainage work, eg fittings, drain alteration	\$45.50	\$117.00	\$395.00
\$45.50		\$231.00	Minor building work	\$45.50		\$305.00
\$45.50		\$973.00	Drainage work, eg new minor subdivision services, and common drains	\$45.50		\$973.00
\$45.50	\$334.00	\$451.00	Drainage work, eg new effluent disposal system	\$45.50	\$334.00	\$470.00
\$45.50	\$226.00	\$451.00	Wet area shower (tile floor)	\$45.50	\$226.00	\$451.00
\$45.50		\$160.00	Private marquee >100 m ² —professional assembly only (no inspection)	\$45.50		\$160.00
\$45.50		\$160.00	Public marquee >100 m ² and <50 people—professional assembly (no inspection)	\$45.50		\$160.00
\$45.50		\$305.00	Public marquee >100 m ² and >50 people (with inspection)	\$45.50		\$305.00
\$45.50		\$305.00	Private marquee >100 m ² (with inspection)	\$45.50		\$305.00
			Sheds / garages / conservatories etc			
N/A		\$115.00	Spa/swimming pool 1200mm above ground and pool fencing	N/A		\$125.00
\$45.50		\$395.00	In-ground swimming pools (includes fence)	\$45.50		\$595.00
\$45.50		\$585.00	Garden sheds/retaining walls/carports/conservatories/other minor works	\$45.50		\$585.00
\$90.50		\$675.00	Minor farm buildings (haysheds covered yards 1–6 bays, etc)	\$90.50		\$675.00
\$90.50		\$964.00	Larger farm buildings (covered yards, wool sheds)	\$90.50		\$964.00
\$90.50		\$675.00	Proprietary garages standard	\$90.50		\$675.00
\$90.50		\$819.00	Proprietary garages with fire wall	\$90.50		\$819.00
\$90.50		\$819.00	Proprietary garages including sleepout no plumbing or drainage	\$90.50		\$819.00
\$90.50		\$1070.00	Proprietary garages including sleepout with plumbing or drainage	\$90.50		\$1370.00
\$90.50	\$212.00	\$1,108.00	Garages custom design including plumbing and drainage	\$90.50	\$212.00	\$1,563.00
\$90.50		\$865.00	Garages, simple custom design, single level	\$90.50		\$865.00
\$45.50		\$585.00	Residential repile	\$45.50		\$585.00
\$45.50		\$233.00	Residential demolition	\$45.50		\$233.00



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	Classification	PIM only fee 2018/19	When included with other work (excl. BRANZ and DHB levies) 2018/19	Total stand alone fee (excl. BRANZ and DHB levies) 2018/19
			Residential dwellings—new (note: double units charged at single unit rate + 50%)			
\$361.00		\$3,700.00	Single storey	\$361.00		\$3,950.00
\$542.00		\$3,872.00	Multi-storey	\$542.00		\$4,260.00
\$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		\$1,694.00
			Residential dwellings—additions and alterations			
\$45.50		\$1062.00	Alterations (minor) up to 3 inspections plus processing time	\$45.50		\$1062.00
\$90.50		\$2478.00	Alterations (major) up to 6 inspections plus processing time	\$90.50		\$2478.00
	\$212.00	\$1,108.00	Plumbing and drainage		\$212.00	\$1,108.00
			Commercial / industrial			
\$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 eg signs/shop fronts/minor fitouts (no plumbing or drainage)	\$248.50		\$765.00
\$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
			Other charges			
		new	Processing hardcopy certificate applications			\$50.00
		new	Pool inspections—initial inspection			free
		new	Pool inspections—re-inspection			\$86.00



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	Classification	PIM only fee 2018/19	When included with other work (excl. BRANZ and DHB levies) 2018/19	Total stand alone fee (excl. BRANZ and DHB levies) 2018/19
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000
		\$2.01 per \$1,000	MBIE levy for work \$20,000 or more			\$2.01 per \$1,000
		\$142.00	Unscheduled inspections			\$142.00
		cost plus 10 percent	Structural engineering or fire engineering assessment/peer review (the building consent fee does not include the cost of any structural or fire engineers assessments that may be required)			cost plus 10 percent
		\$177.00	Compliance schedule application (includes inspection and 12A and BWoF administration)			\$195.00 plus \$195.00 per hour where applicable
		\$177.00 per hour	Inspection hourly rate			\$177.00 per hour
		building consent fee plus \$173.00 per hour	Certificate of acceptance—building consent fee for the applicable building plus actual costs, payable on issue of certificate			\$225.00 per hour for inspections plus applicable building consent fees
		\$177.00	Reassessment fee (amended plans or specifications)			\$195.00
		\$20.00	Certificate of title			\$25.00
		new	Vehicle crossing bonds will be assessed for each application where required			\$500.00
		\$1,500.00	Street, crossing, footpath, and berm damage bond for buildings moved to/from site			\$1,500.00
		\$20.00 per file	Property search fee (includes download, scanning documents, email, or writing to disc)			\$25.00 per file



