



CARTERTON DISTRICT COUNCIL

Annual Report for the year ended 30
June 2020

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TE KAUNIHERA-Ā-ROHE O TARATAHI
CARTERTON
DISTRICT COUNCIL

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Mayor and councillors

His Worship the Mayor	Mayor Greg Lang	
Deputy Mayor	Cr Rebecca Vergunst	
Councillors	Cr Steffen Bertram	Cr Jill Greathead
	Cr Robyn Cherry-	Cr Rob Stockley
	Campbell	Cr Russell Keys
	Cr Steve Cretney	
	Cr Brian Deller	

Senior executives

Chief Executive	Jane Davis
Infrastructure and Services & Planning and Regulatory Manager	Dave Gittings
Community Services Manager	Carrie Mckenzie
Corporate Services Manager	Phoebe Chamberlain
People and Wellbeing Manager	Gerry Brooking

Hurunui o Rangi Marae

Manawhenua Representatives on Council	Rev Mihi Namana
	Mr Te Rangi Kaiwheria Reiri

Introduction from the Mayor



*Mai i te pae maunga, raro ki te tai
Mai i te awa tonga, raro ki te awa raki
Tēnei te hapori awhi ai e Taratahi.
Whano whano, haramai te toki
Haumi ē, hui ē, tāiki ē!
From the peaks of our mountains, down to the coast
From Waiohine to the South, down to Waingawa to the North
This is our community; embraced by Taratahi.
It binds us, strengthens us, and we move forward together.*

The 2019/20 year was a challenging one for the Carterton community, with the COVID-19 pandemic hitting us. Before that we had a very successful induction of our new Council following the triennial elections in October. As a new Mayor I was very lucky to have in my team a mix of both experienced and new Councillors. As a collective we have a strong mix of interests and backgrounds that already has proven valuable as we debate issues and make decisions on behalf of the Carterton community.

One of the first things I did as Mayor was establish a Mayors Taskforce for the Town Centre. As many in Carterton have been saying the town centre is in need of a transformation and the deadline to address earthquake-prone buildings in 2021 is the opportunity to get that transformation under way. I have been blown away by the enthusiastic response to the Taskforce, not only from current building owners and retailers, but from developers and investors from outside Carterton.

The second half of the financial year was dominated by the COVID-19 pandemic. The Council was well prepared for the pandemic and it was pleasing to see the Councils Pandemic Plan being put into effect. We had staff filling roles in the Emergency Operations Centre during the Level 4 lockdown, when the country was in a declared national emergency, and we continued to keep our essential services fully operational.

During the Level 4 lockdown period the elected members met informally weekly and to ensure the Council operations ran smoothly and to support the Management Team. During that time, we agreed to a number of measures to assist ratepayers and businesses through the period of financial pressure arising from the pandemic. This included supporting

ratepayers to set up systems that smoothed out their rates payments. We also supported officers' applying discretion on fee payments for various services.

During the Level 4 lockdown we also reviewed the Draft Annual Plan 2020/2021. Prior to the pandemic the Council has prepared our draft Annual Plan and had decided not to consult the plan as we were proposing a business-as-usual year. The pandemic meant we had to revisit a number of our planning assumptions, particularly the income from activities such as the Events Centre. We adopted the final Annual Plan to reflect our revised assumptions which included a drop in income and higher than previously assumed rates revenue arising from delayed rate payments.

Following a return to COVID-19 Levels 1 and 2 we saw a return to sold-out events in the Events Centre and many other aspects of Carterton life returning to near normal.

I am very pleased with the results presented in this Annual Report. It is a testament, I believe, to the leadership of your Council team and the dedication and talents of all the staff at the Council.

Please enjoy reading this report. There is much to be proud of.



Greg Lang

Mayor

Chief Executive's report



The 2019/20 year has been a really challenging one for the Council organisation and I'm extremely proud of the results achieved, as set out in this report. More than in any other year the passion and dedication of the Council staff has been on show, particularly through the COVID-19 pandemic lockdowns and as life has returned to near normal. During the Level 4 lockdown our staff filled a number of roles, including assisting at the Carterton Covid testing station and in the Emergency Operations Centre. Our staff filling essential services roles continued to maintain all our services and were prepared to put themselves at risk by working outside their "bubbles". Staff across all our services transitioned into working from home arrangements seamlessly, thanks in no small part to the support we received from our ICT team-mate. The investment we have been making over the past few years in our ICT systems really paid off during that time. Many of our staff took on new and unfamiliar roles during the lockdown to cover for those in the Emergency Operations Centre.

I would like to acknowledge and thank all our staff for the commitment they have shown Carterton and the Council during the COVID pandemic. I would also like to acknowledge the support we have received from our elected members during this challenging period. It's great to be working in such a collaborative Council, and it makes delivering high quality services much easier.

We have continued to progress the wastewater treatment plant upgrade project. We have a number of collaborative projects and programmes with the other Wairarapa Councils, including progressing the Wairarapa Economic Development Strategy. Post the COVID-19

lockdown we have worked alongside our local and central government partners, and with the Iwi authorities in Wairarapa to prepare a Recovery Plan. We are looking forward to these continuing into the next year.



Jane Davis
Chief Executive

Opportunities for Māori to contribute

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, such as the Resource Management Act and the Local Government Act, the Council is devolved powers from the Crown for the whole community.

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.

We work with them on a range of initiatives. 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. To fulfil this, a Memorandum of Understanding has been signed incorporating our joint objectives and Marae participation in meetings of Council and its Committees and Advisory Groups.

It is through working alongside each other that opportunities will arise and capacity will be built for Māori to contribute to Council decision-making, and for Council to contribute to Māori well-being in the present and for the future.

Some activities during the last year have included:

- attendance of Kaumātua at Council meetings
- leadership by the Marae in the Council's ceremonies for new citizens
- attendance of councillors and senior managers at Marae Trustee meetings
- Marae submissions to the planning processes
- regular presentations by the Marae at ordinary Council meetings
- working with the Marae on a number of community development activities
- meetings of Council held at the marae.

This section is in accordance with the Local Government Act 2002 Schedule 10 Part (3)(2)(1) requirement that Council include a report on the activities that have been undertaken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to the decision-making process of Council.

Statement of compliance and responsibility

Compliance


1. The Council and management of the Carterton District Council certify that all the statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

2. The Council and management of the Carterton District Council accept responsibility for the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them.
3. The Council and management of the Carterton District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance report.
4. In the opinion of the Council and management of the Carterton District Council, the annual Financial Statements for the year ended 30 June 2020 fairly reflect the financial position and operations of Carterton District Council.



Greg Lang
Mayor
9 December 2020



Jane Davis
Chief Executive
9 December 2020

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report To the readers of Carterton District Council's Annual Report for the year ended 30 June 2020

The Auditor-General is the auditor of Carterton District Council (the District Council). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 9 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 40 to 42 and 48 to 73:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2020;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the funding impact statement on page 42, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statements of service performance on pages 12 to 38:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and

- the statement about capital expenditure for each group of activities on pages 43 to 47 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 43 to 47, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan and annual plans.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 74 to 78, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter - Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in note 23 to the financial statements and page 12 of the non-financial performance information.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statements of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 7, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1

(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's Debenture Trust Deed which is compatible with those independence requirements. Other than this engagement, we have no relationship with, or interests in, the District Council.



John Whittal
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Service Performance

Community outcomes and well beings

The Council has in place a number of community outcomes it is seeking for the Carterton community. These are expressed as community outcome statements, and each group of activities contributes to all or some of those outcomes. All outcomes support the Council's vision for Carterton, expressed in the Ten-Year Plan, of "a welcoming and vibrant community where we all enjoy living".

Since the adoption of the Ten Year Plan Parliament has reintroduced into the Local Government Act (and the purpose of Councils) the "four well beings", meaning when Councils are carrying out their functions they should now make a significant contribution to social, economic, environmental and cultural well-being. The table below identifies how each activity the Council carries out contribute to outcomes and the well beings.

Group of activities	Community outcomes					Well beings			
	A strong community	A prosperous economy	A healthy natural and built environment	Quality, fit-for-purpose infrastructure	A strong and effective Council	Social	Economic	Environmental	Cultural
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		✓	✓	✓		✓	✓	✓	

COVID-19 Impacts

COVID-19 had a minor overall impact on the Council's operations and revenue over the 2019/20 financial year. Impacts for each group of activity, and the response to, the COVID-19 pandemic is summarised below, with further detail provided under each group of activity.

Group of activities	Impact
Governance	Council meetings were held where members either attended through conferencing medium or in person with adherence to distancing and assembly requirements. Meetings were also live-streamed
Community support	All public facilities including toilets, bins, seats and play equipment were sterilised with the steam machine before those assets were made available for use Event Centre was closed during Levels 3 and 4 lockdowns and this meant no income for the Centre. When we came out of lockdown, we had an event surge with a number of sell out shows
Regulatory and planning	The Wairarapa Emergency Operation Centre was activated from mid-March to mid-May and the Greater Wellington region saw 123 confirmed cases of COVID-19, with two deaths. Environmental health activities were increased immediately before and during the level changes to assist food outlets comply with regulations. Clear personal communication was required with constant monitoring of Central Government level requirements. The animal control function continued throughout the Levels 3 and 4 lockdowns as an essential service, with adherence to requirements
Roads and footpaths	Covid-19 has set back some of the planned capital expenditure for the renewal or upgrade work of the network. During the lockdown at Alert Level 4 the contractors only responded to emergency situations. Under successive Alert Levels 3 to 1, there was increasingly greater activity, principally focused on maintenance, painting and some reseals
Sewerage and the treatment and disposal of sewage	The WWTP upgrade construction was delayed throughout the Level 4 lockdown period as it was not an essential service. Responses to leak or blockages continued during Level 4 lockdown as an essential service.
Stormwater drainage	There has been minimal interruption to the stormwater services provided by Council due to Covid-19; responses to leak or blockages remained a critical service.
Waste management	Kerbside collection continued during Levels 4 and 3 lockdowns. The transfer station was closed to urban users and non-kerbside recycling collection services were stopped during Level 4 lockdown
Water supply and water races	The continual supply of treated water to the community was an essential service during Levels 4 and 3 lockdowns. Any minor leaks were left to be remedied after this period while any repair work of significance was undertaken swiftly

Groups of activities

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 encouraging participation within the district
- by representing the district's interests.

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

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

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.

Examples of Council activities that contributed to achieving outcomes

- Regular meetings of the Council, its committees and working groups were held to address governance and strategic policy issues. The conduct of these meetings observed standing orders and reflected best practice
- Engaged with the community in a range of ways: informal consultation events, service groups, business forums and individually
- Undertook the residents' satisfaction survey that is conducted annually
- Participation at the Wellington Region Mayoral Forum and Wairarapa fora.
- Attendance at the Zone 4 Local Government New Zealand meetings
- Councillors' membership on a number of outside committees and groups, such as the Waiohine and Te Kāuru Floodplain Committees, Wellington Region Waste Forum, Group, and the Regional Climate Change Forum.
- Mayoral leadership through the Mayor's Town Centre Taskforce and during the Alert Level Four and Three Lockdowns from March to May 2020 in response to the Covid-19 pandemic.
- Training in Tangata Tiriti and Te Reo

Response to Covid-19

In response to the implementation of national measures set by Government due to the Covid-19 pandemic:

- Over the period March to May during Alert Level 4 lockdown, there no formal Council or Committee meetings held. Council otherwise conducted its business remotely through conferencing medium. This included regular meetings with the Chief Executive and management team.
- From May, Council meetings were held where members either attended through conferencing medium or in person with adherence to distancing and assembly requirements. Meetings were also live-streamed.

- The practice of using conferencing medium has become embedded for both members, as has public involvement through online broadcasts

Significant asset acquisitions or replacements, and variations from the Annual Plan

There were no significant asset acquisitions or replacements for governance activities during the year.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Achieved. Governance cost \$691,904 during 2019/20 up from \$576,815 in 2018/19. The Annual Plan for 2019/20 anticipated expenditure of \$751,477. [2019: Achieved 100%]
Open and transparent conduct of Council business	Agenda is available on website 3 working days before each scheduled Council or Committee meeting	90%	100%	Achieved. Agendas for scheduled meetings of Council and Committees were available at least 3 working days before the meeting for 100% of the scheduled meetings. All were available in terms of statutory requirements. [2019: Achieved – 96%]
Representation of residents by elected members	Residents' satisfaction ¹ with the Council's overall governance and reputation	≥65% Rate 7-10	47%	Not achieved. In the Council's survey undertaken in 2020 47% of residents surveyed ² scored the overall governance and reputation of the Council 7-10 ³ . [2019: Achieved 65%]
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	On time and unmodified	On time	Achieved. The Annual Report was adopted on 9 December 2020 within revised statutory deadline of 31 December 2020 with no modifications. [2019: Not achieved. Adopted by 31 October 2020 with modified opinion.]
	Net cash flow from operations: actual-planned variance from budgeted	≤10%	12.7%	Not achieved. Cash obtained from operating activities reflects higher revenues than expected and lower operating expenditure than planned. [2019: Not achieved. Actual result was a positive 38% variance from budgeted]

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

² Annual Residents Survey, Muirton Research, April 2020

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

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Maori Engagement	Council engagement plans include specific actions for engagement with Māori	100%	100%	As well as the statutory engagement activities (Annual Plan) engagement with Māori included the Five Towns Trails network development, the renaming of Old Gladstone Road, bilingual signage project, revamp of Carrington Park, and the Wairarapa Recovery Plan [2019: 100%]
Risk Management	Appropriate risk management systems are in place	Yes	Yes	Risk management plans are in place with regular reporting to the Audit & Risk Committee. [2019: Yes – in place]

Councillor meeting attendance records

Councillor (to 16 October 2019)	Total Council meetings attended	Total Committee meetings attended	Councillor (from 16 October 2019)	Total Council meetings attended	Total Committee meetings attended
Mayor John Booth	3 of 3	6 of 7	Mayor Greg Lang	8 of 8	13 of 14
Cr Russell Keys	3 of 3	1 of 6	Cr Rebecca Vergunst	8 of 8	6 of 6
Cr Mike Ashby	3 of 3	5 of 5	Cr Steffen Bertram	8 of 8	4 of 8
Cr Ruth Carter	3 of 3	4 of 4	Cr Robyn Cherry-Campbell	8 of 8	8 of 9
Cr Brian Deller	3 of 3	6 of 6	Cr Steve Cretney	8 of 8	8 of 8
Cr Jill Greathead	2 of 3	5 of 5	Cr Brian Deller	8 of 8	8 of 9
Cr Greg Lang	3 of 3	3 of 3	Cr Jill Greathead	8 of 8	5 of 6
Cr Tracey O'Callaghan (resigned in February 2019)			Cr Russell Keys	4 of 8	4 of 6
Cr Rebecca Vergunst	3 of 3	3 of 3	Cr Rob Stockley	8 of 8	9 of 9

Community support

This group of activities...

includes the following services and programmes:

Community development

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

Parks and reserves

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

Community amenities

- Carterton Events Centre
- Clareville Cemetery
- Outdoor Swimming Complex

- public toilets
- Carterton Holiday Park
- a number of Council-owned properties, some of which are leased.

...contributes to the community outcomes

A 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 growth is vital to the development of the district and region. The Council contributes to economic development initiatives to support business growth, employment, and tourism to the district and region.

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.

