



Carterton District Council

Long Term Plan 2015–2025 incorporating 2015/16 Annual Plan

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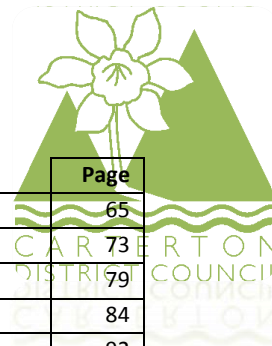
Carterton

*A welcoming and vibrant community
where people enjoy living*

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Message from the Mayor

I have pleasure in introducing the Carterton District Council's 2015–2025 Long Term Plan.

Every three years the Council updates its Long Term Plan, setting out what we hope to achieve over the next ten years with the community. We have confirmed our vision for the District—a **welcoming and vibrant community where people enjoy living**. And we have reviewed our priorities and the issues we face.

Over the next ten years, the population and property numbers in Carterton are expected to increase. Council has adopted a measured approach to growth because we wish to retain the character of Carterton—friendly, caring, vibrant, connected, and engaged—and unmanaged growth could put that at risk.

For most of our activities this modest growth will not impact our levels of service. The financial numbers in this ten-year plan are largely based on maintaining business as usual. We are 'sticking to our knitting'.

There are some significant exceptions though. We are continuing an accelerated programme of sewer mains renewals, we are expanding the sewage treatment and disposal capacity (in line with expected consent conditions and to create additional headroom to meet ongoing and peak demand), and we are further developing the town centre, with Broadway the next refurbishment planned.

There are services we already do well, including building consent processing, our wonderful Events Centre, and parks and reserves, where we have retained our staff in house. But there is of course room for improvement, and community engagement and connection are a priority.

There is no lack of engagement in our local democracy though, as we have seen over the past year with strongly-expressed opposition to the proposal of the Local Government Commission to join Wairarapa and Wellington regions into a super-city. There is no doubt that this opposition was felt by the Commission and reflected in its decision to not proceed.

The Commission's work is not over, and they may well come back with another proposal. Given the outcome remains uncertain, this Long Term Plan assumes the current governance arrangements in Wairarapa will prevail.

The processes and documents were different from previous Long Term Plans. A Consultation Document replaced the draft Plan. There was an Infrastructure Strategy,

covering the next 30 years for our roads, sewerage, water supply, and stormwater networks. Improved asset management plans underpinned the Strategy. The three Wairarapa councils held a joint hearing for common, Wairarapa-wide submitters. This reduced the burden on the submitters and allowed the three councils to jointly discuss a regional response.

The focus of the Consultation Document was on four key issues: managing the demands on the urban water supply, a proposal for the Carter Society to take over our housing for the elderly units, changes in the management of our community and development grants, and what to do with the Exhibition Centre building in Holloway Street.

A high number of submissions were received, and a significant proportion of these were presented in person. After consideration of the feedback provided, the Council's proposals were confirmed:

- to reduce the fixed rate for properties connected to the urban water supply, to reduce the allowance above which water is charged from 300 to 225 cubic metres per annum, and to reduce the charge for water used above 225 cubic metres to \$1.70 per cubic metre
- to gift its housing for the elderly properties to the Carter Society
- to merge all its community and development grant processes into one round in September
- to retain the Exhibition Centre until the future governance outcome for Wairarapa is clear.

Submissions were wide-ranging, and as a result further work will be undertaken on a number of topics, including water conservation and rainwater tanks, larger trucks on the rural roads (HPMV), developing a regional cycling strategy, concerns about government's proposed Trans Pacific Partnership Agreement (TPPA), implementing a risk and capability assessment for dealing with climate change, and better co-ordination of district- and region-wide sports facilities.

This is my first plan as Mayor, but it is the last plan for Chief Executive Colin Wright, who is retiring. Colin has made a wonderful contribution to the Council and to the Carterton community over the last nine years, and we are very grateful.

And a thank you to all the ratepayers that have helped develop this Long Term Plan.

Mayor John Booth





Introduction

Navigating the Long Term Plan

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

A one-page summary of the Consultation Document was circulated to every household in the district through *Wairarapa News* during the consultation period, and publicised by radio, newspaper, *Snippets*, and website.

Introduction

The introduction explains what a Long Term Plan ('LTP' or 'the Plan') is and why we have to produce one. It summarises what the Council wants to achieve over the life of the Plan.

Financial strategy and Infrastructure Strategy 2015–2045

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

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

Community outcomes

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

Council activities and services

The previous sections have provided an overview of the strategic direction of the district over the next ten years.

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

Forecast financial information

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

Audit opinion

Lastly, it includes a copy of the audit opinion. It reflects the opinion of the auditor whether the plan provides a reasonable basis for long-term, integrated decision-making and co-ordination of the Council's resources, and for accountability of the Council to the community, and whether the information and assumptions underlying the forecast information in the plan are reasonable.

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

Appendices

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

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

Appendix B provides asset details for the Community support group of activities, and a schedule of the 2015/16 fees and charges.

Appendix C includes the full Infrastructure Strategy for 2015–2045.



What is the Long Term Plan?

The Local Government Act 2002 (the Act) requires a local authority to:

- every six years, assist the community to develop a long term vision for the future
- every three years, develop a 'long term plan' that shows what the Council will do to implement that vision.

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

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

This document is also the annual plan for the 2015/16 financial year. This Plan replaces the 2012–2022 LTP, which was produced in 2012.

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

Specific items for consultation

In addition to the key issues above, the Council's Long Term Plan Consultation Document sought feedback on a number of questions relating to possible projects, or changes to the 77

Managing demand for water

The Council proposed to reduce the allowance above which water is charged from 300 to 225 cubic metres per annum

Water meters were introduced six years ago. Water usage fell dramatically. Residents used less water, and leaks in the network were easier to find and repair. Over the last two years demand has started to rise, due to the population increase and higher average consumption. Water restrictions were required in 2015 for the first time since meters were installed.

In addition, the resource consent for taking water to fill our reservoirs is due for renewal, and it is likely that our allocation will be reduced. Consumption has to fall. The Council wishes to encourage more careful use of the water supply. Lowering water use will also reduce demand on the sewerage systems.

The Council considers that its key lever for managing demand is the water price, by recognising low users and providing a real incentive for more residents to conserve use. It could also extend the water restrictions, promote water-saving taps and appliances, assist households to store their rainwater runoff, and provide information on how to match garden spaces and species to our climate conditions.

Council wishes to balance fairness with affordability. It wants a simple policy so that the costs to users are predictable. It wants to encourage conservation, but not to the extent that it has negative health outcomes. Also, a lower allowance means a higher administrative cost in billing and following up non-payment. A number of options were considered for the water price structure—

- fixed \$488 plus \$2.05 per m³ over 300 m³ (the current allowance)
- fixed \$477 plus \$1.70 per m³ over 225 m³
- fixed \$451 plus \$1.40 per m³ over 150 m³

About 10 percent of residents use more than the current 300 m³ allowance, and a further 15 percent use between 225 m³ and 300 m³. All three options would generate the same total revenue, but the split between fixed rates and water fees differs. The total impact for each household will also differ, depending on usage.

Following its consultation, the Council decided that the fixed rate for properties connected to the urban water supply would be set at \$477.00 for an allowance of 225 cubic metres and thereafter a charge of \$1.70 per cubic metre.

Housing for the Elderly

The Council proposed to gift its housing for the elderly properties to the Carter Society

The Council manages 38 housing for the elderly units in four separate locations around Carterton township. Over the last year, Council has reviewed this activity and recommends that we no longer provide this service.

The main issues are that elderly residents sometimes need additional support from their landlords; some of the units need desirable upgrades, including insulation, heat pumps, and wet-floor showers; the rentals do not cover the full costs including upgrades; government rent subsidies are not available to tenants of Council-owned housing; and the government is encouraging third-party providers to undertake community housing.

A number of options were considered—

- keep the units but not upgrade, at a cost to ratepayers of about \$50,000 per annum
- upgrade the units, loan-funding the capital cost of about \$650,000, and an additional cost to ratepayers of about \$75,000 per annum
- operate as a provider-Council joint venture, which would still require a share of the capital investment and an ongoing ratepayer subsidy
- sell the units to the highest bidder (the 2014 rateable value is \$2,330,000) and the proceeds used to retire Council debt—there is though the possibility that the new owner may discontinue the service
- sell the units to a social housing provider, likely to be at a price considerably less than open market
- gift the properties to the Carter Society, a not-for-profit organisation based in Carterton, whose sole purpose is to provide accommodation-related services for elderly people in Carterton. This proposal will ensure that the Society has more critical mass to deliver these services at or above current levels. The Council appoints three members of the Society's Executive Committee.

Feedback from the community suggested a further option, to gift only the properties adjacent to Carter Court, and sell or keep the units in Wakelin Street, Dudson Place, and Fisher Place. Following its consultation, the Council decided that all of its housing for the elderly units be gifted to the Carter Society.

Community grants

The Council proposed to merge all its community and development grants into one round in July

Every annual or long term plan, the Council receives submissions from organisations and individuals seeking grants or assistance for a range of purposes. This is in addition to annual commitments and ad hoc requests during the year. Many people make the same request to Masterton and South Wairarapa councils. These grants are paid from rates, and councillors need to apply clear priorities and understand the benefits and risks involved.

A number of options were considered—

- continue the current ad hoc and somewhat unco-ordinated approach
- run a process parallel to the annual plan each year
- set aside a budget in the annual plans and run a separate round early in each financial year, in conjunction with Masterton and South Wairarapa councils, for Wairarapa-wide requests.

The draft Long Term Plan included annual budgets for local organisations (\$35,000), Wairarapa-wide organisations (\$125,000), an economic development fund (\$25,000), and a community development fund (\$25,000), to cover existing as well as new commitments. These were confirmed by the Council.

During the consultation period, the three Wairarapa councils met and jointly heard submissions from Wairarapa-wide organisations that had submitted to all three councils. This allowed the councils to hear and discuss the same information, and saved the submitters from preparing for and appearing before three separate councils.

Following its consultation, the Council decided to hold one round of grant submissions in September each year. Information required from applicants will be standardised to allow better comparison between applications.

Exhibition Centre building

The Council proposes to retain the Exhibition Centre building in Holloway Street

The Council Exhibition Centre building in Holloway Street was purchased by the Council in 2005. Former tenants have been Marketable Skills and the Information Centre. It was also used as temporary meeting space while the Events Centre was being built. It was intended that once the Information Centre was moved into the completed Events Centre, the building would be sold to reduce debt.

Half the building is currently tenanted to Salvation Army for their second-hand store, and the other half to an auction business, both on short-term leases. There has been some interest recently in long-term lease of the building.

The value to the Council is the strategic value of its location. Holloway Street has been revived as the upgraded 'civic centre' of Carterton, alongside the Events Centre and the Council offices. The governance environment has changed dramatically over the last ten years, with the possibility of a super-city covering Wellington and Wairarapa, a combined Wairarapa district council, or a Wairarapa unitary council incorporating the roles of the regional council. Although the Regional Council's super-city proposal has been rejected, change is still highly likely.

Carterton is well-placed geographically to be the new centre for Wairarapa local government. Retaining property in Holloway Street, available for development, strengthens that case.

The building itself is of limited value. It needs significant repairs and tidy up. It cannot be leased for offices in its current state, and the Council does not consider it should be in the business of commercial property development and long-term lease.

A number of options were considered—

- demolish the building and develop the site as green space or car parks
- sell on open market and reduce debt on Events Centre, current value is about \$250,000
- retain in the short term until the future governance outcome is clear, at a net cost to ratepayers of about \$11,000 per annum to cover administration, maintenance, and insurance

- develop the property and lease under a long-term arrangement, loan-funded at a capital cost of \$650,000
- lease long-term as-is to a commercial developer to develop as a long-term leasehold property.

Following its consultation, the Council decided that the Exhibition Centre building in Holloway Street be retained until the future governance outcome for Wairarapa is clear and then it would further consider its options.

Financial strategy

Financial strategy

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

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

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

Being fair to our ratepayers and customers means that our activities are cost-effective and necessary for the community's current and future needs. It means that we allocate rates and charges to those who benefit and to those who have a negative impact on (or exacerbate) our community well-being. It means that we spread costs across today's and tomorrow's users (intergenerational equity) to match when benefits arise. And it means being aware of not excessively burdening today's users with the impact of yesterday's users not having contributed enough.

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

Levels of service and demand

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

Although property numbers in Carterton township is anticipated to increase, the Council is not promoting or encouraging growth. It is a priority to retain the 'character' of Carterton—friendly, caring, vibrant, connected, and engaged—which unmanaged growth could put at risk.

The economic climate is underperforming, global financial and geopolitical issues continue, and the central government in New Zealand continues its programme of austerity. Consequently, the Council has allowed for growth in the rating base to be lower in the next decade than it has in the past, falling over the next five years to 1.0 percent per annum increase and staying at that level for the rest of the ten-year period. When the economic environment improves, pressure on rates should reduce because rates will be more widely allocated across a larger rating base.

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

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

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

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

Balancing the budget

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

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

Over the ten years of the plan, the budget is balanced (ie there is no loss) in every year except year one due to the gifting of the Pensioner Housing to the Carter Society.

Inflation

The numbers in this LTP incorporate inflation as forecast by economics consulting company BERL.¹ Over the ten years of the Plan, BERL forecasts local government faces inflation rates of 34 percent in their operating costs and 37 percent in their capital costs.

Depreciation

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

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

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

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

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

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

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

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

Reserve funds

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

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

Borrowing

Security on borrowing

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

¹ *Forecasts of Price Level Change Adjustors – 2014 Update*: Note to Society of Local Government Manager, Business and Economic Research Limited, October 2014 (amended)

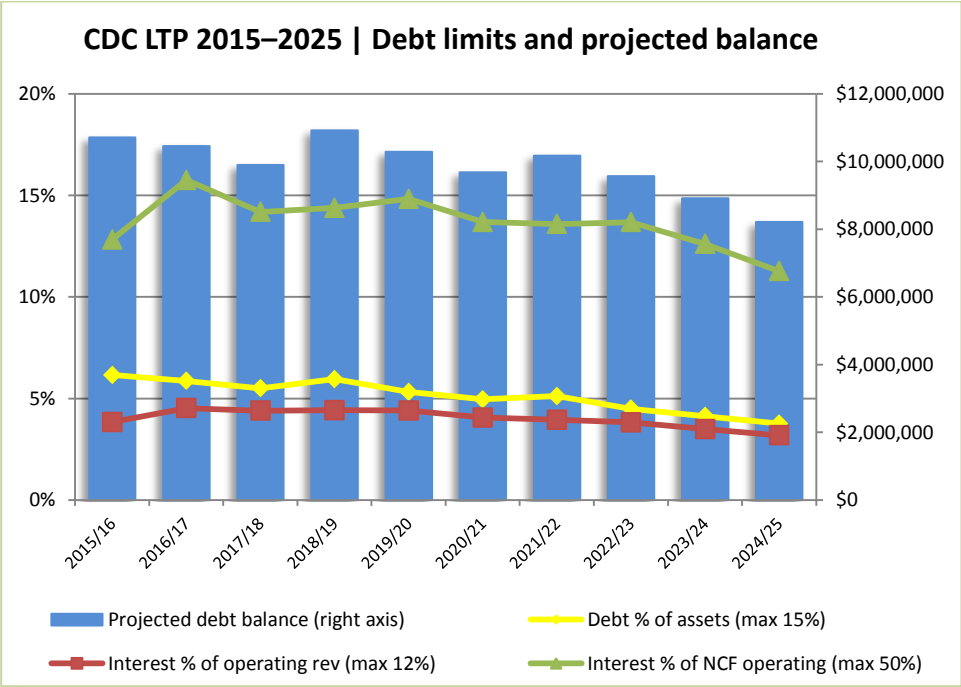
Security may also be offered over specific assets with prior Council approval. The Council will offer security on infrastructure assets only where special rating provisions apply. It intends to continue to secure its borrowing in the current manner.

Borrowing limits

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

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

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



Financial investments and equity securities

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

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

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

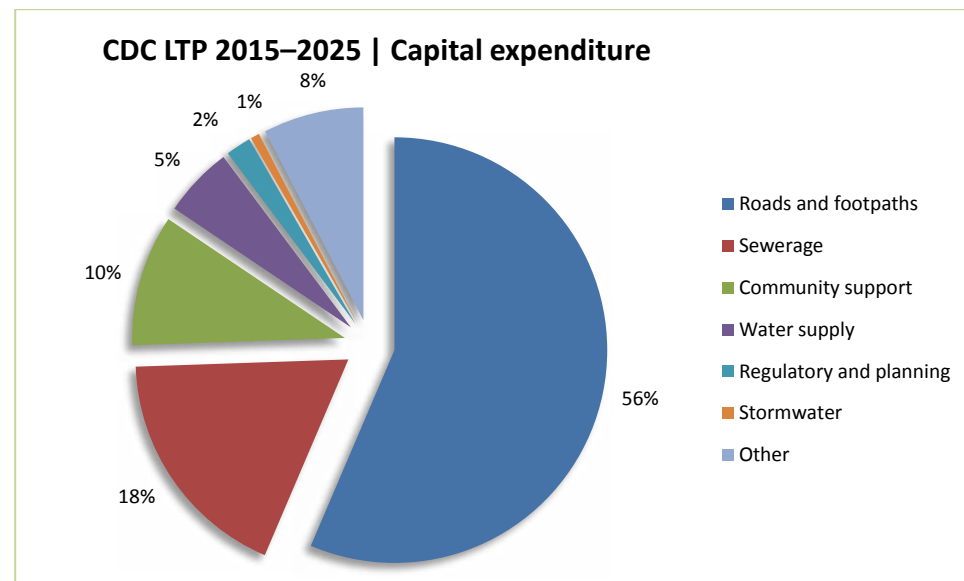
The Council has three small shareholdings with NZ Local Government Insurance Corporation (Civic Insurance), Airtel Ltd, and Farmlands. These investments are required to enable the Council to utilise specific services. With the exception of the above three shareholdings, the Council will not acquire equity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

Capital expenditure

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

The assets managed by the Council are forecast to grow from \$172 million to \$219 million over the ten years of this plan.

The Council will spend \$31.8 million on capital expenditure over the next ten years, of which \$4.4 million is budgeted for 2015/16. The chart below provides a breakdown by major group of activities. The majority of the capital spend is on roads and footpaths (\$18.0 million or 56 percent) followed by sewerage (\$5.7 million or 18 percent).



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

Sewerage reticulation

The programme of accelerated sewer mains renewals will continue over the next three years. This will cost about \$850,000, over and above the usual end-of-life renewals during that period. It will be funded from extra borrowing.

Sewage treatment

The capacity of the sewage treatment facilities will be expanded in line with the resource consent conditions and to create additional headroom to meet ongoing and peak demand. This development work at Daleton Farm will cost \$2.0 million over the next ten years and includes more land-based storage of treated effluent, expansion of the wetlands, another irrigator to discharge to land, and eventually discharge to water directly to Waiohine, bypassing Mangatāre.

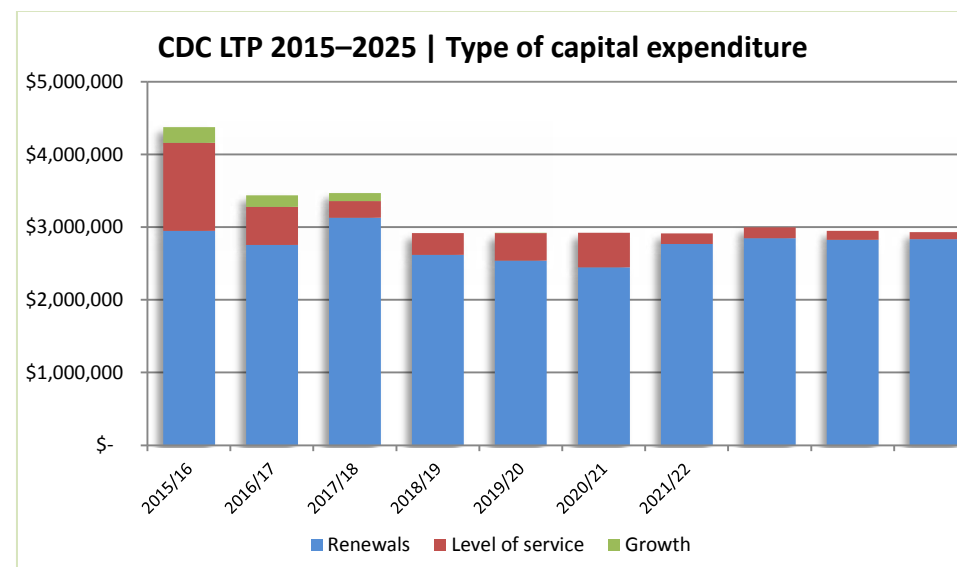
Town centre

The next stage of CBD re-vitalisation is to enhance Broadway as the link between the Railway Station and High Street. The \$500,000 upgrade will include further landscaping along the length of Broadway from the Railway Station to Masson Street, undergrounding of some services, and improved aesthetics for walking and the visual approach to our town centre. A concept plan is being prepared and work is expected to begin late 2015.

Consent renewals

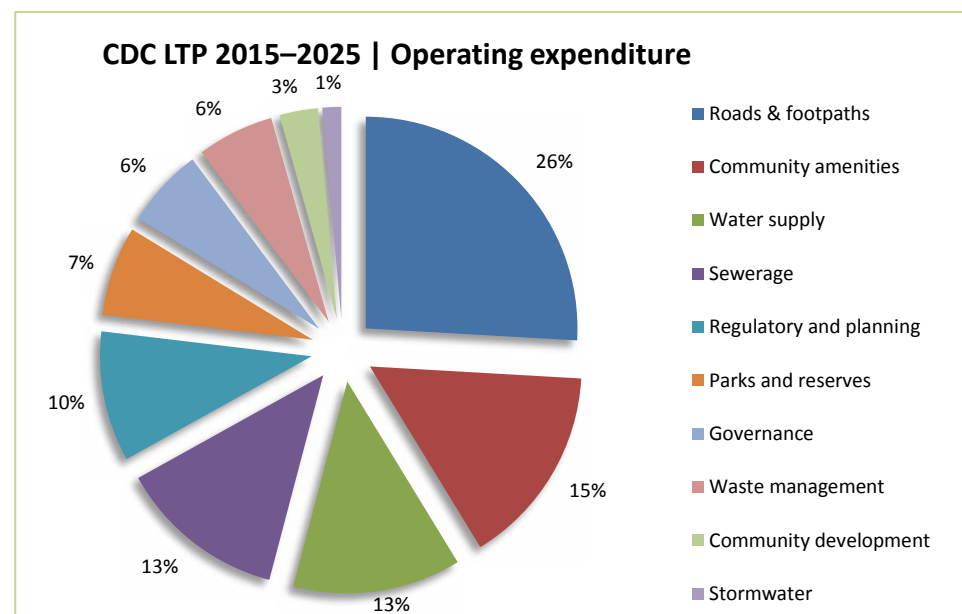
During the ten years there are a number of important resource consent renewals. The Council estimates it will need to invest significant sums in these renewal processes—the consenting process for water supply in 2015/16, \$200,000 for a range of consents for the development work related to the sewage treatment facilities, and \$250,000 for sewage treatment and disposal in 2017.

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



Operating expenditure

Operating expenditure is forecast to increase from \$13.2 million to \$16.3 million over the next ten years, an increase of 23 percent, compared with the 34 percent BERL forecast for local government inflation over the same time period. The following chart shows the split between groups of activities.



The greatest operating expenditure over the next ten years is on roads and footpaths (\$39.1 million), community amenities (such as the library, information centre, and other activities at the Events Centre, swimming pool, public toilets, and the cemetery—\$23.2 million²), and water supply (\$19.4 million).

Rates

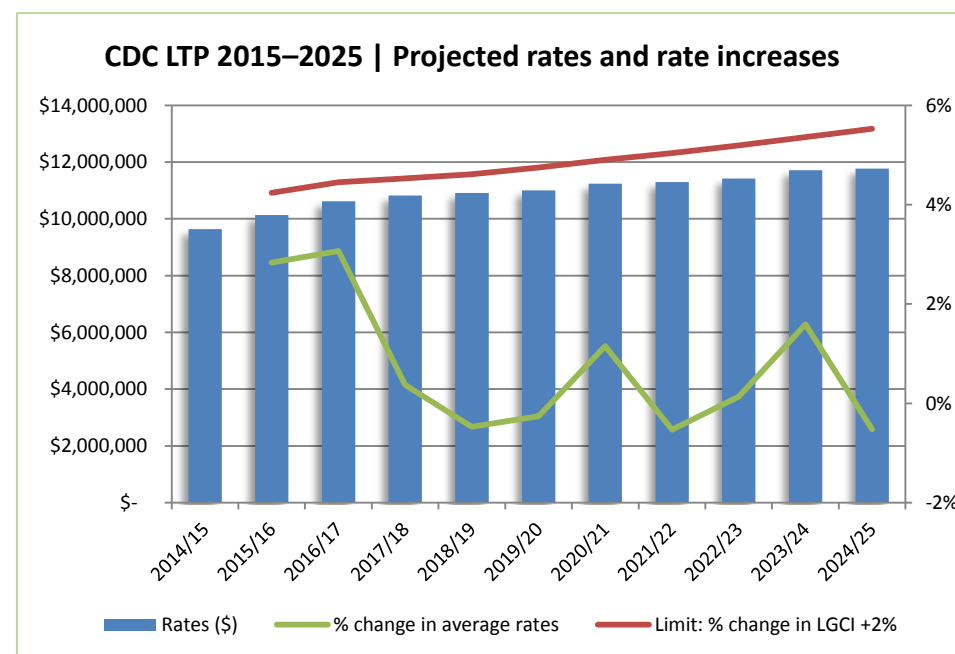
The purpose of local government is to enable democratic local decision-making and to meet its communities' needs for services—now and in the future. These responsibilities often create

conflicting views from the community and organisations on what the Council's priorities should be and how much money is spent.

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

Rates limit

The Council has decided to limit the increase in average rates in any one year to the increase in the BERL local government cost index plus 2 percent.³ The following chart shows the projected rates during the Long Term Plan and the percentage increase compared with the limit in rates increases.



² This includes the proposed non-cash 'cost' of gifting the housing for the elderly properties of \$1.6 million in 2015.

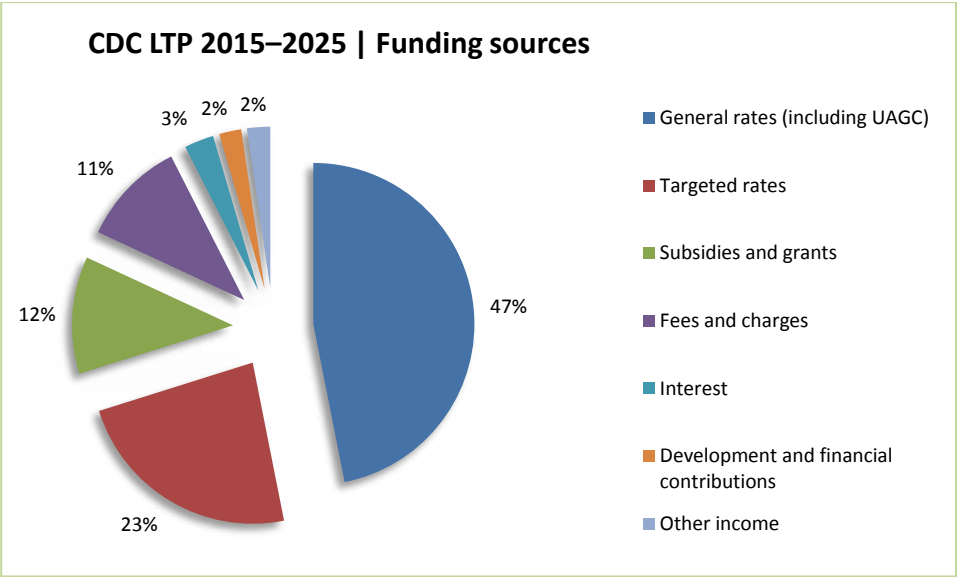
³ For example, for the rates limit in 2015/16 the BERL LGCI is forecast to increase by 2.24% to June 2016.