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

2017/18 charges	Category	Description	2018/19 charges
At cost	Connection fee	Payable on application for connection to discharge	At cost
At cost	Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
At cost	Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560	Trade waste application fee	Payable on an application for a trade waste discharge	Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560
\$85 per hour	Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour
Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the Waste Water Authority's costs associated with for example: a. administration b. general compliance monitoring c. general inspection of trade waste premises d. use of the sewerage system This charge may vary depending on the trade waste sector or category of the discharger.	Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa
Discretion of Council As calculated by Council	Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2) of the Local Government Act. Section 150(4) states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.	Discretion of Council As calculated by Council
As per charges outlined below	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
\$0.60/ m ³	B1 Volume	Payment based on the volume discharged	\$0.60/ m ³
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.92/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	\$67.00 per cubic metre



Events Centre charges and fees 2018/19 (all fees include GST)

The Centre user is responsible for returning the rooms hired in a clean and tidy state. Additional charges may be levied for additional services, including access, security, cleaning, and repairs.

Charges per day unless otherwise stated	Hurunui o Rangi Mtg Room	Maungaraki Mtg Room	Taratahi Auditorium	Te Mahau Foyer	Civic Plaza	Ron Wakelin Plunket Rooms	Diva Rooms	Rangatahi Hub	Library
Commercial 8.30am–5.00pm per day	\$240.00	\$240.00	\$500.00	\$160.00	\$160.00	\$160.00	\$160.00	\$240.00	\$160.00
per hour	\$30.00	\$30.00	\$60.00	\$20.00	\$20.00	\$20.00	\$20.00	\$30.00	\$20.00
Community 8.30am–5.00pm per day	\$120.00	\$120.00	\$250.00	\$80.00	\$80.00	\$80.00	\$80.00	\$120.00	\$80.00
per hour	\$15.00	\$15.00	\$30.00	\$10.00	\$10.00	\$10.00	\$10.00	\$15.00	\$10.00
Commercial 5.00pm–midnight* per day	\$240.00	\$240.00	\$500.00	\$160.00	\$160.00	\$160.00	\$160.00	\$240.00	\$160.00
per hour	\$30.00	\$30.00	\$60.00	\$20.00	\$20.00	\$20.00	\$20.00	\$30.00	\$20.00
Community 5.00pm–midnight* per day	\$120.00	\$120.00	\$250.00	\$80.00	\$80.00	\$80.00	\$80.00	\$120.00	\$80.00
per hour	\$15.00	\$15.00	\$30.00	\$10.00	\$10.00	\$10.00	\$10.00	\$15.00	\$10.00
*Based on shared kitchen. If kitchen required to be used exclusively additional fee applies.									
Social event bond (commercial/community)	\$120.00	\$120.00	\$250.00	\$130.00				\$120.00	
After hours functions—per staff member	\$20.00/hour								
Pack in or assistance to set up—per staff member	\$20.00/hour								
Commercial Rates—Equipment									
Exclusive use of kitchen	\$100.00								
Pack in/ rehearsal			\$100.00						
Tea and coffee facilities	\$2.50/person								
Use of AV	Pricing confirmed upon application								
Wifi	\$10.00	\$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			\$1,500.00						
Electronic white board	No charge								
Flip chart	\$10.00								
Piano	No charge								
Easy lift scaffold			\$20.00						
Round tables (seats 10 people)—per table			\$20.00						
Round table cloths—each			\$10.00						
Social functions cleaning fee			\$250.00						



Charges per day unless otherwise stated	Hurunui o Rangi Mtg Room	Maungaraki Mtg Room	Taratahi Auditorium	Te Mahau Foyer	Civic Plaza	Ron Wakelin Plunket Rooms	Diva Rooms	Rangatahi Hub	Library
Community Rates—Equipment									
Pack in/rehearsal			\$50.00						
Exclusive use of kitchen	\$50.00								
Use of AV	Pricing confirmed upon application								
Wifi	\$10.00	\$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	\$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.									



Appendix C

Infrastructure strategy 2018–2048