Examples of Council activities that contributed to achieving outcomes

- Distribution of grants to community organisations that benefit Carterton residents
- Distributed small business grants to help local businesses to recover from the impacts of Covid-19
- Led the social wellbeing stream of the Covid-19 Recovery Plan
- Supported the Emergency Operations Centre to respond to Covid-19
- Continued our partnership provision of funding to Hurunui o Rangi Marae Partnership, Rangatahi ki Rangatira, Destination Wairarapa, Connecting Communities, Enviro-schools and the Youth in Education Training and Employment (REAP)
- Annual scholarships to UCOL and Outward Bound
- Facilitated community network meetings to encourage information sharing and collaboration to ensure comprehensive delivery of social services within Carterton
- Participated in the Youth, Employment, Training and Education (YETE) partnership
- Ran free school holiday programmes for youth and young adults
- Ran through the Library a coding club, watercolour painting club, book clubs for teens and adults and reading programmes for children to encourage wider reading and education, and a service to assist seniors to engage in the digital world
- Supported the community garden in collaboration with R2R, Resilient Carterton, , WaiArt and Wairarapa Herb Society
- Supported the Carterton Ka Pai committee to develop a community plan
- Completed the combined councils Wairarapa Economic Development Strategy
- Completed the combined councils Positive Ageing Strategy
- Continued support of the Waiwaste volunteer food rescue initiative
- Completed our Māori Engagement Action Plan to enhance Treaty obligations and partnerships
- Distributed funding to support local arts projects and supported place making projects
- Provided civic ceremonies to commemorate significant events and welcome new citizens
- Provided a free venue for the delivery of social services
- Provided community training for emergency preparedness
- Enhanced neighbourhood connections through the provision of Neighbourhood Support
- Provided affordable staging/lighting options for community events
- Managed the Carterton Community Courthouse allowing more affordable meeting spaces for community groups
- Supported the DHB with annual 'Big Latch On' and the following fundraising events: Wellington Free Ambulance, South Wairarapa Vets, Pukaha Mt Bruce, Rotary Book fair, St Mary's School Carterton School, Dalefield School , Age Concern Senior Expo , Kokomai , Meet the Candidates , Meet the Mayoral Candidates
- Initiated a free stage craft/technical workshop for college students in the Wairarapa held at the Events centre
- Ran craft events and hosting entertainers to encourage wider use of the library
- Managed the libraries and staff operations of the Wairarapa Library Service to ensure a cohesive and seamless service for customers
- 16 mature Eucalyptus trees were removed from the northern boundary of Clareville Cemetery and replacement trees were planted
- A new 2 burner BBQ and shelter were installed at Carrington Park
- Keep Carterton Beautiful Group (KCBG) continued to assist with hanging basket preparation, weeding and upkeep of reserves, painting assets and general maintenance
- 220 donated shrubs planted at West Taratahi Community Hall
- 3 fly dumping rubbish infringement notices were issued
- 3 remote location cameras were purchased to monitor remote reserves for trespassing and fly dumping.
- 800 shrubs donated by Peter Giddons as a carbon footprint mitigation contribution were planted at Clareville Cemetery, Mill Grove Reserve and at Wairaukau Rd.

Response to Covid-19

The Covid-19 pandemic and associated lockdowns resulted in the following new or changed activities:

- Signage relating to the various lockdown levels were constantly updated and monitored as the situations evolved.
- Physical barriers were in place on all playground and exercise equipment during L3 and L4.
- Public facilities were closed during L3 and L4.
- Burials, rubbish collection and monitoring of signage and barriers continued during all phases of the COVID response but with operational adjustments to comply with health requirements.
- Seeds for the winter bedding displays that had been sown prior to Levels 3 and 4 lockdowns were lost as we were unable to look after them during level 4 lockdown
- All public facilities including toilets, bins, seats and play equipment were sterilised with the steam machine before those assets were made available for use
- Event Centre was closed during Levels 3 and 4 lockdowns and this meant no income for the Centre. When we came out of lockdown, we had an event surge with a number of sell out shows

Significant asset acquisitions or replacements, and variations from the Annual Plan

- With the Lions Club of Carterton for their 50-year project, a kids' road safety bike park in Carrington Park was created
- A new footpath was installed in Carrington Park as a link from the existing perimeter track to Carterton School to provide a safe thoroughfare for parents and children.
- The limestone pathway in Howard Booth Park has been extended to provide an all-weather walking track that now encompasses the entire perimeter.
- A steam machine and a Kubota side by side were purchased to control weeds in an environmentally friendly way
- A shelter was donated and installed at Hurunui o Rangi marae
- Two shelters were installed at Sparks Park

- A bike stand was installed on High Street outside Almos Bookstore

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	Achieved. Community Support cost \$4,092,337 during 2019/20, up from \$3,773,501 during 2018/19. The Annual Plan anticipated expenditure of \$4,162,405. [2019: Achieved 100%]
A range of amenities of a standard satisfactory to residents	Residents satisfaction with the swimming pool	≥75% rate 7-10	82%	Achieved. In the survey undertaken in 2020, 82% of those respondents who had visited the pools in the last twelve months ⁴ , rated their satisfaction in the range of 7–10 ⁵ . [2019: Not achieved 74%]
	Residents satisfaction with public toilets	≥75% rate 7-10	64%	Not achieved. In the survey undertaken in 2020, 64% of those respondents who had visited public toilets in the last twelve months ⁶ rated their satisfaction in the range of 7–10 ⁷ . [2019: Achieved 79%]
	Residents satisfaction with services provided at the Library	≥75% rate 7-10	92%	Achieved. In the survey undertaken in 2020, 92% of those respondents who had visited the library in the last twelve months ⁸ , rated their satisfaction in the range of 7–10 ⁹ . [2019: Achieved 94%]
High quality sports fields, parks, and reserves	Residents satisfaction with the provision of open space, amenities and gardens	≥75% rate 7-10	77%	Achieved. In the survey undertaken in 2020, 77% of those respondents who had visited a council-maintained park or reserve in the last twelve months ¹⁰ , rated their satisfaction in the range of 7–10 ¹¹ . [2019: Achieved 89%]
Events Centre usage	Year-on-year increase in the number of bookings	≥10%	0%	Bookings for use of the facilities at the Events Centre during 2019/20 were on par with the number of bookings made during 2018/19 before the Centre was closed in response to Covid-19 measures. This trend in bookings indicated that there would be no increase in bookings this year over 2018/19. [2019: 33% increase over the prior year]

⁴ Annual Residents Survey, Muirton Research, April 2020

⁵ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

⁶ Annual Residents Survey, Muirton Research, April 2020

⁷ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

⁸ Annual Residents Survey, Muirton Research, April 2020

⁹ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

¹⁰ Annual Residents Survey, Muirton Research, April 2020

¹¹ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

Regulatory and planning

This group of activities...

includes the following services:

- Administration of the responsibilities imposed on the Council under 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
- Oversight of the building control functions of both the Territorial Authority's (TA) and Building Consent Authority's (BCA) regulatory responsibilities within the Council. Both BCA and TA requirements are set out under the Building Act 2004 with specific requirements for the BCA in the Building (Accreditation of Building Consent Authorities) Regulations 2006
- 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, e.g. location of sewer and water connections, fault lines, and resource consents
- Environmental health including administration of the Food Act 2014, noise control, trade waste, and potable water monitoring.
- Licensing the sale and supply of alcohol under the Sale and Supply of Liquor Act 2012
- Civil defence and emergency management
- Animal management

...contributes to the community outcomes

A safe district

A healthy district

A district that values and protects its natural environment

The Resource Management Act places specific statutory functions on territorial authorities to promote the sustainable management of natural and physical resources.

Appropriate policy and programmes are promoted and implemented to ensure minimal adverse effect on the environment.

The Building Act sets out standards to ensure that people who use buildings can do so safely and without endangering their health. There are other legislative requirements to provide and manage that are important for the health and safety of the district's community and environment including the monitoring of air quality, drinking water, and food safety.

A prosperous economy

A healthy natural and built environment

Quality fit for purpose infrastructure

A strong and effective Council

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.

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

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

- Building Act 2004 and regulations, which sets out the roles and responsibilities of the BCA, TA, owner, builder designer, and product manufacturer
- 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
- Bylaws Act 1910 is an enabling act that allows Council to undertake, monitor or restrict a number of actions.

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

Examples of Council activities that contributed to achieving outcomes

- Membership of the regional BCA group
- Ongoing accreditation following audit of the BCA by International Accreditation New Zealand
- 53 resource consent applications processed.
- 380 building consents processed.
- Membership and funding support to the Wellington Region Emergency Management Group
- Membership of the Wairarapa Coordinated Emergency Management Group
- 12 staff trained in desk roles for the Emergency Operation Centre
- Community Emergency Hub exercise conducted yearly.

- Regular inspection of food and alcohol outlets.

Response to Covid-19

- The Wairarapa Emergency Operation Centre (EOC) was activated during the Level 3 and 4 lockdowns.
- 12 staff members worked in the EOC in roles including Alternate Controller, Welfare Manager, Public Information Management (PIM), Planning Manager, Operations and logistics.
- The EOC was activated from mid-March to mid-May and the Greater Wellington region saw 123 confirmed cases of COVID-19, with two deaths.
- Environmental health activities were increased immediately before and during the level changes to assist food outlets comply with regulations. Clear personal communication was required with constant monitoring of Central Government level requirements.
- The animal control function continued throughout the Levels 3 and 4 lockdowns as an essential service, with adherence to requirements.
- Building control functions continued through the lockdowns with appraisal of consent applications occurring during all lockdown periods. Inspection activity recommenced under Alert Level 3.
- Resource consent application processing continued during the lockdown periods.

Significant asset acquisitions or replacements, and variations from the Annual Plan

Building and resource consent applications in 2019/20 are in line with planned levels anticipated in the Ten-Year Plan for 2018 -2028.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	108%	Not achieved. Regulatory and Planning cost \$1,944,588 during 2018/19, up from \$1,912,662 during 2018/19. The Annual Plan anticipated expenditure of \$1,798,045. The increase in cost arose through increased FTE required for the undertaking of building control work. [2019: Not achieved 106%]
Timely processing of applications	LIMs ¹² processed within 10 working days	100%	100%	Achieved. All 114 LIMs processed were completed within the 10-day statutory timeframe. Average process time was 7 days. [2019: Achieved. 172 LIMs processed; average processing time 6 days]
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	Achieved. 53 resource consents were processed during the year, all were completed within statutory timeframes (100%). [2019: Achieved. 55 resource consents, 100% within statutory timeframes]
	PIMs and building consents processed within statutory timeframes	100%	96.8%	Not achieved. 380 building consents were processed during the year. 368 were processed within the statutory time frame (96.8%). Technical difficulties prevented the timely completion of two consents. Average processing time 12 days. [2019: Not achieved. 334 Building consents and PIMS, 98.8% within statutory timeframes]
Safe and healthy food premises	Known food premises in the district have food control measures in place	100%	100%	Achieved. 47 food premises/organisations have been monitored, ensuring current licensing and registration under health legislation. [2019: Achieved 100%]
Licensed liquor outlets	Known liquor outlets ¹³ in the district have appropriate licences and certificates	100%	100%	Achieved. 4 on-licences, 6 off-licences, 2 club licences, 17 special licences and 36 manager's certificates were issued covering 70 organisations/premises involved in the sale of liquor. [2019: Achieved 100%]

¹² Land Information Memorandums

¹³ This includes the venue for an event

Roads and footpaths

This group of activities...

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

...contributes to the community outcomes

A 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.

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

The district roading network is managed under the *Roading Activity Management Plan 2014* that sets out the targets for asset condition, performance, and levels of service.

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

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

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

Examples of Council activities that contributed to achieving outcomes

- 2019/20 had mixed weather conditions with a long dry period followed by adverse weather events that impacted on aspects of the districts roading network. Contractor availability impacted as did the Covid-19 pandemic on the ability to complete approved works and achieve required expenditure
- Partial completion of the approved subsidised roading programme, being the second year in the 2018/21 3-year programme
- Carrington Bridge 38 on Mangatarere Valley Road had concrete deck repairs and the structural steel beams painted.
- 95% of the resealing programme for 2019/20 was completed by year-end.
- footpath surfacing renewal is primarily asphaltic concrete.

• Response to Covid-19

- Covid-19 has set back some of the planned capital expenditure for the renewal or upgrade work of the network. During the lockdown at Alert Level 4 the contractors only responded to emergency situations. Under successive Alert Levels 3 to 1, there was increasingly greater activity, principally focussed on maintenance, painting and some reseals.

Significant asset acquisitions or replacements, and variations from the Annual Plan

The bulk of the roading work was 'normal operations' with work done to improve the intersections along Para Road.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Roads and footpaths are managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	101%	Not achieved. Roads and Footpaths cost \$4,151,159 during 2019/20, up from \$3,537,160 during 2018/19. The Annual Plan anticipated expenditure of \$4,120,245. The increase over cost reflected the focus on roading maintenance as a consequence of Covid-19. [2019: Achieved.]
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network ¹⁴	Fatal: decrease or ≤1 increase, Serious injury: decrease or ≤3 increase	1 fatal 8 serious injury crashes	Not achieved. During 2019/20 there was one fatal crash (Dalefield Road in January 2020) and 8 serious injury crashes. There were moderate and minor injuries crashes reported which are outside the measures. [2019: Achieved. There was one fatal crash and no serious injury crashes]

¹⁴ Source: NZTA's Crash Analysis System

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	85%	Not achieved. Of the 195 requests to the contractors, 165 or 85% were responded to within the contract response time. [2019: Achieved 91%]
	Average quality of ride on the sealed local road network, measured by smooth travel exposure	≥90%	98%	Achieved. The percentage of travel (Vehicle Kilometres Travelled) on smooth roads of the sealed local road network was 98%. [2019: Achieved 98%]
	Percentage of sealed road network that is resurfaced	≥5%	4%	Not achieved. 12.7km or 4.3% of the 294km of sealed roads were resurfaced due to NZTA's desire to extend the life cycle of roads from 15 years to 20 years as outlined in the draft RAMP. [2019: Achieved 14.7km or 5%.]
	Percentage of footpaths compliant with condition standards	≥95%	99.1%	A condition rating survey was undertaken in July 2019 with results identifying 99.1% of footpaths scored a condition grading of 1-3 (good condition). [2019: Not measured. Last measured in 2018 at 98.1%]
	Residents satisfaction with the district's roads, cycleways, and walkways	≥55% rate 7-10	42%	Not achieved. In the survey undertaken in 2020, 51% of the respondents ¹⁵ rated their satisfaction of the availability of footpaths in the range of 7–10 ¹⁶ and 43% rated their satisfaction with the maintenance of footpaths in the range 7–10. Overall, 42% of respondents rated their satisfaction with the district's roads, cycleways, and walkways in the range of 7–10. [2019: Not achieved. 50% with availability of footpaths 62% and maintenance of footpaths 42%]
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95%	50%	Not achieved. A response rate of 50%; of the four regulatory signs repaired or replaced two were outside the response time. [2019: Not achieved. A response rate of 50%.]
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	≥70%	63%	Not achieved. A response rate of 63%; of the 87 non-regulatory signs faults advised, 55 were repaired within the 21 days. The remaining 32 were not repaired within the timeframe due to contractor programme issues. [2019: Not achieved. A response rate of 56%]
	Road signs and markings found missing or not visible	≤5%	5%	Achieved. A rate of 4.9%; of the 3,145 road signs or markings within the district, 153 road signs or markings were found to be missing or not visible in the six-monthly inspections. EMP posts were the main traffic service item missing. Some pavement markings on Te Wharau Road were not captured with the re-markings this year. [2019: Achieved 1%]

¹⁵ Annual Residents Survey, Muirton Research, April 2020

¹⁶ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%	60%	Not achieved. Of 10 fault reports and public complaints related to footpaths, 6 were responded to within 2 working days (60%). Not all were acknowledged within the time frame of two days due to either resource scheduling (involving the contractors) or time necessary to assess the reported fault. [2019: Not achieved 82%]
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%	75%	Not achieved. Of the 4 streetlight faults identified, 3 or 75% were repaired within 2 weeks. The 1 or 25% of reported faults were due to the contractor being unable to programme the repairs within the timeframe. [2019: Not achieved 79%]
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	≥70%	80%	Achieved. Of 117 service requests, 94 responded to within 10 days (80%). Those not responded to within the time frame of ten days due to either resource scheduling (involving the contractors) or time necessary to assess the reported fault. All fault reports and public complaints are recorded as service requests. [2019: Not achieved. A response rate of 54.4%]

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 impact on the environment.