The Council proposes to collect \$10.1 million in rate revenue in the 2015/16 financial year. This is an increase of \$492,000 on the current financial year and equates to an increase of 2.8 percent in the average rates, after taking into account growth in the rating base.⁴

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

Other funding sources

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



⁴ The average rates is the total forecast rates divided by the total number of forecast rateable properties.

Policies

The Council has a range of funding and financial policies that affect the Long Term Plan. The full policies can be found in appendix A.

Revenue and financing policy

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

The Council has reviewed its revenue and financing policy to meet requirements under the Local Government Act.

The full policy can be found in appendix A.

Investment policy

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

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

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

The full policy can be found in appendix A.

Remission of rates policy

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

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

The full policy can be found in appendix A.

Significance and engagement policy

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

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

The significance and engagement policy is a new requirement under the Local Government Act and was approved by the Council in November 2014.

The full policy can be found in appendix A.



Community outcomes

Community outcomes

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

Each group of activities carried out by the Council contributes in some way to one or more of the community outcomes and this LTP outlines specifically how the Council intends to contribute to the outcomes over the 2015–2025 period.

How the community outcomes were identified

As part of the development of the Consultation Document for the 2015–2025 LTP, the Council reviewed its existing vision and community outcomes to confirm whether they were still relevant to the community. They were satisfied that the vision and community outcomes were generally still relevant, and refined the vision and outcome priorities.

How we will work with others to further outcomes

Currently many of the day-to-day activities of the Council, community organisations, and government agencies contribute to furthering the community outcomes. The Council will continue to work with these organisations to achieve positive outcomes for the community.

How we will report on progress

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

The vision

***Carterton District
a welcoming and vibrant community
where people enjoy living***



The community outcomes

- **strong and positive leadership**
- **a vibrant and prosperous economy**
- **a safe district**
- **a healthy district**
- **a district that enjoys creativity and recreation**
- **a district that encourages lifelong learning**
- **a district that values and protects its natural environment**
- **a district that promotes sustainable infrastructure and services.**



Strong and positive leadership

Strong and positive leadership benefits everyone in the community. It is the responsibility of all sectors of our community to play their part by leading and participating in decision-making that will shape Carterton's future.

The Council will contribute to achieving this outcome by:

- providing a clear and strategic direction for the community and the Council's role
- providing strong advocacy for Carterton district within local government, and to central government and other agencies
- encouraging community participation in decision-making that affects them
- encouraging members of the community to participate in local body elections
- conducting Council business in an open and transparent manner
- fostering collaboration with the community, organisations, and other councils
- identifying needs in the community and gaps in services and outcomes.

Others who will help towards achieving this outcome include:

- the community at large
- tangata whenua
- community organisations.

A vibrant and prosperous economy

We recognise the importance of having a vibrant, prosperous, and resilient local economy. We want to encourage our businesses to support one another, operate efficiently and cost-effectively, providing employment and skill development opportunities.

The Council will contribute to achieving this outcome by:

- providing robust support services and infrastructure
- providing an information centre
- providing an Events Centre that attracts visitors to events and conferences
- providing the Carterton Holiday Park
- providing attractive and clean public toilets
- provide funding and support for economic development
- advocating for improved regional information technology.

Others who will help towards achieving this outcome include:

- local businesses and business groups

- developers and investors
- Carterton District Business Inc
- Wairarapa Chamber of Commerce
- Destination Wairarapa
- Wellington Region Economic Development Agency
- Greater Wellington Regional Council
- Ministry of Business, Innovation, and Employment
- Tourism New Zealand
- Federated Farmers
- community organisations.

A safe district

It is a fundamental right for people to feel safe in their community. We all have a responsibility to ensure our fellow citizens feel safe and appreciated, and are cared for, which will help them to contribute positively to the community.

The Council will contribute to achieving this outcome by:

- promoting neighbourhood initiatives
- advocating on behalf of the community for appropriate police, health, and other services for the district
- maintaining the district's roads and footpaths in a good condition
- providing financial support to the Wairarapa Road Safety Council
- maintaining the security camera system in the CBD and providing appropriate night lighting in public parks and spaces
- providing water for fire fighting purposes.

Others who will help towards achieving this outcome include:

- the general public, community organisations, businesses, and schools
- Wairarapa Road Safety Council
- Southern Wairarapa Safer Community Council
- Greater Wellington Regional Council
- NZ Police
- NZ Fire Service
- Wairarapa Primary Health Organisation
- other central government and other agencies, such as New Zealand Transport Agency (NZTA), Ministry of Health, Ministry of Social Development, and Wairarapa District Health.

A healthy district

We want a district of active, fit, and healthy people. They need good quality, locally-based health services, and affordable quality housing. They also need access to a good range of recreation spaces, facilities, and playgrounds that are well designed, safe, affordable, and accessible, and to essential infrastructure that supports the general health of the community.

The Council will contribute to achieving this outcome by:

- providing urban residents with:
 - safe drinking water
 - stormwater disposal and sewerage systems
 - a waste collection and disposal service
- providing sports fields, swimming pools, public parks, and reserves for recreation
- providing support and funding for Sport Wairarapa
- administering Sale and Supply of Alcohol, and Dog Control policies
- inspecting food premises to ensure that food is safe
- implementing and monitoring compliance with the Building Control Act and Resource Management Act
- encouraging voluntary activity and community organisations
- providing an Events Centre that allows the community to design and deliver its own social and recreation programmes.

Others who will help towards achieving this outcome include:

- the general public, community organisations. and businesses
- Wairarapa District Health Board
- Wairarapa Primary Health Organisation
- general health practitioners
- Ministry of Health
- Sport New Zealand
- Sport Wairarapa
- Southern Wairarapa Safer Community Council
- Department of Conservation
- Greater Wellington Regional Council.

A district that enjoys creativity and recreation

Arts, sport, and other recreational activities contribute to our economy, health, and general well-being.

The Council will contribute to achieving this outcome by:

- providing sport fields, parks, and swimming pools for the community to be active
- providing a library that is accessible to all sectors of the community
- providing support to Aratoi and to the Wairarapa Arts, Culture and Heritage Trust—Toi Wairarapa
- providing support to Sport Wairarapa
- providing the Carterton Events Centre for cultural, social, and recreational use by the whole community
- encouraging a Wairarapa-wide approach to managing sports and recreation facilities.

Others who will help towards achieving this outcome include:

- local artists, recreational, sporting, and other cultural groups
- museums and heritage groups
- Aratoi
- Wairarapa Arts, Culture and Heritage Trust—Toi Wairarapa
- Creative New Zealand
- Sport Wairarapa
- Department of Conservation
- Greater Wellington Regional Council.

A district that encourages lifelong learning

We recognise the importance of lifelong learning within the community, and access to opportunities to develop skills and enrich knowledge, so that residents can reach their full potential and add value to the community.

The Council will contribute to achieving this outcome by:

- providing a library service with a comprehensive and current range of literature, information, and reference material
- the library working with schools to provide resources and services that contribute to the development of students
- providing an annual scholarship to UCOL Wairarapa and the Taratahi Agriculture Training Centre



- providing annual grants to tertiary students who reside in the Carterton district, as a partner in the WWII Memorial Trust with the Carterton RSA.

Others who will help towards achieving this outcome include:

- the general public, community organisations, and businesses
- UCOL Wairarapa
- Taratahi Agricultural Training Centre
- primary and secondary schools
- Workforce Development Trust
- Work and Income.

A district that values and protects its natural environment

The natural environment of the district is of such importance it must be protected for future generations. Growth and development will be carefully managed so that the district's environment and character is enhanced.

The Council will contribute to achieving this outcome by:

- maintaining an operative District Plan that sets out environmental policies and standards for the development of the district
- processing resource consents, and ensuring their compliance, in accordance with the requirements of the District Plan and Resource Management Act
- operating within a range of resource consents for controlled and sustainable use of environmental resources
- continuing a programme of upgrading the district's water, sewerage, and stormwater infrastructure
- implementing demand management and water conservation initiatives
- implementing and encouraging waste minimisation initiatives
- continuing to implement energy efficient practices across Council operations where practicable.

Others who will help towards achieving this outcome include:

- the general public, community organisations, and businesses
- tangata whenua
- The Mangatāre Restoration Society Incorporated
- Department of Conservation
- Greater Wellington Regional Council
- Federated Farmers
- Royal Forest and Bird Protection Society
- EECA
- Fish and Game Council of NZ
- Ministry of the Environment.

A district that promotes sustainable infrastructure and services

We want a community that is serviced by a robust infrastructure of essential services that are soundly planned and economically, environmentally, socially, and culturally sustainable.

The Council will contribute to achieving this outcome by:

- developing guiding strategies, plans, and reviews
- ongoing development of asset management plans to ensure the long-term prudent management of the Council's assets
- providing the community with agreed levels of service for Council activities
- investigating shared services for better and more efficient delivery.

Others who will help towards achieving this outcome include:

- the general public, community organisations, and businesses.
- developers and investors
- neighbouring local authorities
- Greater Wellington Regional Council
- tangata whenua.



How Council activities relate to the community outcomes

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

Community outcome	Strong and positive leadership	A vibrant and prosperous economy	A safe district	A healthy district	A district that enjoys creativity and recreation	A district that values lifelong learning	A district that values and protects its natural environment	A district that promotes sustainable infrastructure and services
Council group of activities								
Governance	•							
Community support		•	•	•	•	•	•	•
Regulatory and planning		•	•	•			•	•
Roads and footpaths		•	•		•			•
Sewerage and the treatment and disposal of sewage		•	•	•			•	•
Stormwater drainage			•				•	•
Waste management				•			•	•
Water supply		•	•	•			•	•

Other key planning documents

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

- Building Act 2004
- Forest and Rural Fires Act 1977
- Health Act 1956
- Local Government Acts 1974 and 2002
- Local Government Official Information and Meetings Act 1987
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Sale of Liquor Act 1989
- Carterton and District Memorial Square Act 1932
- *Public Libraries of New Zealand: A Strategic Framework (2006 to 2016)*
- *The New Zealand Biodiversity Strategy*
- *The New Zealand Waste Strategy: Reducing harm, improving efficiency*
- *New Zealand Urban Design Protocol*
- *National Land Transport Programme*
- *New Zealand Positive Ageing Strategy.*

The Council uses a number of other planning documents in conjunction with the LTP to realise the aspirations of the community. These include the following:

Annual plan

The Council will produce an annual plan for each of the two years between revisions of the LTP. The next annual plan will be produced for the 2016/17 year. Annual plans are less detailed than the LTP and set out the proposed annual budget and funding requirements for the year. The annual plan identifies for that year any variations from the LTP and provides an opportunity for the public to participate in decision-making processes about the costs and funding of activities to be undertaken by the Council.

Annual report

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

Asset management plans

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

Infrastructure strategy 2015–2045

Good quality local infrastructure is essential to the health, safety, and land transport needs of the district and has a significant impact on the physical environment. The infrastructure strategy is a new document that outlines the key land transport, sewerage, stormwater, and water supply infrastructural issues that the community faces over the next 30 years. It helps the Council consult and make decisions on its infrastructure investment during the period of the ten year plan and beyond.

The key issues identified in the strategy are managing for demographic change, maintaining levels of service, responding to changing regulatory requirements, and dealing with the impact of climate change and natural hazards.

In addition, the Council wishes to improve the capacity of its sewage treatment, discharge more of its treated sewage to land, reduce demand for water, and be ready to respond to proposed central government changes to road standards.

This is the Council's first Infrastructure Strategy and its preparation has identified gaps in what we know about our infrastructure and how we manage its planning.

We have data about the location, age, type, and size etc of the asset components, their replacement cost, and which are the most critical. But much of it is underground, particularly the water pipes and sewer mains, and we have limited information about their condition.

We have renewal strategies and policies, but we need to improve our management systems and processes. During 2015/16, the Council will review its overall asset management to address these gaps.

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

Reserve management plans

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

Wairarapa Combined District Plan

The District Plan provides the regulatory process for implementing policies prepared under the LTP, the asset management plans, and the Resource Management Act. The policies in the District Plan are to ensure sustainable management of the natural and cultural environment, and appropriate use of the Council's infrastructure.

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

Waste Management and Minimisation Plan 2011–2017

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

The overall vision of the WMMP is to provide residents and ratepayers with highly effective, efficient and safe waste management and minimisation services in order to protect the environment from harm, and provide environmental, social, economic, and cultural benefits.

Wairarapa Arts, Culture, and Heritage Strategy

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

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

Wairarapa Tourism Strategy

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

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

Assessment of water and sanitary services

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

The Carterton District Council last completed its water and sanitary services assessment in 2005. The assessment was included in the Council's 2009–2019 LTCCP and is available from the Council office or on its website.⁵

The assessment informed the development and ongoing review of the related asset management plans, and is consequently reflected in the LTP. The only significant variation from the 2005 assessment reflected in this LTP is that major additions at the two water



⁵ www.cdc.govt.nz

treatment plants in 2009 and 2010 mean that the Carterton urban water supply now meets the New Zealand Drinking Water Standards.

Relationships with Māori

The Carterton District Council recognises the importance of the Treaty of Waitangi as the founding document of Aotearoa New Zealand, which created a partnership between iwi and the Crown. The Council also recognises that through legislation, such as the Resource Management Act and the Local Government Act, the Council is devolved powers from the Crown for the whole community.

The Council acknowledges Hurunuiorangi Marae as mana whenua in our District and recognises the value of Hurunuiorangi in the social and cultural fabric of our community.

We have begun working 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.

It is through this evolving relationship that the Council can give effect to its statutory responsibilities, to provide opportunities and build capacity for Māori to contribute to Council decision-making, and for Council to contribute to Māori well-being as part of the outcomes sought for the broader community, in the present and for the future.



Council activities and services

Groups of activities

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

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

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

What the group includes and the related community outcomes

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

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

Strategic direction—future demand and sustainability

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

What we will deliver over the next ten years

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

How we will measure what we deliver

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

Assets and asset valuations

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

Renewal and capital plans

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

How the group of activities is funded

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

Key assumptions and uncertainties

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

Risk management

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

Significant negative effects

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

Prospective financial statements

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

The comparative budgets for 2014/15 are those stated in the Annual Plan 2014/15.

Governance

This group of activities...

includes the following services and programmes:

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

...contributes to the community outcomes

Strong and positive leadership

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

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

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

Role and purpose of local government

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

Under section 10:

The purpose of local government is—

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

- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.*

and

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

- (a) efficient; and*
(b) effective; and
(c) appropriate to present and anticipated future circumstances.

Strategic direction—future demand and sustainability

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

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

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

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

Our Chief Executive will retire in August this year after nine years at the helm. An executive search has started and we are confident of finding an able replacement, while maintaining the continued confidence of ratepayers, councillors, and staff.

What we will deliver over the next ten years

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

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

When making decisions, the Council must:

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

The Council must also:

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
Open and transparent conduct of Council business	Agenda items within 'public excluded'	≤5%	≤5%	≤5%	≤5%	≤5%	Council minutes

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Representation of residents by elected members	Residents rate the performance of the Mayor and councillors as 'very good' or 'fairly good'	≥75%	≥75%	≥75%	≥75%	≥75%	Survey of residents every three years ⁶
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	100%	100%	100%	100%	100%	Annual report
Governance is managed at the best possible cost for the level of service	Expenditure within approved budget	—	100%	100%	100%	100%	Regular financial reporting to the Council

Assets

Existing assets

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Office furniture	2,000	-	-

Capital plan

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

No capital works are planned over the life of the plan.

How the group of activities is funded

Capital

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

There are no planned capital costs.

Annual costs

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

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

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

Key assumptions and uncertainties

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

At this stage, the timing and extent of any changes is not known. For the purposes of this Long Term Plan, it is assumed that there will be no significant changes to Carterton District Council during 2015/16. If however any changes arise from current governance proposals under consideration, it is likely that Carterton District Council will cease to exist.

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

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

CARTERTON DISTRICT COUNCIL
PROSPECTIVE GOVERNANCE STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Revenue											
796,064	Rates	834,846	785,346	844,574	829,006	800,657	862,569	847,070	839,853	920,625	912,029
100	Miscellaneous revenue	2,000	48,175	2,103	2,160	52,235	2,289	2,360	57,300	2,521	2,612
796,164	Total revenue	836,846	833,521	846,678	831,166	852,892	864,858	849,430	897,153	923,146	914,641
Expenditure											
785,859	Mayor and councillors	816,003	778,415	827,497	812,001	816,164	881,461	870,180	877,955	952,407	944,420
2,415	Elections	5,550	83,414	4,735	5,918	90,165	5,065	6,371	98,537	5,469	6,928
788,274	Total expenditure	821,553	861,829	832,232	817,919	906,329	886,527	876,551	976,492	957,876	951,348
7,890	Surplus/(deficit)	15,293	(28,308)	14,446	13,247	(53,437)	(21,668)	(27,120)	(79,338)	(34,730)	(36,706)
Capital Expenditure											
-	Office furniture	2,000	-	-	2,156	-	-	2,336	-	-	2,542
-	Total capital expenditure	2,000	-	-	2,156	-	-	2,336	-	-	2,542



PROSPECTIVE GOVERNANCE FUNDING IMPACT STATEMENT FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$	LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Sources of Operating Funding										
796,064	834,846	785,346	844,574	829,006	800,657	862,569	847,070	839,853	920,625	912,029
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
100	2,000	48,175	2,103	2,160	52,235	2,289	2,360	57,300	2,521	2,612
796,164	836,846	833,521	846,678	831,166	852,892	864,858	849,430	897,153	923,146	914,641
Applications of Operating Funding										
475,988	516,668	551,063	506,464	497,437	579,282	543,639	535,353	626,650	589,233	581,872
5,912	8,210	6,369	4,638	2,308	550	52	-	-	-	-
305,111	294,863	302,275	318,772	316,057	324,274	340,750	338,880	347,622	367,429	368,016
-	-	-	-	-	-	-	-	-	-	-
787,011	819,741	859,707	829,874	815,803	904,105	884,442	874,234	974,272	956,661	949,889
9,153	17,105	(26,186)	16,804	15,363	(51,214)	(19,583)	(24,804)	(77,119)	(33,515)	(35,247)
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
(23,726)	(22,148)	(23,990)	(25,721)	(28,051)	(13,705)	(1,604)	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
(23,726)	(22,148)	(23,990)	(25,721)	(28,051)	(13,705)	(1,604)	-	-	-	-
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	2,000	-	-	2,156	-	-	2,336	-	-	2,542
(14,573)	(7,043)	(50,175)	(8,917)	(14,844)	(64,919)	(21,187)	(27,140)	(77,119)	(33,515)	(37,789)
-	-	-	-	-	-	-	-	-	-	-
(14,573)	(5,043)	(50,175)	(8,917)	(12,688)	(64,919)	(21,187)	(24,804)	(77,119)	(33,515)	(35,247)
(9,153)	(17,105)	26,186	(16,804)	(15,363)	51,214	19,583	24,804	77,119	33,515	35,247
-	-	-	-	-	-	-	-	-	-	-

Community support

This group of activities...

includes the following services and programmes:

Community development

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

Parks and reserves

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

Community amenities

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

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that enjoys creativity and recreation

A district that encourages lifelong learning

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

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

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

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

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

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

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



Strategic direction—future demand and sustainability

Housing for the Elderly

The Council manages 38 housing for the elderly units in four separate locations around Carterton township. Over the last year, Council has reviewed this activity and recommended that it no longer provide this service.

The main issues are that elderly residents need and deserve specialised relationships with their landlords; some of the units need desirable upgrades, including insulation, heat pumps, and wet-floor showers; waiting lists have declined; the rentals do not cover the full costs including upgrades; government rent subsidies are not available to tenants of Council-owned housing; and the government is encouraging third-party providers to undertake community housing.

Council has decided that its housing for the elderly units be gifted to the Carter Society early in 2015/16. The Society is a not-for-profit organisation based in Carterton, whose sole purpose is to provide accommodation-related services for elderly people in Carterton. This adds to the legacy of Charles Rooking Carter, and will assist the continued viability of Carter Society.

It is paramount that the current tenants are supported through the process. Their interests will be foremost at the discussions with the Society. This transfer is recorded as a non-cash expense in the first year of the ten-year plan.

CBD re-vitalisation

The next stage of CBD re-vitalisation is to enhance Broadway as the link between the Railway Station and High Street. The upgrade will include further landscaping along the length of Broadway from the Railway Station to Masson Street, undergrounding of some services, and improved aesthetics for walking and the visual approach to our town centre. A concept plan is being prepared and work is expected to begin late 2015.

The Carterton District Business Incorporation (CDBI), a local business network, initiated the 'Placemaking' project in 2014, a programme to improve the relationship between places and people. Council has identified two sites that it will be incorporating in this project—Broadway and the front of Carrington Park, including the public toilets.

Parks and reserves

The existing recreational reserves/areas are sufficient to accommodate low to medium population growth. However, two factors impact on this.

Intensified residential development at the southern end of Carterton could necessitate the development of a park in that area of urban Carterton for easy accessibility by families living there. The purchase of land and development for a new playground was allowed for in 2014/15, with further facilities in subsequent years. At the time of writing this Plan, no suitable land had been identified, and if necessary the associated budget will be carried forward to 2015/16.

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

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

Kaipaitangata Forest multi-purpose recreation park

The Kaipaitangata Forest block is currently used solely as a pine plantation forest. No other use is permitted. The Council is opening access to the forest for additional use as a recreational area, consistent with its current use. This will include, for example, the use of logging roads for walking, mountain biking, horse riding, and off-road motorcycles. Some funding has been set aside over the next three years to seed this development, in conjunction with interested recreational groups.

Carterton Events Centre

The full costs of running the Events Centre, and the costs of hosting events and providing facilities have been included in this LTP. Further enhancements to the fitout of the auditorium and equipment for the venue to maintain the level of services to hirers has also been included.



What we will deliver over the next ten years

Community development

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

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

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

Parks and reserves

The parks and reserves are managed under reserves management plans. These plans are due for review in 2015/16. A best practice management regime ensures the facilities meet the standard required for each amenity.

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

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

Community amenities

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

The Council's continued involvement in the Cemetery is contained in the Burials and Cremations Act 1964 and Cremation Regulations 1973, which require the Council to make provision for and manage burials within the district, and the Historic Places Act 1993, as the

cemetery contains burials that predate 1900 and it is deemed to be an archaeological site and subject to the provisions of the Act.

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

The Public Toilets are clean and useable during opening hours.

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Community support is managed at the best possible cost for the level of service	Expenditure within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
A range of amenities of a standard satisfactory to residents	Residents satisfied with public swimming baths	≥75%	≥75%	≥75%	≥75%	≥75%	Survey of residents every three years ⁷
	Residents satisfied with public toilets	≥75%	>75%	>75%	>75%	>75%	Survey of residents every three years

⁷ NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
	Percentage of Carterton residents who are members of the Library	>75%	>75%	>75%	>75%	>75%	Operational records
Effective use of grant monies	Community grants budget is distributed in accordance with the Council policy	100%	100%	100%	100%	100%	Operational records
High quality sports fields, parks, and reserves	Residents (who have used or visit a park or reserves) satisfied	≥90%	≥90%	≥90%	≥90%	≥90%	Survey of residents every three years
High quality sports fields, parks, and reserves Prompt response to all health and safety incidents	High profile or offensive graffiti is removed within 4 hours of the Council being aware of it	100%	100%	100%	100%	100%	Operational records
	Calls with a potential public health or safety risk are responded to within 30 minutes	100%	100%	100%	100%	100%	Complaints register

Assets

Existing assets

- Library collection
- Carrington Park
- Howard Booth Park
- Memorial Square

- Millennium Park
- South End Park
- a number of small reserves
- Clareville Cemetery
- Outdoor Swimming Complex
- Toilets
- Carterton Holiday Park
- Housing for the elderly complexes (to be gifted 1 July 2015)
- Events Centre
- Halls
- Forestry.

Maintenance and operating

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Carrington Park lighting	-	8,192	8,392
Soft fall matting	-	25,600	-
CCTV cameras	8,000	6,144	6,294
Picnic tables	6,500	1,536	1,574
Park seats	-	-	4,196
Holiday park furniture and equipment	3,000	13,312	13,637
Swimming pool rubbish bins	8,000	-	-
Swimming pool resurfacing	-	61,440	-
Swimming pool changing room	-	-	314,700

Item	2015/16 \$	2016/17 \$	2017/18 \$
Events Centre furniture and equipment	15,000	15,360	48,254
Youth Centre roof	10,000	-	-
Library books	72,000	73,728	75,528
Library system	50,000	-	10,490
Clock tower strengthening	50,000	-	-

Capital plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Park amenities	47,000	30,720	12,588
Broadway upgrade (brought forward from 2014/15)	500,000	-	-
Kaipaitangata multi-purpose recreation park	25,000	128,000	26,225
Cemetery extensions	-	66,560	15,735
Events Centre generator	90,000	-	-
Auditorium equipment	25,000	25,600	26,225
Library public use computers	5,000	-	-

How the group of activities is funded

Capital

New capital or renewal of existing capital items for community support will be generally funded by way of the annual depreciation provision or by loans. Parks and reserves, and other property may also be funded from recreation reserve levies or special funds. Where capital

items are loan-funded, rates will fund the principal repayment and interest expense during the terms of the loan, after which rates will fully fund the annual depreciation expense.

Annual costs

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

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

Key assumptions and uncertainties

- There will be an ongoing requirement for this activity.
- Increasing promotion of the need to be physically active and lead physically active lifestyles may result in increased demand and requests for different activities and facilities to be available in this group of activities.
- As the district becomes more built-up there may be an increasing demand for more recreational reserves/areas for active and passive recreation pursuits.
- It is assumed that log prices will increase sufficiently to make harvesting of the marginal tree crop economical, but there is likely to be difficulty engaging a contractor. Therefore no harvest is assumed in 2014/15, but the opportunity will continue to be pursued.
- This will require ongoing reviews of the resources required to meet expectations.

Significant negative effects

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

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

The Council considers that it can manage these risks.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE COMMUNITY SUPPORT STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Revenue											
2,790,791	Rates	2,970,522	3,036,836	3,164,545	3,124,742	3,221,025	3,232,143	3,193,522	3,160,893	3,127,889	3,200,725
25,868	Grants, subsidies and donations	16,281	16,645	17,032	17,445	17,900	18,385	18,901	19,468	20,071	20,727
100,000	Development and financial contributions	100,000	102,400	104,960	107,689	110,704	113,915	117,332	121,087	125,083	129,335
4,000	Commissions	4,000	4,096	4,198	4,308	4,428	4,557	4,693	4,843	5,003	5,173
5,000	Recoveries	-	-	-	-	-	-	-	-	-	-
216,204	Fees and charges	199,424	204,210	209,315	214,758	220,771	227,173	233,988	241,476	249,445	257,926
263,509	Rental revenue	74,839	76,635	78,551	80,593	82,850	85,253	87,810	90,620	93,611	96,793
-	Forestry harvest	-	-	-	-	-	-	-	-	-	-
9,000	Miscellaneous revenue	13,160	13,480	13,822	14,186	14,588	15,016	15,472	15,972	16,505	17,077
3,414,372	Total revenue	3,378,226	3,454,302	3,592,424	3,563,721	3,672,266	3,696,441	3,671,719	3,654,359	3,637,606	3,727,757
Expenditure											
257,840	Community grants	240,243	254,748	265,265	267,798	275,556	286,287	290,154	298,827	312,182	318,880
142,044	Community advocacy	159,065	146,562	151,304	153,751	157,908	163,107	166,347	171,207	177,634	182,214
271,788	Parks	320,009	331,890	347,501	353,089	372,287	355,041	344,463	349,655	343,238	349,779
310,700	Civic and urban reserves	383,908	389,310	400,477	406,669	416,376	425,090	426,401	433,805	430,901	439,436
67,122	Rural reserves	74,505	76,131	78,593	79,124	80,519	82,277	82,395	83,699	82,958	84,009
100,706	Nursery	104,320	106,882	109,997	111,901	114,672	117,992	120,366	123,123	122,431	125,640
59,241	Forestry	96,155	64,141	78,434	49,824	79,257	58,565	65,762	64,472	86,292	101,491
67,626	Cemetery	92,820	94,655	99,042	98,885	102,329	101,567	101,540	102,541	104,427	105,061
164,593	Swimming baths	160,723	170,728	173,674	175,661	181,996	180,170	178,862	183,354	190,485	194,423
46,155	Restrooms	33,922	34,753	35,965	36,414	37,360	38,582	39,150	40,241	41,759	42,674
562,649	Events centre - property management	613,467	640,789	647,318	638,591	634,796	622,533	603,416	596,313	530,094	531,904
306,867	Housing for the elderly	-	-	-	-	-	-	-	-	-	-
203,117	Holiday park	196,296	204,506	211,560	213,974	219,157	224,611	226,791	232,306	236,208	241,307
55,505	Miscellaneous properties	66,660	63,309	65,369	65,522	67,594	67,997	68,584	69,133	69,717	70,450
906,785	Events centre - operations	837,398	888,529	930,017	912,900	949,107	979,195	983,033	1,004,061	997,763	1,027,714
3,522,738	Total expenditure	3,379,491	3,466,934	3,594,515	3,564,101	3,688,915	3,703,013	3,697,265	3,752,737	3,726,088	3,814,981
(108,366)	Surplus/(deficit)	(1,265)	(12,632)	(2,091)	(380)	(16,649)	(6,572)	(25,546)	(98,378)	(88,482)	(87,224)

CARTERTON DISTRICT COUNCIL

PROSPECTIVE COMMUNITY SUPPORT STATEMENT OF SERVICE PERFORMANCE—contd.

FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$	LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Capital Expenditure										
- Miscellaneous	-	-	-	-	-	-	-	-	-	-
8,000 Christmas lighting	-	-	-	-	-	-	-	-	-	-
372,050 New playground - south end	-	-	-	-	-	-	-	-	-	-
159,450 Millennium Park - upgrade	-	-	-	-	-	-	-	-	-	-
- Amenities - Carrington Park and Sparks Park	-	-	12,588	-	-	-	-	-	-	-
6,000 Carrington Park - seal path from Wakelin Street	-	-	-	-	-	-	-	-	-	-
10,000 Carrington Park - path to North carpark	-	-	-	-	-	-	-	-	-	-
15,000 Carrington Park - electronic noticeboard	-	-	-	-	-	-	-	-	-	-
- Carrington Park - gym equipment	25,000	-	-	-	27,575	-	-	-	30,675	-
- Carrington Park - investigate development of frontage	10,000	-	-	-	-	-	-	-	-	-
- Carrington Park - LED lighting basketball court	12,000	-	-	-	-	-	-	-	-	-
- Carrington Park - solar lighting	-	8,192	8,392	8,600	-	-	-	-	-	-
- Carrington Park - paths	-	20,480	-	-	-	-	-	-	-	-
21,260 Soft fall matting	-	25,600	-	21,500	-	-	29,050	-	-	31,525
- Howard Booth Park - paths	-	10,240	-	-	44,120	-	-	-	-	-
10,000 Howard Booth Park - carpark lighting	-	-	-	-	-	-	-	-	-	-
42,520 Howard Booth Park - play equipment	-	-	-	-	-	-	-	-	-	-
3,000 CCTV camera	8,000	6,144	6,294	6,450	5,625	5,773	5,926	6,089	6,258	6,431
- Concrete picnic tables - rural reserves	1,500	-	-	-	-	-	-	-	-	-
500,000 CBD re-vitalisation stage IV - Broadway	500,000	-	-	-	-	-	-	-	-	-
- Picnic Tables at Parks	5,000	1,536	1,574	1,613	-	-	-	-	-	-
- Seating - Carrington Park and Howard Booth Park	-	-	4,196	4,300	4,412	4,528	4,648	-	-	-
21,260 Kaipaitangata multi-purpose all-terrain park	25,000	128,000	26,225	-	-	-	-	-	-	-
- Clock tower - earthquake strengthening	50,000	-	-	-	-	-	-	-	-	-
- Cemetery - concrete burial berms	-	-	15,735	-	-	-	-	-	-	-
- Cemetery - road extension and resealing	-	66,560	-	-	-	-	-	-	-	-
- Cemetery - rubbish bins	-	-	-	-	3,309	-	-	-	-	-
- Holiday Park - washing machines and drier	-	10,240	-	-	-	-	-	-	-	-
- Holiday Park - beds	3,000	3,072	3,147	-	1,103	1,132	1,162	-	-	-
- Holiday Park - couch beds	-	-	10,490	-	-	-	-	-	-	-
- Holiday Park - flat screen TVs	-	-	-	-	-	-	-	3,582	-	-
- Holiday Park - office furniture	-	-	-	5,375	-	-	-	-	-	-
- Swimming pool - Chemigem	-	-	-	10,750	-	-	-	-	-	-
- Swimming pool - new changing rooms	-	-	314,700	-	-	-	-	-	-	-
- Swimming pool - resurfacing	-	61,440	-	-	-	-	-	-	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE COMMUNITY SUPPORT STATEMENT OF SERVICE PERFORMANCE—contd.

FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	Swimming pool - rubbish bins	8,000	-	-	-	-	-	-	-	-	-
-	Events Centre - electronic copyboard	-	-	-	-	-	-	-	-	3,681	-
-	Events Centre - generator	90,000	-	-	-	-	-	-	-	-	-
10,000	Events Centre - noticeboard	-	-	-	-	-	-	-	-	-	2,522
-	Events Centre - equipment eg chairs, crockery, cutlery	15,000	15,360	15,735	16,125	16,545	16,980	17,430	17,910	18,405	18,915
-	Events Centre - auditorium equipment	25,000	25,600	26,225	26,875	27,575	28,300	29,050	29,850	30,675	31,525
-	Events Centre - Youth Centre roof	10,000	-	-	-	-	-	-	-	-	-
-	Events Centre - photocopier	-	-	15,735	-	-	-	-	17,910	-	-
-	Events Centre - library photocopier	-	-	16,784	-	-	-	-	19,104	-	-
-	Events Centre - library 2 computers and desks	5,000	-	-	-	-	4,528	-	-	-	-
70,000	Events Centre - library books	72,000	73,728	75,528	77,400	79,416	81,504	83,664	85,968	88,344	90,792
-	Events Centre - library computer upgrades	50,000	-	10,490	-	-	-	-	-	-	-
7,000	Cemetery - replacement lowering device	-	-	-	-	-	-	-	-	-	-
21,260	Security cameras upgrade	-	-	-	-	-	-	-	-	-	-
1,276,800	Total capital expenditure	914,500	456,192	563,838	178,988	209,680	142,745	170,930	180,413	178,038	181,710

CARTERTON DISTRICT COUNCIL
PROSPECTIVE COMMUNITY SUPPORT FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Sources of Operating Funding										
2,790,791	General rates, UAGC, rates penalties	2,970,522	3,036,836	3,164,545	3,124,742	3,221,025	3,232,143	3,193,522	3,160,893	3,127,889	3,200,725
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
25,868	Subsidies and grants for operating purposes	16,281	16,645	17,032	17,445	17,900	18,385	18,901	19,468	20,071	20,727
216,204	Fees and charges	199,424	204,210	209,315	214,758	220,771	227,173	233,988	241,476	249,445	257,926
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
281,509	Local authorities fuel tax, fines, infringement fees and other	91,999	94,211	96,571	99,087	101,866	104,825	107,975	111,436	115,119	119,044
3,314,372	Total operating funding	3,278,226	3,351,902	3,487,464	3,456,032	3,561,562	3,582,526	3,554,387	3,533,273	3,512,523	3,598,422
	Applications of Operating Funding										
2,190,883	Payments to staff and suppliers	2,115,661	2,101,062	2,158,492	2,179,757	2,277,331	2,301,019	2,374,643	2,438,997	2,534,286	2,625,531
199,290	Finance costs	187,003	219,150	213,077	198,432	184,840	169,199	153,298	141,634	133,704	125,243
444,395	Internal charges and overheads applied	426,523	441,637	476,080	464,111	478,926	507,914	496,921	509,686	546,167	542,450
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,834,568	Total applications of operating funding	2,729,188	2,761,849	2,847,648	2,842,300	2,941,096	2,978,132	3,024,861	3,090,318	3,214,157	3,293,224
479,804	Surplus/(deficit) of operating funding	549,039	590,053	639,815	613,732	620,466	604,394	529,525	442,955	298,367	305,198
	Sources of Capital Funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
100,000	Development and financial contributions	100,000	102,400	104,960	107,689	110,704	113,915	117,332	121,087	125,083	129,335
392,185	Increase/(decrease) in debt	306,753	(16,375)	(213,824)	(228,468)	(232,802)	(248,442)	(240,871)	(118,007)	(125,937)	(134,398)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
492,185	Total sources of capital funding	406,753	86,025	(108,864)	(120,780)	(122,097)	(134,527)	(123,539)	3,080	(854)	(5,063)
	Applications of Capital Funding										
372,050	Capital expenditure - meet additional demand	-	66,560	15,735	-	3,309	-	-	-	-	-
591,520	Capital expenditure - improve level of service	692,000	184,320	65,038	26,875	99,270	32,828	29,050	29,850	65,031	34,047
320,230	Capital expenditure - replace existing assets	222,500	205,312	483,065	152,113	107,101	109,917	141,880	150,563	113,007	147,663
(351,811)	Increase/(decrease) in reserves	41,291	219,885	(32,886)	313,965	288,689	327,122	235,057	265,622	119,475	118,425
40,000	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
971,989	Total application of capital funding	955,791	676,077	530,952	492,952	498,369	469,867	405,987	446,036	297,513	300,135
(479,804)	Surplus/(deficit) of capital funding	(549,038)	(590,052)	(639,816)	(613,732)	(620,466)	(604,394)	(529,526)	(442,955)	(298,367)	(305,198)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Regulatory and planning

This group of activities...

includes the following services:

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

...contributes to the community outcomes

A safe district

A healthy district

A district that values and protects its natural environment

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

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

A vibrant and prosperous economy

A district that promotes sustainable infrastructure and services

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

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

Strategic direction—future demand and sustainability

New Zealand Urban Design Protocol

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

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

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

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

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

- re-vitalisation of Holloway Street including upgrade of street furniture to be consistent throughout the urban area that is complementary with the landscape
- promotion of the heritage character of buildings in the CBD (new policies and guidelines in the District Plan)
- landscape development of Broadway as the 'gateway' to Carterton for visitors travelling by train
- production of a landscape plan for the future development of Carrington Park
- upgrade and installation of parks and reserves signage to educate, inform, and promote the heritage of these facilities (reserve management plans).

From the assessment, the Council has identified a number of actions that they consider should be completed to enhance and complement what is occurring or proposed. These are:

- development of a Public Art Policy in consultation with the community to provide guidelines for public art in public spaces and places
- investigate in consultation with the Historic Places Trust updating of heritage signage on buildings and places and the development of a heritage walk brochure.

Aspects of the assessment that relate to subdivision design, development of pedestrian and cycle networks, etc will be discussed in greater detail with the community and through appropriate District Plan changes and development of guidelines to assist developers create urban environments that take into account the seven Cs promoted in the Urban Design Protocol.

Wairarapa Combined District Plan review

The District Plan became operative in 2011. A review will commence five years from that date. However, the District Plan is a living document and needs to adapt as community expectations change. The Council will be undertaking a continual review of the rules and standards to ensure we are creating a district with the amenities, character, and feel in which we want to live.

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

Building control

The Building Officials Institute of New Zealand (BOINZ) is undertaking a voluntary licensing programme for officials in the building sector. The licensing programme will mean that officials can demonstrate their commitment to the profession. As building control authorities are accredited, this licensing programme is a vital tool in demonstrating staff competency that is a vital component of the BCA Accreditation process. Councils have been advised that this licensing programme will become a requirement of the Building Act by 2014.

Civil Defence Emergency Management

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

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

WREMO has three core teams:

- Resilience building—community resilience is enhanced through building capacity, increasing connectedness, and fostering cooperation.
- Operational excellence—operational capability and capacity is built to provide effective response during an emergency.
- Organisational excellence—systems, policy and procedures are developed which establish the organisational foundation for WREMO.

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

- providing suitable Emergency Operations/Co-ordination Centres (EOC/ECC)—an EOC for the whole of Wairarapa is located at Masterton District Council offices
- maintaining the EOC/ECC and associated equipment to an acceptable operational standard
- providing the local communications network within their territory, including VHF radio and where appropriate satellite communications
- providing staff to operate the ECC/EOCs plus any required Incident Management Teams (IMT), including staff being made available for regular training and exercises

- providing a panel of Local Controllers
- co-ordinating the delivery of welfare within the community, including staff to operate welfare centres.

Residential and population trends

Areas available for residential development in urban Carterton, in terms of the District Plan, can potentially provide between 600 and 900 additional serviceable sections. This development will be in the form of 'green fields' (any development that would yield more than two additional sections) and infill-type development.

The population in Carterton District increased by 16 percent between censuses in 2006 and 2013, about 2.1 percent per annum. This is significantly higher in percentage terms than anywhere in the country other than those areas around Christchurch City. The movement was similar in the urban and rural areas of the district.

This level is not likely to continue. Statistics New Zealand has projected increases over the next 30 years of between 0.0 and 1.1 percent per annum.

Future occupancy rates are expected to decline on a person per household basis, due to an increasing older population. However it is anticipated that there will be an increase in single or couple only households.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service. Government is undertaking a two-step reform of the Resource Management Act. The first stage of the reforms focused on improving the consent process and included amendments to streamline and simplify the Act. The second stage will focus on improving decision-making around infrastructure, water, and urban design. The impact that this review will have on the operation of the Council's regulatory and planning services is unknown at the time of writing this document.

Industrial growth

It is difficult to accurately determine the likely need for future industrial development over the next 20–30 years. However, sufficient land needs to be available to have an industrial land bank available to immediately provide for development opportunities as they arise. The Waingawa industrial zone comprises approximately 196 hectares.

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

What we will deliver over the next ten years

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
The regulatory and planning service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
Timely processing of applications	LIMs ⁸ processed within 10 working days	100%	100%	100%	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	100%	100%	100%	Operational records
	PIMs ⁹ and building consents processed within statutory timeframes	100%	100%	100%	100%	100%	Operational records
Prompt responses to enquiries and complaints	Complaints are responded to within 4 working hours, to advise the complainant what action will be taken and in what timeframe	100%	100%	100%	100%	100%	Operational records

⁸ Land Information Memorandums

⁹ Project Information Memorandums

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Safe and healthy food premises and liquor outlets.	Known food premises and liquor outlets in the district are registered or licensed	100%	100%	100%	100%	100%	Operational records

Assets

Existing assets

- Geographic Information System (GIS)

Renewals plan

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

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

Item	2015/16	2016/17	2017/18
	\$	\$	\$
Animal pound (shared)	200,000	-	-

Capital plan

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

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

Item	2015/16	2016/17	2017/18
	\$	\$	\$
South Carterton easements	150,000	-	-

How the group of activities is funded

Capital

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

Annual costs

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

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

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

Key assumptions and uncertainties

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

Significant negative effects

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

Rules, regulations, and safeguards can restrict or direct people's actions. This can be seen as a hindrance and can affect people's choices (eg commercial development, upgrading heritage buildings, or running community events) and imposes compliance costs.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE REGULATORY AND PLANNING STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
764,307	Rates	782,146	858,069	826,371	827,163	842,920	871,191	935,841	881,705	911,405	921,575
-	Grants, subsidies and donations	-	-	-	-	-	-	-	-	-	-
-	Commissions	1,500	1,538	1,577	1,620	1,667	1,717	1,770	1,829	1,891	1,959
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
570,600	Fees and charges	596,100	611,003	626,889	643,815	662,485	682,360	703,513	726,729	751,438	778,489
2,200	Miscellaneous revenue	170,000	10,251	10,517	10,801	11,114	11,448	11,803	12,192	12,607	13,060
1,337,107	Total revenue	1,549,746	1,480,860	1,465,354	1,483,398	1,518,187	1,566,716	1,652,927	1,622,455	1,677,340	1,715,084
Expenditure											
254,111	Resource management admin	254,611	260,902	267,976	272,072	278,415	287,367	293,463	300,527	309,779	316,370
107,818	District plan	103,767	168,006	110,875	111,706	114,801	119,148	191,292	123,865	129,270	131,720
75,750	Civil defence	73,577	75,410	77,643	79,322	81,563	84,155	86,278	88,997	92,241	95,097
394,756	Building inspection	409,561	420,832	435,440	442,084	454,944	467,998	473,780	485,953	503,396	516,006
81,104	Health inspection	76,926	79,360	82,792	84,144	87,042	89,873	89,638	91,839	95,671	97,701
56,675	Liquor licensing	71,594	73,110	75,004	76,369	78,207	80,401	82,126	84,327	87,003	89,230
45,417	Agency fees	57,580	59,117	61,178	62,243	64,070	66,313	67,737	69,871	72,669	74,731
112,351	Rural fire	133,320	136,729	140,864	143,923	148,060	152,828	156,746	161,703	167,373	172,655
140,427	Animal and dog control	140,226	145,450	151,067	152,498	156,863	161,443	161,802	165,402	171,623	174,807
1,268,409	Total expenditure	1,321,162	1,418,918	1,402,838	1,424,362	1,463,964	1,509,525	1,602,861	1,572,483	1,629,024	1,668,317
68,698	Surplus/(deficit)	228,584	61,942	62,516	59,037	54,223	57,191	50,065	49,972	48,316	46,767
Capital Expenditure											
150,000	South Carterton sewer/water easements	150,000	-	-	-	-	-	-	-	-	-
-	New animal pound at Waingawa	200,000	-	-	-	-	-	-	-	-	-
-	Building consent software	10,000	-	-	-	-	11,370	-	-	-	-
150,000	Total capital expenditure	360,000	-	-	-	-	11,370	-	-	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE REGULATORY AND PLANNING FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Sources of Operating Funding										
382,179	General rates, UAGC, rates penalties	402,307	416,272	435,497	436,427	449,246	463,045	458,549	466,958	485,881	491,014
382,127	Targeted rates	379,839	441,797	390,874	390,736	393,674	408,146	477,292	414,747	425,524	430,561
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
570,600	Fees and charges	596,100	611,003	626,889	643,815	662,485	682,360	703,513	726,729	751,438	778,489
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
2,200	Local authorities fuel tax, fines, infringement fees and other	11,500	11,788	12,094	12,421	12,781	13,165	13,573	14,021	14,497	15,019
1,337,106	Total operating funding	1,389,746	1,480,860	1,465,354	1,483,398	1,518,187	1,566,716	1,652,927	1,622,455	1,677,340	1,715,084
	Applications of Operating Funding										
1,011,283	Payments to staff and suppliers	1,089,307	1,174,349	1,138,022	1,164,912	1,194,125	1,225,279	1,329,296	1,294,424	1,332,703	1,374,066
-	Finance costs	2,234	4,216	3,862	3,485	3,082	3,664	4,019	3,120	2,160	1,136
229,699	Internal charges and overheads applied	210,364	217,259	233,737	227,797	234,636	248,949	243,408	249,439	267,187	264,706
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,240,982	Total applications of operating funding	1,301,906	1,395,824	1,375,621	1,396,194	1,431,843	1,477,892	1,576,723	1,546,983	1,602,050	1,639,908
96,124	Surplus/(deficit) of operating funding	87,840	85,036	89,733	87,205	86,343	88,824	76,203	75,472	75,290	75,176
	Sources of Capital Funding										
-	Subsidies and grants for capital expenditure	160,000	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	67,494	(5,264)	(5,618)	(5,995)	(6,398)	24,292	(13,381)	(14,280)	(15,240)	(16,264)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	Total sources of capital funding	227,494	(5,264)	(5,618)	(5,995)	(6,398)	24,292	(13,381)	(14,280)	(15,240)	(16,264)
	Applications of Capital Funding										
150,000	Capital expenditure - meet additional demand	150,000	-	-	-	-	-	-	-	-	-
-	Capital expenditure - improve level of service	10,000	-	-	-	-	11,370	-	-	-	-
-	Capital expenditure - replace existing assets	200,000	-	-	-	-	-	-	-	-	-
(53,876)	Increase/(decrease) in reserves	(44,666)	79,772	84,115	81,210	79,945	101,747	62,822	61,192	60,050	58,912
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
96,124	Total application of capital funding	315,334	79,772	84,115	81,210	79,945	113,117	62,822	61,192	60,050	58,912
(96,124)	Surplus/(deficit) of capital funding	(87,840)	(85,036)	(89,733)	(87,205)	(86,343)	(88,825)	(76,203)	(75,472)	(75,290)	(75,176)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Roads and footpaths

This group of activities...

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

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A district that enjoys creativity and recreation

A district that promotes sustainable infrastructure and services

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

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

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

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

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

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

Strategic direction—future demands and sustainability

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

The New Zealand Transport Agency (NZTA) has revised its policies in regard to the Financial Assistance Rates (FAR) paid to Councils, which has resulted in Carterton receiving a slightly reduced subsidy rate for the forward years. In addition, there have been changes to the qualifying conditions for the works eligible for subsidy, and the procedures for accessing flood damage funding. These have been taken into account in preparing the financial forecasts.

NZTA in conjunction with Local Government New Zealand and the Road Efficiency Group have developed a national road classification and performance measures proposal that seeks to create a common level of service to road users throughout the country. The proposal will impact on Council's levels of service and possibly the funding it receives from NZTA. The extent of changes (if any) is not known at this stage, but are due to come into effect in the 2018–2021 National Land Transport Plan.

Carterton Walkway and Cycle Strategy

The Council recognises that walking and cycling has many environmental and health benefits for the community and has developed a Walkway and Cycle Strategy for the district.

Subdivisions will be required to include footpaths in conjunction with new roading. Demand on existing roads will be monitored to determine the need for any extensions to the existing footpaths. Most of the work will be covered by the existing work programme.

Increased axle load limits

A new classification has been introduced for High Performance Vehicles (HPMV), with increased limits on vehicle length and axle loads. An assessment has been completed of all bridges in the district, which identified those bridges that require upgrading to allow for the increased loading.

No provision has been made in this Plan for any systematic upgrading. It is uncertain if NZTA will fund any upgrade work. Routes have been identified that allow the HPMV movements, and these will be extended as opportunity allows.

What we will deliver over the next ten years

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

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Roads and footpaths are managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network	<1 fatal <3 serious injury	<1 fatal <3 serious injury	<1 fatal <3 serious injury	<1 fatal <3 serious injury	<1 fatal <3 serious injury	NZTA CAS ¹⁰ reports

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	90%	90%	90%	90%	Monthly contract reports
	Average quality of ride on the sealed local road network	na	≥90%	≥90%	≥90%	≥90%	% VKT ¹¹ smooth per NZTA report
	Percentage of the sealed local road network that is resurfaced	na	≥6%	≥6%	≥6%	≥6%	NZTA annual achievement report
	Percentage of footpaths compliant with condition standards ¹²	na	≥95%	≥95%	≥95%	≥95%	Footpath survey
	Residents satisfied with the district's footpaths	≥60%	≥60%	≥60%	≥60%	≥60%	Survey of residents every three years ¹³
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95%	≥95%	≥95%	≥95%	≥95%	Contract reports
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	na	≥90%	≥90%	≥90%	≥90%	Contract reports

¹⁰ NZTA's Crash Analysis System
CARTERTON DISTRICT COUNCIL | Long Term Plan 2015–2025

¹¹ Vehicle-kilometres travelled

¹² Footpath condition standards set out in the *Roading Activity Management Plan*

¹³ *NRB Communitrak™ Survey*—every 3 years. The next survey is planned for 2017.

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
	Road signs and markings found missing or not visible	≤5%	≤5%	≤5%	≤5%	≤5%	Contract reports (six-monthly safety inspections)
Safe footpaths	Fault reports and public complaints are acknowledged within 2 days	≥90%	≥90%	≥90%	≥90%	≥90%	Complaints register
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	na	≥90%	≥90%	≥90%	≥90%	≥90%
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	100%	100%	100%	100%	100%	Contract reports (monthly audits)

Assets

Existing Assets

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

Roading component	Quantity	Units	Comment
Pavement ¹⁴ —sealed	Urban 28.2 Rural 261.2	km km	area 1,851,543 m ²
Pavement—unsealed	Urban 0.2 Rural 155.9	km	area 603,132 m ²

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

Asset valuations

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

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

¹⁴ 'Pavement' is the road surface, not the footpath.

Maintenance and operating

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

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Kerb and channel replacement	96,800	98,155	100,285
Components structures	66,000	66,924	68,376
Footpath resurfacing	110,000	91,260	93,240
Pavement rehabilitation	242,000	245,388	250,712
Reseals	369,600	374,774	382,906
Traffic services	70,400	71,386	72,934
Unsealed road metalling	290,400	294,466	300,854

Capital plan

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

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

Capital works in this group of activities in the next three financial years, including half-arm barrier protection at the Belvedere Road rail crossing in conjunction with Kiwirail, and the introduction of LED lighting, are as follows:

Item	2015/16 \$	2016/17 \$	2017/18 \$
Minor improvements ¹⁵	300,000	304,200	310,800
Traffic management facilities ¹⁶	61,600	91,260	93,240

How the group of activities is funded

Capital

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

Annual costs

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

Net funding for this group of activities is by way of general rates and NZTA subsidy. The programme for subsidised work is agreed with the NZTA, who administers the government roading subsidy programme. The current subsidy rate is 54 percent for all works for 2015/16, reducing to 53 percent for 2016/17 and beyond.

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.

¹⁵ NZTA category 'Associated Improvements' was formerly under renewals, but now included in 'Minor improvements'.

¹⁶ New NZTA category.

- The demand for this activity will remain. However there is some uncertainty about how the service will be affected by changing government requirements, eg changes in NZTA directives/policies, changes in legislation, further changes in subsidies/funding criteria.
- The impact on levels of service and on subsidy funding of NZTA's national road classification and performance measures proposal is not known yet, but is likely to come into effect in 2018.

Risk management

The Council has a Risk Management Strategy and Framework, which is consistent with SNZ HB 4360:2000 Risk Management for Local Government and AS/NZS 4360:1999 Risk Management, to ensure risks are managed on a consistent basis. The Strategy ensures that risk management is an integral part of the culture for all parties associated with the management and operation of the Council's roading infrastructure assets.

In addition to the above NZTA carries out regular audits to ensure that the Council as a Road Controlling Authority is meeting standards in relation to technical and financial requirements.