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'.
- Resource Management Act that sets out the principles under which the disposal of waste water may take place.

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

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

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

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

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

Examples of Council activities that contributed to achieving outcomes

- Reporting to Greater Wellington Regional Council (GWRC) on resource consent conditions
- The continued upgrade and renewal of the sewer reticulation network
- Provision of reticulated sewerage services to the Waingawa Industrial Zone by agreement with Masterton District Council
- Ongoing work in connection with the Waste Water Treatment Plant upgrade.

Response to Covid-19

The WWTP upgrade construction was delayed throughout the Level 4 lockdown period as it was not an essential service. Responses to leak or blockages continued during Level 4 lockdown as an essential service.

Covid-19 has set back some of the planned capital expenditure for the renewal or upgrade work of the network.

Significant asset acquisitions or replacements, and variations from the Annual Plan

Construction of the storage reservoirs began in 2018, along with the realignment of the wetlands and associated ephemeral waterways that entailed the relocation of native fisheries.

Work continues with mains replacement or upgrade involving system links throughout the network

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
The sewerage service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Achieved. Sewerage cost \$2,367,248 during 2019/20, up from \$1,940,030 during 2018/19. The Annual Plan anticipated expenditure of \$2,512,099. The anticipated level of expenditure provided for financial costs related to borrowing and capitalisation of the continued re-development of the sewage treatment plant that is presently under construction. [2019: Achieved 100%]
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	≤5	None	Achieved. There were no dry weather sewer overflows during the year. [2019: Achieved, two incidents at a rate of 0.74 per 1000 connections]
Management of environmental impacts	Number of abatement notices	≤1	0	Achieved. No abatement notices were issued by GWRC. [2019: Achieved, none]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2019: Achieved, none]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2019: Achieved, none]
	Number of successful prosecutions	0	0	Achieved. No prosecution actions against the Carterton District Council were taken by GWRC during 2019/20 [2019: Achieved, none]

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Response to sewerage system faults	Median attendance time	≤1 hour	0.5 hours	Achieved. There were 18 incidents recorded as service requests with a median time for response of 30 minutes. 12 were responded to within 1 hour of being reported.. [2019: Achieved, response time of 35 minutes]
	Median resolution time	≤4 hours	3.25 hours	Achieved. The median to resolve an incident from when first reported was 3 hours 15 minutes; a rate less than 4 hours. 18 incidents occurred: 11 took less than 4 hours to resolve, 5 between 4 hours and 1 day to resolve; 1 a day to resolve; and 1 took 4 days to be resolved. [2019: Achieved. The median was 2.3 hours]
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤20	7	Achieved. The 18 service requests received relating to sewage and sewerage was effectively a rate of 7.21 requests per 1000 connections. [2019: Achieved. A rate of 8.85 per 1000 connections]
	Residents satisfaction with the town's sewerage system	≥75% rate 7-10	80%	Achieved. In the survey undertaken in 2020, 80% of those respondents who had used the town's sewerage system in the last twelve months ¹⁷ , rated their satisfaction in the range of 7–10 ¹⁸ [2019: 86%]

¹⁷ Annual Residents Survey, Muirton Research, April 2020

¹⁸ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

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.

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

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

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

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

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

Examples of Council activities that contributed to achieving outcomes

- Continued upgrades to the urban stormwater systems contributed to no more than minor flooding events occurring within the urban area.

Response to Covid-19

There has been minimal interruption to the stormwater services provided by Council due to Covid-19; responses to leak or blockages remained a critical service.

Significant asset acquisitions or replacements, and variations from the Annual Plan

The planned significant capital works item, the diversion of Waikākāriki Stream, was further deferred until 2023/24. Work will follow the completion of the Mangatarere Flood Management Plan.

There were no other significant asset acquisitions or replacements during the year, and no other variations from the Ten-Year Plan for 2018-2028.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	104%	Not achieved. Stormwater management cost \$261,793 during 2019/20, up from \$244,017 during 2018/19. The Annual Plan anticipated expenditure of \$251,824. The increased cost was depreciation reflecting the revaluation of the infrastructure in 2018/19. [2019: Achieved 100%]
System and adequacy	Number of flooding events	≤1	None	No flooding events recorded. A flooding event is where a residential or commercial floor-space is flooded. [2019: Achieved, none]
	For each flooding event, the number of habitable floors affected, per 1000 properties connected	≤1	None	There were no flooding events. [2019: Achieved, none]
Management of environmental impacts	Number of abatement notices	0	0	Achieved. No abatement notices were issued by GWRC. [2019: Achieved, none]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2019: Achieved, none]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2019: Achieved, none]
	Number of successful prosecutions	0	0	Achieved. No prosecution action taken against the Carterton District Council by GWRC during 2018/19. [2019: Achieved, none]
Response to stormwater system issues	The median response time to attend a flooding event	≤3 hours	None	Achieved. There were no flooding events in 2019/20. 6 blockages or overflows (i.e. service faults) were reported and resolved. Blockages or overflows occur within the stormwater/drainage system as a consequence to adverse weather events. Such incidents are upgraded to a flooding event where those blockages or overflows impact upon residential or commercial buildings. [2019: Achieved, none]
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤10	2	Achieved. The 6 service requests received relating to stormwater was effectively a rate of 2.26 requests per 1000 connections. Most service requests report a blockage or minor flooding. A blockage that keeps happening through lack of capacity or maintenance is considered an issue for complaint. {2019: Achieved. The rate is 2.29 per 1000 properties]
	Residents satisfaction with the town's stormwater system	≥60% rate 7-10	60%	Achieved. In the survey undertaken in 2020, 60% of those respondents who had used the town's stormwater system in the last twelve months ¹⁹ rated their satisfaction in the range of 7–10 ²⁰ [2019: 60%]

¹⁹ Annual Residents Survey, Muirton Research, April 2020

²⁰ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

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.

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

- encourage efficient and effective waste management services
- ensure that management of waste does not cause a nuisance or be injurious to public health

- consider the issues related to sustainability of its waste management activities and achieve improved collaboration with its communities and other agencies
- adopt a Waste Management Plan via the special consultative procedure.

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

Residual waste is currently freighted to a landfill site in Marton. Current arrangements for waste management involve all three Councils in the Wairarapa jointly contracting with a single provider for management of residual waste and recycling collection service and recycling depot/transfer station facilities. This contract was renewed in 2017/18.

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.

Examples of Council activities that contributed to achieving outcomes

- Weekly kerbside refuse and recycling collection for residents in the urban area
- Provision of a transfer station and recycling depot. Residual waste is transferred to a landfill at Marton
- A joint Wellington region Waste Management and Minimisation Plan is in operation
- Zero Waste Coordinator appointed, jointly funded by Wairarapa councils, undertaking promotional activity to encourage waste reduction, and identifying actions for reducing greenhouse gas emissions
- Zero Waste Coordinator attended the Wellington region Waste forum collective meetings with the Territorial Authorities
- Attended the Earthcare Waste Contract Management meeting with the three TA waste managers
- Represented the Wairarapa at the Wellington Region WMMP Collective meeting

- Liaised with Kate Meads - the Waste Free Parenting workshops, and Nic Turner (Mainstream Green) including being the point of contact, ensuring adequate marketing and communications is coordinated between the three councils
- Represented the three councils with promoting the NZ Love Food Hate Waste initiatives
- Implemented the four waste stream initiatives as per the LTP process
- Implementation of increased capacity of kerbside recycling with wheelie bins for recycling
- Represented the Wairarapa at the yearly Waste minimisation conference
- Worked with EnviroSchools to collaborate and attended meetings as the TA representative for Wairarapa
- Facilitated education workshops with school visits to Transfer sites in collaboration with Earthcare
- Coordinated and facilitated community workshops to inform the public around waste management
- Provided information to businesses in order to change mind-sets around waste management practice, particularly of our large businesses in the Wairarapa – visited over 400 businesses in preparation for plastic free July
- Created an action plan in relation to the Wairarapa Waste Minimisation plan
- Educated the public in the 3R's (Reduction, Re-use and Recycling)
- Ensured all programmes respect the Kaitiakitanga role of tangata whenua
- Promoted waste free events – promoting community recycling bins, with the Reducing Waste at your Event and Event Packaging Guidelines a collaboration with Wellington Region Councils supported with workshops
- Encouraged waste free packaging – including facilitating initiatives such as a plastic bag ban for a month in all communities
- Promoted the Councils' waste minimisation policies to the public throughout the district and in the wider Wairarapa
- Promoted Waste related celebration weeks i.e. Keep NZ Beautiful, NZ recycling week, Conservation week, Sustainability week, Plastic Free July
- Promoted Marae/Iwi/Hapu based waste minimisation projects and initiatives such as Para Kore.
- Collaboration with Climate Change Advisor delivering internal workshops within council about the effects of waste in the workplace.

- MFE Submission made for the Waste Levy Expansion
- Represented Wairarapa at Waste Forum meetings held quarterly, hosting one of those at Carterton
- Collaboration of promotion of the Sort Waste website across the 8 Wellington region councils

Response to Covid-19

Kerbside collection continued during Levels 4 and 3 lockdowns. The transfer station was closed to urban users and non-kerbside recycling collection services were stopped during Level 4 lockdown.

Significant asset acquisitions or replacements, and variations from the Annual Plan

- There were no significant asset acquisitions or replacements during the year
- There were no variations from the Ten-Year Plan
- Kerbside recycling services to our urban residents was expanded through the introduction of wheely bins for recycling and an e-waste service at the transfer station.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Achieved. Waste management cost \$978,178 during 2019/20, up from \$920,643 during 2018/19. The Annual Plan anticipated expenditure of \$1,056,050. [2019: Achieved 100%]
Refuse and recycling services of a satisfactory standard	Resident's satisfaction with waste disposal services	≥75% Rate 7-10	69%	Not achieved. In the survey undertaken in 2020, 84% of the respondents ²¹ rated their satisfaction with the kerbside rubbish in the range of 7–10 ²² and 73% rated their satisfaction with the kerbside recycling collection in the range of 7–10. Overall, 69% of respondents rated their satisfaction with all waste management services in the range of 7–10. [2019: Not achieved 73%, with refuse collection 77% and kerbside recycling 82%]
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	One non-compliant	Not achieved. Groundwater sampling adjacent to the Landfill has shown to exceed some consent conditions. The source of this contamination may not be totally related to the landfill activity given the past use of approximately 1.5ha of unlined area of the landfill site for irrigation of wastewater until 2013 and adjoining agricultural and horticultural activities. More recent steps were taken to capture and treat leachate from these lined landfill deposits. Similar steps are not possible with the unlined deposits due to the nature of that dumping. Discussions with GWRC continue for a consent that permits the low-level discharge in this uncapped area. [2019: Not achieved]

²¹ Annual Residents Survey, Muirton Research, April 2020

²² Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

Water supply

This group of activities...

includes the following services:

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

...contributes to the community outcomes

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

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

The adoption of conservation-based strategies encourages appropriate usage of the water resource. Collective ownership of resources will reduce the environmental impact of multiple individual systems. The environment is protected by providing a community supply with parameters around consumption rather than individuals being left to source their own water supplies.

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

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

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

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

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

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

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

In Waingawa, potable water services is 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, e.g. Drinking Water Standards
- sustainable health and environmental matters embodied in the community outcomes
- community affordability.

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

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

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

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

Examples of Council activities that contributed to achieving outcomes

- Universal water metering of the urban reticulated water supply, with a significant number of leaks on private property pipes identified and repaired
- Provision of water for stock farming, industrial, horticulture, and viticulture businesses
- Provision of reticulated water services to the Waingawa Industrial Zone by agreement with Masterton District Council
- Continued monitoring and upgrading of the potable water supply network.

Response to Covid-19

The continual supply of treated water to the community was an essential service during Levels 4 and 3 lockdowns. Any minor leaks were left to be remedied after this period while any repair work of significance was undertaken swiftly.

Significant asset acquisitions or replacements, and variations from the Annual Plan

- Work on water mains replacement continued in 2019/20.
- Completion of broadband installation within the urban areas provided opportunity to upgrade lateral connections in a number of locations.
- The replacement of existing water meterage with smart meters commenced in February 2020. Although impacted by the National Emergency arising with Covid-19, renewal of residential meterage was nearly complete by June 2020. Work on the remaining residential and other reticulation meterage will be undertaken in 2020/21.

There were no variations from the Ten-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
The urban water service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	Achieved. Water supply cost \$2,398,093 in 2019/20, down from \$2,474,912 in 2018/19. The Annual Plan anticipated expenditure of \$2,468,836. [2019: Not achieved 110%]
Safety of drinking water	Compliance with part 4 of DW Standards (bacteriological requirements)	Full compliance	Non-compliance	Not Achieved. Kaipaitangata Treatment Plant – non-compliant: <ul style="list-style-type: none"> Arising from issues related to the continuous monitoring of turbidity Frederick Street Treatment Plant – non-compliant: <ul style="list-style-type: none"> Arising from issues related to the continuous monitoring of turbidity and free available chlorine. Distribution zone – non-compliant: Issues with compliance at both plants has been resolved through improved equipment and telemetry but may only be recorded as compliant once we have 12 months of data. These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor. [2019: Not achieved]
	Compliance with part 5 of DW Standards (protozoal requirements)	Full compliance	Non-compliance	Not achieved. Both the Kaipaitangata and Frederick Street treatment plants have continuous monitoring of UV performance in place arising from improved equipment and telemetry to ensure compliance with the agreed Water Safety Plan. This plan was approved in 2017 by Regional Public Health. CDC has received validation for UV equipment at both plants. Until advised otherwise, results are considered to be non-compliant in respect of water supply provided, pending the assessment of compliance by the independent Drinking-Water Assessor. [2019: Not achieved]
Maintenance of the reticulation network	Real water loss from networked reticulation system	≤45%	30%	Achieved. The water loss as calculated by the recommended methodology is 29.91%, representing 200.03 litres per service connection per day. Flushing to maintain service levels is currently not measured. Improvement of the reticulation system through replacement and refurbishment is expected to reduce real water losses over time. Monitoring of the network condition will identify where that work will occur. [2019: Achieved. 32.8 % or 242.4 litres per service connection per day]

The service broken down into measurable components	Performance measure	Target 2020	Result 2020	Comment
Fault response times	Median time to attend urgent call-outs	≤2 hours	0.25 hours	Achieved. There were 3 urgent callouts in 2019/20 with median time to respond to a callout being 15 minutes. An urgent call-out is where there is a complete loss of water supply. [2019: Achieved, none]
	Median time to resolve urgent call-outs	≤4 hours	1.6 hours	Achieved. There were 3 urgent callouts in 2019/20 with a medium time to complete of 1 hour and 40 minutes. 2 callouts were resolved with 4 hours while the third took 12 hours. [2019: Achieved, none]
	Median time to attend non-urgent call-outs	≤12 hours	1.6 hours	Achieved. There were 118 non-urgent callouts during 2019/20. The median time to attend the callouts was 1 hour and 34 minutes. 79 callouts were attended within 12 hours. [2019: Achieved. The median was 2.5 hours]
	Median time to resolve non-urgent call-outs	≤24 hours	5 hours	Achieved. The median time to resolve a non-urgent call out from when first reported was 5 hours. 82 call outs during 2018/2019 were resolved within 24 hours. All 118 non-urgent callouts were resolved. Effort has been made to be more responsive to callouts and their resolution. [2019: Achieved. The median was 15.7 hours]
Customer satisfaction	Number of complaints received per 1000 connections	≤15	1	Achieved. The 120 service requests received relating to urban water supply was effectively a rate of 45.09 requests per 1000 connections. We had three complaints during 2019/20 that related to water quality (colour, turbidity or odour). Effectively a rate of 1.13 complaints per 1000 connections. [2019: Achieved. Effective complaint/service request rate relating to water quality is 1.46 complaints per 1000 connections]
Demand management	Average consumption of drinking water per day per resident within the district	≤400 litres	357 litres	Achieved. 357.45 litres per resident serviced by urban water supply, inclusive of water losses; 250 litres per resident excluding water losses. [2019: Achieved. 388.33 litres per resident]
Urban water system of a satisfactory standard	Resident's satisfaction with their household water supply	≥75% rate 7-10	74%	Not achieved. In the survey undertaken in 2020, 74% of the respondents ²³ connected to the urban water supply rated their overall satisfaction with household water supply in the range of 7–10 ²⁴ . [2019: Achieved 79%]
Adverse effects on the environment are minimised	Compliance with water resource consent conditions	100%	100%	Achieved. GWRC advise compliance with water resource consent conditions for the water taken through the artesian bores located at Frederick Street. They also advise compliance with water resource consent conditions for water taken from the Kaipaitangata Stream. [2019: Achieved]