Significant negative effects

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

While roads and footpaths are being constructed, maintained or repaired, there is the possibility of safety risks, environmental damage, dust and road noise (impacting on business viability and residents), and adverse impacts on archaeological, cultural and historical places.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE ROADS AND FOOTPATHS STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Revenue										
1,941,954	Rates	1,988,044	2,037,630	2,092,602	2,145,059	2,193,708	2,280,923	2,290,790	2,344,579	2,466,724	2,478,957
1,569,000	LTA subsidy	1,599,500	1,584,274	1,657,782	1,643,130	1,688,994	1,734,597	1,893,408	1,959,673	2,020,423	2,077,019
-	Grants, subsidies and donations	-	-	-	-	-	-	-	-	-	-
100,000	Development and financial contributions	100,000	101,400	103,631	106,118	108,771	111,708	114,836	118,281	121,947	125,972
60,000	Petrol tax	60,000	60,840	62,178	63,671	65,263	67,025	68,901	70,968	73,168	75,583
18,500	Recoveries	90,200	29,000	29,638	30,350	31,108	31,948	32,843	33,828	34,877	36,028
3,000	Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
3,692,454	Total revenue	3,837,744	3,813,144	3,945,832	3,988,327	4,087,844	4,226,201	4,400,778	4,527,330	4,717,139	4,793,558
	Expenditure										
3,068,575	Subsidised roading	3,029,556	3,106,903	3,203,651	3,288,622	3,375,494	3,527,246	3,647,212	3,746,315	3,960,711	4,009,846
359,018	Unsubsidised roading	392,495	398,389	414,140	414,142	417,509	422,530	422,870	426,839	433,845	436,396
3,427,593	Total expenditure	3,422,051	3,505,292	3,617,791	3,702,764	3,793,004	3,949,776	4,070,082	4,173,154	4,394,556	4,446,243
264,861	Surplus/(deficit)	415,693	307,853	328,041	285,563	294,841	276,425	330,696	354,175	322,584	347,316
	Capital Expenditure										
21,400	Associated improvements	-	-	-	-	-	-	-	-	-	-
98,400	Drainage renewals - kerb and channel replacement	96,800	98,155	100,285	109,604	112,189	114,981	125,400	128,700	132,110	135,740
-	New traffic management facilities	61,600	91,260	93,240	-	-	-	-	-	-	-
80,200	Components structures replacements	66,000	66,924	68,376	74,730	76,493	78,396	85,500	87,750	90,075	92,550
94,000	Footpath resurfacing	110,000	91,260	93,240	95,400	75,950	77,840	79,800	81,900	84,070	86,380
260,000	Minor improvements	300,000	304,200	310,800	318,000	325,500	333,600	342,000	351,000	360,300	370,200
272,000	Pavement rehabilitation	242,000	245,388	250,712	274,010	280,473	287,452	313,500	321,750	330,275	339,350
451,800	Reseals	369,600	374,774	382,906	418,488	428,358	439,018	478,800	491,400	504,420	518,280
66,100	Traffic services	70,400	71,386	72,934	79,712	81,592	83,622	91,200	93,600	96,080	98,720
370,400	Unsealed road metalling	290,400	294,466	300,854	328,812	336,567	344,942	376,200	386,100	396,330	407,220
1,714,300	Total capital expenditure	1,606,800	1,637,813	1,673,347	1,698,756	1,717,121	1,759,851	1,892,400	1,942,200	1,993,660	2,048,440

CARTERTON DISTRICT COUNCIL
PROSPECTIVE ROADS AND FOOTPATHS FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Sources of Operating Funding										
1,941,954	General rates, UAGC, rates penalties	1,988,044	2,037,630	2,092,602	2,145,059	2,193,708	2,280,923	2,290,790	2,344,579	2,466,724	2,478,957
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
580,530	Subsidies and grants for operating purposes	762,892	812,969	820,325	793,351	819,173	843,131	932,730	973,714	1,008,340	1,037,127
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
81,500	Local authorities fuel tax, fines, infringement fees and other	150,200	89,840	91,817	94,020	96,371	98,973	101,744	104,797	108,045	111,611
2,603,984	Total operating funding	2,901,136	2,940,439	3,004,744	3,032,431	3,109,253	3,223,027	3,325,264	3,423,090	3,583,109	3,627,695
	Applications of Operating Funding										
1,530,097	Payments to staff and suppliers	1,633,467	1,671,637	1,708,376	1,806,035	1,867,444	1,917,786	2,050,242	2,129,388	2,195,293	2,248,712
95,595	Finance costs	93,187	93,705	99,763	95,115	90,154	84,860	79,210	73,181	66,747	59,881
385,873	Internal charges and overheads applied	362,832	380,281	426,673	400,549	415,590	450,630	424,336	433,625	478,348	461,686
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,011,565	Total applications of operating funding	2,089,487	2,145,623	2,234,811	2,301,699	2,373,188	2,453,276	2,553,788	2,636,194	2,740,388	2,770,279
592,419	Surplus/(deficit) of operating funding	811,649	794,816	769,933	730,731	736,065	769,752	771,477	786,896	842,721	857,416
	Sources of Capital Funding										
988,470	Subsidies and grants for capital expenditure	836,608	771,305	837,457	849,779	869,821	891,466	960,678	985,959	1,012,083	1,039,892
100,000	Development and financial contributions	100,000	101,400	103,631	106,118	108,771	111,708	114,836	118,281	121,947	125,972
(72,693)	Increase/(decrease) in debt	(81,413)	(75,245)	(69,187)	(73,835)	(78,796)	(84,090)	(89,740)	(95,769)	(102,203)	(109,069)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,015,777	Total sources of capital funding	855,195	797,460	871,901	882,062	899,796	919,084	985,774	1,008,471	1,031,827	1,056,794
	Applications of Capital Funding										
-	Capital expenditure - meet additional demand	61,600	91,260	93,240	-	-	-	-	-	-	-
-	Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-
1,714,300	Capital expenditure - replace existing assets	1,545,200	1,546,553	1,580,107	1,698,756	1,717,121	1,759,851	1,892,400	1,942,200	1,993,660	2,048,440
(106,104)	Increase/(decrease) in reserves	60,044	(45,536)	(31,513)	(85,963)	(81,261)	(71,016)	(135,150)	(146,833)	(119,112)	(134,229)
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,608,196	Total application of capital funding	1,666,844	1,592,276	1,641,834	1,612,793	1,635,860	1,688,835	1,757,250	1,795,367	1,874,548	1,914,211
(592,419)	Surplus/(deficit) of capital funding	(811,649)	(794,816)	(769,933)	(730,731)	(736,065)	(769,752)	(771,477)	(786,897)	(842,721)	(857,416)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Sewerage and the treatment and disposal of sewage

This group of activities...

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

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

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

Strategic direction—future demand and sustainability

Sewage treatment

The consent for the treated sewage discharge from the Dalefield Road community treatment plant expires in 2017. The intention is to expand the capacity of the treatment system, irrigate to land as much as possible, and discharge treated wastewater to Mangatāre Stream in times of high flow or when the land is too saturated. It is planned to later shift the point of discharge to Waiohine directly, bypassing Mangatāre.

Infiltration into the reticulation system

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

Over the next three years, the Council will continue to accelerate its programme of mains renewals. Priority will be determined by the results of the condition assessments currently underway using in-pipe cameras. The objective is to quickly reduce the groundwater infiltration, reduce the risk of leaks from the pipes, and significantly reduce the volume of sewage arriving at the treatment plant.

Waingawa

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

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

Residential and population trends

Areas available for residential development in urban Carterton, in terms of the District Plan, can potentially provide between 600 and 900 additional serviceable sections. This development will be in the form of 'green fields' (any development that would yield more than two additional sections) and infill-type development.

The population in Carterton District increased by 16 percent between censuses in 2006 and 2013, about 2.1 percent per annum. This is significantly higher in percentage terms than anywhere in the country other than those areas around Christchurch City. The movement was similar in the urban and rural areas of the district.

This level is not likely to continue. Statistics New Zealand has projected increases over the next 30 years of between 0.0 and 1.1 percent per annum.

Future occupancy rates are expected to decline on a person per household basis, due to an increasing older population. However it is anticipated that there will be an increase in single or couple only households.

Industrial growth

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

Legislative change

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

What we will deliver

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

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

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

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

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
The sewerage service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	na	≤5	≤5	≤5	≤5	Operational records
Management of environmental impacts	Number of abatement notices	na	≤ 1	≤ 1	≤ 1	≤ 1	Operational records
	Number of infringement notices	na	0	0	0	0	Operational records
	Number of enforcement orders	na	0	0	0	0	Operational records
	Number of successful prosecutions	na	0	0	0	0	Operational records
Response to sewerage system faults ¹⁷	Median attendance time ¹⁸	na	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	Operational records
	Median resolution	na	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	Operational records

¹⁷ sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system

¹⁸ from the time that the Council receives notification to the time that service personnel reach the site.

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
	time ¹⁹						
Customer satisfaction	Total number of complaints received per 1000 connections ²⁰	na	≤20	≤20	≤20	≤20	Operational records

Assets

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

Existing assets

The urban reticulation system consists of:

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

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

Asset valuations

Valuation of the sewerage and treatment infrastructural assets was undertaken by Opus International Consultants as at 30 June 2013. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

¹⁹ from the time that the territorial authority receives notification to the time that service personnel confirm resolution
²⁰ total number of complaints received about: sewage odour; sewerage system faults; sewerage system blockages; and the Council's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	7,489,165	3,287,690	94,619
Sewer fittings	968,673	503,964	9,687
Pump stations	566,512	362,499	15,255
Sewage treatment plant	2,311,148	863,126	56,434
Sewerage upgrade	966,551	508,808	50,860
Total	\$12,302,047	\$5,526,088	\$226,855

Maintenance and operating

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Grout manholes	6,000	6,150	6,306
Road cones and signage	6,000	6,150	6,306
Mains repairs and replacement	500,000	410,000	315,300
Resource consents	-	256,250	-
Camera	30,000	20,500	21,020
Desludge ponds	-	-	262,750
Replace contra sheer	50,000	-	-

Capital plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Water balance mitigation	50,000	51,250	-
Sludge dewatering equipment	-	-	52,550
Small dam on Daleton Farm	-	-	52,550
New inlet works and meter	150,000	-	-
Duplicate soil/bark filter	-	-	52,550
UV Plant chemical coagulant	-	256,250	-
AEE ²¹ for land use consent	50,000	-	-

How the group of activities is funded

Capital

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

During the ten years of the Plan, individual loans will be sought for the accelerated renewals of the sewer mains, and the expansion of the sewage treatment capacity. During the terms of these loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense.

Annual costs

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

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

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

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

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

Key assumptions and uncertainties

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

²¹ Assessment for environmental effects

Risk management

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

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

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

Significant negative effects

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

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

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

CARTERTON DISTRICT COUNCIL
PROSPECTIVE SEWERAGE STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
1,034,938	Rates	1,255,224	1,670,215	1,587,885	1,644,939	1,614,884	1,644,194	1,676,496	1,689,090	1,728,365	1,756,015
340,000	Fees and charges	239,000	244,975	198,762	204,328	210,253	216,771	223,708	231,314	239,410	248,029
50,000	Development and financial contributions	50,000	51,250	52,583	54,055	55,622	57,347	59,182	61,194	63,336	65,616
40,000	Rental revenue	48,800	50,020	51,321	52,757	54,287	55,970	57,761	59,725	61,816	64,041
-	Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
1,464,938	Total revenue	1,593,024	2,016,460	1,890,551	1,956,079	1,935,047	1,974,282	2,017,147	2,041,323	2,092,926	2,133,701
Expenditure											
683,061	Reticulation	789,045	901,070	951,625	1,030,656	1,044,933	1,082,501	1,132,066	1,123,600	1,134,743	1,142,160
38,075	New sewerage connections	39,253	40,129	41,159	42,061	43,145	44,403	45,534	46,874	48,415	49,842
58,655	Pumping station	59,541	61,751	63,410	64,702	66,340	64,022	62,121	64,001	66,349	68,293
563,621	Sewerage plant	653,032	938,039	693,291	694,824	703,019	705,405	701,407	710,196	724,163	731,893
28,510	Waingawa sewerage	27,868	28,542	29,349	30,000	30,823	31,785	32,610	33,627	34,818	35,884
17,147	Waingawa pumping stations	32,368	33,155	34,081	34,865	35,829	36,946	37,937	39,135	40,518	41,790
1,389,069	Total expenditure	1,601,106	2,002,686	1,812,916	1,897,107	1,924,090	1,965,061	2,011,675	2,017,434	2,049,007	2,069,862
75,869	Surplus/(deficit)	(8,082)	13,774	77,635	58,972	10,958	9,221	5,472	23,889	43,920	63,839

CARTERTON DISTRICT COUNCIL

PROSPECTIVE SEWERAGE STATEMENT OF SERVICE PERFORMANCE—contd.

FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Capital Expenditure										
6,000	Grout manholes	6,000	6,150	6,306	6,474	6,648	6,834	7,026	7,230	7,440	7,656
5,500	Road cones and signage upgrade	6,000	6,150	6,306	6,474	6,648	6,834	7,026	7,230	7,440	7,656
32,000	Camera	30,000	20,500	21,020	21,580	22,160	22,780	23,420	24,100	24,800	25,520
500,000	Main repairs/replacement based on CCTV results	500,000	410,000	315,300	215,800	221,600	170,850	175,650	180,750	186,000	191,400
544,040	Sewage treatment and disposal development	-	-	-	-	-	-	-	-	-	-
26,000	Dissolved oxygen meters for ponds	-	-	-	-	-	-	-	-	-	-
218,200	Treatment for P reduction	-	-	-	-	-	-	-	-	-	-
-	Consents for treatment and disposal	-	256,250	-	-	-	-	-	-	-	-
-	Uninterrupted power supply unit	-	-	-	-	-	68,340	-	24,100	-	12,760
-	Water balance mitigation - wetland upgrade or line ponds	50,000	51,250	-	-	-	-	-	-	-	-
-	Desludge Ponds	-	-	262,750	-	33,240	-	35,130	-	37,200	-
-	Sludge dewatering equipment	-	-	52,550	-	-	-	-	-	-	-
-	Small Dam on Daleton Farm - consent and then construct	-	-	52,550	269,750	277,000	-	-	-	-	-
-	Additional irrigator on Daleton	-	-	-	-	-	284,750	-	-	-	-
-	Discharge direct to Waiohine - consent and then construct	-	-	-	-	-	113,900	117,100	120,500	-	-
-	Replace Contra Sheer	50,000	-	-	-	-	-	-	-	-	-
-	Apply for consent for large Dam	-	-	-	-	-	-	-	-	62,000	63,800
-	New inlet works and flow metering	150,000	-	-	-	-	-	-	-	-	-
-	Duplicate soil/bark filter	-	-	52,550	-	-	-	-	-	-	-
-	UV Plant - chemical coagulant	-	256,250	-	-	-	-	-	-	-	-
-	AEE for Daleton Farm land use consent - wind speed	50,000	-	-	-	-	-	-	-	-	-
1,331,740	Total capital expenditure	842,000	1,006,550	769,332	520,078	567,296	674,288	365,352	363,910	324,880	308,792

CARTERTON DISTRICT COUNCIL
PROSPECTIVE SEWERAGE FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Sources of Operating Funding										
103,494	General rates, UAGC, rates penalties	125,522	167,021	158,789	164,494	161,488	164,419	167,650	168,909	172,837	175,602
931,444	Targeted rates	1,129,701	1,503,193	1,429,097	1,480,445	1,453,396	1,479,774	1,508,846	1,520,181	1,555,529	1,580,414
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
380,000	Fees and charges	239,000	244,975	198,762	204,328	210,253	216,771	223,708	231,314	239,410	248,029
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees and other	48,800	50,020	51,321	52,757	54,287	55,970	57,761	59,725	61,816	64,041
1,414,938	Total operating funding	1,543,024	1,965,210	1,837,968	1,902,024	1,879,425	1,916,935	1,957,965	1,980,129	2,029,591	2,068,085
	Applications of Operating Funding										
572,805	Payments to staff and suppliers	672,490	943,936	703,918	721,668	740,595	761,216	783,184	807,058	832,482	859,554
212,111	Finance costs	221,726	300,626	290,231	328,395	365,619	349,816	370,612	388,567	366,286	342,510
158,138	Internal charges and overheads applied	151,812	157,278	169,770	165,315	170,639	181,061	176,933	181,468	194,628	193,171
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
943,054	Total applications of operating funding	1,046,028	1,401,839	1,163,919	1,215,378	1,276,853	1,292,094	1,330,729	1,377,093	1,393,395	1,395,235
471,884	Surplus/(deficit) of operating funding	496,996	563,371	674,049	686,646	602,572	624,842	627,236	603,036	636,195	672,850
	Sources of Capital Funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
50,000	Development and financial contributions	50,000	51,250	52,583	54,055	55,622	57,347	59,182	61,194	63,336	65,616
1,224,276	Increase/(decrease) in debt	2,068,446	(151,395)	(213,070)	1,387,363	(242,022)	(244,238)	884,106	(331,633)	(353,914)	(377,690)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,274,276	Total sources of capital funding	2,118,446	(100,145)	(160,487)	1,441,417	(186,400)	(186,891)	943,288	(270,439)	(290,578)	(312,074)
	Applications of Capital Funding										
-	Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-
788,240	Capital expenditure - improve level of service	250,000	307,500	157,650	269,750	277,000	398,650	117,100	120,500	62,000	63,800
543,500	Capital expenditure - replace existing assets	592,000	699,050	611,682	250,328	290,296	275,638	248,252	243,410	262,880	244,992
414,420	Increase/(decrease) in reserves	1,773,442	(543,324)	(255,770)	1,607,986	(151,123)	(236,337)	1,205,172	(31,313)	20,737	51,984
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,746,160	Total application of capital funding	2,615,442	463,226	513,562	2,128,064	416,173	437,951	1,570,524	332,597	345,617	360,776
(471,884)	Surplus/(deficit) of capital funding	(496,996)	(563,371)	(674,049)	(686,646)	(602,572)	(624,842)	(627,236)	(603,036)	(636,196)	(672,850)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Stormwater drainage

This group of activities...

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

...contributes to the community outcomes

A safe district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

Strategic direction—future demand and sustainability

Waikākāriki Stream diversion

The upgrade of the eastern side drainage is complete. The focus is now on the drain diversion on the Waikākāriki Stream, on the western side of Carterton. The design work is complete. Agreement is being sought from affected landowners, after which consents will be sought.

Water race network

The Carrington and Taratahi water race systems play an important role in the rural areas near Carterton township in carrying excess water during a high rainfall event. The Wellington Regional Council has proposed a dam for Mangatāre Valley to store water for irrigation. It is not clear how water for irrigation will be reticulated, but there is a suggestion that the water races may be used. This may have an impact on the ability of water races to assist with stormwater drainage.

Residential and population trends

Areas available for residential development in urban Carterton, in terms of the District Plan, can potentially provide between 600 and 900 additional serviceable sections. This development will be in the form of 'green fields' (any development that would yield more than two additional sections) and infill-type development.

The population in Carterton District increased by 16 percent between censuses in 2006 and 2013, about 2.1 percent per annum. This is significantly higher in percentage terms than anywhere in the country other than those areas around Christchurch City. The movement was similar in the urban and rural areas of the district.

This level is not likely to continue. Statistics New Zealand has projected increases over the next 30 years of between 0.0 and 1.1 percent per annum.

Future occupancy rates are expected to decline on a person per household basis, due to an increasing older population. However it is anticipated that there will be an increase in single or couple only households.

Legislative change

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

Climate change

Climate change predictions contemplate increases in weather extremes in the future. Increases in the frequency of high intensity rainfall events may result in significant inundation from flooding.

Existing stormwater systems are unlikely to cater adequately under such a scenario and the Council will need to consider additional or alternative disposal and retention systems capable of delivering the required levels of service.

What we will deliver over the next ten years

The urban reticulated stormwater network is managed under the *Asset Management Plan–Municipal Stormwater System: March 2015*, which sets out the asset condition, performance, and levels of service.

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Urban stormwater is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
System and adequacy	Number of flooding events ²²	na	≤1	≤1	≤1	≤1	Operational records
	For each flooding event,	na	≤1	≤1	≤1	≤1	Operational

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
	the number of habitable floors affected, per 1000 properties connected.						records
Management of environmental impacts	Number of abatement notices	na	0	0	0	0	Operational records
	Number of infringement notices	na	0	0	0	0	Operational records
	Number of enforcement orders	na	0	0	0	0	Operational records
	Number of successful prosecutions	na	0	0	0	0	Operational records
Response to stormwater system issues	The median response time ²³ to attend a flooding event	na	≤ 3 hours	≤ 3 hours	≤ 3 hours	≤ 3 hours	Operational records
Customer satisfaction	Total number of complaints ²⁴ received per 1000 properties connected	na	≤10	≤10	≤10	≤10	Operational records

²² an overflow of stormwater from the Council's stormwater system that enters a habitable floor

²³ measured from the time that the Council receives notification to the time that service personnel reach the site

²⁴ total number of complaints received about faults or blockages, expressed per 1000 customers charged in their rates for council stormwater services.

Assets

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

Existing assets

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

Asset valuations

Valuation of the infrastructural assets for stormwater was undertaken by Opus International Consultants Ltd as at 30 June 2013. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practice.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	5,383,675	3,376,974	54,998
Open drains	219,027	162,282	1,095
Manholes	390,638	249,414	3,906
Sumps	243,953	150,629	2,568
Soak pit chambers	16,984	15,795	170
Total	\$6,254,280	\$3,955,094	\$62,737

Maintenance and operating

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

immediate repair to make the asset operational again. Routine maintenance is carried out by the Council's Operations Department staff.

Renewals plan

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

There are no renewals planned during the life of this plan.

Capital plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Waikākāriki Stream diversion (carried forward)	200,000	-	-
Were diversion	10,000	-	-
New drain Park Road	5,000	-	-

How the group of activities is funded

Capital

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

Annual costs

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

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

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

Key assumptions and uncertainties

- Stormwater assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.
- Demand for this activity will gradually increase over time.
- Any dam in the Mangatāreere Valley will not impact on the operation of the water races, and their ability to help evacuate water during high rainfall.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.

Risk management

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

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

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

Significant negative effects

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

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

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

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STORMWATER STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
239,090	Rates	225,458	213,652	216,713	216,544	218,835	221,635	221,880	226,408	230,238	231,835
10,000	Development and financial contributions	10,000	10,250	10,517	10,811	11,124	11,469	11,836	12,239	12,667	13,123
-	Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
249,090	Total revenue	235,458	223,902	227,230	227,355	229,959	233,104	233,717	238,646	242,905	244,958
Expenditure											
238,173	Stormwater	223,107	210,273	212,305	211,868	214,445	216,247	215,853	220,128	222,411	222,480
238,173	Total expenditure	223,107	210,273	212,305	211,868	214,445	216,247	215,853	220,128	222,411	222,480
10,917	Surplus/(deficit)	12,351	13,628	14,924	15,487	15,514	16,857	17,864	18,519	20,494	22,478
Capital Expenditure											
200,000	Waikākāriki stream diversion	200,000	-	-	-	-	-	-	-	-	-
-	Were diversion	10,000	-	-	-	-	-	-	-	-	-
-	New Drain Park Road	5,000	-	-	-	-	-	-	-	-	-
200,000	Total capital expenditure	215,000	-	-	-	-	-	-	-	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STORMWATER FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Sources of Operating Funding											
23,909	General rates, UAGC, rates penalties	22,546	21,365	21,671	21,654	21,883	22,163	22,188	22,641	23,024	23,183
215,181	Targeted rates	202,912	192,286	195,042	194,890	196,951	199,471	199,692	203,767	207,214	208,651
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-
239,090	Total operating funding	225,458	213,652	216,713	216,544	218,835	221,635	221,880	226,408	230,238	231,835
Applications of Operating Funding											
10,355	Payments to staff and suppliers	77,137	58,436	59,823	61,341	62,959	64,723	66,602	68,645	70,821	73,138
113,879	Finance costs	26,830	32,151	30,844	29,462	28,169	26,511	24,741	22,852	20,837	18,687
27,660	Internal charges and overheads applied	26,652	27,533	29,486	28,912	29,801	31,497	30,993	31,802	33,924	33,826
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
151,894	Total applications of operating funding	130,619	118,120	120,152	119,715	120,928	122,730	122,336	123,299	125,582	125,651
87,196	Surplus/(deficit) of operating funding	94,839	95,531	96,561	96,829	97,906	98,904	99,544	103,109	104,656	106,184
Sources of Capital Funding											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
10,000	Development and financial contributions	10,000	10,250	10,517	10,811	11,124	11,469	11,836	12,239	12,667	13,123
(12,240)	Increase/(decrease) in debt	182,905	(20,699)	(22,006)	(23,388)	(24,681)	(26,339)	(28,109)	(29,998)	(32,013)	(34,163)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(2,240)	Total sources of capital funding	192,905	(10,449)	(11,490)	(12,577)	(13,557)	(14,870)	(16,273)	(17,759)	(19,346)	(21,040)
Applications of Capital Funding											
-	Capital expenditure - meet additional demand	5,000	-	-	-	-	-	-	-	-	-
200,000	Capital expenditure - improve level of service	210,000	-	-	-	-	-	-	-	-	-
-	Capital expenditure - replace existing assets	-	-	-	-	-	-	-	-	-	-
(115,044)	Increase/(decrease) in reserves	72,745	85,082	85,071	84,252	84,350	84,035	83,271	85,349	85,310	85,143
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
84,956	Total application of capital funding	287,745	85,082	85,071	84,252	84,350	84,035	83,271	85,349	85,310	85,143
(87,196)	Surplus/(deficit) of capital funding	(94,840)	(95,531)	(96,560)	(96,829)	(97,906)	(98,904)	(99,544)	(103,108)	(104,656)	(106,183)
-	Funding balance	-	-	-	-	-	-	-	-	-	-

Waste management

This group of activities...

includes the following services:

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

...contributes to the community outcomes

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

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

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

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

Strategic direction—future demand and sustainability

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

The city and district councils of the Wellington region jointly prepared and adopt the *Waste Management and Minimisation Plan 2011–2017* (the WMMP). In doing so, the councils recognised that they do not control much of the waste stream in the region, since large volumes of waste are produced and managed by the private sector. The purpose of the WMMP is to:

- describe the councils' collective vision and how they will meet their long-term goals for waste management and minimisation for the Wellington region
- set strategies, objectives, policies and activities to achieve these goals and establish how to measure progress
- provide general information on how the councils intend to fund the activities of the WMMP over the six years to 2017
- help to meet all legal requirements on councils in respect of waste management.

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

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

The Council on-charges the waste levy payable through the entry fees at the transfer station.

Carterton has joined with Masterton and South Wairarapa district councils in Wairarapa-wide shared waste management services and waste minimisation actions, including kerbside collection of waste and recycling and waste minimisation education programmes.

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

Our contractors have proposed that wheelie bins replace the existing recycling crates. This will involve alternating collection of glass in existing crates one week and collection of other recyclables in wheelie bins the other week. This should result in more waste being diverted from landfill and less litter being blown around in the wind. If agreed, the contractors will build a new expanded materials recovery facility. There will be no financial impact on ratepayers for these changes.

What we will deliver over the next ten years

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

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

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Waste management is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
Refuse and recycling services of a satisfactory standard	Urban residents are satisfied with refuse collection and with kerbside recycling	≥85% (for kerbside refuse collection)	≥85%	≥85%	≥85%	≥85%	Survey of residents every three years ²⁵
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	100%	100%	100%	100%	Resource consent

Assets

Existing Assets

The transfer station site comprises the following:

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

Maintenance and operating

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Resource consent for landfill	50,000	-	-

Capital plan

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

There is no capital expenditure planned.

How the group of activities is funded

Capital

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

Annual costs

Urban refuse and recycling collection

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

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

Transfer Station

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

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

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- Demand for this activity will gradually increase, and not reduce.
- Increasing demand for environmentally-friendly and sustainable approaches to managing the district's waste may result in a change in the current level of service.
- Additional or changing legislative requirements may result in a change in the current level of service.
- Residual waste is currently freighted to a landfill site in Marton. This disposal arrangement remains in place until 2018, before when the Wairarapa councils will need to review the current arrangements in light of the operating and regulatory environment that applies at the time.

Significant negative effects

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

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

CARTERTON DISTRICT COUNCIL
PROSPECTIVE WASTE MANAGEMENT STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Revenue										
496,340	Rates	529,673	494,115	513,152	516,675	528,512	538,367	537,279	551,293	574,478	586,727
64,000	Recoveries	64,000	65,600	67,306	69,123	71,127	73,261	75,532	78,025	80,678	83,582
238,000	Fees and charges	240,000	246,000	252,396	259,211	266,728	274,730	283,246	292,593	302,542	313,433
-	Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
798,340	Total revenue	833,673	805,715	832,853	845,009	866,367	886,358	896,057	921,911	957,698	983,742
	Expenditure										
266,460	Refuse collection	266,210	273,300	282,479	287,902	296,403	306,591	313,731	323,773	336,489	346,569
522,136	Transfer station	560,214	525,392	543,793	552,616	568,330	579,143	583,550	601,588	625,701	642,735
788,596	Total expenditure	826,424	798,691	826,272	840,518	864,733	885,735	897,281	925,362	962,190	989,304
9,744	Surplus/(deficit)	7,249	7,023	6,581	4,491	1,634	623	(1,223)	(3,450)	(4,493)	(5,562)
	Capital Expenditure										
-	Reconsent landfill (not for municipal refuse)	50,000	-	-	-	-	-	-	-	-	-
-	Total capital expenditure	50,000	-	-	-	-	-	-	-	-	-

CARTERTON DISTRICT COUNCIL
PROSPECTIVE WASTE MANAGEMENT FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Sources of Operating Funding										
346,046	General rates, UAGC, rates penalties	383,887	344,658	358,433	362,027	372,073	377,010	374,939	385,968	402,789	411,651
150,294	Targeted rates	145,786	149,457	154,719	154,648	156,439	161,358	162,340	165,325	171,689	175,076
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
238,000	Fees and charges	240,000	246,000	252,396	259,211	266,728	274,730	283,246	292,593	302,542	313,433
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
64,000	Local authorities fuel tax, fines, infringement fees and other	64,000	65,600	67,306	69,123	71,127	73,261	75,532	78,025	80,678	83,582
798,340	Total operating funding	833,673	805,715	832,853	845,009	866,367	886,358	896,057	921,911	957,698	983,742
	Applications of Operating Funding										
669,754	Payments to staff and suppliers	714,106	680,658	698,304	717,106	737,839	759,911	783,403	809,179	836,612	866,640
-	Finance costs	-	-	-	-	-	-	-	-	-	-
87,397	Internal charges and overheads applied	82,824	86,373	95,505	90,849	94,035	101,180	96,559	98,781	107,838	105,080
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
757,151	Total applications of operating funding	796,930	767,031	793,809	807,955	831,874	861,091	879,962	907,960	944,450	971,720
41,189	Surplus/(deficit) of operating funding	36,743	38,684	39,044	37,054	34,493	25,268	16,096	13,952	13,247	12,022
	Sources of Capital Funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	Total sources of capital funding	-	-	-	-	-	-	-	-	-	-
	Applications of Capital Funding										
-	Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-
-	Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-
-	Capital expenditure - replace existing assets	50,000	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in reserves	(13,257)	38,683	39,044	37,054	34,493	25,267	16,096	13,952	13,247	12,022
41,189	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
41,189	Total application of capital funding	36,743	38,683	39,044	37,054	34,493	25,267	16,096	13,952	13,247	12,022
(41,189)	Surplus/(deficit) of capital funding	(36,743)	(38,683)	(39,044)	(37,054)	(34,493)	(25,267)	(16,096)	(13,952)	(13,247)	(12,022)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Water supply

This group of activities...

includes the following services:

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

...contributes to the community outcomes

A vibrant and prosperous economy

A safe district

A healthy district

A district that values and protects its natural environment

A district that promotes sustainable infrastructure and services

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

The safety of district's property is protected by providing water at an appropriate pressure to put out fires. The 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.

Strategic direction—future demand and sustainability

Consent renewal

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

Water demand strategy

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

Some actions have been implemented. Water meters are operating. Leaks have been reduced, both in the Council's water mains and on private property. A water pressure has been carefully lowered to reduce the effect of leaks.

Further actions to be implemented include:

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

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

Residential and population trends

Areas available for residential development in urban Carterton, in terms of the District Plan, can potentially provide between 600 and 900 additional serviceable sections. This development will be in the form of 'green fields' (any development that would yield more than two additional sections) and infill-type development.

The population in Carterton District increased by 16 percent between censuses in 2006 and 2013, about 2.1 percent per annum. This is significantly higher in percentage terms than anywhere in the country other than those areas around Christchurch City. The movement was similar in the urban and rural areas of the district.

This level is not likely to continue. Statistics New Zealand has projected increases over the next 30 years of between 0.0 and 1.1 percent per annum.

Future occupancy rates are expected to decline on a person per household basis, due to an increasing older population. However it is anticipated that there will be an increase in single or couple only households.

Legislative Change

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

Industrial Growth

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

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

Waingawa

The Waingawa Industrial Zone is the largest area of undeveloped land in the Wellington region. A structure plan for Waingawa has been completed and is now integrated into the District Plan.

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

Water races

The Water Race Committee continues to work on developing a Water Race Bylaw to define the primary purpose of the Carrington and Taratahi Water Races, establish the rules pertaining to their use, define the responsibilities of the Council, the Regional Council and property owners, and the penalties for breaches.

The Wellington Regional Council has proposed a dam for Mangatāre Valley to store water for irrigation. It is not clear how water will be reticulated to the irrigators, but one option is to use the water races. If this occurs, the provision of water to non-irrigators may be impacted.

The existing water race system is sufficient to accommodate the current demand and low to medium increases in demand in the future. However, the Carrington Water Race Scheme has a small number of beneficiaries, and the scheme could become uneconomical to sustain. The Water Race Committee will monitor this situation.

What we will deliver over the next ten years

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 will be supplied by the Masterton District Council.

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

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

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

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

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

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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
The urban water service is managed at the best possible cost for the required level of service	Expenditure is within approved budget	100%	100%	100%	100%	100%	Regular financial reporting to the Council
Safety of drinking water	Compliance with part 4 of DW Standards ²⁶ (bacteriological requirements)	Yes	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database
	Compliance with part 5 of DW Standards (protozoal requirements)	na	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database
Maintenance of the reticulation network	Real water loss from networked reticulation system	na	≤15%	≤15%	≤15%	≤15%	Treatment system and water meter data ²⁷
Fault response times	Median time to attend ²⁸ urgent ²⁹ call-outs	na	≤2 hours	≤2 hours	≤2 hours	≤2 hours	Operational records
	Median time to resolve ³⁰ urgent call-outs	na	≤4 hours	≤4 hours	≤4 hours	≤4 hours	Operational records

²⁶ New Zealand Drinking Water Standards

²⁷ total water outlet from Kaipaitangata and Supplementary reservoirs less sum of water meter usage

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

²⁹ an urgent call-out is one that leads to a complete loss of supply of drinking water

³⁰ from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption

The service broken down into measurable components	Performance measure	Target for year ending June					Measuring system
		2015 Annual Plan	2016	2017	2018	2019 to 2025	
	Median time to attend non-urgent ³¹ call-outs	na	≤12 hours	≤12 hours	≤12 hours	≤12 hours	Operational records
	Median time to resolve non-urgent call-outs	na	≤24 hours	≤24 hours	≤24 hours	≤24 hours	Operational records
Customer satisfaction	Number of complaints ³² received per 1000 connections	na	≤15	≤15	≤15	≤15	Operational records
Demand management	Average consumption of drinking water per day per resident within the district	na	≤400 litres	≤400 litres	≤400 litres	≤400 litres	Operational records
Urban water system of a satisfactory standard	Urban residents are satisfied with the urban water service	≥90%	≥90%	≥90%	≥90%	≥90%	Survey of residents every three years ³³
Water resources are used sustainably	Reduction in community water consumption	na	≥2.5% per annum	≥2.5% per annum	≥2.5% per annum	≥2.5% per annum	Operational records
	Compliance with water resource consent conditions	100%	100%	100%	100%	100%	Resource consent

Assets

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

Existing assets

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

Asset valuations

Valuation of the urban water infrastructural assets was undertaken by Opus International Consultants Ltd as at 30 June 2013. The valuation basis is optimised depreciated replacement costs, which is in accordance with generally accepted accounting practices.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	11,484,864	4,811,809	158,012
Reticulation fittings	3,487,607	1,046,616	240,574
Supplementary supply	902,963	432,464	31,227
Kaipaitangata headworks	544,739	160,721	6,796
Treatment plant	2,617,219	1,598,004	74,278
Total	\$19,037,393	\$8,049,615	\$510,886

³¹ a non-urgent call-out is one where there is still a supply of drinking water

³² complaints received about any of the following: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; or the Council's response to any of these issues

³³ NRB Communitrak™ Survey—every 3 years. The next survey is planned for 2017.

Maintenance and operating

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

Renewals plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Mains upgrade / replacement	120,000	124,560	128,160
Information system data	6,500	6,747	6,942
Portable pump	-	-	4,272
Water race weirs	15,000	15,570	16,020

Capital plan

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

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

Item	2015/16 \$	2016/17 \$	2017/18 \$
Carrington race improvements	15,500	16,608	-
Taratahi race improvements	2,500	16,608	6,408

How the group of activities is funded

Capital

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

Annual costs

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

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

Urban water

All properties connected to the urban water supply are metered. Each property connection is charged a fixed amount in rates for an allowance of up to 225 cubic metres per year. Water usage above 225 cubic metres is charged at \$1.70 per cubic metre. This charge is invoiced separately from land rates.

Waingawa

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

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

Rural water races

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

- Class A Land area 200 metres either side of the centreline of the water race.
- Class B Land area from 200 to 500 metres either side of the centreline of the water race.
- Class C Land area able to be irrigated from water drawn from natural watercourses fed from a water race system, calculated from conditions of the applicable resource consent.

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

Key assumptions and uncertainties

- Water supply assets will remain in Council ownership throughout the planning period (ten years) and that there will be an ongoing requirement for this activity.
- Demand for urban water will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations staff for work required in Carterton district. Renewal, upgrade and new works will normally be completed by contractors selected by competitive tender or day work rates.
- That GWRC will approve the Council's application for resource consent to take adequate water from the Kaipaitangata Stream for the urban water supply. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- Any dam in the Mangatāre Valley will not impact on the operation of and water take for the water races.
- Masterton District Council will be able to supply services to Waingawa.
- The operational and maintenance requirements for this activity could change depending on conditions imposed by any new resource consents.

Risk management

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

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

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

Significant negative effects

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

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

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

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

CARTERTON DISTRICT COUNCIL
PROSPECTIVE WATER SUPPLY STATEMENT OF SERVICE PERFORMANCE
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$	LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Revenue										
502,682 Rates	1,751,411	1,737,465	1,793,414	1,830,987	1,813,070	1,828,836	1,838,039	1,984,903	2,026,894	1,965,078
- Grants, subsidies and donations	-	-	-	-	-	-	-	-	-	-
50,000 Development and financial contributions	50,000	51,900	53,457	55,168	56,988	58,983	61,165	63,489	66,029	68,802
- Recoveries	-	-	-	-	-	-	-	-	-	-
1,291,617 Fees and charges	40,000	41,520	42,766	44,134	45,591	47,186	48,932	50,792	52,823	55,042
- Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
1,844,299 Total revenue	1,841,411	1,830,885	1,889,637	1,930,289	1,915,648	1,935,005	1,948,136	2,099,184	2,145,746	2,088,922
Expenditure										
863,215 Reticulation	921,809	872,699	900,384	927,449	885,941	903,546	931,520	901,618	929,799	968,999
60,526 New water connections	42,213	43,345	44,618	45,555	46,804	48,297	49,503	51,022	52,873	54,456
148,924 Underground	136,586	143,617	148,227	150,707	154,639	143,820	134,006	138,170	144,166	148,167
265,960 Filtration plant	242,519	253,849	264,146	267,115	274,648	266,166	254,907	262,857	407,830	282,307
262,147 Taratahi water race	262,243	273,020	284,402	291,656	301,760	312,168	316,378	453,262	340,372	350,768
84,155 Carrington water race	84,112	87,515	91,121	92,810	95,458	98,688	100,907	135,767	108,101	111,212
112,930 Waingawa water	113,858	118,021	121,678	125,223	129,254	133,789	138,341	143,420	149,177	155,044
1,797,857 Total expenditure	1,803,339	1,792,067	1,854,575	1,900,515	1,888,505	1,906,475	1,925,562	2,086,117	2,132,318	2,070,952
46,442 Surplus/(deficit)	38,073	38,819	35,061	29,774	27,143	28,530	22,574	13,067	13,428	17,970
Capital Expenditure										
108,000 Mains upgrade / replacement	120,000	124,560	128,160	132,000	135,960	140,160	144,600	149,160	153,960	159,000
6,400 New values (better network IS isolation)	6,500	6,747	6,942	7,150	7,365	7,592	7,833	8,080	8,340	8,613
150,000 Resource consent renewal	-	-	-	-	-	-	-	-	-	-
50,000 Bore tememetry and meters	-	-	-	-	-	-	-	-	-	-
15,000 Water races - weirs	15,000	15,570	16,020	16,500	16,995	17,520	18,075	18,645	19,245	19,875
- Portable pump (3")	-	-	4,272	-	-	-	-	-	-	-
- Carrington - extend intake pipe and cage	-	16,608	-	-	-	-	-	-	-	-
- Carrington - new line Dash	1,500	-	-	-	-	-	-	-	-	-
- Carrington - pipe cemetery	7,000	-	-	-	-	-	-	-	-	-
- Carrington - rocks at intake	7,000	-	-	-	-	-	-	-	-	-
- Taratahi - crossover Allen	-	4,152	-	-	-	-	-	-	-	-
- Taratahi - crossover Booth	-	9,342	-	-	-	-	-	-	-	-
- Taratahi - Eggar/Meber pipe line	2,500	-	-	-	-	-	-	-	-	-
- Taratahi - Elworthy redirection	-	3,114	-	-	-	-	-	-	-	-
- Taratahi - extend silt trap Waingawa	-	-	6,408	-	-	-	-	-	-	-
- Taratahi - water pump and spray unit	-	-	-	3,300	-	-	-	-	-	-
22,000 Taratahi - pipe Clareville School	-	-	-	-	-	-	-	-	-	-
65,000 Taratahi - replace pipe Wilton Swamp	-	-	-	-	-	-	-	-	-	-
416,400 Total capital expenditure	159,500	180,093	161,802	158,950	160,320	165,272	170,508	175,885	181,545	187,488

CARTERTON DISTRICT COUNCIL
PROSPECTIVE WATER SUPPLY FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sources of Operating Funding											
158,230	General rates, UAGC, rates penalties	155,141	152,987	157,959	161,032	158,512	159,291	159,338	173,095	176,278	168,987
344,452	Targeted rates	1,596,270	1,584,479	1,635,455	1,669,955	1,654,558	1,669,546	1,678,701	1,811,808	1,850,616	1,796,091
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,291,617	Fees and charges	40,000	41,520	42,766	44,134	45,591	47,186	48,932	50,792	52,823	55,042
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-
1,794,299	Total operating funding	1,791,411	1,778,985	1,836,180	1,875,121	1,858,660	1,876,022	1,886,971	2,035,694	2,079,717	2,020,119
Applications of Operating Funding											
972,445	Payments to staff and suppliers	993,470	1,011,406	1,038,358	1,082,126	1,099,135	1,133,274	1,186,310	1,368,692	1,385,001	1,317,493
20,391	Finance costs	13,903	14,808	20,757	18,814	16,740	14,984	13,625	12,236	10,753	9,171
220,936	Internal charges and overheads applied	211,885	219,777	237,995	231,098	238,681	253,633	247,136	253,427	272,403	269,864
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,213,772	Total applications of operating funding	1,219,258	1,245,991	1,297,110	1,332,038	1,354,556	1,401,891	1,447,072	1,634,355	1,668,157	1,596,527
580,527	Surplus/(deficit) of operating funding	572,154	532,994	539,069	543,083	504,104	474,131	439,899	401,340	411,560	423,592
Sources of Capital Funding											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
50,000	Development and financial contributions	50,000	51,900	53,457	55,168	56,988	58,983	61,165	63,489	66,029	68,802
(28,042)	Increase/(decrease) in debt	(28,978)	18,527	(28,924)	(30,867)	(32,941)	(21,111)	(20,683)	(22,073)	(23,556)	(25,138)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
21,958	Total sources of capital funding	21,022	70,427	24,533	24,301	24,047	37,872	40,482	41,416	42,473	43,664
Applications of Capital Funding											
50,000	Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-
-	Capital expenditure - improve level of service	18,000	33,216	6,408	-	-	-	-	-	-	-
366,400	Capital expenditure - replace existing assets	141,500	146,877	155,394	158,950	160,320	165,272	170,508	175,885	181,545	187,488
186,085	Increase/(decrease) in reserves	433,675	423,328	401,801	408,433	367,832	346,731	309,873	266,872	272,489	279,769
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
602,485	Total application of capital funding	593,175	603,421	563,603	567,383	528,151	512,003	480,381	442,756	454,033	467,256
(580,527)	Surplus/(deficit) of capital funding	(572,154)	(532,994)	(539,070)	(543,083)	(504,104)	(474,131)	(439,899)	(401,340)	(411,560)	(423,592)
-	Funding balance	-	-	-	-	-	-	-	-	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE ADMINISTRATION AND SUPPORT SERVICES STATEMENT OF SERVICE PERFORMANCE FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Revenue											
50,000	Rates penalties	50,000	51,250	52,583	54,002	55,568	57,235	59,010	60,957	63,029	65,299
-	Grants, subsidies and donations	-	-	-	-	-	-	-	-	-	-
159,215	Interest	203,356	266,000	287,172	359,951	445,249	493,625	567,285	644,279	688,169	739,410
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	25	26	26	27	28	29	30	30	32	33
1,859,210	Internal charges and overheads recovered	1,767,754	1,832,414	1,988,017	1,924,688	1,986,581	2,115,613	2,055,167	2,105,849	2,267,921	2,238,800
43,000	Commissions	45,000	46,125	47,324	48,602	50,011	51,512	53,109	54,861	56,727	58,769
-	Revaluation gains	-	-	-	-	-	-	-	-	-	-
-	Rental revenue	-	-	-	-	-	-	-	-	-	-
-	Assets vesting in council	-	-	-	-	-	-	-	-	-	-
-	Pofit on sale of assets	-	-	-	-	-	-	-	-	-	-
1,350	Miscellaneous revenue	1,750	1,791	1,835	1,881	1,930	1,983	2,038	2,098	2,162	2,230
2,112,775	Total revenue	2,067,885	2,197,606	2,376,957	2,389,151	2,539,368	2,719,996	2,736,638	2,868,075	3,078,039	3,104,540
Expenditure											
1,488,451	Administration	1,403,677	1,448,507	1,583,345	1,509,083	1,550,111	1,675,992	1,628,257	1,670,553	1,816,987	1,771,986
314,344	Operations	327,010	343,892	362,163	374,589	393,850	397,725	382,683	390,436	407,183	420,179
46,098	Regulatory and planning	25,725	28,303	30,472	28,707	29,954	29,175	31,332	31,551	29,998	32,366
10,316	Garage	11,343	11,712	12,037	12,310	12,666	12,720	12,895	13,310	13,753	14,269
-	Revaluation losses	-	-	-	-	-	-	-	-	-	-
-	Loss on sale of assets	-	-	-	-	-	-	-	-	-	-
-	Gifted assets	1,553,239	-	-	-	-	-	-	-	-	-
15,000	Bad debts	20,000	20,500	21,033	21,601	22,227	22,894	23,604	24,383	25,212	26,119
1,874,209	Total expenditure	3,340,993	1,852,914	2,009,050	1,946,289	2,008,808	2,138,507	2,078,771	2,130,232	2,293,133	2,264,919
238,566	Surplus/(deficit)	(1,273,108)	344,692	367,907	442,862	530,560	581,490	657,867	737,843	784,906	839,620

CARTERTON DISTRICT COUNCIL

PROSPECTIVE ADMINISTRATION AND SUPPORT SERVICES STATEMENT OF SERVICE PERFORMANCE—contd. FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Capital Expenditure											
5,000	Administration - equipment contingency	5,000	5,125	5,255	5,390	5,535	5,685	5,840	6,005	6,175	6,355
5,000	Administration - software upgrade	5,000	5,125	5,255	5,390	5,535	5,685	5,840	6,005	6,175	6,355
-	Dishwasher	-	-	-	-	-	-	-	-	1,235	-
-	Photocopier - colour	-	-	23,648	-	-	-	-	27,023	-	-
-	Photocopier - black & white	-	-	10,510	-	-	-	-	12,010	-	-
20,300	Computer upgrade - administration	64,300	8,610	17,026	67,698	11,513	16,714	75,102	10,088	20,625	81,725
-	Computer upgrade - building department	5,600	-	-	6,037	-	-	6,541	-	-	7,118
2,800	Computer upgrade - holiday park	-	-	2,943	-	-	3,184	-	-	3,458	-
7,800	Computer upgrade - operations department	6,300	-	2,943	6,791	-	3,184	7,358	-	3,458	8,007
3,500	Computer upgrade - public protection	-	-	3,679	3,018	-	3,980	3,270	-	4,323	3,559
9,900	Computer upgrade - regulatory	19,800	4,920	15,660	16,709	9,742	16,714	16,586	5,765	23,095	18,048
6,300	Computer upgrade - parks and reserves	2,800	-	9,564	3,018	-	10,347	3,270	-	11,239	3,559
3,500	Computer upgrade - library	11,200	8,610	3,679	12,074	9,299	3,980	13,082	10,088	4,323	14,235
7,800	Computer upgrade - Events Centre	8,400	2,870	2,943	9,055	3,100	3,184	9,811	3,363	3,458	10,676
-	Asset management system	30,000	-	-	-	-	34,110	-	-	-	-
37,000	Motor vehicle - Nissan	-	-	-	-	-	-	-	-	-	-
-	Motor vehicle - Ford water van	-	61,500	-	-	-	-	-	-	-	-
-	Motor vehicle - Building Inspector	35,000	-	-	-	-	-	-	-	-	-
-	Motor vehicle - John Deere tractor Sewage Treatment	-	41,000	-	-	-	-	-	-	-	-
-	Motor vehicle - John Deere tractor 80hp	-	-	63,060	-	-	-	-	-	-	-
-	Motor vehicle - Isuzu Truck Parks and Reserves	-	-	63,060	-	-	-	-	-	-	-
-	Motor vehicle - Kubota Ride-On Mower	-	-	31,530	-	-	-	-	-	-	-
-	Motor vehicle - Mitsubishi Ute Animal Control	-	-	-	43,120	-	-	-	-	-	-
-	Motor vehicle - Water Ute CDC 255	-	-	-	43,120	-	-	-	-	-	-
-	Motor vehicle - Suzuki Vitara - GIS	-	-	-	43,120	-	-	-	-	-	-
-	Motor vehicle - Mazda ute - Handyman	-	-	-	48,510	-	-	-	-	-	-
-	Motor vehicle - Mazda - Team leader Parks and Reserves	-	-	-	-	44,280	-	-	-	-	-
-	Motor vehicle - Suzuki Vitara - Building Inspector	-	-	-	-	44,280	-	-	-	-	-
-	Motor vehicle - Motor Bike - Water Races	-	-	-	-	22,140	-	-	-	-	-
-	Motor vehicle - Hino Truck large	-	-	-	-	88,560	-	-	-	-	-
-	Motor vehicle - Mazda - Sewage Treatment Supervisor	-	-	-	-	-	45,480	-	-	-	-
-	Motor vehicle - Suzuki 4x4 - Health Inspector	-	-	-	-	-	-	46,720	-	-	-
-	Motor vehicle - Isuzu Crane Truck	-	-	-	-	-	-	81,760	-	-	-

CARTERTON DISTRICT COUNCIL

PROSPECTIVE ADMINISTRATION AND SUPPORT SERVICES STATEMENT OF SERVICE PERFORMANCE—contd. FOR THE YEARS ENDING 30 JUNE 2016–2025

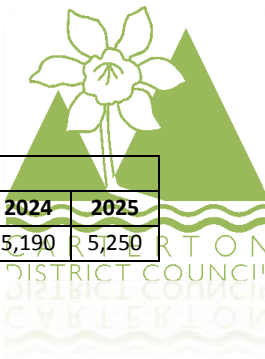
Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
-	Motor vehicle - Mazda ute - Operations Manager	-	-	-	-	-	-	-	54,045	-	-
-	Motor vehicle - Mazda ute - Water Race Supervisor	-	-	-	-	-	-	-	54,045	-	-
-	Motor vehicle - Ford 4x4 - Drainage Inspector	-	-	-	-	-	-	-	48,040	-	-
-	Motor vehicle - Rubbish Ute	-	-	-	-	-	-	-	48,040	-	-
-	Motor vehicle - Mazda ute - Manager Parks and Reserves	-	-	-	-	-	-	-	-	55,575	-
37,000	Motor vehicle - Mazda ute - Services Team Leader	-	-	-	-	-	-	-	-	49,400	-
-	Motor vehicle - John Deere Tractor Small - Parks and Reserves	-	-	-	-	-	-	-	-	49,400	-
1,000	Mower - walk behind	1,000	1,025	1,051	1,078	1,107	1,137	1,168	1,201	1,235	1,271
26,500	Mowers	-	-	-	-	-	-	-	-	-	-
-	Mower - campground	-	-	-	9,702	-	-	-	-	11,115	-
-	Photocopier	-	-	22,597	-	-	-	-	25,822	-	-
1,200	Wackers, compactors, weed eaters	-	4,100	-	-	4,428	-	-	4,804	-	-
-	Weedeater/chainsaw - parks and reserves	4,000	-	-	4,312	-	-	4,672	-	-	5,084
5,000	GIS - contingency	5,000	5,125	5,255	5,390	5,535	5,685	5,840	6,005	6,175	6,355
40,000	GIS - sewer lateral field identification	-	-	-	-	-	-	-	-	-	-
-	Aerial mapping	15,000	-	-	16,170	-	-	17,520	-	-	19,065
5,000	Regulatory equipment - contingency	5,000	5,125	5,255	5,390	5,535	5,685	5,840	6,005	6,175	6,355
5,000	Regulatory software	5,000	5,125	5,255	5,390	5,535	5,685	5,840	6,005	6,175	6,355
229,600	Total capital expenditure	228,400	158,260	300,166	360,483	266,123	170,436	316,061	334,358	272,812	204,123

CARTERTON DISTRICT COUNCIL
PROSPECTIVE ADMINISTRATION AND SUPPORT SERVICES FUNDING IMPACT STATEMENT
FOR THE YEARS ENDING 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Sources of Operating Funding										
50,000	General rates, UAGC, rates penalties	50,000	51,250	52,583	54,002	55,568	57,235	59,010	60,957	63,029	65,299
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	25	26	26	27	28	29	30	30	32	33
1,859,210	Internal charges and overheads recovered	1,767,754	1,832,414	1,988,017	1,924,688	1,986,581	2,115,613	2,055,167	2,105,849	2,267,921	2,238,800
203,565	Local authorities fuel tax, fines, infringement fees and other	250,106	313,916	336,331	410,434	497,191	547,120	622,432	701,239	747,057	800,409
2,112,775	Total operating funding	2,067,885	2,197,606	2,376,957	2,389,151	2,539,368	2,719,996	2,736,638	2,868,075	3,078,039	3,104,540
	Applications of Operating Funding										
1,674,942	Payments to staff and suppliers	1,576,337	1,612,486	1,740,482	1,692,282	1,737,324	1,882,621	1,836,447	1,892,113	2,058,534	2,015,795
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,674,942	Total applications of operating funding	1,576,337	1,612,486	1,740,482	1,692,282	1,737,324	1,882,621	1,836,447	1,892,113	2,058,534	2,015,795
437,833	Surplus/(deficit) of operating funding	491,549	585,120	636,475	696,869	802,044	837,376	900,191	975,962	1,019,506	1,088,745
	Sources of Capital Funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
40,000	Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
40,000	Total sources of capital funding	-	-	-	-	-	-	-	-	-	-
	Applications of Capital Funding										
-	Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-
40,000	Capital expenditure - improve level of service	30,000	-	-	-	-	34,110	-	-	-	-
189,600	Capital expenditure - replace existing assets	198,400	158,260	300,166	360,483	266,123	136,326	316,061	334,358	272,812	204,123
248,233	Increase/(decrease) in reserves	263,149	426,860	336,310	336,386	535,922	666,940	584,130	641,604	746,694	884,622
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
477,833	Total application of capital funding	491,549	585,120	636,475	696,869	802,044	837,376	900,191	975,963	1,019,506	1,088,745
(437,833)	Surplus/(deficit) of capital funding	(491,549)	(585,120)	(636,475)	(696,869)	(802,044)	(837,376)	(900,191)	(975,963)	(1,019,506)	(1,088,745)
-	Funding balance	-	-	-	-	-	-	-	-	-	-



Financial information



Significant forecasting assumptions

General forecasting assumptions

Levels of service

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

District population trends

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

Risk

Growth does not meet this assumption.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

Number of rateable properties

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

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

Risk

Growth does not meet this assumption.