²³ Annual Residents Survey, Muirton Research, April 2020

²⁴ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

Financial statements

CARTERTON DISTRICT COUNCIL

Statement Of Financial Performance For The Period Ended 30 June 2020

Actual 30 June 2019 \$	Note	Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
Revenue			
13,095,025		13,747,597	13,581,362
78,385		80,215	69,900
225,151		246,294	143,689
1,793,477		1,811,369	1,672,450
1,423,306		1,873,821	1,851,876
87,428		81,698	62,500
39,302		229,650	25,600
143,891		109,628	191,060
78,124		139,736	37,000
665,017		844,143	584,801
55,317		67,562	48,000
161,160		201,097	110,000
411,906		-	-
4,549		16,369	-
18,262,038	2	19,449,178	18,378,238
Expenditure			
576,815		691,904	751,477
3,537,160		4,151,159	4,120,245
2,474,912		2,398,093	2,468,836
1,940,030		2,367,248	2,512,099
244,017		261,793	251,824
920,643		978,178	1,056,050
3,773,501		4,092,337	4,162,405
1,912,662		1,944,588	1,798,045
17,856		(9,464)	40,000
592		-	-
-		-	-
196,899		7,195	-
15,595,087	4	16,883,031	17,160,981
2,666,952		2,566,147	1,217,257
226,124		-	-
187,543		30,295	-
3,080,619		2,596,442	1,217,257
-	5	-	-
3,080,619		2,596,442	1,217,257
Note: Operating costs include the following expenses			
3,770,052		4,170,843	4,422,962
393,225		341,309	624,852
4,278,333	3	4,505,877	4,223,309

CARTERTON DISTRICT COUNCIL

Statement Of Other Comprehensive Revenue And Expense For The Period Ended 30 June 2020

Actual 30 June 2019 \$	Note	Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
3,080,619		2,596,442	1,217,257
6,225,175		10,687,017	8,967,575
-		2,225	-
6,225,175	16	10,689,242	8,967,575
9,305,793		13,285,684	10,184,832

CARTERTON DISTRICT COUNCIL

Statement Of Changes In Equity For The Period Ended 30 June 2020

Actual 30 June 2019 \$	Note	Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
199,175,514		208,481,307	201,062,458
9,305,793		13,285,684	10,184,832
208,481,307		221,766,991	211,247,290
Equity at end of year			
Components of equity			
115,222,912		116,732,135	115,095,801
3,080,619		2,596,442	1,217,257
(1,545,560)		(713,815)	(679,701)
(25,836)		-	-
116,732,135	16	118,614,762	115,633,357
75,310,314		81,561,324	76,197,707
6,260,299		10,687,017	8,967,575
(9,288)		2,225	-
81,561,324	16	92,250,566	85,165,282
8,642,288		10,187,848	9,768,950
1,545,560		713,815	679,701
10,187,848	16	10,901,663	10,448,651
208,481,307		221,766,991	211,247,290

CARTERTON DISTRICT COUNCIL

Statement Of Financial Position As at 30 June 2020

Actual 30 June 2019 \$	Note	Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
Assets			
Current assets			
2,424,411	6	3,382,531	7,298,725
2,195,375	7	1,859,864	1,737,008
8,279,741	8	6,011,147	3,187,052
12,899,528		11,253,542	12,222,785
Non-current assets			
205,269,730	11	219,151,737	215,234,751
973,000	9	1,013,800	732,725
993,570	10	932,917	808,437
19,793		19,793	36,172
1,003		3,228	12,910
207,257,096		221,121,475	216,824,995
220,156,624		232,375,017	229,047,780
Liabilities			
Current liabilities			
2,886,158	13	2,104,539	1,352,549
432,829	14	589,916	431,990
931,074	15	680,265	499,811
4,250,061		3,374,720	2,284,350
Non-current liabilities			
61,447	14	60,340	60,306
7,363,808	15	7,172,966	15,455,834
7,425,255		7,233,306	15,516,140
Equity			
116,732,135		118,614,762	115,633,357
3,742,678	20	4,406,533	10,448,651
81,561,324		92,250,566	85,165,282
6,445,169		6,495,130	-
208,481,307	16	221,766,991	211,247,290
220,156,624		232,375,017	229,047,780

CARTERTON DISTRICT COUNCIL

Statement Of Cashflows For The Period Ended 30 June 2020

Actual 30 June 2019 \$	Note	Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
Cash flows from operating activities			
Cash was received from:			
13,159,577	Receipts from rates revenue	14,028,345	13,647,327
1,153,525	Grants, subsidies and donations	2,174,093	1,877,476
87,428	Petrol tax	81,698	62,500
3,004,314	Receipts from other revenue	3,030,179	2,637,499
195,741	Finance revenue	272,919	143,689
17,600,585		19,587,234	18,368,491
Cash was applied to:			
11,151,484	Payments to suppliers and employees	12,796,571	12,032,733
394,491	Finance expenditure	352,977	624,853
11,545,975		13,149,547	12,657,586
6,054,610	Net cash flow from operating activities	6,437,686	5,710,905
Cash flows from investing activities			
Cash was received from:			
3,956	Sale of property, plant and equipment	9,174	1
3,201,138	Term investments, shares and advances	8,279,742	3,187,052
-	Forestry investment	-	-
3,205,094		8,288,916	3,187,053
Cash was applied to:			
3,979,790	Purchase of property, plant and equipment	7,305,179	8,217,311
8,279,741	Term investments, shares and advances	6,011,147	3,187,052
52,732	Forestry capital expenditure	10,505	-
12,312,264		13,326,832	11,404,363
(9,107,170)	Net cash flow from investing activities	(5,037,915)	(8,217,310)
Cash flows from financing activities			
Cash was received from:			
-	Proceeds from borrowings	500,000	3,183,401
-		500,000	3,183,401
Cash was applied to:			
1,006,641	Repayment of borrowings	941,650	1,061,490
1,006,641		941,650	1,061,490
(1,006,641)	Net cash flow from financing activities	(441,650)	2,121,911
(4,059,201)	Net increase/(decrease) in cash held	958,120	(384,494)
6,483,611	Add cash at start of year (1 July)	2,424,411	7,683,219
2,424,411	Balance at end of year (30 June)	3,382,531	7,298,725
Represented by:			
2,424,411	Cash, cash equivalents and bank overdrafts	3,382,531	7,298,725
2,424,411		3,382,531	7,298,725

CARTERTON DISTRICT COUNCIL

Whole of Council Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$	Actual 30 June 2019 \$		Actual 30 June 2020 \$	Annual Plan 30 June 2020 \$
Sources of operating funding				
8,214,105	8,285,337	General rates, UAGC, rates penalties	8,664,181	9,050,812
4,638,163	4,888,072	Targeted rates	5,163,631	4,600,450
779,935	737,533	Subsidies and grants for operating purposes	1,148,890	930,479
1,947,313	1,985,155	Fees and charges	1,955,253	1,895,510
-	229,201	Interest and dividends from investments	266,088	-
272,295	330,192	Local Authorities fuel tax, fines, infringement fees and other	436,043	369,189
15,851,811	16,455,491	Total operating funding	17,634,085	16,846,440
Applications of operating funding				
11,284,078	10,974,566	Payments to staff and suppliers	12,071,572	11,788,816
603,955	393,225	Finance costs	341,309	624,852
282,050	262,459	Other operating funding applications	292,112	324,350
12,170,083	11,630,251	Total applications of operating funding	12,704,993	12,738,018
3,681,728	4,825,239	Surplus / (deficit) of operating funding	4,929,092	4,108,422
Sources of capital funding				
954,012	725,075	Subsidies and grants for capital expenditure	954,581	946,997
584,800	665,017	Development and financial contributions	844,143	584,801
4,028,343	(1,006,641)	Increase (decrease) in debt	441,650	1,497,056
-	4,549	Gross proceeds from sale of assets	16,369	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
5,567,155	388,001	Total sources of capital funding	1,373,443	3,028,854
Applications of capital funding				
65,344	100,914	Capital expenditure - meet additional demand	314,039	417,200
4,776,883	2,697,360	Capital expenditure - improve level of service	3,032,724	2,837,085
3,157,264	2,873,700	Capital expenditure - replace existing assets	3,874,027	4,439,574
1,249,392	(458,734)	Increase (decrease) in reserves	918,253	(556,583)
-	-	Increase (decrease) of investments	-	-
9,248,883	5,213,240	Total application of capital funding	6,302,536	7,137,276
(3,681,728)	(4,825,239)	Surplus / (deficit) of capital funding	(4,929,092)	(4,108,422)
-	-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Governance Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
780,609	General rates, UAGC, rates penalties	813,734	872,132
-	Fees and charges	4,348	-
2,042	Local Authorities fuel tax, fines, infringement fees and other	44,201	2,084
782,651	Total operating funding	862,282	874,216
Applications of operating funding			
599,404	Payments to staff and suppliers	563,279	703,917
1,573	Finance costs	-	1,210
236,911	Internal charges and overheads applied	106,114	222,684
-	Other operating funding applications	20,000	-
837,888	Total applications of operating funding	689,392	927,812
(55,237)	Surplus / (deficit) of operating funding	172,890	(53,596)
Sources of capital funding			
(23,833)	Increase / (decrease) in debt	(10,200)	(26,087)
(23,833)	Total sources of capital funding	(10,200)	(26,087)
Applications of capital funding			
15,315	Capital expenditure - replace existing assets	-	15,645
(94,385)	Increase / (decrease) in reserves	162,690	(95,328)
(79,070)	Total application of capital funding	162,690	(79,683)
55,237	Surplus / (deficit) of capital funding	(172,890)	53,596
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Community Support Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
3,748,887	General rates, UAGC, rates penalties	4,090,905	3,860,139
-	Targeted rates	-	-
25,600	Subsidies and grants - operating	94,050	25,500
324,576	Fees and charges	182,641	331,253
-	Internal charges and overheads recovered	12,860	-
10,210	Local Authorities fuel tax, fines, infringement fees and other	131,466	10,420
4,109,273	Total operating funding	4,511,922	4,227,312
Applications of operating funding			
2,062,853	Payments to staff and suppliers	1,539,200	2,132,070
173,647	Finance costs	27,428	168,478
976,775	Internal charges and overheads applied	1,689,437	996,533
242,050	Other operating funding applications	268,887	232,250
3,455,325	Total applications of operating funding	3,524,952	3,529,332
653,948	Surplus / (deficit) of operating funding	986,970	697,980
Sources of capital funding			
-	Subsidies and grants - capital	-	-
188,645	Development and financial contributions	268,416	188,645
(125,289)	Increase / (decrease) in debt	(364,807)	(124,890)
63,356	Total sources of capital funding	(96,391)	63,755
Applications of capital funding			
4,084	Capital expenditure - meet additional demand	167,260	20,860
66,365	Capital expenditure - improve level of service	152,045	78,225
213,619	Capital expenditure - replace existing assets	310,685	365,998
433,236	Increase / (decrease) in reserves	260,589	296,652
717,304	Total application of capital funding	890,579	761,735
(653,948)	Surplus / (deficit) of capital funding	(986,970)	(697,980)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Regulatory and Planning Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
612,817	General rates, UAGC, rates penalties	673,408	643,859
504,126	Targeted rates	252,850	515,663
-	Subsidies and grants - operating	-	-
671,818	Fees and charges	1,113,547	685,636
-	Internal charges and overheads recovered	-	-
11,741	Local Authorities fuel tax, fines, infringement fees and other	22,623	11,983
1,800,502	Total operating funding	2,062,428	1,857,142
Applications of operating funding			
1,186,142	Payments to staff and suppliers	1,233,613	1,218,525
-	Finance costs	-	2,170
575,647	Internal charges and overheads applied	694,904	588,211
1,761,789	Total applications of operating funding	1,928,517	1,808,906
38,713	Surplus / (deficit) of operating funding	133,911	48,236
Sources of capital funding			
-	Subsidies and grants - capital	-	-
-	Development and financial contributions	-	-
-	Increase / (decrease) in debt	-	82,205
-	Total sources of capital funding	-	82,205
Applications of capital funding			
-	Capital expenditure - improve level of service	22,507	83,440
116,394	Capital expenditure - replace existing assets	792	103,257
(77,681)	Increase / (decrease) in reserves	110,612	(56,256)
38,713	Total application of capital funding	133,911	130,441
(38,713)	Surplus / (deficit) of capital funding	(133,911)	(48,236)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Roads and Footpaths Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
2,032,892	General rates, UAGC, rates penalties	2,223,889	2,124,387
754,335	Subsidies and grants - operating	919,240	795,627
32,672	Fees and charges	11,939	33,344
63,813	Local Authorities fuel tax, fines, infringement fees and other	85,587	65,125
2,883,712	Total operating funding	3,240,654	3,018,483
Applications of operating funding			
1,800,807	Payments to staff and suppliers	1,945,527	1,890,350
49,283	Finance costs	33,975	60,161
280,409	Internal charges and overheads applied	458,727	288,684
2,130,499	Total applications of operating funding	2,438,228	2,239,195
753,213	Surplus / (deficit) of operating funding	802,427	779,288
Sources of capital funding			
954,012	Subsidies and grants - capital	954,581	946,997
188,645	Development and financial contributions	186,821	188,645
189,626	Increase / (decrease) in debt	(69,541)	211,578
1,332,283	Total sources of capital funding	1,071,861	1,347,220
Applications of capital funding			
-	Capital expenditure - meet additional demand	130,435	-
367,560	Capital expenditure - improve level of service	-	338,975
1,529,458	Capital expenditure - replace existing assets	1,679,601	1,599,046
188,478	Increase / (decrease) in reserves	64,252	188,487
2,085,496	Total application of capital funding	1,874,287	2,126,508
(753,213)	Surplus / (deficit) of capital funding	(802,427)	(779,288)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Sewerage Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
198,578	General rates, UAGC, rates penalties	202,798	229,276
1,787,198	Targeted rates	2,093,805	2,063,483
508,314	Fees and charges	352,378	518,770
-	Local Authorities fuel tax, fines, infringement fees and other	8,245	-
2,494,090	Total operating funding	2,657,226	2,811,529
Applications of operating funding			
963,118	Payments to staff and suppliers	1,085,116	1,007,727
329,800	Finance costs	167,374	444,944
499,262	Internal charges and overheads applied	523,837	509,152
1,792,180	Total applications of operating funding	1,776,326	1,961,823
701,910	Surplus / (deficit) of operating funding	880,900	849,706
Sources of capital funding			
94,323	Development and financial contributions	150,942	94,323
3,941,952	Increase / (decrease) in debt	309,753	494,635
4,036,275	Total sources of capital funding	460,695	588,957
Applications of capital funding			
4,246,984	Capital expenditure - improve level of service	2,637,260	868,141
696,322	Capital expenditure - replace existing assets	641,893	429,716
(205,121)	Increase / (decrease) in reserves	(1,937,558)	140,806
4,738,185	Total application of capital funding	1,341,595	1,438,663
(701,910)	Surplus / (deficit) of capital funding	(880,900)	(849,706)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Stormwater Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
27,365	General rates, UAGC, rates penalties	24,394	28,101
246,284	Targeted rates	233,760	252,906
-	Subsidies and grants - operating	-	-
-	Fees and charges	-	-
-	Internal charges and overheads recovered	-	-
-	Local Authorities fuel tax, fines, infringement fees and other	-	-
273,649	Total operating funding	258,154	281,007
Applications of operating funding			
67,804	Payments to staff and suppliers	60,747	70,656
17,080	Finance costs	7,974	16,541
53,719	Internal charges and overheads applied	84,797	54,949
138,603	Total applications of operating funding	153,518	142,146
135,046	Surplus / (deficit) of operating funding	104,637	138,861
Sources of capital funding			
18,865	Development and financial contributions	76,521	18,865
(7,640)	Increase / (decrease) in debt	(263,267)	(8,801)
11,225	Total sources of capital funding	(186,746)	10,063
Applications of capital funding			
-	Capital expenditure - meet additional demand	-	135,590
10,210	Capital expenditure - improve level of service	-	10,430
-	Capital expenditure - replace existing assets	159,479	125,160
136,061	Increase / (decrease) in reserves	(241,589)	(122,256)
146,271	Total application of capital funding	(82,110)	148,924
(135,046)	Surplus / (deficit) of capital funding	(104,637)	(138,861)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Waste Management Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019		Actual 30 June 2020	Ten Year Plan 30 June 2020
\$		\$	\$
Sources of operating funding			
540,158	General rates, UAGC, rates penalties	421,911	552,721
95,784	Targeted rates	251,173	107,646
363,476	Fees and charges	255,154	370,952
-	Internal charges and overheads recovered	-	-
-	Local Authorities fuel tax, fines, infringement fees and other	70,378	-
999,418	Total operating funding	998,616	1,031,319
Applications of operating funding			
904,255	Payments to staff and suppliers	857,998	934,028
37,056	Internal charges and overheads applied	66,777	38,111
-	Other operating funding applications	12,689	-
941,311	Total applications of operating funding	937,463	972,139
58,107	Surplus / (deficit) of operating funding	61,152	59,179
Sources of capital funding			
-	Total sources of capital funding	-	-
Applications of capital funding			
-	Capital expenditure - improve level of service	183,855	-
37,687	Increase / (decrease) in reserves	(122,703)	59,179
58,107	Total application of capital funding	61,152	59,179
(58,107)	Surplus / (deficit) of capital funding	(61,152)	(59,179)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Water Supply Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019		Actual 30 June 2020	Ten Year Plan 30 June 2020
\$		\$	\$
Sources of operating funding			
202,900	General rates, UAGC, rates penalties	210,922	208,678
2,004,772	Targeted rates	2,332,042	2,060,454
45,945	Fees and charges	33,766	46,890
-	Internal charges and overheads recovered	-	-
-	Local Authorities fuel tax, fines, infringement fees and other	4,749	-
2,253,617	Total operating funding	2,581,479	2,316,022
Applications of operating funding			
1,144,769	Payments to staff and suppliers	1,141,865	1,172,825
27,859	Finance costs	9,777	42,608
534,127	Internal charges and overheads applied	646,351	544,950
1,706,755	Total applications of operating funding	1,797,992	1,760,383
546,862	Surplus / (deficit) of operating funding	783,486	555,639
Sources of capital funding			
94,323	Development and financial contributions	161,442	94,323
53,526	Increase / (decrease) in debt	(25,562)	499,245
147,849	Total sources of capital funding	135,881	593,568
Applications of capital funding			
61,260	Capital expenditure - meet additional demand	16,344	260,750
85,764	Capital expenditure - improve level of service	37,056	542,360
298,643	Capital expenditure - replace existing assets	820,069	1,215,617
249,044	Increase / (decrease) in reserves	45,898	(869,520)
694,711	Total application of capital funding	919,367	1,149,206
(546,862)	Surplus / (deficit) of capital funding	(783,486)	(555,639)
-	Funding balance	-	-

CARTERTON DISTRICT COUNCIL

Administration and Support Funding Impact Statement For The Period Ended 30 June 2020

Ten Year Plan 30 June 2019 \$		Actual 30 June 2020 \$	Ten Year Plan 30 June 2020 \$
Sources of operating funding			
69,900	General rates, UAGC, rates penalties	2,220	69,900
-	Subsidies and grants - operating	135,600	-
511	Fees and charges	1,480	521
3,193,907	Internal charges and overheads recovered	4,524,170	3,243,276
184,488	Local Authorities fuel tax, fines, infringement fees and other	68,795	194,232
3,448,806	Total operating funding	4,732,265	3,507,929
Applications of operating funding			
2,554,927	Payments to staff and suppliers	3,644,229	2,579,704
4,713	Finance costs	94,781	2,821
-	Internal charges and overheads applied	-	-
40,000	Other operating funding applications	(9,464)	40,000
2,599,640	Total applications of operating funding	3,729,546	2,622,525
849,166	Surplus / (deficit) of operating funding	1,002,719	885,404
Sources of capital funding			
-	Increase / (decrease) in debt	(18,025)	-
-	Gross proceeds from sale of assets	16,369	-
-	Total sources of capital funding	(1,656)	-
Applications of capital funding			
-	Capital expenditure - improve level of service	-	-
267,094	Capital expenditure - replace existing assets	261,507	529,208
582,072	Increase / (decrease) in reserves	739,555	356,196
849,166	Total application of capital funding	1,001,063	885,404
(849,166)	Surplus / (deficit) of capital funding	(1,002,719)	(885,404)
-	Funding balance	-	-

Notes to the Financial Statements

Note 1 Reporting entity, basis of preparation and summary of 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 statements of the Council are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 9 December 2020.

Basis of Preparation

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime. The Council is a Tier 2 entity as it has expenditure less than \$30 million.

These financial statements have been prepared on a going concern basis.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, forestry assets and certain financial instruments.

Functional and presentation currency

The 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

The standards and amendments below are effective for 2019/20 financial reporting, however, there were no effects for Council from these changes.

- PBE IPSAS 34-38 (relating to separate and consolidated financial statements, associates, joint ventures, joint arrangements and disclosure of interests in other entities).

- PBE IPSAS 39 Employee benefits.
- Impairment of revalued assets (amendments to PBE IPSAS 21 and 26), and
- 2018 Omnibus Amendments to PBE IPSAS 12 Income Tax, 5 Borrowing costs, 16 Investment properties and to PBE IPSAS 34, 36, 37 and 39 named above.

Summary of Significant Accounting Policies

Significant accounting policies are in the note to which they relate. Where they do not relate to a specific note, they are outlined below.

Borrowing costs

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

Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (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.

Budget figures

The budget figures are those approved by the Council for 2019/20 in the Annual Plan for 2019/20 and in the Ten-Year Plan for 2018-2028 where applicable. The budget figures have been prepared in accordance with PBE IPSAS, using accounting policies that are consistent with those adopted in preparing these financial statements.

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.

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 revenue sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised

as receipts and payments in the Statement of Cash Flows because they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

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

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made 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:

Forestry Assets

Note 9 provides information about the estimates and assumptions applied in determining the fair value of forestry assets held.

Property, Plant and Equipment

Note 11 provides information about the estimates and assumptions applied in determining the fair value of property, plant and equipment.

Standards issued and not yet effective and not early adopted

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

Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. This replaced PBE IPSAS29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for financial years beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard applicable to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the early recognition of impairment losses.

The Council is likely to adopt the new standard for the 30 June 2021 financial year. The Council has yet to assess the impact of the new standard.

PBE IPSAS 41 Financial instruments

PBE IFRS 9 was issued as an interim standard by NZASB replacing PBE IPSAS 29 (Financial instruments: recognition and measurement) to address concerns relating to mixed groups. However, it will be superseded by PBE IPSAS 41 as the latter is more closely based on for-profit entities financial instruments standard compared to PBE IFRS 9.

This new standard is effective for annual periods beginning on or after 1 January 2022, with early application permitted. Council plans to apply this standard in preparing its 30 June 2022 financial statements. Council has yet to assess the effects of the new standard.

PBE FRS 48 Service performance reporting

This new standard introduces high-level requirements in relation to service performance information and is effective for annual periods beginning on or after 1 January 2021. Council plans to apply this standard in preparing its 30 June 2022 financial statements. Council has yet to assess the effects of the new standard.

2018 Omnibus Amendments to PBE IPSAS 2 Cash flow statements

The amendments include additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including those changes from both cash flows and non-cash movements.

The amendments are applicable to periods beginning on or after 1 January 2021. Council plans to apply this standard in preparing its 30 June 2022 financial statements. There are no effects for Council other than additional disclosures.

Note 2 Revenue

Revenue is measured at the fair value of consideration received or receivable and 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. A 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

General rates, targeted rates (excluding water rates by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due.

The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

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 Greater Wellington Regional Council (WRC) are not recognised in the financial statements as the Council is acting as an agent for the WRC.

Revenue from water rates by meter is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

	30-Jun 2020	30-Jun 2019
	\$	\$
General rates	8,583,966	8,206,952
Targeted rates attributable to activities		
Water	1,980,831	1,833,596
Metered water charges	351,211	359,515
Sewerage	2,093,805	1,840,664
Stormwater	233,760	251,930
Waste management	251,173	97,633
Regulatory and planning	252,850	504,735
Total targeted rates	5,163,631	4,888,072
Total rates	13,747,597	13,095,025
 Rates penalties	 80,215	 78,385
Total revenue from rates and penalties	13,827,812	13,173,410

Rating base	30-Jun 2020	30-Jun 2019
These values represent the opening values and number of rating units at the beginning of each financial year ending:	\$	\$
Capital value	2,851,353,700	2,786,588,200
Land value	1,494,445,700	1,478,435,700
All rating units	5,077	5,050
Urban residential rating units	2,441	2,393

Rates remission

The Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

	30-Jun 2020	30-Jun 2019
	\$	\$
Rates revenue before remissions	13,841,098	13,186,023
<i>Council policy remissions:</i>		
Sports bodies	2,554	2,424
Other	10,733	10,189
Total remissions	13,287	12,613
Rates revenue after remissions	13,827,812	13,173,410

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.

Government grants

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.

Various grants are also received from a number of Crown bodies for a range of purposes, such as employment subsidies, assistance with community activities, and grant money for distribution to the community. The grants are recognised as revenue when they become receivable.

Other grants and bequests – with or without conditions – are recognised as revenue when they become receivable.

	30-Jun 2020	30-Jun 2019
	\$	\$
Lions Club of Carterton	133,100	
Creative New Zealand	22,226	11,765
Sports NZ rural travel fund	9,500	8,300
War Graves - through NZDF and Internal Affairs	-	2,186
Office for Seniors - through MSD	-	11,646
Summer reading grant	1,774	1,592
Grant - 5 Towns Trails	60,000	
World War II memorial trust	500	500
Other donations, grants	2,550	3,313
Total grants, subsidies and donations	229,650	39,302

Provision of services

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

Vested assets

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

The fair value of vested assets is usually determined by reference to the cost of constructing the asset.

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.

Sale of goods

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.

Agency arrangements

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 and dividends

Interest revenue 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.

Fines and penalties

Revenue from fines and penalties (eg 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.

	30-Jun 2020	30-Jun 2019
	\$	\$
Gain/(Loss) on revaluation	-	226,124
Gain/(loss) in fair value of forestry assets	30,295	187,543
Total gains/(losses)	30,295	413,667

Development contributions

Development 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.

Development contributions are classified as part of “development and financial contributions”.

	30-Jun 2020	30-Jun 2019
	\$	\$
Roading Contributions	186,821	232,820
Infrastructural Contributions	388,905	225,000
Recreation Reserve Contribution	268,417	207,197
Total Contributions	844,143	665,017

Operating Leases as lessor

The Council leases land and buildings in the normal course of business. This property has been acquired to meet service requirements and where that requirement has not risen to meet available capacity, spare capacity is leased for grazing or community purposes. Most of these leases are for varying terms and are non-cancellable. The future minimum lease receipts under these lease arrangements are:

	30-Jun 2020	30-Jun 2019
	\$	\$
Revenue Commitments: Non-cancellable leases as Lessor		
- not Later than 1 year	21,958	21,958
- later than 1 year but not later than 5 years	50,308	62,400
- later than 5 years	28,350	28,350

As a lessor, the Council has non-cancellable operating leases for the use of farmland and other land that it owns. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as above:

	100,617	112,708
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Note 3 Personnel

Personnel costs are those costs incurred on staff; their salaries and wages along with the employer contributions to approved superannuation schemes and Kiwisaver. Salary and wage costs include the adjustment made for leave entitlements earned or disbursed over the period.

	30-Jun 2020	30-Jun 2019
	\$	\$
Salaries and wages	4,505,877	4,278,333
Defined contribution plan employer contributions	165,182	153,646
Increase/(decrease) in employee entitlements/liabilities	155,981	1,977
Total personnel costs	4,827,040	4,433,957

Employer contributions to defined contribution plans include contributions to Kiwi-saver, Jacques Martin, Local Government and Union Brokers.

Chief Executive and staff

For the year ended 30 June 2020, the total annual cost to the Carterton District Council of the remuneration package being received by the Chief Executive is calculated at \$185,892 (2019: \$214,390). The Chief Executive of the Council appointed under section 42 of the Local Government Act 2002 received a salary of \$174,263 and taxable allowances of \$11,629.

At balance date, the Council employed 56 (2019: 53) full-time employees, with the balance of staff representing 10.3 (2019: 8.2) full-time equivalent employees. A full-time employee is determined on the basis of a 35-hour working week. Included is four employees whose cost is shared with Masterton and/or South Wairarapa District Councils.

For the year ended 30 June 2020 the Council made severance payments to two staff amounting to \$10,973. (2019: none).

	30-Jun 2020	30-Jun 2019
<i>Council employees remuneration by band</i>		
< \$60,000	43	38
\$60,000 - \$79,999	14	10
\$80,000 - \$99,999	11	12
\$100,000 - \$219,998	6	5
Total employees	74	65

Elected representatives

Council membership comprises the Mayor and eight councillors, being elected for three year terms. Their remuneration over the past 12 months was as tabled below.

	30-Jun 2020	30-Jun 2019
<i>Elected representatives</i>	\$	\$
G Lang (Mayor)	63,185	18,638
R Vergunst (Deputy Mayor)	34,411	18,638
B Deller	23,648	21,972
J Greathead	22,712	18,638
R Keys	24,579	24,228
S Bertram	16,490	-
R Cherry-Campbell	16,490	-
S Cretney	16,490	-
R Stockley	16,490	-
J Booth (Mayor)	23,585	70,657
M Ashby	6,222	19,257
R Carter	6,222	18,638
T O'Callaghan	-	12,897
Total elected members remuneration	270,526	223,561

B Deller was also the District Licensing Commissioner during the year.

Note 4 Other expenses

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 approved by the Council.

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 approved by the Council and the approval has been communicated to the applicant.

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 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.

	30-Jun 2020	30-Jun 2019
Expenditure	\$	\$
Cancellable operating leases		
Rental expense of leased assets	-	470
Non-cancellable operating leases		

For the year ended 30 June 2020 the Council had no non-cancellable operating leases (2019: \$nil).

Audit fees

The audit fee set by Audit New Zealand reflects their cost of undertaking the annual audit of this annual report. Additionally, an additional fee is charged to cover their cost of an audit of the Ten-Year Plan which is reviewed and published every three years.

	30-Jun 2020	30-Jun 2019
	\$	\$
Fees to principal auditor		
- Audit fees for financial statement audit	93,747	92,362

Note 5 Tax

Council becomes liable for income tax where income includes the results of trading activity of Council controlled entities (CCO) that operate separately to the Council. Carterton District Council does not have any CCO. Income tax expense, if Council were liable, includes current tax and deferred tax.