Reasons and financial effect of uncertainty

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

NZTA

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

Risk

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

Level of uncertainty

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

Reasons and financial effect of uncertainty

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

³⁴ Department of Statistics. *Sub-national Population Projections: 2013(base)–2043*, Medium series

Resource consents

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

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

Risk

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

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

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

Asset condition

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

Risk

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

Level of uncertainty

Low to moderate

Reasons and financial effect of uncertainty

Asset management plans are updated regularly following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. The asset inventories and condition ratings for roading infrastructure, which are the Council's most significant assets by a considerable margin, are stored and maintained in the RAMM database. It was audited by NZTA in 2013 and found to be adequately maintained.

Insurance

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

Risk

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

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

Any further significant earthquake events in New Zealand in the next ten years would impact on renewal costs. The cost of insurance may be greater than forecast leading to unbudgeted



expenditure. The cost of reinstating LAPP cover would be significant, funded by additional rates. The Council will need to consider the trade-off between self-insurance or paying higher insurance premiums, funded by additional rates.

External factors

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

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

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

Climate change

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

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

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

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

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

Risk

The effect of climate change occurs more rapidly than anticipated.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

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

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

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

³⁶ Parliamentary Commissioner for the Environment. 2014. Changing climate and rising seas: understanding the science.

³⁷ NZ Climate Change Centre summary of NZ findings, see http://www.nzclimatechangecentre.org/sites/nzclimatechangecentre.org/files/images/research/NZCCC%20Summary_IPCC%20AR5%20NZ%20Findings_April%202014%20WEB.pdf

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

³⁹ ICLEI 2015, Seoul Declaration

⁴⁰ Climate Change Response Act 2002

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

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

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

⁴⁴ NIWA's scenarios report, www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios

⁴⁵ Greater Wellington Regional Council. 2013. Regional Policy Statement for the Wellington region.

⁴⁶ NIWA *ibid*.

Financial forecasting assumptions

Revaluation of non-current assets

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

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

Risk

Actual revaluation results differ from those in the forecast.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

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

Interest rates

The range of interest rates on term debt is calculated at 5.3 percent to 6.5 percent, in line with existing loan facilities. Interest rates for new debt is assumed to be 6.5 percent as advised by the Council's banker and in line with current long-term rates on offer. To allow for anticipated timing of capital expenditure, on selected loans interest expenditure is provided for on only 50 percent of forecast new loan amounts each year.

The interest rate on investments is calculated at 4.5 percent.

Risk

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

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

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

Depreciation

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

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

Risk

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

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

Asset lives

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

Risk

That assets wear out earlier than estimated.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

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

Sources of funds for future replacement of assets

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

- The Council has, over the term of the LTP, set revenue levels sufficient to fully fund depreciation of its assets with the exception of roading where approximately 47 percent of depreciation is funded.
- The funding for the replacement of any individual asset will be funded from the following sources in the following order of priority:
 - from prior year credit depreciation reserve balances
 - from the current year's cash arising from the funding of depreciation
 - loan funding with a loan being the shorter of either a 20-year loan term or the life of the asset
 - special funds set aside for specific purposes identified by the Council.

Risk

That a particular funding source is unavailable.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available. Local authorities have the power to rate, and that makes them attractive borrowers to private bankers and investors. The Council has the further ability to indirectly borrow through the Local Government Funding Agency.

Inflation

Operating revenues and expenses

Revenue and expenses for 2015/16 have been predicted. Beyond this, inflation has been included in the Plan. Inflation has been predicted using the BERL⁴⁶ forecasts of price level change adjusters as follows:

Year	Roading	Storm water / sewerage	Urban water / water races	Property	Other	Personnel
2016/17	1.4%	2.5%	3.8%	2.4%	2.5%	1.9%
2017/18	2.2%	2.6%	3.0%	2.5%	2.6%	2.0%
2018/19	2.4%	2.8%	3.2%	2.6%	2.7%	2.1%
2019/20	2.5%	2.9%	3.3%	2.8%	2.9%	2.2%
2020/21	2.7%	3.1%	3.5%	2.9%	3.0%	2.3%
2021/22	2.8%	3.2%	3.7%	3.0%	3.1%	2.4%
2022/23	3.0%	3.4%	3.8%	3.2%	3.3%	2.5%
2023/24	3.1%	3.5%	4.0%	3.3%	3.4%	2.6%
2024/25	3.3%	3.6%	4.2%	3.4%	3.6%	2.7%

Risk

That actual inflation differs to that predicted, on which decisions are made.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

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

⁴⁶ *Forecasts of Price Level Change Adjusters–2014 Update*: Note to Society of Local Government Managers, Business and Economic Research Limited, October 2014 (amended)

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

Investments and return on investments

The Council's Special Funds Reserves will be retained in their present form throughout the term of the Plan. Additions and withdrawals from the Funds have been accounted for each year through the Plan where identified and required. A return on the Special Funds Reserves investment of 4.0 percent has been assumed.

Risk

That the actual return on investment differs to that budgeted.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

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

Commitments and contingencies

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

Opening Balance Sheet

To provide a more accurate forecast, the opening balance sheet figures for 2015/16 are based on a forecast closing balance sheet at 30 June 2015, not necessarily the closing 2014/15 Annual Plan figures.

Rounding differences

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

Authorisation for issue

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

This Long Term Plan was adopted by the Council on 29 June 2015.

Purpose of the LTP

The LTP has been prepared in accordance with section 93 of the Local Government Act 2002. The information has been prepared to comply with the requirements of the Local Government Act 2002 and may not be appropriate for other purposes.



Statement of Accounting Policies

Reporting entity

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

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

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of the new Public Sector Public Benefit Entity Standards (PBE standards).

The financial forecasts of the Council comply with PBE standards.

The financial forecasts of the Council are for the financial years from 1 July 2015 to 30 June 2025. The financial forecasts were authorised for issue by Council on 29 June 2015.

Basis of preparation

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

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

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

Statement of prospective financial information

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

it has been prepared is to enable the public to participate in the decision-making process as to the services to be provided by the Council to the community.

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

The Long Term Plan is in full compliance with PBE FRS 42.

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

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

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

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

Effect of first-time adoption of PBE standards

This is the first set of prospective financial statements of the Council that is presented in accordance with PBE standards. The Council has previously reported in accordance with NZ IFRS (PBE).

Changes in accounting policies

There have been no changes in accounting policies during the financial year other than the effect of first-time adoption of PBE standards.

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

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

Significant Accounting Policies

Revenue

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

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

Revenue from exchange and non-exchange transactions

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

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

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

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

Rates revenue

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

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

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

Other revenue

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

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

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

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

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

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

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

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

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

Revenue from fines and penalties (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.

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

Development contributions

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

Borrowing costs

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

Grant expenditure

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

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

Income tax

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

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

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

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

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

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

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

Leases

Finance leases

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

Derivative financial instruments and hedge accounting

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

Other financial assets

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

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

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

- fair value through surplus or deficit
- loans and receivables
- held to maturity investments
- fair value through other comprehensive income.

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

Financial assets at fair value through surplus or deficit

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

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Council does not hold any financial assets in this category.

Loans and receivables

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

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

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

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

Held to maturity investments

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

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

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

Fair value through other comprehensive 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 realised within 12 months of balance date.

Council includes in this category:

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

These investments are 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 de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

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

Loans and other receivables

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Inventory

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets

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

Restricted assets

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

Infrastructure assets

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

Heritage assets

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

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

Revaluation

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

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

Revaluations of property, plant, and equipment are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

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

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

Subsequent costs

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

Disposals

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

Depreciation

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

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

Motor vehicles	10 years	10.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Roads, bridges and footpaths*	9 to 63 years	1.58–11.42%
Water systems*	7 to 30 years	3.29–13.66%
Stormwater systems*	65 to 74 years	1.35–1.55%
Sewerage systems*	10 to 24 years	4.12–10.39%
Buildings	5 to 92 years	1.09–20.00%
Library collections	6 years	16.67%
Office equipment	5 to 10 years	10.00–20.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Heritage assets	20 to 50 years	2.00–5.00%
Intangible assets	5 years	20.00%

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

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

Revaluation

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

Operational land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV, and FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BApplSci (Ag and VFM), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. The landfill liner and water races were not revalued in the 2012 year and are currently valued at deemed cost. Heritage assets are also included in this category. Additions are recorded at cost.

Restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Kerry Stewart (Val Prof Urb, PG Dip Env Audit, MBA, FNZIV and FPINZ), Angela Scott (BBS (VPM), MPINZ), and Jamie Benoit (BApplSci (Ag and VFM), MPINZ) of Darroch Valuations, and the valuation is effective as at 30 June 2012. Additions are recorded at cost.

Infrastructure asset classes

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

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

The most recent valuations were performed by John Vessey (BE (Civil), BA (Economics), Reg Eng (MPINZ)) of Opus International Consultants. The valuation for the sewerage, water supply, and stormwater systems is effective as at 30 June 2013, and the valuations for roads, streets, and footpaths is effective as at 30 June 2014. Additions are recorded at cost.

Land under roads

Valued based on fair value of adjacent land determined by John Vessey (BE (Civil), BA (Economics), Reg Eng (MPINZ)) of Opus International Consultants, effective 30 June 2002.

The Council has elected to use the fair value of land under roads as at 30 June 2002 as the deemed road cost. Land under roads is no longer revalued.

Library collections

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

Intangible assets

Software acquisition

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

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Easements

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

Amortisation

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

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

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

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

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

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

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

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated cost to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on

existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

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

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

Investment property

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

Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

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

Creditors and other payables

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

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

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

Financial guarantee contracts

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

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

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

Equity

Equity is the community's interest in the 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.

Restricted reserves

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

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

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

The Council's objectives, policies, and processes for managing capital are described in note 34 of the 2014 Annual Report.

Asset revaluation reserves

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

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 instruments.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each group of activities has been derived using the cost allocation system outlined below.

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

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

Prospective statement of cash flows

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

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

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

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

Prospective statements of service performance

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

Critical accounting estimates and assumptions

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

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

Landfill aftercare provision

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

Infrastructural assets

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

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

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

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

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

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

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

Management has exercised the following critical judgments in applying the Council's accounting policies for these forecast financial statements.

Classification of property

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

Prospective total surplus/(deficit)

The Council is projecting a surplus for the financial years ending 30 June 2017 to 30 June 2025. This surplus is required to fund a number of transactions and projects that do not appear in the prospective statement of financial performance for accounting purposes, ie loan repayments, grants, subsidies, donations for capital projects, asset revaluations, and contributions to reserve funds. The income for these transactions and projects is recorded in the prospective statement of financial performance whereas the payments are recorded in the prospective statement of financial position.

This income is partially offset by expenditure items that are not fully funded by rates, ie bad debts, losses, depreciation, and operating expenditure funded by reserves. The expenditure for these transactions is recorded in the prospective statement of financial performance and a reduction is recorded in the prospective statement of financial position.

The above is also applicable for the financial year ending 30 June 2016 although a deficit is projected as a result of an extraordinary item (gifted assets) of \$1,553,239 recorded in this year, which is not rate-funded.

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Operating Revenue											
9,645,783	Rates	10,337,324	10,833,328	11,039,256	11,135,116	11,233,611	11,479,858	11,540,916	11,678,723	11,986,617	12,052,941
50,000	Rates penalties	50,000	51,250	52,583	54,002	55,568	57,235	59,010	60,957	63,029	65,299
159,215	Finance revenue	203,356	266,000	287,172	359,951	445,249	493,625	567,285	644,279	688,169	739,410
1,576,804	Fees and charges	1,314,549	1,347,733	1,330,154	1,366,272	1,405,855	1,448,248	1,493,417	1,542,934	1,595,688	1,652,951
87,500	Recoveries	154,200	94,600	96,944	99,473	102,236	105,210	108,375	111,853	115,555	119,610
47,000	Commissions	50,500	51,759	53,100	54,530	56,107	57,785	59,572	61,533	63,621	65,901
1,569,000	NZTA subsidy	1,599,500	1,584,274	1,657,782	1,643,130	1,688,994	1,734,597	1,893,408	1,959,673	2,020,423	2,077,019
60,000	Petrol tax	60,000	60,840	62,178	63,671	65,263	67,025	68,901	70,968	73,168	75,583
25,868	Grants and subsidies	16,281	16,645	17,032	17,445	17,900	18,385	18,901	19,468	20,071	20,727
303,509	Rentals	123,639	126,655	129,872	133,351	137,137	141,223	145,572	150,345	155,426	160,834
310,000	Contributions	310,000	317,200	325,147	333,840	343,210	353,421	364,351	376,289	389,062	402,848
-	Assets vested in council	-	-	-	-	-	-	-	-	-	-
-	Profit on sale of assets	-	-	-	-	-	-	-	-	-	-
-	Revaluation gains	-	-	-	-	-	-	-	-	-	-
15,650	Miscellaneous revenue	186,910	73,697	28,277	29,028	79,867	30,736	31,673	87,563	33,794	34,980
(64,000)	Internal charges	(64,000)	(65,600)	(67,306)	(69,123)	(71,127)	(73,261)	(75,532)	(78,025)	(80,678)	(83,582)
13,786,329	Total operating revenue	14,342,259	14,758,381	15,012,191	15,220,684	15,559,871	15,914,088	16,275,849	16,686,562	17,123,946	17,384,521
Operating Expenditure											
788,275	Governance	821,553	861,829	832,232	817,919	906,329	886,527	876,551	976,492	957,876	951,348
3,427,593	Roads and footpaths	3,422,051	3,505,292	3,617,791	3,702,764	3,793,004	3,949,776	4,070,082	4,173,154	4,394,556	4,446,243
1,797,858	Water supply	1,803,339	1,792,067	1,854,575	1,900,515	1,888,505	1,906,475	1,925,562	2,086,117	2,132,318	2,070,952
1,389,069	Sewerage	1,601,106	2,002,686	1,812,916	1,897,107	1,924,090	1,965,061	2,011,675	2,017,434	2,049,007	2,069,862
238,173	Stormwater	223,107	210,273	212,305	211,868	214,445	216,247	215,853	220,128	222,411	222,480
788,596	Waste management	826,424	798,691	826,272	840,518	864,733	885,735	897,281	925,362	962,190	989,304
399,883	Community support - community development	399,308	401,310	416,569	421,549	433,464	449,394	456,501	470,034	489,816	501,094
809,558	Community support - parks and reserves	978,896	968,354	1,015,001	1,000,606	1,063,112	1,038,965	1,039,388	1,054,754	1,065,819	1,100,355
2,313,296	Community support - community amenities	2,001,287	2,097,269	2,162,945	2,141,945	2,192,339	2,214,655	2,201,375	2,227,949	2,170,453	2,213,533
1,268,409	Regulatory and planning	1,321,162	1,418,918	1,402,838	1,424,362	1,463,964	1,509,525	1,602,861	1,572,483	1,629,024	1,668,317
15,000	Bad debts	20,000	20,500	21,033	21,601	22,227	22,894	23,604	24,383	25,212	26,119
-	Loss on sale of assets	-	-	-	-	-	-	-	-	-	-
-	Gifted assets	1,553,239	-	-	-	-	-	-	-	-	-
(64,000)	Internal charges	(64,000)	(65,600)	(67,306)	(69,123)	(71,127)	(73,261)	(75,532)	(78,025)	(80,678)	(83,582)
13,171,709	Total operating expenditure	14,907,471	14,011,590	14,107,172	14,311,631	14,695,084	14,971,992	15,245,201	15,670,263	16,018,004	16,176,023
614,620	Surplus/(deficit) before tax	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
-	Taxation expense	-	-	-	-	-	-	-	-	-	-
614,620	Surplus/(deficit) after tax	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
Note: Total expenditure includes -											
3,479,981	Depreciation	3,476,495	3,601,132	3,759,067	3,782,078	3,781,025	3,806,698	3,729,749	3,671,553	3,663,230	3,740,177
540,575	Finance expenditure	553,094	671,025	663,172	676,012	689,153	649,087	645,505	641,590	600,487	556,628

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
614,620	Surplus/(deficit) after tax	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
-	Increase/(decrease) in restricted reserves	-	-	-	-	-	-	-	-	-	-
824,697	Increase/(decrease) in revaluation reserves	366,159	3,735,198	1,335,156	1,599,821	9,688,052	1,659,838	2,021,353	13,571,044	2,124,577	2,543,952
-	Financial assets at fair value through other comprehensive revenue and expense	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
824,697	Total other comprehensive revenue and expense	367,509	3,736,548	1,336,506	1,601,171	9,689,402	1,661,188	2,022,703	13,572,394	2,125,927	2,545,302
1,439,317	Total comprehensive revenue and expense	(197,703)	4,483,339	2,241,526	2,510,224	10,554,189	2,603,284	3,053,351	14,588,693	3,231,869	3,753,799

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
166,501,798	Equity at start of year	162,008,052	161,810,349	166,293,688	168,535,214	171,045,438	181,599,627	184,202,911	187,256,262	201,844,955	205,076,824
1,439,317	Total comprehensive revenue and expense	(197,703)	4,483,339	2,241,526	2,510,224	10,554,189	2,603,284	3,053,351	14,588,693	3,231,869	3,753,799
<u>167,941,115</u>	Equity at end of year	161,810,349	166,293,688	168,535,214	171,045,438	181,599,627	184,202,911	187,256,262	201,844,955	205,076,824	208,830,623
	Components of equity										
108,822,226	Retained earnings at start of year	113,299,763	110,441,420	110,533,137	110,799,872	108,918,845	108,667,479	108,363,379	107,036,292	106,948,884	106,864,242
614,620	Surplus/(deficit) after tax	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
(272,020)	Transfers (to)/from restricted/council created reserves	(2,293,131)	(655,074)	(638,285)	(2,790,080)	(1,116,152)	(1,246,196)	(2,357,736)	(1,103,706)	(1,190,585)	(1,344,976)
109,164,826	Retained earnings at end of year	110,441,420	110,533,137	110,799,872	108,918,845	108,667,479	108,363,379	107,036,292	106,948,884	106,864,242	106,727,763
51,863,061	Revaluation reserves at start of year	43,261,781	43,627,940	47,363,138	48,698,294	50,298,115	59,986,167	61,646,005	63,667,358	77,238,402	79,362,979
824,697	Revaluation gains	366,159	3,735,198	1,335,156	1,599,821	9,688,052	1,659,838	2,021,353	13,571,044	2,124,577	2,543,952
52,687,758	Revaluation reserves at end of year	43,627,940	47,363,138	48,698,294	50,298,115	59,986,167	61,646,005	63,667,358	77,238,402	79,362,979	81,906,931
5,816,511	Restricted/council created reserves at start of year	5,446,508	7,740,989	8,397,413	9,037,048	11,828,479	12,945,981	14,193,527	16,552,613	17,657,668	18,849,603
272,020	Transfers (to)/from reserves	2,293,131	655,074	638,285	2,790,080	1,116,152	1,246,196	2,357,736	1,103,706	1,190,585	1,344,976
-	Financial asset revaluation gains	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
6,088,531	Restricted/council created reserves at end of year	7,740,989	8,397,413	9,037,048	11,828,479	12,945,981	14,193,527	16,552,613	17,657,668	18,849,603	20,195,929
<u>167,941,115</u>	Equity at end of year	161,810,349	166,293,688	168,535,214	171,045,438	181,599,627	184,202,911	187,256,262	201,844,955	205,076,824	208,830,623

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	ASSETS										
	Current assets										
4,578,331	Cash and cash equivalents	6,595,617	7,104,484	7,706,673	10,474,881	11,573,177	12,789,197	15,114,980	16,195,832	17,352,773	18,661,969
1,517,844	Debtors and other receivables	1,381,422	1,421,478	1,445,979	1,466,146	1,498,863	1,533,033	1,567,941	1,607,563	1,649,758	1,675,024
2,988	Inventory	-	-	-	-	-	-	-	-	-	-
-	Investments	-	-	-	-	-	-	-	-	-	-
-	Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
6,099,163	Total current assets	7,977,039	8,525,962	9,152,652	11,941,027	13,072,039	14,322,230	16,682,920	17,803,395	19,002,531	20,336,992
	Non-current assets										
173,631,990	Property, plant and equipment	165,283,226	168,866,261	169,921,818	170,670,897	179,511,352	180,301,330	181,523,383	194,432,489	195,857,605	197,607,293
361,287	Forestry assets	394,524	394,524	394,524	394,524	394,524	394,524	394,524	394,524	394,524	394,524
-	Investment property	-	-	-	-	-	-	-	-	-	-
45,705	Intangible assets	329,433	319,371	308,388	296,462	283,574	270,699	257,836	244,988	232,153	219,334
40,652	Investments	41,144	42,494	43,844	45,194	46,544	47,894	49,244	50,594	51,944	53,294
174,079,634	Total non-current assets	166,048,327	169,622,650	170,668,574	171,407,077	180,235,994	181,014,447	182,224,987	195,122,595	196,536,226	198,274,445
180,178,798	Total assets	174,025,366	178,148,612	179,821,226	183,348,104	193,308,034	195,336,677	198,907,908	212,925,990	215,538,757	218,611,437
	LIABILITIES										
	Current liabilities										
1,631,800	Creditors and other payables	1,179,621	1,093,867	1,103,196	1,122,976	1,159,938	1,186,695	1,213,111	1,254,110	1,287,709	1,303,140
329,741	Borrowings	503,666	578,349	644,082	631,345	635,641	678,208	611,760	652,863	696,722	696,722
263,947	Employee entitlements	261,322	261,423	261,532	261,648	261,772	261,905	262,046	262,198	262,359	262,530
2,225,488	Total current liabilities	1,944,609	1,933,640	2,008,810	2,015,969	2,057,351	2,126,808	2,086,918	2,169,170	2,246,790	2,262,393
	Non-current liabilities										
16,562	Provisions	-	-	-	-	-	-	-	-	-	-
9,995,633	Borrowings	10,270,408	9,921,284	9,277,202	10,286,697	9,651,056	9,006,958	9,564,728	8,911,865	8,215,143	7,518,421
10,012,195	Total non-current liabilities	10,270,408	9,921,284	9,277,202	10,286,697	9,651,056	9,006,958	9,564,728	8,911,865	8,215,143	7,518,421
	Equity										
109,164,826	Public equity	110,441,420	110,533,137	110,799,872	108,918,845	108,667,479	108,363,379	107,036,292	106,948,884	106,864,242	106,727,763
5,953,611	Restricted reserves	1,734,225	1,997,470	2,372,223	2,799,529	3,207,424	3,689,016	4,331,507	4,815,917	5,479,803	6,184,940
52,687,758	Asset revaluation reserves	43,627,940	47,363,138	48,698,294	50,298,115	59,986,167	61,646,005	63,667,358	77,238,402	79,362,979	81,906,931
134,920	Other reserves	6,006,764	6,399,943	6,664,826	9,028,950	9,738,556	10,504,511	12,221,105	12,841,752	13,369,800	14,010,989
167,941,115	Total equity	161,810,349	166,293,688	168,535,214	171,045,438	181,599,627	184,202,911	187,256,262	201,844,955	205,076,824	208,830,623
180,178,798	Total liabilities and equity	174,025,366	178,148,612	179,821,226	183,348,104	193,308,034	195,336,677	198,907,908	212,925,990	215,538,757	218,611,437

CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASHFLOWS
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$	LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>										
Cash was received from:										
9,695,783	10,187,324	10,676,978	10,878,011	10,968,447	11,061,227	11,301,163	11,355,266	11,485,723	11,785,531	11,843,031
1,594,868	1,615,781	1,600,919	1,674,814	1,660,575	1,706,894	1,752,982	1,912,309	1,979,141	2,040,494	2,097,746
60,000	60,000	60,840	62,178	63,671	65,263	67,025	68,901	70,968	73,168	75,583
159,215	203,356	266,000	287,172	359,951	445,249	493,625	567,285	644,279	688,169	739,410
1,073,825	1,106,040	1,139,221	1,173,398	1,208,600	1,244,858	1,282,203	1,320,670	1,360,290	1,401,098	1,443,131
2,687,728	2,235,655	2,158,689	2,131,787	2,195,396	2,297,421	2,315,490	2,389,109	2,520,471	2,549,855	2,660,948
15,271,419	15,408,156	15,902,647	16,207,360	16,456,639	16,820,912	17,212,488	17,613,540	18,060,871	18,538,315	18,859,850
Cash was applied to:										
9,064,548	9,497,247	9,870,184	9,721,768	9,881,167	10,236,721	10,539,684	10,895,318	11,369,613	11,775,992	11,921,078
1,073,825	1,106,040	1,139,221	1,173,398	1,208,600	1,244,858	1,282,203	1,320,670	1,360,290	1,401,098	1,443,131
540,575	553,094	671,025	663,172	676,012	689,153	649,087	645,505	641,590	600,487	556,628
10,678,949	11,156,381	11,680,431	11,558,338	11,765,779	12,170,731	12,470,974	12,861,492	13,371,493	13,777,577	13,920,838
4,592,470	4,251,775	4,222,216	4,649,022	4,690,861	4,650,180	4,741,514	4,752,048	4,689,379	4,760,737	4,939,012
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>										
Cash was received from:										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Cash was applied to:										
5,325,840	4,378,200	3,438,908	3,468,484	2,919,411	2,920,540	2,923,963	2,917,587	2,996,766	2,950,934	2,933,094
-	-	-	-	-	-	-	-	-	-	-
40,000	-	-	-	-	-	-	-	-	-	-
5,365,840	4,378,200	3,438,908	3,468,484	2,919,411	2,920,540	2,923,963	2,917,587	2,996,766	2,950,934	2,933,094
(5,365,840)	(4,378,200)	(3,438,908)	(3,468,484)	(2,919,411)	(2,920,540)	(2,923,963)	(2,917,587)	(2,996,766)	(2,950,934)	(2,933,094)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>										
Cash was received from:										
1,849,500	2,920,650	229,225	-	1,640,840	-	34,110	1,169,530	-	-	-
1,849,500	2,920,650	229,225	-	1,640,840	-	34,110	1,169,530	-	-	-
Cash was applied to:										
309,524	427,592	503,666	578,349	644,082	631,344	635,641	678,208	611,761	652,862	696,722
309,524	427,592	503,666	578,349	644,082	631,344	635,641	678,208	611,761	652,862	696,722
1,539,976	2,493,058	(274,441)	(578,349)	996,758	(631,344)	(601,531)	491,322	(611,761)	(652,862)	(696,722)
766,606	2,366,633	508,867	602,189	2,768,208	1,098,296	1,216,020	2,325,783	1,080,852	1,156,941	1,309,196
3,811,725	4,228,984	6,595,617	7,104,484	7,706,673	10,474,881	11,573,177	12,789,197	15,114,980	16,195,832	17,352,773
4,578,331	6,595,617	7,104,484	7,706,673	10,474,881	11,573,177	12,789,197	15,114,980	16,195,832	17,352,773	18,661,969
Represented by—										
4,578,331	6,595,617	7,104,484	7,706,673	10,474,881	11,573,177	12,789,197	15,114,980	16,195,832	17,352,773	18,661,969
4,578,331	6,595,617	7,104,484	7,706,673	10,474,881	11,573,177	12,789,197	15,114,980	16,195,832	17,352,773	18,661,969