	30-Jun 2020	30-Jun 2019
	\$	\$
Total surplus/(deficit) before tax	2,650,841	3,080,619
Income tax @ 28%	742,236	862,573
Add/(less) tax effect of non-taxable income/expenditure	(742,236)	(862,573)
Income tax expense	-	-

Note 6 Cash and cash equivalents

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

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

	30-Jun 2020	30-Jun 2019
	\$	\$
Cash at bank and on hand	3,365,764	2,406,499
Short term deposits with maturities less than 3 months	-	-
Special fund bank accounts	16,767	17,913
Total cash and cash equivalents	3,382,531	2,424,411
Weighted average effective interest rate	0.05%	0.75%

The carrying value of cash at bank, short term deposits and special fund term deposits with maturities less than three months approximates their fair value. The total value of cash and cash equivalents that can only be used for a specific purpose, as outlined in a trust deed or Council resolution, is \$16,767 (2019 \$17,913).

The carrying value of special fund term deposits approximates their fair value.

Note 7 Receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable 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 receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt 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. 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 for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

	30-Jun 2020	30-Jun 2019
	\$	\$
<i>Receivables under exchange transactions</i>		
Amounts due from customers for contract work	-	-
Prepayments	5,000	10,102
	<u>5,000</u>	<u>10,102</u>
<i>Receivables under non-exchange transactions</i>		
Rates receivables	406,742	588,068
Other receivables	1,396,633	1,327,670
Goods and services tax	121,275	337,555
Sundry debtors	12,972	14,737
Related party receivables	-	-
Loans to related parties	-	-
	<u>1,942,621</u>	<u>2,278,132</u>
Less provision for impairment	<u>(82,757)</u>	<u>(82,757)</u>
Total debtors and other receivables	<u>1,859,864</u>	<u>2,195,375</u>

Movements in the provision for impairment of receivables and community loans are as follows:

	30-Jun 2020	30-Jun 2019
	\$	\$
At 1 July	82,757	82,757
Additional provisions made during the year	10,464	47,219
Receivables written off during the period	<u>(10,464)</u>	<u>(47,219)</u>
At 30 June	<u>82,757</u>	<u>82,757</u>

Note 8 Investments

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 revenue and expense

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 cash and cash equivalents, bank term deposits, debtors and other receivables, community and related party loans. Loans and receivables are classified as "debtors and other receivables" in the statement of financial position.

Fair value through other comprehensive revenue and expense

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

Council includes in this category:

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

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

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

Council's investments in this category include shares in companies.

Application of the above policies is reflected in the following table:

	30-Jun 2020 \$	30-Jun 2019 \$
Loans and receivables		
Cash and cash equivalents		
-Cash at bank and on hand	3,365,764	2,406,499
-Short term funds	-	-
-Special funds	16,767	17,913
Investments	6,011,147	8,279,741
Debtors and other receivables	1,859,864	2,195,375
Other financial assets:		
- term deposits	-	-
- community loans	-	-
- loans to related parties	-	-
Total loans and receivables	11,253,542	12,899,528
Fair value through comprehensive revenue and expense		
Other financial assets:		
- local authority stock		
- unlisted shares	23,021	20,796
- listed shares		
Total fair value through equity	23,021	20,796

Investments comprise term deposits having terms greater than 90 days. The following table identifies the nature of these term deposits.

	30-Jun 2020	30-Jun 2019
Term and other cash deposits with maturities greater than 90 days	\$	\$
Bank deposits with maturities greater than 3 months and remaining maturities less than 12 months	2,020,515	4,554,975
Special fund term deposits with maturities greater than 3 months and remaining maturities less than 12 months	3,990,632	3,724,766
Total Term Deposits	6,011,147	8,279,741

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 receivable. 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.

Note 9 Forestry

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.

	30-Jun 2020	30-Jun 2019
	\$	\$
Balance at 1 July	973,000	732,725
Increases due to purchases	10,505	52,732
Gains/(losses) arising from changes in fair value less estimated point of	30,295	187,543
Balance at 30 June	1,013,800	973,000

Through its investment in Kaipaitangata Forest, the Council owns 214 hectares of pinus radiata forest, which are at varying stages of maturity with prospective harvest dates ranging from 2021-2042. There is a further 23 hectares of pinus radiata ranging from 39 to 47 years maturity that are deemed to have a near zero net stumpage (ie no value).

Valuation assumptions

Independent registered valuer, Forest Enterprises Group Limited, has valued forestry assets as at 30 June 2020. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

The forestry assets have been valued using industry standard forest estate modelling. The method applied is the same as applied in 2018/19. A discount rate of 8.5% was used to discount the present value of expected pre-tax cash flows to value the forestry assets for the year ended 30 June 2020. This is the same rate as applied for the year to 30 June 2019.

The 214 ha of plantation tree crops, have been valued on the basis that they will be managed as an integrated forest estate, as opposed to separate and individual stands. The impact of this is that the harvesting of the various aged stands will most likely occur in groups, to provide a reasonable level of annual harvesting volume, and not harvested at a fixed age.

The manuka tree crop has been incorporated at a value approximating the cost of investment; no assessment being made of their bearer crop value given they were planted 3 years ago.

Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 10 Intangible Assets

Software acquisition and development

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.

Resource consents

Costs incurred in obtaining resource consents are capitalised and classified as intangible assets. Costs are amortised on a straight-line basis over the term granted by the resource consent, which ranges from 3–35 years, and are stated at cost less accumulated amortisation and impairment losses. In 2017/18, \$557,838 reflecting the accumulated cost of investigations and process development preparatory to the issue of a resource consent for the treatment and disposal of wastewater, was capitalised. A new resource consent was issued in January 2018 for a period of 35 years.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

The council received carbon credits for no consideration when these were allocated by the government under the Emissions Trading Scheme. The Council had accounted for these carbon credits at nil under NZ IFRS (PBE). Under the new PBE accounting standards, carbon credits received for no consideration are required to be accounted for at their fair value at initial recognition. The carbon credits were received during 2012 and 2013 and the Council elected to treat their fair value at 1 July 2014 as deemed cost.

The Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

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	3–35 years	2.3–33.33%

Impairment of 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.

	Carbon Credits	GIS Software	Other Software	Resource Consents	Total
Balance 30 June 2019	\$	\$	\$	\$	\$
Cost	115,048	247,782	134,088	1,242,059	1,738,977
Accumulated amortisation and impairment	-	(217,877)	(36,807)	(490,723)	(745,407)
Opening carrying amount	115,048	29,906	97,281	751,336	993,570
Year ended 30 June 2020	\$	\$	\$	\$	\$
Additions	-	-	31,515	-	31,515
Disposals	-	-	-	-	-
Amortisation charge	-	(8,634)	(30,825)	(52,710)	(92,168)
Closing carrying amount	-	(8,634)	690	(52,710)	(60,653)
Balance 30 June 2020	\$	\$	\$	\$	\$
Cost	115,048	247,782	165,603	1,242,059	1,770,492
Accumulated amortisation and impairment	-	(226,510)	(67,632)	(543,433)	(837,575)
Closing carrying amount	115,048	21,272	97,971	698,626	932,917

	Carbon	GIS	Other	Resource	Total
	Credits	Software	Software	Consents	
Balance at 1 July 2018	\$	\$	\$	\$	\$
Cost	115,048	215,591	55,350	1,096,145	1,482,134
Accumulated amortisation and impairment	-	(211,754)	(17,556)	(444,388)	(673,698)
Closing carrying amount	115,048	3,837	37,794	651,757	808,436
Year ended 30 June 2019	\$	\$	\$	\$	\$
Additions	-	-	31,515	-	31,515
Disposals	-	-	-	-	-
Amortisation charge	-	(8,634)	(30,825)	(52,710)	(92,168)
Closing carrying amount	115,048	(4,797)	38,484	599,048	747,783
Balance 30 June 2019	\$	\$	\$	\$	\$
Cost	115,048	215,591	86,865	1,096,145	1,513,649
Accumulated amortisation and impairment	-	(220,388)	(48,381)	(497,097)	(765,866)
Closing carrying amount	115,048	(4,797)	38,484	599,048	747,783

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Note 11 Property, plant and equipment

Property, plant and equipment consists of:

Operational assets—land, buildings, fixtures and fittings, office equipment, library collections, motor vehicles, plant and equipment, landfill post closure and water races.

Infrastructure assets—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—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.

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. There is no capitalisation of borrowing costs (interest or other financial charges) relating to assets whose acquisition is funded through borrowing where these costs are incurred in the period prior to the asset being commissioned for operational service.

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 infrastructural 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.

Depreciation charged in line with these policies was applied across the activities undertaken by Council as follows:

	LTP 2020 \$	30-Jun 2020 \$	30-Jun 2019 \$
Governance	3,646	2,511	2,416
Roads and footpaths	1,540,103	1,712,932	1,687,063
Water supply	555,639	600,100	593,347
Sewerage	849,706	590,922	300,340
Stormwater	127,296	108,275	88,834
Waste management	30,003	40,715	32,089
Community support	662,496	580,245	563,951
Regulatory and planning	48,236	16,071	16,750
Administration and support services	660,751	519,072	485,261
Total depreciation	4,477,875	4,170,843	3,770,052

Impairment of property, plant and equipment

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 assets not carried at a revalued amount, the total impairment loss is 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.

Capital Commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	30-Jun 2020 \$	30-Jun 2019 \$
Capital commitments	\$	\$
Buildings	-	150,000
Roading network	5,293,425	5,328,935
Sewerage	1,160,780	2,563,000
Waste Management	-	187,000
Water Supply	-	-
Total Capital Commitment	6,454,205	8,228,935

Note 11 Property, plant and equipment- contd

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year	Current year	Current year	Accumulated depreciation	Current year	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	30-Jun	30-Jun	30-Jun	additions	transfers	disposals	on disposals	depreciation		30-Jun	30-Jun	30-Jun
	2019	2019	2019							2020	2020	2020
30-Jun-20	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Infrastructural assets</i>												
Roads, streets & footpaths –land	5,952,052	-	5,952,052	-	-	-	-	-	-	5,952,052	-	5,952,052
Roads, streets & footpaths	147,589,761	-3,326,303	144,263,457	1,753,513	-	-	-	-1,712,055	10,516,745	154,821,660	-	154,821,660
Water systems - treatment plant & facilities	1,793,359	-	1,793,359	259,280	9,190	-	-	-964	-	2,061,829	-964	2,060,865
Water systems - other	8,072,519	-	8,072,519	562,565	6,232	-	-	-520,452	-	8,641,317	-520,452	8,120,864
Sewerage systems - treatment plant & facilities	2,004,107	-	2,004,107	1,104	322,674	-	-	-1,079	-	2,327,885	-1,079	2,326,805
Sewerage systems - other	5,845,659	-	5,845,659	655,867	468,797	-	-	-560,015	-	6,970,324	-560,015	6,410,309
Stormwater systems	7,439,808	-	7,439,808	-	-	-	-	-108,275	-	7,439,808	-108,275	7,331,533
	178,697,265	-3,326,303	175,370,961	3,232,330	806,893	-	-	-2,902,841	10,516,745	188,214,873	-1,190,785	187,024,088
<i>Operational assets</i>												
Land	10,081,400	-	10,081,400	130,435	-	-	-	-	-	10,211,835	-	10,211,835
Buildings	13,131,656	-488,910	12,642,746	107,808	-	-	-	-489,089	-	13,239,467	-978,000	12,261,467
Fixtures & fittings	2,968,116	-1,535,466	1,432,650	249,308	-	-	-	-268,382	-	3,217,424	-1,803,847	1,413,577
Office equipment	723,392	-563,472	159,920	90,334	-	-	-2	-77,524	-	813,726	-640,998	172,728
Library collections	534,267	-179,519	354,749	54,323	-	-	-	-105,848	170,269	473,492	-	473,492
Motor vehicles	1,183,517	-773,504	410,013	119,331	-	-16,374	16,369	-91,095	-	1,286,474	-848,230	438,244
Plant & equipment	1,752,507	-1,257,671	494,835	306,428	-	-19,306	7,193	-115,880	-	2,039,629	-1,366,357	673,272
Landfill	214,000	-	214,000	-	-	-	-	-	-	214,000	-	214,000
Water races	550,025	-2,622	547,403	-	-	-	-	-26,990	-	550,025	-29,612	520,413
	31,138,880	-4,801,164	26,337,716	1,057,967	-	-35,680	23,561	-1,174,808	170,269	32,046,072	-5,667,045	26,379,028
Heritage assets	45,500	-	45,500	7,918	-	-	-	-1,026	-	52,392	-	52,392
	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	3,515,555	-	3,515,555	2,987,567	-806,893	-	-	-	-	5,696,229	-	5,696,229
Total assets	213,397,199	-8,127,467	205,269,732	7,285,782	-	-35,680	23,561	-4,078,675	10,687,014	226,009,567	-6,857,830	219,151,737

Note 11 Property, plant and equipment – cont'd

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year	Current year	Current year	Accumulated depreciation	Current year	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	1-Jul	1-Jul	1-Jul	additions	transfers	disposals	on disposals	depreciation		30-Jun	30-Jun	30-Jun
	2018	2018	2018							2019	2019	2019
30-Jun-19	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Infrastructural assets</i>												
Roads, streets & footpaths –land	5,825,146	-	5,825,146	126,906	-	-	-	-	-	5,952,052	-	5,952,052
Roads, streets & footpaths	146,127,004	-1,644,177	144,482,827	1,462,757	-	-	-	-1,682,127	-	147,589,761	-3,326,303	144,263,457
Water systems - treatment plant & facilities	1,906,217	-192,975	1,713,243	-	-	-	-	-106,776	186,892	1,793,359	-	1,793,359
Water systems - other	6,935,879	-821,344	6,114,536	61,304	-	-	-	-433,062	2,329,741	8,072,519	-	8,072,519
Sewerage systems - treatment plant & facilities	1,933,780	-180,991	1,752,789	-	-	-	-	-135,865	387,183	2,004,107	-	2,004,107
Sewerage systems - other	4,678,048	-340,497	4,337,550	172,610	-	-	-	-139,944	1,475,443	5,845,659	-	5,845,659
Stormwater systems	5,631,115	-174,512	5,456,603	-	-	-	-	-88,834	2,072,039	7,439,808	-	7,439,808
	173,037,189	-3,354,496	169,682,693	1,823,577	-	-	-	-2,586,607	6,451,299	178,697,265	-3,326,303	175,370,961
<i>Operational assets</i>												
Land	9,796,400	-	9,796,400	285,000	-	-	-	-	-	10,081,400	-	10,081,400
Buildings	13,233,800	-	13,233,800	88,219	-	-190,363	-173,807	-488,910	-	13,131,656	-488,910	12,642,746
Fixtures & fittings	2,730,277	-1,289,038	1,441,239	276,941	6,564	-45,666	-5,780	-246,428	-	2,968,116	-1,535,466	1,432,650
Office equipment	666,459	-489,299	177,160	58,427	33,214	-34,708	-1,304	-74,173	-	723,392	-563,472	159,920
Library collections	474,742	-83,071	391,671	59,525	-	-	-	-96,448	-	534,267	-179,519	354,749
Motor vehicles	1,101,403	-692,353	409,051	88,123	2,533	-8,542	-3,574	-81,151	-	1,183,517	-773,504	410,013
Plant & equipment	1,703,415	-1,136,668	566,747	53,297	41,128	-45,334	2,724	-121,003	-	1,752,507	-1,257,671	494,835
Landfill	214,000	-	214,000	-	-	-	-	-	-	214,000	-	214,000
Water races	484,278	-	484,278	39,961	25,786	-	-	-2,622	-	550,025	-2,622	547,403
	30,404,774	-3,690,428	26,714,345	949,494	109,225	-324,613	-181,741	-1,110,736	-	31,138,880	-4,801,164	26,337,716
Heritage assets	46,500	-	46,500	-	-	-	-	-1,000	-	45,500	-	45,500
	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	879,034	-	879,034	2,833,050	-196,530	-	-	-	-	3,515,555	-	3,515,555
Total assets	204,367,497	-7,044,924	197,322,573	5,606,121	-87,305	-324,613	-181,741	-3,698,343	6,451,299	213,397,199	-8,127,467	205,269,732

Note 12 Valuation of Property, plant and equipment

Valuation—general

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

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

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Valuation—specific

Land (operational)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve and endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The most recent valuation was performed by independent valuers Angela Scott (BBS (VPM), MPINZ) and Jaime Benoit BAppl Sci (VFM and Ag) MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2018. The landfill liner and water races are carried at deemed cost. Additions are recorded at cost.

Buildings (operational and heritage)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- the replacement asset is based on the replacement cost of the specific assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design

- the replacement cost is derived from recent construction contracts of similar assets, reference to publications such as the Rawlinsons Construction Handbook, recent costing obtained from construction details and Property Institute of New Zealand cost information
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by independent valuers Angela Scott (BBS (VPM), MPINZ) and Jaime Benoit BAppl Sci (VFM and Ag) MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2018. Heritage assets are also included in this category. Additions are recorded at valuation.

Infrastructural asset classes: wastewater, water, stormwater, and roads, streets and footpaths

Wastewater, water, stormwater and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- estimating any obsolescence or surplus capacity of the asset
- estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets
- estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation for roads, streets and footpaths was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of WPS International Consultants, and the valuation is effective as at 30 June 2020. All roads, streets and bridge assets were valued. Additions are recorded at cost. The Council's most recent estimate of the replacement cost for roads, streets and footpaths is \$215,705,000.

The most recent valuation for sewerage systems, water systems and storm-water was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ,

and member of ACENZ) of WPS International Consultants, and the valuation is effective as at 30 June 2019. All wastewater, water and stormwater assets were valued. Additions are recorded at cost.

The Council's most recent estimate of the replacement cost for sewerage systems, water systems and storm-water is \$54,146,564 based on the 30 June 2019 valuation as follows:

Sewerage systems – treatment plant & facilities	\$4,588,751
Sewerage systems – other	\$14,342,322
Water systems – treatment plant & facilities	\$4,916,203
Water systems – other	\$19,522,271
Stormwater	\$10,777,017

Land under roads

Land under roads was valued based on fair value of adjacent land determined by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of WPS International Consultants, effective 30 June 2002. Under NZ IFRS, the CDC has elected to use the fair value of land under roads as at 30 June 2002 as deemed cost. Land under roads is no longer revalued.

Library collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released by the National Library of New Zealand in May 2002. The library valuation was performed by The valuation was undertaken by Brian Sharman (CMEngNZ, CPEng) and reviewed by Mark Gordon (CMEngNZ, CPEng, IntPE), both being Directors of IAMC Limited, and having relevant experience for carrying out the valuation. The valuation is effective as of 30 June 2020.

Impairment

There were no impairment losses in 2020 (2019 \$nil).

Finance leases

The net carrying amount of plant and equipment held under finance leases is \$12,212 (2019 \$28,494).

Note 13 Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

	30-Jun 2020 \$	30-Jun 2019 \$
<i>Payables under exchange transactions</i>		
Trade payables	1,178,708	2,261,302
Deposits and bonds	171,908	84,921
Accrued expenses	382,002	212,529
	<u>1,732,618</u>	<u>2,558,752</u>
<i>Payables under non-exchange transactions</i>		
Revenue in advance	160,688	157,311
Rates in advance	211,232	170,096
	<u>371,920</u>	<u>327,406</u>
Total creditors and other payables	<u>2,104,538</u>	<u>2,886,158</u>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

Note 14 Employee Entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

A discount rate of 0.00% and an inflation factor of 2.00% were used. The discount rate is based on the Local Government Cost Index maintained by BERL. 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.

	30-Jun 2020	30-Jun 2019
	\$	\$
Accrued pay	131,635	84,907
Annual leave	415,441	313,930
Long service leave	81,823	80,788
Time off in lieu	14,560	7,258
Retirement gratuities	-	-
Sick leave	6,798	7,392
Total employee entitlements	650,256	494,275
Comprising:		
Current	589,916	432,828
Non-current	60,340	61,447
Total employee entitlements	650,256	494,275

Note 15 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.

During 2019/20 Council agreed and entered a non-guarantee arrangement with the Local Government Funding Agency to enable the Council to borrow up to \$20 million, wholly or in part, to fund capital expenditure. This arrangement will entail the issue of financial instruments reflecting the debt incurred and is secured by way of a multi-party trust deed that also encompasses borrowings with the Bank of New Zealand.

	30-Jun 2020	30-Jun 2019
Current	\$	\$
Bank overdraft	-	-
Secured loans	662,649	909,821
Debentures	-	-
Lease liabilities	17,616	21,253
Total current borrowings	680,265	931,075
Non-Current		
Secured loans	7,172,966	7,346,192
Debentures	-	-
Lease liabilities	-	17,616
Total non-current borrowings	7,172,966	7,363,807

The range of interest rates applying to the above loans is 3.46% to 4.77% with a weighted average of 3.70% (2019 4.46%). Loans are secured by way of rates

Fixed-rate debt

The Council's secured debt of \$7,853,232 (2019 \$8,294,882) is issued at fixed rates of interest

Security

The Council's loans are secured over either separate or general rates of the district.

	2020	2019
	\$	\$
Less than one year	745,065	931,075
<i>weighted average effective interest rate</i>	3.70%	4.52%
Later than one year but not more than five years	7,108,166	7,363,807
<i>weighted average effective interest rate</i>	3.69%	4.49%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%

Fair values of non-current borrowing

The carrying amounts of borrowings repayable approximate their fair value, as the effect of discounting is not significant.

Financial Instruments– both current and non-current

Application of the policies outlined for these financial instruments is reflected in the following:

FINANCIAL LIABILITIES	30-Jun 2020	30-Jun 2019
	\$	\$
Financial liabilities at amortised cost		
Creditors and other payables	1,732,618	2,558,752
Borrowings:		
- finance leases	17,616	38,869
- secured loans	7,839,216	8,256,013
- debentures	-	-
Total financial liabilities at amortised cost	9,589,449	11,181,040

Note 16 Equity

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

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

	2020	2019
	\$	\$
Public equity		
As at 1 July	116,732,135	115,222,912
<i>Transfers to:</i>		
Restricted and other reserves:		
Special Reserves	(663,855)	(540,911)
<i>Transfers from:</i>		
Restricted and other reserves		
Depreciation reserves	309,381	(1,443,528)
Targetted rate reserves	(359,340)	438,879
Transfers from revaluations reserve	-	(25,836)
Surplus / (deficit) for the year	2,596,442	3,080,619
As at 30 June	118,614,762	116,732,135

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 20.

	2020	2019
	\$	\$
Restricted reserves		
As at 1 July	3,742,678	3,201,767
<i>Transfers to:</i>		
Public equity		
<i>Transfers from:</i>		
Public equity to Special Reserves	663,855	540,911
As at 30 June	4,406,533	3,742,678
 Restricted reserves consist of:		
Restricted reserves	4,267,130	3,603,275
Hall Board reserves	57,359	57,359
Trusts	74,036	74,036
Other trusts	8,008	8,008
Total restricted reserves	4,406,533	3,742,678

Other reserves

Other reserves include the depreciation reserves that in part fund replacement of infrastructural and operational assets used by the Council to provide services.

	2020	2019
	\$	\$
Other reserves		
As at 1 July	6,445,170	5,440,521
<i>Transfers to:</i>		
Public equity from		
Depreciation reserves	(309,381)	1,443,528
Targetted rate reserves	359,340	(438,878)
<i>Transfers from:</i>		
Public equity		
As at 30 June	6,495,130	6,445,170

Revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value, as well as the fair value of shares held by the Council in other entities.

Fair value through other comprehensive revenue and expense reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue and expense.

	2020	2019
	\$	\$
Revaluation reserves		
As at 1 July	81,561,324	75,310,314
Revaluation gains / (losses) in Statement of Comprehensive Income	10,689,242	6,225,175
Transfer from public equity for Revaluation gains / (losses) in Statement of Financial Performance	-	226,124
Transfer to public equity on disposal of property, plant, and equipment and financial assets	-	(200,288)
As at 30 June	92,250,566	81,561,324

	2020	2019
	\$	\$
Asset revaluation reserves consist of:		
<i>Infrastructure assets</i>		
Roads, streets and footpaths	68,112,202	57,595,454
Water systems	8,374,325	8,374,325
Sewerage systems	1,862,626	1,862,626
Stormwater systems	5,577,782	5,577,782
<i>Operational assets</i>		
Land	3,654,621	3,654,621
Buildings	4,208,070	4,208,070
Forestry	-	-
Library collections	432,242	261,973
Landfill	-	-
<i>Restricted assets</i>		
Heritage assets	26,474	26,474
Total asset revaluation reserves	92,248,341	81,561,324
Fair value revaluation reserves consist of:		
As at 1 July	-	9,288
Net revaluation gains / (losses) in Hall Board Fund Accounts	-	-
Net revaluation gains / (losses) in shares held (note 8)	2,225	(9,288)
Total fair value revaluation reserve	2,225	-
Total revaluation reserves	92,250,566	81,561,324

Note 17: Contingent liabilities and contingent assets

There were no contingent liabilities nor any contingent assets at 30 June 2020. (2019: Nil)

Note 18: Insurance of assets

The Local Government Act 2002 requires that from 2014 the annual report include information about the insurance of assets.	Carrying amount at 30 June 2020	Carrying amount at 30 June 2019
Insurance contracts	\$	\$
Material damage		
Subject to range of deductibles- \$5,000 for most claims, and 5% of site value for earthquakes.	27,606,700	23,853,467
Forestry		
Maximum cover of \$20,000 for hail, no cover for windstorm, volcanic activity, earthquake, or landslide. Deductible of 1.5% of Property Declared Value subject to minimum \$10,000 per loss occurrence.	766,931	569,764
Motor vehicle		
Insured for market value. Carrying amount has been used for this disclosure.	410,014	409,049
Risk sharing arrangements		
Infrastructural assets as member of LAPP		
This is 40 percent of the estimated replacement cost of the scheduled assets. A deductible of \$60,000 applied.	16,868,760	14,593,111
Central government assistance		
Under the 'Guide to the National Civil Defence Emergency Management Plan', the government may fund 60 percent of the cost of repair or recovery of essential infrastructure assets. A deductible of .0075 percent applied.		
Self-insured		
To cover deductibles and uninsured assets	25,393,141	21,889,667
Total assets insured	71,045,546	61,315,058

Note 19: Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires 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. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place

asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan.

The Council has the following Council -created reserves:

- Reserves for different areas of benefit
- Trust and bequest reserves
- Self-Insurance reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purposes they were donated.

Note 20: Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 31 of the Local Government Act 2002 requires certain information to be included in the Annual Report about these reserves. 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 purpose and activities of each reserve is set out in the Council's investment policy, as follows.

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

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

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 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.

Rural Water Contingency Fund—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.

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.

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

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.

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

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.

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.

Combined District Plan Fund—Monies set aside by Council to help meet the costs of the five-yearly review of the Combined District Plan.

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.

Waingawa Industrial Zone Services Deficit Fund—Monies set aside by Council to smooth out deficits and surpluses from the provision of services during the development of the Waingawa Industrial Zone.

	30-Jun 2020	30-Jun 2019
Equipment purchase and renewal fund	\$	\$
Opening balance	1,703	1,648
Deposits	65	56
Withdrawals	-	-
Closing balance	1,768	1,703
Recreation and reserve account		
Opening balance	599,729	455,212
Deposits	289,593	218,238
Withdrawals	(167,260)	(73,721)
Closing balance	722,062	599,729
Roading emergency fund		
Opening balance	421,865	411,878
Deposits	15,806	9,987
Withdrawals	-	-
Closing balance	437,671	421,865
Rural water contingency fund		
Opening balance	61,580	60,125
Deposits	2,165	1,455
Withdrawals	-	-
Closing balance	63,745	61,580
Waste disposal fund		
Opening balance	132,887	121,700
Deposits	37,849	37,894
Withdrawals	(31,184)	(26,707)
Closing balance	139,551	132,887

	30-Jun 2019	30-Jun 2019
Creative New Zealand fund		
Opening balance	1,182	1,154
Deposits	42	28
Withdrawals	-	-
Closing balance	1,224	1,182
Sport New Zealand rural travel fund		
Opening balance	-	-
Deposits	-	-
Withdrawals	-	-
Closing balance	-	-
Keep Carterton Beautiful fund		
Opening balance	-	-
Deposits	-	-
Withdrawals	-	-
Closing balance	-	-
Clareville grave maintenance trust		
Opening balance	2,447	2,445
Deposits	2	3
Withdrawals	-	-
Closing balance	2,449	2,447
Memorial Square fund		
Opening balance	7,946	7,691
Deposits	303	255
Withdrawals	-	-
Closing balance	8,249	7,946
WWII Memorial trust		
Opening balance	73,955	68,186
Deposits	4,329	8,019
Withdrawals	(2,000)	(2,250)
Closing balance	76,284	73,955

	30-Jun 2020	30-Jun 2019
Longbush Domain fund		
Opening balance	4,340	4,614
Deposits	381	-
Withdrawals	-	(273)
Closing balance	4,721	4,340
West Taratahi Hall fund		
Opening balance	24,583	18,335
Deposits	-	6,248
Withdrawals	(2,152)	-
Closing balance	22,431	24,583
Election contingency fund		
Opening balance	38,953	38,031
Deposits	1,369	922
Withdrawals	-	-
Closing balance	40,322	38,953
Workshop depot upgrade fund		
Opening balance	24,592	23,805
Deposits	941	787
Withdrawals	-	-
Closing balance	25,533	24,592
Combined district plan reserve		
Opening balance	79,288	77,411
Deposits	2,787	1,877
Withdrawals	-	-
Closing balance	82,075	79,288
Roading contribution fund		
Opening balance	963,948	792,973
Deposits	220,708	199,486
Withdrawals	(130,435)	(28,511)
Closing balance	1,054,221	963,948

	30-Jun 2020	30-Jun 2019
Infrastructure contributions fund		
Opening balance	1,109,575	927,095
Deposits	422,550	186,188
Withdrawals	(16,344)	(3,708)
Closing balance	1,515,781	1,109,575
Waingawa infrastructure contributions fund		
Opening balance	152,745	149,129
Deposits	11,870	3,616
Withdrawals	-	-
Closing balance	164,615	152,745
Belvedere Hall fund		
Opening balance	2,093	1,998
Deposits	1,090	95
Withdrawals	-	-
Closing balance	3,183	2,093
Waingawa industrial zone services deficit fund		
Opening balance	39,267	38,337
Deposits	1,380	930
Withdrawals	-	-
Closing balance	40,647	39,267
Special funds reserves - summary		
Opening balance	3,742,678	3,201,767
Deposits	1,010,697	676,082
Withdrawals	(346,842)	(135,170)
Closing balance	4,406,533	3,742,678

Note 21: Related party transactions

Key management personnel

Key management personnel comprise the Mayor, Councillors, and the Chief Executive.

During the year, Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates etc).

During 2019/20, McKenzies Electrical 2000 Limited, owned by Councillor Russell Keys, undertook work for the Council valued at \$3,183. Ordish and Stevens Limited, who employs Councillor Brian Deller, provided goods and services valued at \$4,874. Other Councillors are directors of companies in which they have a controlling interest, but none conducted business with Council during 2019/20.

Engagements such as these are made on an arms-length basis under commercial terms. An arms-length transaction occurs when conducted on normal commercial terms between two independent parties as part of an organisation's ordinary course of business.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2019 \$nil).

	30-Jun 2020 \$	30-Jun 2019 \$
<i>Mayor & Councillors</i>		
Remuneration	270,526	223,561
Full-time equivalent members	9	9
<i>Chief Executive</i>		
Remuneration	185,892	214,390
Full-time equivalent members	1	1
Total key management personnel remuneration	456,418	437,951
Total full-time equivalent personnel	10	10

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the average number of Councillors.

Note 22: Events after balance date

There have been two events subsequent to 30 June 2020 that require disclosure within the financial statements. These events are:

- A contract valued at \$3.2 million was signed in August 2020 with Ordish and Stevens Limited for the completion of the Stage 3 of the Waste-water Treatment Plant re-development. This contract is anticipated to be completed in November 2021.
- CHB Earthmovers Limited, contractor for Stage 2 of the Waste-water Treatment Plant re-development, has been impacted by implications arising from Covid-19 on their business arrangements. These continue to be worked through by all parties, with completion of Stage 2 anticipated by November 2021.