CARTERTON DISTRICT COUNCIL
PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
614,620	Surplus/deficit after tax	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
	Add/(Less) non cash expenses										
-	Revaluation (gains)/losses	-	-	-	-	-	-	-	-	-	-
3,479,981	Depreciation & amortisation	3,476,495	3,601,132	3,759,067	3,782,078	3,781,025	3,806,698	3,729,749	3,671,553	3,663,230	3,740,177
15,000	Bad debts	20,000	20,500	21,033	21,601	22,227	22,894	23,604	24,383	25,212	26,119
-	Gifted assets	1,553,239	-	-	-	-	-	-	-	-	-
-	Assets vesting in council	-	-	-	-	-	-	-	-	-	-
3,494,981		5,049,734	3,621,632	3,780,100	3,803,679	3,803,252	3,829,592	3,753,353	3,695,936	3,688,442	3,766,296
	Add/(Less) items classified as investing or financing activities										
-	(Gains)/losses on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
-	(Gains)/losses in fair value of forestry assets	-	-	-	-	-	-	-	-	-	-
-	(Gains)/losses in fair value of investment properties	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-
	Plus/(less) movements in working capital										
-	(Increase)/decrease in inventories	-	-	-	-	-	-	-	-	-	-
347,265	(Increase)/decrease in debtors and other receivables	(104,143)	(60,555)	(45,535)	(41,768)	(54,944)	(57,065)	(58,511)	(64,005)	(67,407)	(51,385)
137,445	Increase/(decrease) in creditors and other payables	(128,604)	(85,753)	9,329	19,780	36,962	26,757	26,416	40,998	33,599	15,431
-	Increase/(decrease) in employee entitlements	-	101	108	116	124	133	142	151	161	172
(1,840)	Increase/(decrease) in provisions	-	-	-	-	-	-	-	-	-	-
482,869		(232,748)	(146,207)	(36,097)	(21,872)	(17,858)	(30,175)	(31,953)	(22,856)	(33,647)	(35,782)
4,592,470	Net cashflow from operating activities	4,251,775	4,222,216	4,649,022	4,690,861	4,650,180	4,741,514	4,752,048	4,689,379	4,760,737	4,939,012

CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$	LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
OPERATING FUNDING										
Sources of operating funding										
6,592,667	6,932,816	7,013,365	7,286,652	7,298,444	7,434,161	7,618,798	7,573,054	7,623,853	7,839,075	7,927,447
2,023,640	3,454,509	3,871,213	3,805,187	3,890,674	3,855,018	3,918,295	4,026,872	4,115,828	4,210,572	4,190,792
606,398	779,173	829,613	837,357	810,796	837,074	861,516	951,631	993,182	1,028,411	1,057,854
2,656,280	1,314,549	1,347,733	1,330,154	1,366,272	1,405,855	1,448,248	1,493,417	1,542,934	1,595,688	1,652,951
159,215	203,856	266,510	287,692	360,482	445,790	494,177	567,848	644,853	688,755	740,008
449,659	350,749	341,441	302,545	310,398	368,941	328,166	337,998	403,664	360,301	372,728
12,487,859	13,035,651	13,669,876	13,849,588	14,037,065	14,346,840	14,669,201	14,950,820	15,324,313	15,722,801	15,941,781
Applications of operating funding										
9,151,153	9,324,643	9,739,433	9,684,933	9,853,541	10,224,906	10,516,207	10,869,947	11,357,120	11,754,287	11,879,218
540,575	553,094	671,025	663,172	676,012	689,153	649,087	645,505	641,590	600,487	556,628
-	-	-	-	-	-	-	-	-	-	-
9,691,728	9,877,737	10,410,458	10,348,105	10,529,553	10,914,059	11,165,294	11,515,452	11,998,710	12,354,774	12,435,846
2,796,131	3,157,914	3,259,418	3,501,483	3,507,512	3,432,780	3,503,907	3,435,368	3,325,603	3,368,028	3,505,934
CAPITAL FUNDING										
Sources of capital funding										
988,470	996,608	771,305	837,457	849,779	869,821	891,466	960,678	985,959	1,012,083	1,039,892
310,000	310,000	317,200	325,147	333,840	343,210	353,421	364,351	376,289	389,062	402,848
1,519,759	2,493,058	(274,441)	(578,349)	996,758	(631,345)	(601,531)	491,322	(611,760)	(652,863)	(696,722)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,818,229	3,799,666	814,064	584,255	2,180,377	581,686	643,356	1,816,351	750,488	748,281	746,018
Applications of capital funding										
572,050	216,600	157,820	108,975	-	3,309	-	-	-	-	-
1,619,760	1,210,000	525,036	229,096	296,625	376,270	476,958	146,150	150,350	127,031	97,847
3,134,030	2,951,600	2,756,052	3,130,413	2,622,786	2,540,961	2,447,005	2,771,437	2,846,416	2,823,903	2,835,247
248,520	2,579,380	634,575	617,253	2,768,479	1,093,927	1,223,300	2,334,133	1,079,325	1,165,376	1,318,858
40,000	-	-	-	-	-	-	-	-	-	-
5,614,360	6,957,580	4,073,482	4,085,737	5,687,889	4,014,466	4,147,263	5,251,719	4,076,091	4,116,309	4,251,952
(2,796,131)	(3,157,914)	(3,259,418)	(3,501,483)	(3,507,512)	(3,432,780)	(3,503,907)	(3,435,368)	(3,325,603)	(3,368,028)	(3,505,934)
-	-	-	-	-	-	-	-	-	-	-
Funding balance										

CARTERTON DISTRICT COUNCIL
PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Operating surplus/(deficit) from cost of service statements										
7,890	Governance	15,293	(28,308)	14,446	13,247	(53,437)	(21,668)	(27,120)	(79,338)	(34,730)	(36,706)
264,861	Roads and footpaths	415,693	307,853	328,041	285,563	294,841	276,425	330,696	354,175	322,584	347,316
46,441	Water supply	38,073	38,819	35,061	29,774	27,143	28,530	22,574	13,067	13,428	17,970
75,869	Sewerage	(8,082)	13,774	77,635	58,972	10,958	9,221	5,472	23,889	43,920	63,839
10,917	Stormwater	12,351	13,628	14,924	15,487	15,514	16,857	17,864	18,519	20,494	22,478
9,744	Waste management	7,249	7,023	6,581	4,491	1,634	623	(1,223)	(3,450)	(4,493)	(5,562)
(7,910)	Community support - community development	(10,328)	(11,619)	(12,374)	(14,469)	(17,206)	(18,811)	(21,129)	(23,555)	(25,046)	(26,635)
106,274	Community support - parks and reserves	85,018	94,365	98,977	99,515	96,980	101,111	102,703	104,361	109,372	112,648
(206,729)	Community support - community amenities	(75,954)	(95,377)	(88,694)	(85,426)	(96,423)	(88,873)	(107,119)	(179,184)	(172,809)	(173,238)
68,698	Regulatory and planning	228,584	61,942	62,516	59,037	54,223	57,191	50,065	49,972	48,316	46,767
238,565	Administration and support services	(1,273,108)	344,692	367,907	442,862	530,560	581,490	657,867	737,843	784,906	839,620
-	add Vested assets	-	-	-	-	-	-	-	-	-	-
-	add Interest on internal borrowing	-	-	-	-	-	-	-	-	-	-
614,620	Surplus/(deficit) after tax per Statement of Financial Performance	(565,212)	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
-	add Proceeds from sale of assets not included in the FIS	1,553,239	-	-	-	-	-	-	-	-	-
-	less Vested assets and interest on internal borrowing not included in the FIS	-	-	-	-	-	-	-	-	-	-
614,620	Surplus/(deficit) before vested assets and internal interest	988,027	746,791	905,019	909,053	864,786	942,096	1,030,648	1,016,298	1,105,942	1,208,497
(988,470)	less Capital grants, subsidies and donations	(996,608)	(771,305)	(837,457)	(849,779)	(869,821)	(891,466)	(960,678)	(985,959)	(1,012,083)	(1,039,892)
(310,000)	less Development and financial contributions	(310,000)	(317,200)	(325,147)	(333,840)	(343,210)	(353,421)	(364,351)	(376,289)	(389,062)	(402,848)
-	less Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
3,479,981	add Depreciation not included in the FIS	3,476,495	3,601,132	3,759,067	3,782,078	3,781,025	3,806,698	3,729,749	3,671,553	3,663,230	3,740,177
2,796,131	Surplus/(deficit) of operating funding	3,157,914	3,259,418	3,501,483	3,507,512	3,432,780	3,503,907	3,435,368	3,325,603	3,368,028	3,505,934
2,796,131	Balance as per Council FIS surplus/(deficit) of funding	3,157,914	3,259,418	3,501,483	3,507,512	3,432,780	3,503,907	3,435,368	3,325,603	3,368,028	3,505,934

CARTERTON DISTRICT COUNCIL
DEPRECIATION PER GROUP OF ACTIVITY
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Depreciation										
1,264	Governance	1,812	2,122	2,358	2,116	2,223	2,085	2,317	2,220	1,215	1,459
1,416,027	Roads and footpaths	1,332,565	1,359,669	1,382,980	1,401,065	1,419,816	1,496,500	1,516,294	1,536,960	1,654,167	1,675,964
584,086	Water supply	584,081	546,075	557,465	568,477	533,949	504,583	478,490	451,762	464,161	474,424
446,015	Sewerage	555,078	600,846	648,996	681,729	647,237	672,968	680,946	640,341	655,612	674,627
86,279	Stormwater	92,488	92,153	92,153	92,153	93,517	93,517	93,517	96,829	96,829	96,829
31,445	Waste management	29,494	31,660	32,463	32,563	32,859	24,644	17,319	17,402	17,740	17,584
688,170	Community support	650,303	705,084	746,866	721,801	747,819	724,881	672,404	662,419	511,933	521,756
27,427	Regulatory and planning	19,256	23,094	27,217	28,168	32,120	31,634	26,138	25,500	26,974	28,410
199,268	Administration and support services	211,418	240,428	268,568	254,007	271,485	255,886	242,324	238,119	234,599	249,125
3,479,981	Total Depreciation	3,476,495	3,601,132	3,759,067	3,782,078	3,781,025	3,806,698	3,729,749	3,671,553	3,663,230	3,740,177

Statement of special funds reserves

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

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

CARTERTON DISTRICT COUNCIL
STATEMENT OF SPECIAL FUND RESERVES
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Plant Purchase and Renewal Fund										
35,497	Opening Balance	1,474	-	-	-	-	-	-	-	-	-
1,597	Additions	59	-	-	-	-	-	-	-	-	-
-	Withdrawals	(1,533)	-	-	-	-	-	-	-	-	-
37,094	Closing Balance	-	-	-	-	-	-	-	-	-	-
	Recreation Reserve Levy Fund										
473,008	Opening Balance	557,594	679,898	744,494	864,234	1,006,492	1,157,456	1,317,669	1,487,708	1,668,303	1,860,117
121,285	Additions	122,304	129,596	134,740	142,258	150,964	160,213	170,039	180,595	191,815	203,740
(451,050)	Withdrawals	-	(65,000)	(15,000)	-	-	-	-	-	-	-
143,243	Closing Balance	679,898	744,494	864,234	1,006,492	1,157,456	1,317,669	1,487,708	1,668,303	1,860,117	2,063,858
	Roading Emergency Works Fund										
141,911	Opening Balance	182,372	269,667	360,454	454,872	533,067	614,390	698,966	766,925	837,602	911,106
44,486	Additions	87,295	90,787	94,418	78,195	81,323	84,576	67,959	70,677	73,504	76,444
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
186,397	Closing Balance	269,667	360,454	454,872	533,067	614,390	698,966	766,925	837,602	911,106	987,550
	Rural Water Contingency										
33,208	Opening Balance	39,437	46,014	52,855	59,969	67,368	75,063	83,066	91,389	100,045	109,047
6,494	Additions	6,577	6,841	7,114	7,399	7,695	8,003	8,323	8,656	9,002	9,362
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
39,702	Closing Balance	46,014	52,855	59,969	67,368	75,063	83,066	91,389	100,045	109,047	118,409
	Waste Disposal Fund										
33,778	Opening Balance	43,648	65,394	88,510	113,083	139,207	167,002	196,576	228,043	261,548	297,222
19,520	Additions	21,746	23,116	24,573	26,124	27,795	29,574	31,467	33,505	35,674	38,008
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
53,298	Closing Balance	65,394	88,510	113,083	139,207	167,002	196,576	228,043	261,548	297,222	335,230
	Creative NZ Fund										
2,302	Opening Balance	9,577	9,960	10,358	10,772	11,203	11,651	12,117	12,602	13,106	13,630
104	Additions	383	398	414	431	448	466	485	504	524	545
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
2,406	Closing Balance	9,960	10,358	10,772	11,203	11,651	12,117	12,602	13,106	13,630	14,175

CARTERTON DISTRICT COUNCIL
STATEMENT OF SPECIAL FUND RESERVES—contd.
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
Keep Carterton Beautiful Fund											
8,038	Opening Balance	5,649	5,875	6,110	6,354	6,608	6,872	7,147	7,433	7,730	8,039
362	Additions	226	235	244	254	264	275	286	297	309	322
(577)	Withdrawals	-	-	-	-	-	-	-	-	-	-
7,823	Closing Balance	5,875	6,110	6,354	6,608	6,872	7,147	7,433	7,730	8,039	8,361
Water Race Resource Consent Fund											
-	Opening Balance	-	12,000	24,480	37,459	50,957	64,995	79,595	94,779	110,570	126,993
12,000	Additions	12,000	12,480	12,979	13,498	14,038	14,600	15,184	15,791	16,423	17,080
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
12,000	Closing Balance	12,000	24,480	37,459	50,957	64,995	79,595	94,779	110,570	126,993	144,073
Clareville Grave Maintenance Trust Fund											
2,297	Opening Balance	2,354	2,448	2,546	2,648	2,754	2,864	2,979	3,098	3,222	3,351
103	Additions	94	98	102	106	110	115	119	124	129	134
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
2,400	Closing Balance	2,448	2,546	2,648	2,754	2,864	2,979	3,098	3,222	3,351	3,485
Memorial Square Trust Fund											
6,634	Opening Balance	6,878	7,153	7,439	7,737	8,046	8,368	8,703	9,051	9,413	9,790
299	Additions	275	286	298	309	322	335	348	362	377	392
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
6,933	Closing Balance	7,153	7,439	7,737	8,046	8,368	8,703	9,051	9,413	9,790	10,182
WWII Memorial Trust Fund											
63,420	Opening Balance	63,951	65,509	67,129	68,814	70,567	72,390	74,286	76,257	78,307	80,439
4,454	Additions	4,158	4,220	4,285	4,353	4,423	4,496	4,571	4,650	4,732	4,818
(2,600)	Withdrawals	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
65,274	Closing Balance	65,509	67,129	68,814	70,567	72,390	74,286	76,257	78,307	80,439	82,657
Longbush Domain Board Fund											
2,562	Opening Balance	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984
-	Additions	-	-	-	-	-	-	-	-	-	-
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
2,562	Closing Balance	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984

CARTERTON DISTRICT COUNCIL
STATEMENT OF SPECIAL FUND RESERVES—contd.
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	West Taratahi Hall Board										
25,719	Opening Balance	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516
-	Additions	-	-	-	-	-	-	-	-	-	-
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
25,719	Closing Balance	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516	19,516
	Election Contingency Fund										
27,311	Opening Balance	11,157	27,103	1,187	16,734	32,903	3,219	18,848	35,102	5,506	21,226
9,729	Additions	15,946	1,084	15,547	16,169	1,316	15,629	16,254	1,404	15,720	16,349
-	Withdrawals	-	(27,000)	-	-	(31,000)	-	-	(31,000)	-	-
37,040	Closing Balance	27,103	1,187	16,734	32,903	3,219	18,848	35,102	5,506	21,226	37,575
	Workshop Depot Upgrade Fund										
20,538	Opening Balance	21,288	22,140	23,026	23,947	24,905	25,901	26,937	28,014	29,135	30,300
924	Additions	852	886	921	958	996	1,036	1,077	1,121	1,165	1,212
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
21,462	Closing Balance	22,140	23,026	23,947	24,905	25,901	26,937	28,014	29,135	30,300	31,512
	Combined District Plan Fund										
(628,078)	Opening Balance	(701,090)	(642,684)	(581,941)	(518,769)	(453,070)	(384,743)	(313,683)	(239,780)	(162,921)	(82,988)
52,236	Additions	58,406	60,743	63,172	65,699	68,327	71,060	73,903	76,859	79,933	83,130
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
(575,842)	Closing Balance	(642,684)	(581,941)	(518,769)	(453,070)	(384,743)	(313,683)	(239,780)	(162,921)	(82,988)	142
	Roading Contribution Fund										
617,254	Opening Balance	596,836	520,709	409,637	296,353	214,325	131,669	48,643	115,425	38,322	61,803
127,776	Additions	123,873	122,228	120,016	117,972	117,344	116,975	116,782	122,898	123,480	128,444
-	Withdrawals	(200,000)	(233,300)	(233,300)	(200,000)	(200,000)	(200,000)	(50,000)	(200,000)	(100,000)	(100,000)
745,030	Closing Balance	520,709	409,637	296,353	214,325	131,669	48,643	115,425	38,322	61,803	90,246
	Infrastructure Contributions Reserve										
1,042,869	Opening Balance	508,760	474,110	606,474	747,289	897,214	1,056,838	1,226,911	1,408,170	1,601,420	1,807,508
156,929	Additions	130,350	132,364	140,815	149,925	159,624	170,073	181,259	193,249	206,089	219,841
(350,000)	Withdrawals	(165,000)	-	-	-	-	-	-	-	-	-
849,798	Closing Balance	474,110	606,474	747,289	897,214	1,056,838	1,226,911	1,408,170	1,601,420	1,807,508	2,027,350

CARTERTON DISTRICT COUNCIL
STATEMENT OF SPECIAL FUND RESERVES—contd.
FOR THE YEARS ENDED 30 JUNE 2016–2025

Annual Plan 30 June 2015 \$		LTP 30 June 2016 \$	LTP 30 June 2017 \$	LTP 30 June 2018 \$	LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$
	Waingawa Infrastructure Contributions Reserve										
109,380	Opening Balance	113,300	117,832	122,545	127,447	132,545	137,847	143,361	149,095	155,059	161,261
4,922	Additions	4,532	4,713	4,902	5,098	5,302	5,514	5,734	5,964	6,202	6,450
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
114,302	Closing Balance	117,832	122,545	127,447	132,545	137,847	143,361	149,095	155,059	161,261	167,711
	Belvedere Hall Fund										
2,524	Opening Balance	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837
-	Additions	-	-	-	-	-	-	-	-	-	-
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
2,524	Closing Balance	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837
	Waingawa Industrial Zone Services Deficit										
26,208	Opening Balance	25,731	26,760	27,830	28,943	30,101	31,305	32,557	33,859	35,213	36,622
1,179	Additions	1,029	1,070	1,113	1,158	1,204	1,252	1,302	1,354	1,409	1,465
-	Withdrawals	-	-	-	-	-	-	-	-	-	-
27,387	Closing Balance	26,760	27,830	28,943	30,101	31,305	32,557	33,859	35,213	36,622	38,087
	Special Funds Reserves Summary										
2,046,380	Opening Balance	1,513,253	1,734,225	1,997,470	2,372,223	2,799,529	3,207,424	3,689,016	4,331,507	4,815,917	5,479,803
564,399	Additions	590,105	591,145	625,653	629,906	641,495	684,191	695,092	718,009	766,487	807,737
(804,227)	Repayments	(369,133)	(327,900)	(250,900)	(202,600)	(233,600)	(202,600)	(52,600)	(233,600)	(102,600)	(102,600)
1,806,552	Closing Balance	1,734,225	1,997,470	2,372,223	2,799,529	3,207,424	3,689,016	4,331,507	4,815,917	5,479,803	6,184,940

Funding impact statement

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

The method and impact of both general and targeted rates is covered in the 'Rating System' section that follows. While the specific rating details given in the following pages are for the 2015/16 year the principles and definitions have been used for the full period covered by the LTP.

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

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

Rating system

Introduction

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

The funding impact statement must identify:

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

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

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

terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category.

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

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

General rates

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

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

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

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

Uniform Annual General Charge

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

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

Targeted rates

Resource management and planning service rate

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

Urban sewerage rate

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

The rate applied is as follows:

- a charge per separately used or inhabited part of a rating unit connected

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

For the purposes of this rate:

- 'connected' means the rating unit is connected to the Council's urban sewerage service
- 'able to be connected' means the rating unit is not connected to the Council's urban sewerage drain but is within 30 metres of such a drain
- a rating unit used primarily as a residence for one household is treated as not having more than one water closet.

Waingawa sewerage rate

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

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

For the purposes of this rate:

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

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

Stormwater rate

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

Refuse collection and kerbside recycling rate

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

Urban water rate

The Council proposes to charge a targeted urban water rate of a fixed amount for an allowance of up to 225 cubic metres of water per year, on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Council's urban water supply system.

Additionally, the Council proposes to charge a targeted water rate per cubic metre of water supplied, as measured by meter, for water consumed over 225 cubic metres per year. This rate will be invoiced separately from land rates.

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

For the purposes of this rate:

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

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

Rural water race rate

Carrington Water Race System

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

- Class A land area 200 metres either side of the centreline of the water race
- Class B land area from 200 to 500 metres either side of the centreline of the water race
- Class C land area able to be irrigated from water drawn from natural watercourses fed from the Carrington Water Race System, calculated from conditions of the applicable resource consent.

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

Taratahi Water Race System

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

- Class A land area 200 metres either side of the centreline of the water race
- Class B land area from 200 to 500 metres either side of the centreline of the water race
- Class C land area able to be irrigated from water drawn from natural watercourses fed from the Taratahi Water Race System, calculated from conditions of the applicable resource consent.

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

Waingawa water rate

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

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

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

For the purposes of this rate:

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

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

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

Residential		multiplier	GST inclusive
General–residential	Capital value 165,000	x 0.0024435	= 403.18
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 165,000	x 0.0002058	= 33.96
Urban sewerage			486.90
Stormwater	Land value 75,000	x 0.0011890	= 89.18
Refuse collection and kerbside recycling			73.21
Urban water–connection			489.39
Metered water	Cubic metres -	x \$1.70	= -
	over 225		
Total			2,380.10

Residential		multiplier	GST inclusive
General–residential	Capital value 290,000	x 0.0024435	= 708.62
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 290,000	x 0.0002058	= 59.68
Urban sewerage			486.90
Stormwater	Land value 110,000	x 0.0011890	= 130.79
Refuse collection and kerbside recycling			73.21
Urban water–connection			489.39
Metered water	Cubic metres 10	x \$1.70	= 17.00
	over 225		
Total			2,769.88

Residential		multiplier	GST inclusive
General–residential	Capital value 365,000	x 0.0024435	= 891.88
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 365,000	x 0.0002058	= 75.12
Urban sewerage			486.90
Stormwater	Land value 120,000	x 0.0011890	= 142.68
Refuse collection and kerbside recycling			73.21
Urban water–connection			489.39
Metered water	Cubic metres 25	x \$1.70	= 42.50
	over 225		
Total			3,005.96

Commercial		multiplier	GST inclusive
General–commercial	Capital value 475,000	x 0.0048870	= 2,321.33
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 475,000	x 0.0002058	= 97.76
Urban sewerage	No. pans 2	x \$486.90	= 973.80
Stormwater	Land value 225,000	x 0.0011890	= 267.53
Refuse collection and kerbside recycling			73.21
Urban water–connection			489.39
Metered water	Cubic metres 100	x \$1.70	= 170.00
	over 225		
Total			5,197.30

Commercial - rural		multiplier	GST inclusive
General–commercial	Capital value 160,000	x 0.004887	= 781.92
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 160,000	x 0.0002058	= 32.93
Urban sewerage	No. pans 2	x \$486.90	= 973.80
Stormwater	Land value N/A rural	x 0.0011890	= -
Refuse collection and kerbside recycling			N/A rural
Urban water–connection			489.39
Metered water	Cubic metres -	x \$1.70	= -
	over 225		
Total			3,082.33

Rural		multiplier	GST inclusive
General–rural	Capital value 295,000	x 0.0019548	= 576.67
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 295,000	x 0.0002058	= 60.71
Total			1,441.67

Rural		multiplier	GST inclusive
General–rural	Capital value 550,000	x 0.0019548	= 1,075.14
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 550,000	x 0.0002058	= 113.19

Carrington water race		multiplier	GST inclusive
Class A	Hectares 1	x \$204.21	= 204.21
Class B	Hectares 4.0000	x 62.51282	= 250.05
Class C	Hectares	x 12.68733	= -
		x 111.82899	= -

Taratahi water race		multiplier	GST inclusive
Class A	Hectares	x \$184.66	= -
Class B	Hectares	x 14.01546	= -
Class C	Hectares	x 2.64995	= -
		x 107.74445	= -
Total			2,446.88

Rural		multiplier	GST inclusive
General–rural	Capital value 2,250,000	x 0.0019548	= 4,398.30
Uniform Annual General Charge			804.29
Regulatory and planning services	Capital value 2,250,000	x 0.0002058	= 463.05

Carrington water race		multiplier	GST inclusive
Class A	Hectares	x \$204.21	= -
Class B	Hectares	x 62.51282	= -
Class C	Hectares	x 12.68733	= -
		x 111.82899	= -

Taratahi water race		multiplier	GST inclusive
Class A	Hectares 1	x \$184.66	= 184.66
Class B	Hectares 100.0000	x 14.01546	= 1,401.55
Class C	Hectares 20.0000	x 2.64995	= 53.00
		x 107.74445	= -
Total			7,304.85

Rates and charges 2015/16

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

	GST inclusive	Rates required \$ incl GST
General rates—differential factor		
Residential	1.0	
Commercial	2.0	
Rural	0.8	
General rates—capital value		
Residential	0.24435 cents in the \$	\$ 1,395,781
Commercial	0.48870 cents in the \$	\$ 448,000
Rural	0.19548 cents in the \$	\$ 2,841,041
Uniform Annual General Charge	\$ 804.29 ea	\$ 3,223,581
50% Uniform Annual General Charge	\$ 402.14 ea	\$ 6,836
Regulatory and planning services —capital value	0.02058 cents in the \$	\$ 436,816
Urban sewerage		
Connected	\$ 486.90 ea	\$ 1,231,063
Able to be connected (half charge)	\$ 243.45 ea	\$ 26,536
Waingawa sewerage—capital value		
Connected	\$ 423.45	\$ 4,235
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.3474 cents in the \$	\$ 77,071
Connected or able to be connected residential properties in the Waingawa industrial zone	0.1737 cents in the \$	-

	GST inclusive	Rates required \$ incl GST
Stormwater—land value	0.11890 cents in the \$	\$ 233,349
Refuse collection and kerbside recycling	\$ 73.21 ea	\$ 167,654
Urban water		
Connected	\$ 489.39 ea	\$ 1,220,544
Able to be connected	\$ 244.70 ea	\$ 26,672
Metered water in excess of 225 cubic metres	\$ 1.70 per cubic metre	\$ 115,000
Rural water race		
Carrington water race		
Rural water services rate	\$ 204.21 ea	\$ 14,090
Class A	\$ 62.51282 per ha	\$ 68,248
Class B	\$ 12.68733 per ha	\$ 7,477
Class C	\$ 111.82899 per ha	\$ 6,039
Taratahi water race		
Rural water services rate	\$ 184.66 ea	\$ 88,639
Class A	\$ 14.01546 per ha	\$ 105,019
Class B	\$ 2.64995 per ha	\$ 10,047
Class C	\$ 107.74445 per ha	\$ 50,640
Waingawa water		
Connected	\$197.43 ea	\$ 9,279
Metered water	\$2.23 per cubic metre	\$ 115,000

Financial prudence disclosure statement

What is the purpose of this statement?

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

The council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). The words to be used in this statement, the format, and the graphs are all specified in the regulations. Refer to the regulations for more information, including definitions of some of the terms used.