Note 23. Covid-19 Impacts

Covid-19 response during the National Lockdown at Alert Level 4 from March to May 2020, involved the Council:

- Agreement to the non-imposition of penalty on late payment of Quarter 4 rates demand for 2019/20 rates.
- Assigning staff to the Wairarapa Emergency Operation Centre in Masterton for the period.
- Assigning staff to assist at the Carterton Medical Centre and at the Covid-19 testing station in Masterton.
- Maintaining essential services about 3 Waters functions.
- Incurring \$133,860 additional costs relating to personnel, cleansing, sanitisers, PPE and protection equipment.
- Providing \$13,223 for operation of the Wairarapa Emergency Operation Centre in Masterton for the period.

The Council has considered the impact of Covid-19 on the valuation of the assets and liabilities at 30 June 2020. Based on information available at the time of preparing these statements, Covid-19 has had no material impact. Other impacts during the Covid-19 response are as noted above.

Note 24: Explanation of major variances against budget

Explanations for major variations from the Council's estimated figures in the Annual Plan for 2019/20 are as follows:

Statement of Financial Performance

The increase in operating surplus over planned was the result of higher than expected revenues (\$1.071 million) and lower than expected expenditure (\$0.278 million). The increase in revenue reflected infrastructure and other development contributions and receipts from fees and charges, primarily building consents; both reflecting continued higher levels of developmental activity within the District. However, The NZTA subsidy is above planned as roading activity focussed on maintenance and after the Covid-19 lockdown, on resealing. Operationally, urban water deliveries continue to place greater dependency upon the artesian supply. And, changes in practice about water races in response to environmental requirements have increased the cost for their maintenance. Staffing numbers rose by 5 FTE in 2019. Progress on the project to develop wastewater treatment and disposal continued with a rescheduled capital spend now anticipating a November 2021 completion; this resulting in lower depreciation and borrowing costs.

Statement of Other Comprehensive Revenue and Expense

All roading and footpath assets were this year revalued to reflect current replacement values. The library collection was also revalued. The revaluations were positive and increased the asset revaluation reserves accordingly.

Statement of Movements in Equity

The change in retained earnings reflects the current operating surplus for this year and a transfer made to the restricted reserves. The revaluation reserves have been increased by the increases in value for infrastructure related to roading assets and the library collection held by the Council. The restricted reserves reflect changes in the respective holdings in the targeted rates reserve, Council's depreciation reserves used to support capital expenditure and the special reserves administered by the Council.

Statement of Financial Position

The overall position of the Council is that it is currently able to meet commitments having sufficient means to cover current liabilities. Debt levels remain below planned reflecting the delay in construction of the wastewater treatment and disposal improvements. By contrast, the value of assets held by the Council to support services have increased in value (\$3.8 million) over that planned through both acquisition and market revaluation over the last two years.

Statement of Cashflows

There has been a \$7.3 million capital spend on infrastructure and other assets. Operating cash flows were positive due to increased receipts while the investment/financing activities other than capital spend reflected funds being placed on deposit. Loan repayments of \$941,650 and a further

drawdown of \$500,00 were made during the year. The cash holdings were \$3.4 million at year-end, an increase of \$1 million over that actually held at year-end for 2018/19, but some \$3.9 million less than planned due to borrowing being deferred to 2020/2021 while receiving positive cash flows.

Financial prudence benchmarks

Annual report disclosure statement for year ending 30 June 2020

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

Rates affordability benchmark

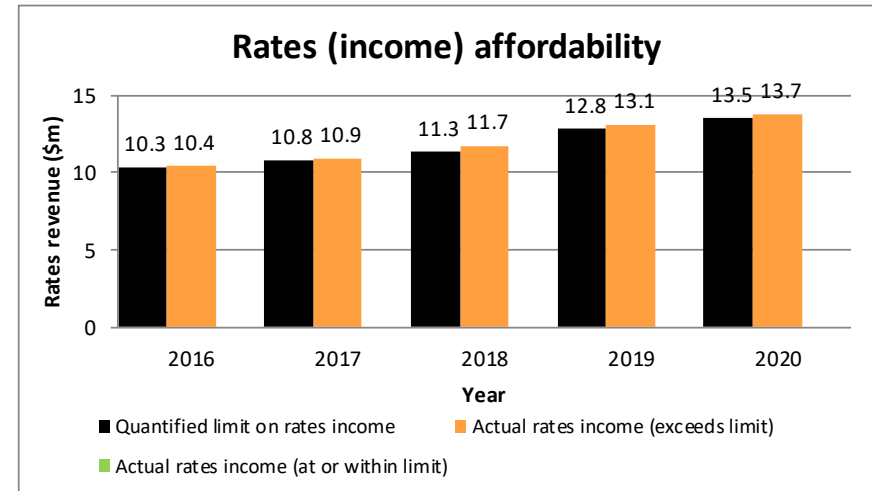
The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increase equals or is less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's ten-year plan. The quantified limit is budgeted rates revenue in the long-term plan.

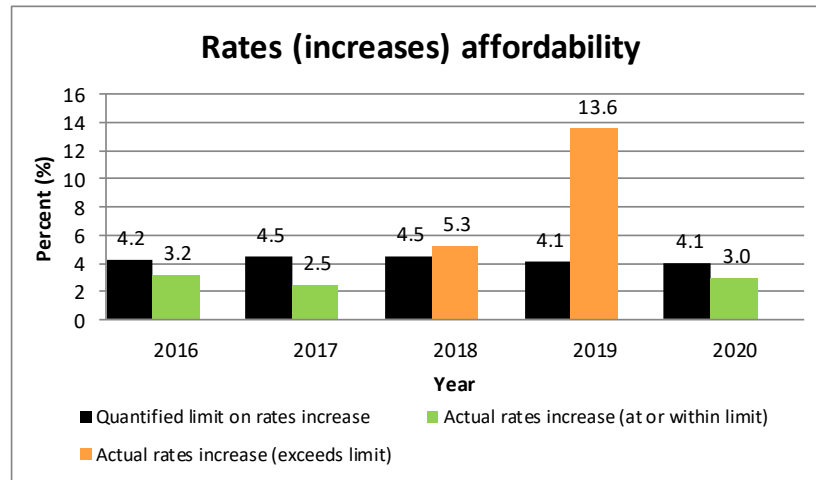
Carterton District Council has not set a definite dollar value as its quantified level for rates income; rather the Council has set the quantified level applicable each year at the agreed budgeted rates income level set in the ten-year plan, as amended and approved each year through the annual plan consultation process.



In the graph above, the limits and actuals for 2016 to 2020 include the additional water-by-meter rates.

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is the percentage change in average rates²⁵ must not exceed the increase in the opening BERL local government cost index plus 2 percent.

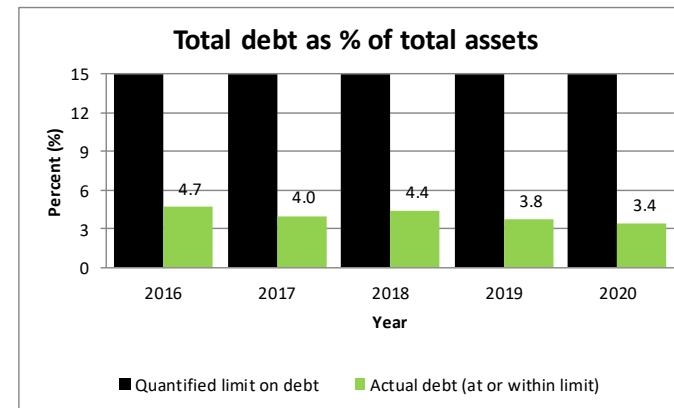


²⁵ The average rates is the total rates income divided by the total number of rates assessments.

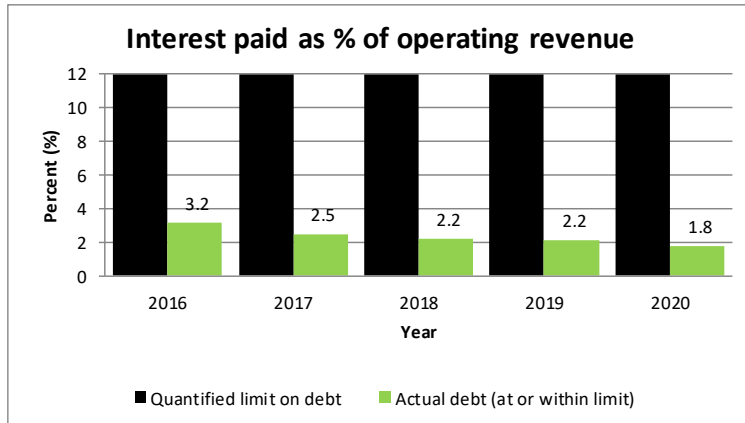
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

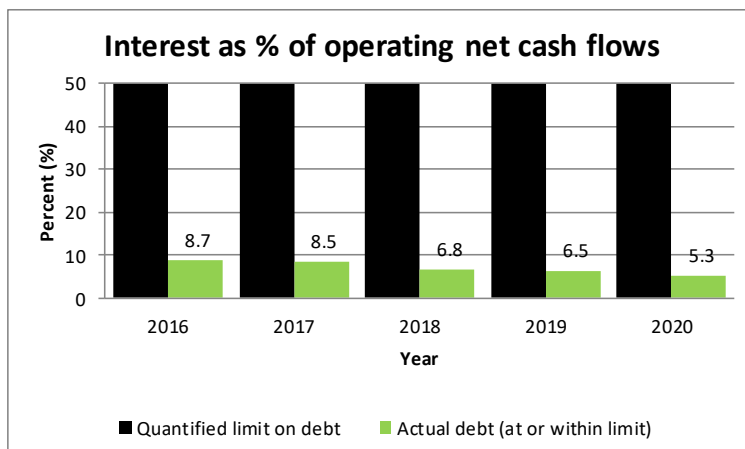
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that total debt as a percentage of total assets must not exceed 15 percent.



The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest paid on term debt must not exceed 12 percent of gross operating revenue.



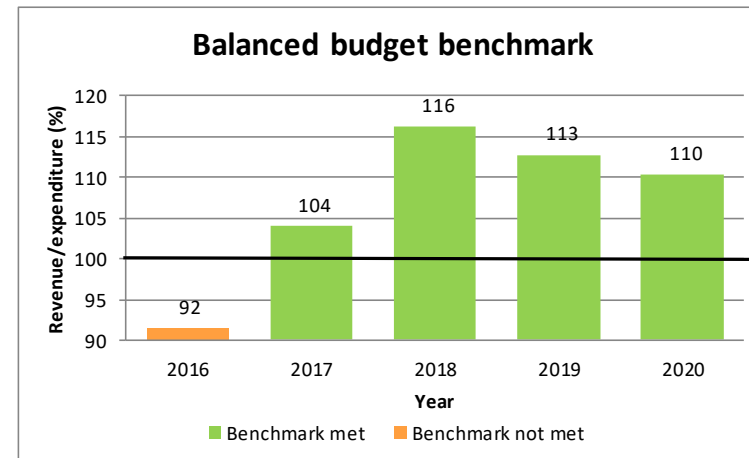
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

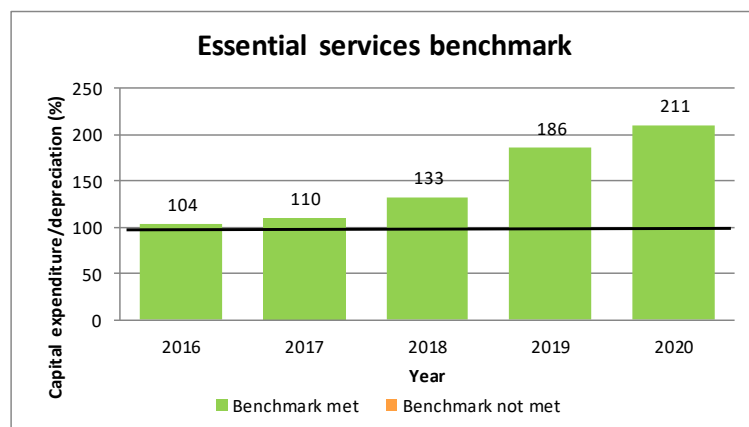
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

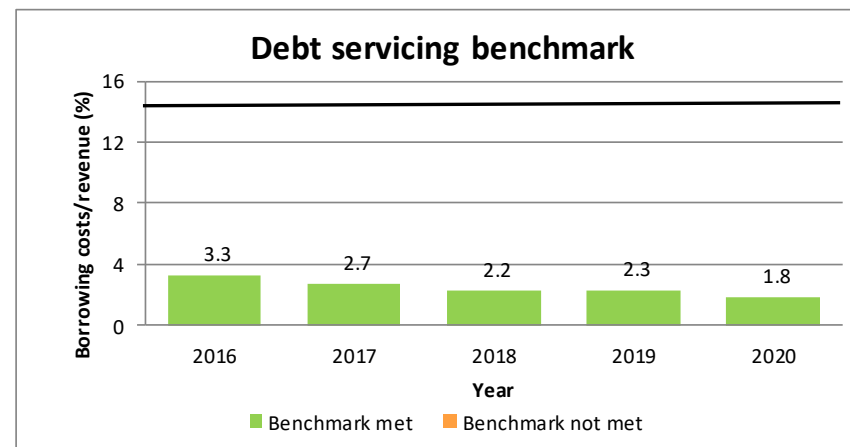
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

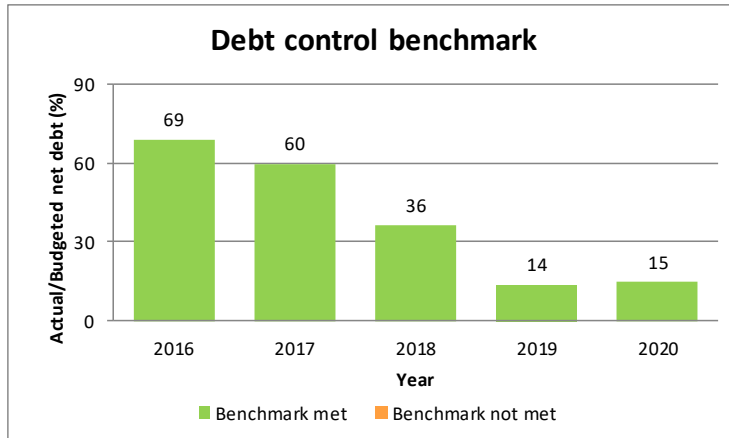
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

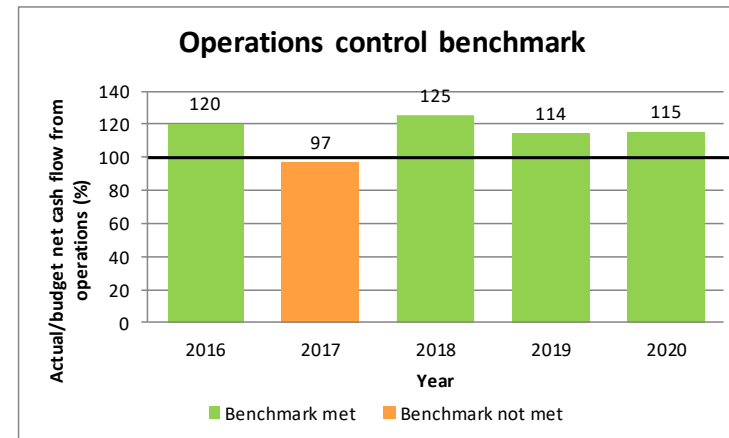
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Over the period 2017-2020, other revenue was significantly higher than planned whereas expenditure across most areas was in line with planned other than in sewerage where actual expenditure was less than planned due to lower than planned borrowing and delayed capital spend.