Rates affordability benchmark

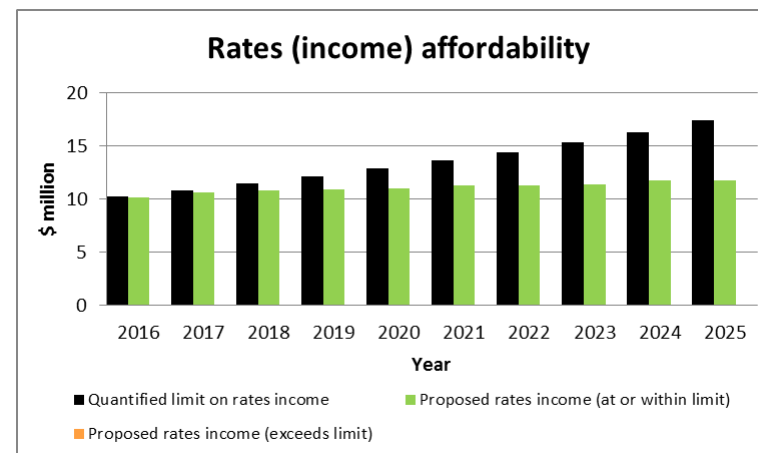
The council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

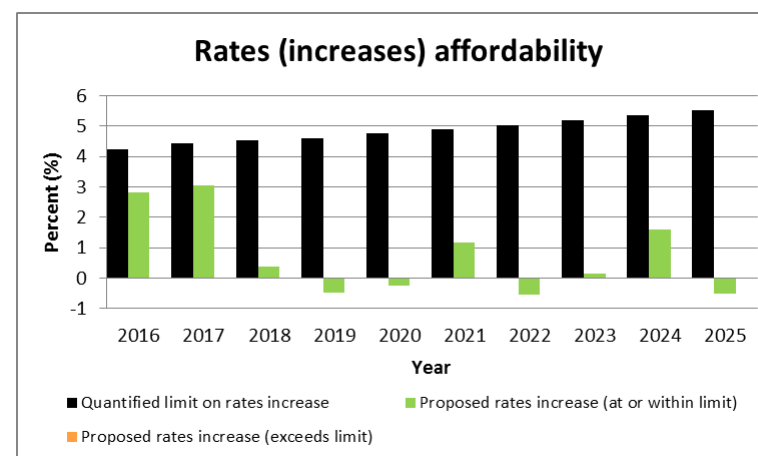
A graph is required that compares the council's planned rates with the quantified limit on rates contained in the financial strategy included in this long-term plan. The financial strategy does not contain a quantified limit.

However, for the purposes of compliance with the regulations, a rates (income) affordability graph is presented based on applying the percentage limits cumulatively to the 2014/15 Annual Plan rates and adjusted for the change in the number of forecast rating units.



Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is the percentage change in average rates⁴⁷ must not exceed the increase in the BERL local government cost index plus 2 percent.

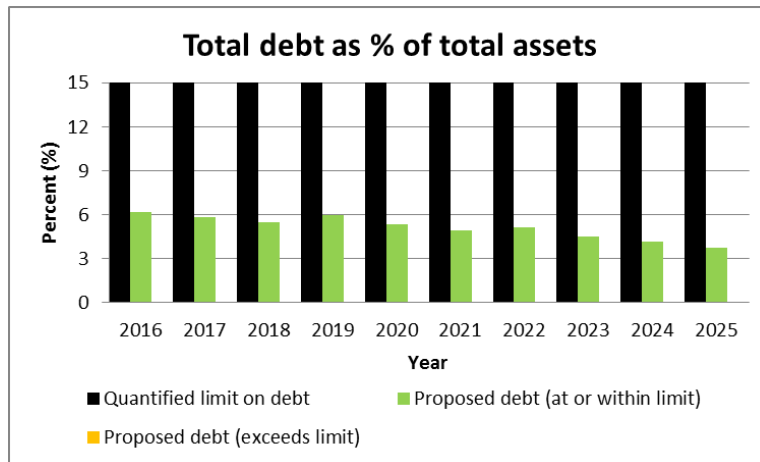


⁴⁷ The average rates is the total rates income divided by the total number of forecast rateable properties.

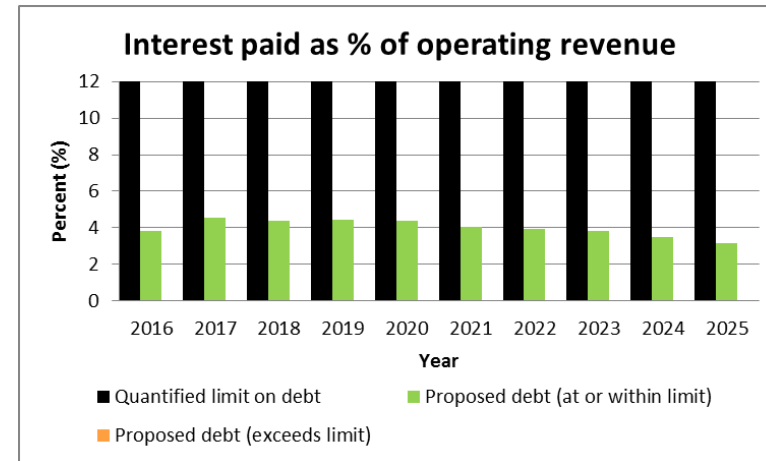
Debt affordability benchmark

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

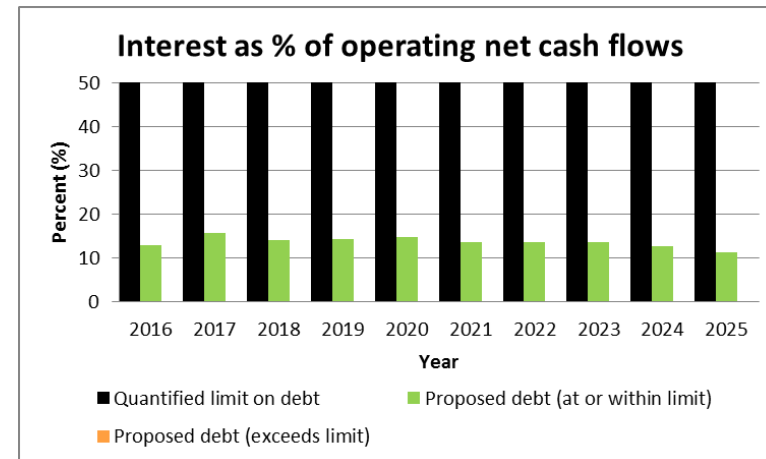
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that total debt as a percentage of total assets must not exceed 15 percent.



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



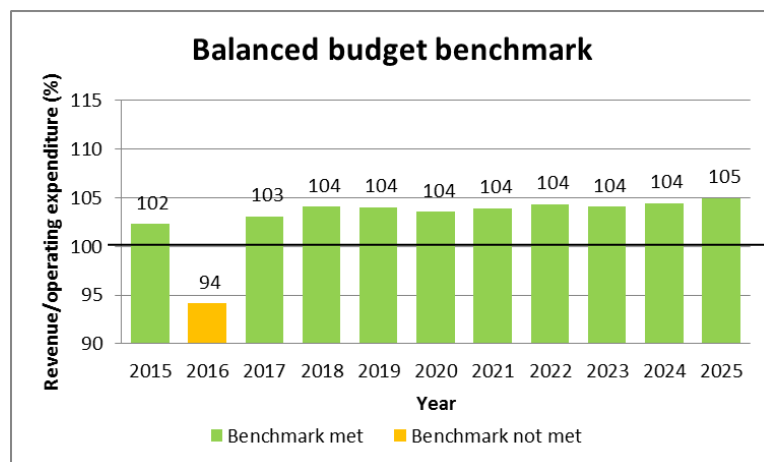
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



Balanced budget benchmark

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

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

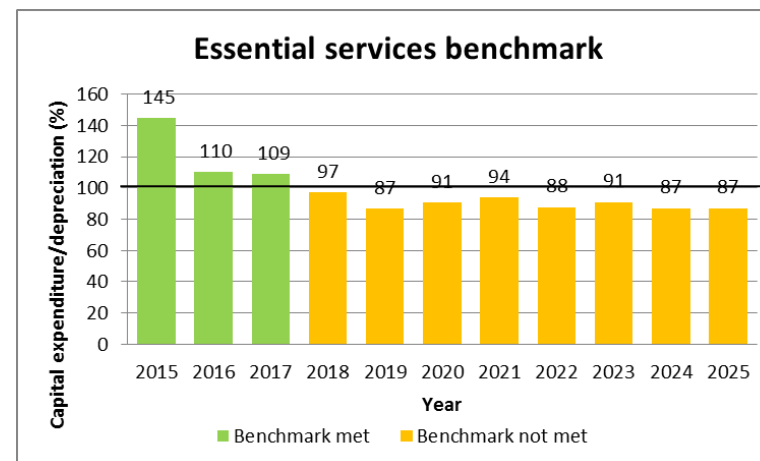


The planned expenditure for 2015/16 includes \$1,553,000 non-cash 'cost' for gifting the Housing for the Elderly assets. If this cost were excluded from the calculations, the revenue divided by operating expenditure would be 105 percent instead of 94 percent.

Essential services benchmark

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

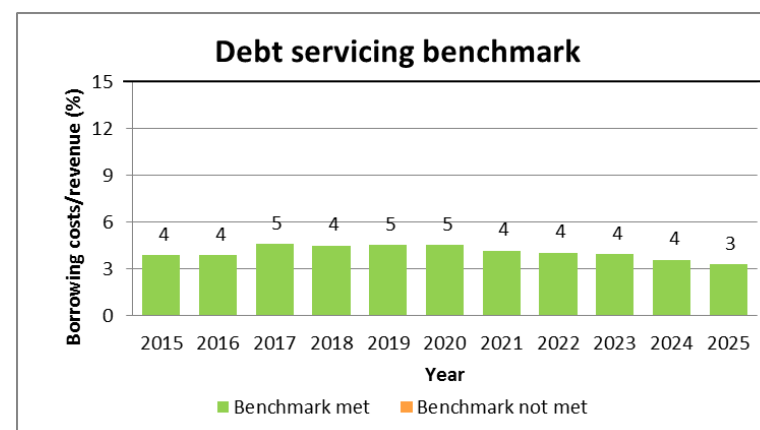
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Over the ten years of the Plan, planned capital expenditure on the network services is 94 percent of expected depreciation on network services.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its revenue.



To the reader
Independent auditor's report on Carterton District Council's 2015/25
Long-Term Plan

I am the Auditor-General's appointed auditor for Carterton District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 29 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 135 to 137 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.⁴⁸ We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;

⁴⁸ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Phil Kennerley, Audit New Zealand
On behalf of the Auditor-General, Wellington, New Zealand

Appendix A

Funding and financial policies

Introduction to funding and financial policies

This appendix contains funding and financial policies required by the Local Government Act 2002. The policies are as follows:

Revenue and financing policy

This policy describes the process and rationale for how the Council activities are funded.

Investment policy

This policy sets out the approach taken to the management of the Council's investments.

Liability management policy

This policy describes the approach to borrowing, cash management, and other financial liabilities, including the management of associated risks.

Development contributions or financial contributions policy

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

Remission and postponement of rates policies

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

Significance policy

This policy sets out how the Council will determine the relative significance of proposals, decisions in relation to issues, assets, or other matters. The degree of significance is important in determining the level and extent of analysis, review and consultation that may be required.

Revenue and financing policy

Introduction

This revenue and financing policy summarises the funding of activities undertaken by the Council, with a view to achieving the fairest funding mix for the community as a whole. Section 103 of the Local Government Act 2002 ('the Act') requires a local authority to have a revenue and financing policy that demonstrates how operating expenditure and capital expenditure are funded or financed.

Legislative requirements

Section 103 of the Act requires the Council to:

- state the Council's policies in respect of funding operating expenses
- state the Council's policies in respect of funding capital expenditure
- state the Council's policy for general rates, including the choice of valuation system, and the use of differentials and uniform annual general charges
- show how the funding mechanisms for operating expenditure chosen comply with the provision of Section 101(3) of the Act.

Section 101 of the Act requires the Council to:

- manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community
- make adequate and effective provision in its LTP and in its annual plan to meet the expenditure needs identified in the LTP and annual plan
- meet its funding needs from those sources that it determines to be appropriate, following consideration of the:
 - community outcomes to which the activity primarily contributes
 - distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
 - period in or over which those benefits are expected to occur
 - extent to which the action or inaction of particular individuals or a group contributes to the need to undertake the activity
 - costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

- overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

How the Council decides to fund its activities

Councils are required to have a revenue and financing policy to show who pays for the services it provides. The principles relating to this are outlined above. When determining how to fund an activity the council considers, among other things, who benefits from the activity. This is done by considering the private and public benefits of an activity.

Private benefits

Some services are provided to distinct groups of properties within the service or contract areas. The prominent services under this heading are:

- sewerage and the treatment and disposal of sewage
- stormwater drainage
- waste management
- water supply.

The costs of these services are generally shared among the ratepayers who either have access to or use these services. These are called private benefits.

Public benefits

More difficult to determine are the beneficiaries of other Council services such as:

- cemeteries
- governance (the cost of running the Council and its committees)
- social and economic development
- Events Centre
- parks and reserves
- public toilets
- roads and footpaths.



Control of negative effects

The Council may incur expenditure to protect the community from actual or potential problems. Wherever possible the cost of this will be passed on to those persons who cause the negative effect. Dog control and noise control are examples where the Council will endeavour to pass on expenditure through fines and penalties.

Funding of operating expenditure

The funding for operating expenditure will come from the following sources:

General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general district-wide benefit to providing the service. The general rate is to be based on the capital value of each rating unit in the District, and will be set on a differential basis over three rating categories—residential, commercial, and rural.

Uniform Annual General Charge (UAGC)

A UAGC is a rate of a uniform amount levied on each separately used or inhabited part of a rating unit. The Council endeavours to use the UAGC for services that have a roughly equal value of public benefit to each ratepayer.

Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service, eg water and wastewater services.

Fees and charges

Where the Council has deemed there is a direct or partial benefit to the end user, eg building control and resource consents. For activities where enforcement action is necessary the 'exacerbator pays' principle applies where practicable.

Other sources

There are other sources of funding for operating expenditure. These include grants and subsidies, the majority of which are from the NZTA, as well as interest and dividends from investments, proceeds from the sale of assets, and donations.

Section 100 of the Act requires that the Council set operating revenue at such a level as to meet the year's operating expenditure. The Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses from the immediately preceding year or subsequent years. An operating deficit will only be budgeted for when it is beneficial to avoid significant fluctuations in rates, fees or charges.

Funding of capital expenditure

Capital expenditure relates to the purchase of new assets, the replacement and renewal of existing assets, and the repayment of loan principal.

The funding for capital expenditure will generally come from depreciation reserves, subdivision financial contributions, borrowing, or a combination. Targeted rates may also fund some of the loan principal repayments for community support, water supply, stormwater drainage, sewerage and the treatment and disposal of sewage, waste management, and regulatory and planning services.

One of the considerations in relation to the funding of activities is 'the period in or over which the benefits are expected to occur' [Section 101(3)(a)(iii)]. The principle is that if the Council provides a new asset or renews an existing asset (such as a new sewerage treatment system) the cost of providing that asset should be spread over its life, so that all who benefit from it pay for its cost. This is described as 'inter-generational equity'. This is achieved by borrowing for the cost of the asset and repaying the loan over the life of the asset, thus spreading the capital cost over the life of the asset.

Borrowing is managed within the framework specified in the liability management policy.

The Council's overall borrowing requirement is reduced to the extent that other funds are available to fund capital expenditure. Such other funds include:

- Council special fund reserves
- development contributions and financial contributions under the Resource Management Act 1991 (criteria are set out in the Wairarapa District Plan)

- annual revenue collected to cover depreciation charges
- proceeds from the sale of assets
- grants and subsidies
- donations.

Groups of activities

The following sections outline the Council's revenue and financing policy for each group of activities of the Council's operations:

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

Governance

Description

- Reflects the cost of democracy associated with elected members and meetings including the cost of administration services to elected members and meetings.
- The function includes election and operating costs of the Council, standing committees and advisory groups. The costs include the holding of regular meetings and the preparation and consideration of reports for policy development, resource allocation and performance monitoring. Also the costs of general services provided for the public benefit including records preservation and costs associated with representing the interests of residents and ratepayers.

Distribution of Benefits

- Benefits the district as a whole.

Funding Mechanism

- 100 percent Uniform Annual General Charge

Community support

Description

Community development

- Promotion of economic growth and tourism potential in the district.
- Provision of funds to actively promote health, cultural and community development initiatives in the Carterton district.

Parks and reserves

- Active promotion of the use of recreational facilities by providing parks and reserves for community use.
- Management of the Kaipaitangata forest and of miscellaneous small roadside blocks in the Admiral/Clifton Grove area.

Community amenities

- A multi-purpose Events Centre that is vibrant, welcoming, and the heart of the community for cultural and social services.
- An efficient and effective library service that will meet the recreational, educational and information needs of the residents of Carterton.
- A cemetery that meets the needs of the people of the district and maintains the dignity of a last resting place.
- An outdoor swimming complex during the summer months to meet the recreational needs of the general public.
- Clean and tidy public toilets for the general public.
- A clean and tidy holiday park to attract visitors to the district.
- Reasonable-cost rental accommodation for the aged in the Carterton district.

Distribution of benefits

Community development

- Benefits to the district are related to the economic, social and cultural well-being of the community.
- Benefits the district as a whole.

Parks and reserves

- Benefits to the district are related to the recreational and aesthetic value of having attractive open spaces available for residents and visitors to the district.
- Proceeds from the sale of timber after costs of replanting and loan repayments will be used for any other purpose as resolved by the Council for the benefit of the district as a whole.

Community amenities

- Benefits to the district are related to the health of the district's community and the general welfare of the community.

Funding mechanisms for operating expenditure

Community development

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 100 percent Uniform Annual General Charge

Parks and reserves

After taking into account income received the balance of funding required for this activity is funded as follows:

- 70 percent Uniform Annual General Charge
- 30 percent General Rates

If overall Uniform Annual General Charge exceeds the statutory limit, then increase General

Rates for parks and reserves first, then increase General Rates for community amenities.

Community amenities

The district as a whole benefits from the provision of these community amenities. After taking into account income received the balance of funds required to operate the community amenities is funded as follows:

- Uniform Annual General Charge, up to the statutory limit

If overall Uniform Annual General Charge exceeds the statutory limit, then increase General Rates for parks and reserves first, then increase General Rates for community amenities.

Regulatory and planning

Description

- Undertaking environmental, land use and development controls and monitoring within the district in accordance with the Resource Management Act and the District Plan.
- Maintenance and development of the Council's Geographic Information System.
- Provision of environmental health services, building control, liquor licensing, civil defence/emergency management, animal and dog control and rural fire control in compliance with the relevant legislation, regulations and bylaws in the interests of the health, safety and general welfare of residents of the district and the public in general.

Distribution of benefits

- Benefits to the district are related to the public health, safety and welfare of the community. These activities substantially benefit the district as a whole.
- There are benefits to individuals for some activities.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funds required for this activity is funded as follows:

- 100 percent Targeted Rates for resource management and planning

- 100 percent General Rates for environmental health services, building control, liquor licensing, and other regulatory services

Roads and footpaths

Description

- Development and maintenance of roads, streets, footpaths and associated infrastructure.
- Promotion of policies and allocation of resources and achievement of a safe efficient land transport system that maximises local safety, economic and social benefits in partnership with NZTA.

Distribution of benefits

- Benefits to the district relating to the general availability of the roading system for public good.
- Benefits to individual users and properties at the end of rural roads, access for forestry operations, use of roads by heavy carriers, tankers and trucks.

Funding mechanisms for operating expenditure

After taking into account income received (Land Transport Subsidy) the balance of funding required for this activity is funded as follows:

- 100 percent general rates

Sewerage and the treatment and disposal of sewage

Description

- Providing the residents of the Carterton urban area, limited adjacent rural areas where access is available, and Waingawa industrial zone with a high quality and efficient sewerage system that will satisfy the needs of domestic, commercial, and industrial users.

Distribution of benefits

- Benefits to the district are related to the public health of the community.

- Benefits to the individual property owners is access to the sewerage system. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 10 percent General Rates
- 90 percent Targeted Rates

Stormwater drainage

Description

- Providing the residents and ratepayers of the Carterton urban area with an efficient stormwater drainage system that will satisfy the needs of domestic, commercial and industrial users.

Distribution of benefits

- Benefits to the district are related to the protection of infrastructural assets of the district, providing safe access to the public and maintaining public health.
- Benefit to the individual property owner is that stormwater drainage is available to private properties. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

- 10 percent General Rates
- 90 percent Targeted Rates

Waste management

Description

- Provision of a contracted refuse and recycling collection and disposal service for urban households and some commercial properties and a disposal service for delivered solid waste.

- Provision of transfer station and facilities for disposal of refuse.

Distribution of benefits

- Benefits to the district are related to the public health of the community.
- Benefits to the individual property owners is the availability of the service. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

Refuse collection and kerbside recycling rate

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 5 percent General Rates
- 95 percent Targeted Rates

Transfer station

After taking into account income received, the balance of funding required for this activity is funded as follows:

- 100 percent General Rates

Water supply

Description

- This activity involves the provision and maintenance of a quality water supply to meet the needs of the Carterton urban ward, of rural users where access is approved by the Council, and of commercial users in the Waingawa industrial zone.
- The provision of water for stock, industrial users at Waingawa, non-potable domestic users, and other rural users through the open water race system and the maintenance of that system.

Distribution of benefits

- Benefits to the district are public health from a quality water supply, the availability of water for fire fighting purposes, the provision of water for wetlands, and protection of the ecosystem.
- Availability of potable water to property owners connected to the water supply system is a benefit to the individual properties that can be clearly identified.
- Access to the water race system and use of water by property owners is a benefit to the individual properties that can be clearly identified.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for each activity—urban water, Waingawa water, and rural water races—is funded as follows:

- 10 percent General Rates
- 90 percent Targeted Rates

Operating expenditure

The following table summarises the funding mix for operating expenditure for each group of activities.

Group of activities	General rates	UAGC	Targeted rates	User charges	Subsidies
Governance		100%			
Community support—community development		100% of balance required		√	
Community support—parks and reserves	30% of balance required	70% of balance required		√	
Community support—community amenities		100% of balance required		√	
Regulatory and planning—resource management and planning			100% of balance required	√	
Regulatory and planning—regulatory services	100% of balance required			√	
Roads and footpaths	100% of balance required				√
Sewerage and the treatment and disposal of sewage	10% of balance required		90% of balance required	√	
Stormwater drainage	10%		90%		
Waste management—refuse collection and recycling	5% of balance required		95% of balance required	√	
				√	
Waste management—transfer station	100% of balance required			√	
Water supply	10% of balance required		90% of balance required	√	

Investment policy

Introduction

This policy has been prepared to fulfil the Council's obligations under Section 102(2)(c) and Section 105 of the Local Government Act 2002.

Legislative requirements

The Local Government Act 2002 requires every local authority to adopt a policy in respect to investments, including:

- the objectives in terms of which financial and equity investments are to be managed
- the mix of investments
- the acquisition of new investments
- an outline of the procedures by which investments are managed and reported on to the local authority
- an outline of how risks associated with investments are assessed and managed.

General policies on investments

The objectives of the Investment Policy will be consistent with overall Council objectives and strategic plans. In particular, investments will be made with regard to the following objectives:

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

The Council acknowledges that there are various financial risks arising from its financial activities. The Council recognises its fiduciary responsibility as a public authority and any investments that it does hold should be at an appropriate level of risk, giving preference to conservative investment policies and avoiding speculative investments. The Council accepts that lower risk generally means lower returns on investment.

The Council has the following investments:

- cash investments held with banks and non-bank deposit-takers for general purposes
- cash investment held with banks and non-bank deposit-takers for specific purposes
- equity (shares)
- property intended for sale
- forestry
- land and buildings for strategic and investment purposes.

Cash investments held with banks and non-bank deposit-takers for general purposes

The Council holds cash for a variety of reasons. These include sums reserved for particular purposes and funds held for working capital requirements. These funds are managed according to the following policies:

- To minimise the risk to the Council, funds will only be invested in institutions with a high degree of security (NZ Government, State Owned Enterprises, and Local Authorities) or with institutions, being registered Banks or non-bank deposit-takers with:
 - a physical branch in Wairarapa
 - for long term investment, a credit rating of Standard & Poors 'A' (or equivalent) or better
 - for short term investment, a credit rating of Standard & Poors 'BB' (or equivalent) or better.
- Within the above institutions, funds are invested to optimise the return to the Council from the investment.
- Funds are invested in a way that maintains the liquidity of the Council's investment so that cash is available when needed.

Cash investment held with banks and non-bank deposit-takers for specific purposes

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

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

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





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

Roading Emergency Fund—Contingency fund to be used for emergency roading works, eg damage caused by flooding. A contribution of 0.5 percent of general rates to be made to the fund annually.

Water Race Intake Reserve—Contingency fund to be used to upgrade or replace the water race intakes. An annual contribution of \$5,000.00 is to be made to the fund from the water race targeted rates.

Major Projects Fund—The funds to be used for projects that benefit the community as a whole as determined by the Council of the day.

Recreation and Reserve Account—Funds from Recreation Reserve levies as provided for in the District Plan. Funds to be used for the purchase of Esplanade Reserves and Strips as required under the Resource Management Act or for the purchase or development of new or existing recreation reserves.

Roading Contributions Fund—Monies from Roothing Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding the district's roading network.

Infrastructure Contributions Fund—Monies from Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding public water supplies, and the disposal of sewage and stormwater.

Waingawa Infrastructure Contributions Fund—Monies from Waingawa Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding water supply and the disposal of sewage for the Waingawa industrial area.

Longbush Domain, Belvedere Hall, and West Taratahi Hall—Monies held by the respective community organisations for activities in association with the community halls and property in their communities owned by the Council.

Waste Disposal Fund—Under the Waste Minimisation Act, a waste levy is charged on all waste disposed of in a landfill. Half the levy money goes to territorial authorities, on a population basis, so that they can improve waste minimisation in their areas.

Creative New Zealand Fund—Monies received from Creative New Zealand for the Council to distribute as grants for community arts.

Sport New Zealand Rural Travel Fund—Monies received from Sport New Zealand for the Council to distribute as travel subsidy grants to assist young people in rural school and club sports teams to participate in local sporting competitions.

Keep Carterton Beautiful Fund—Monies managed by the Keep Carterton Beautiful committee. funds to be used for beautifying the town centre.

Water Race Resource Consent Fund—Monies set aside each year to build funds for expenditure related to renewing resource consents for the district's water races.

Memorial Square Fund—Established under the Carterton and District Memorial Square Act 1932 to obtain land and erect a memorial (now Memorial Square) and for the ongoing maintenance and upkeep of the memorial and of the associated public park or recreation ground.

Election Contingency Fund—Monies set aside by Council in non-election years to assist with the costs of elections.

Workshop Depot Upgrade Fund—Monies set aside by Council for the upgrade of the garage workshop in the Council Operations Depot.

Equity (shares)

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

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

Property intended for sale

The Council will not purchase property solely for investment purposes. It may purchase property to assist in social, physical, and economic development of the community in ways that the Council considers the private sector would be unlikely to achieve without the

Council's intervention. Once these goals have been achieved, the properties will be disposed of.

The Council will review its portfolio of properties intended for sale every three years.

Forestry

The Council has a substantial investment in forestry due to the extensive planting of 243.8 ha from 1973 to 1983, assisted by forestry encouragement loans from the Ministry of Agriculture and Forestry ('MAF').

Harvesting began in the summer of 2003/04. Harvesting is continuing during times of favourable log prices. As trees are felled the forest is being re-planted.

Mix of investments and acquisition of new investments

The mix of Council's investments will be determined by the individual investment decisions made in furtherance of the Council's goals and objectives as set out in the LTP and Annual Plan. Investments are made to achieve a particular goal or objective.

Cash investments

Surplus funds are invested in a way that maintains the liquidity of the Council's investments so that cash is available when needed. New investments are acquired when surplus funds are available for investing. The Chief Executive has delegated authority to acquire these investments.

Disposition of revenue from investment and proceeds from sale

Revenue from special funds and reserves is retained in that fund, unless the Council approves otherwise in the Long Term Plan or Annual Plan.

Revenue from the sale of investment property is retained in the Council's Major Projects Fund. Revenue from the realisation of the forestry investment is retained in the Council's Major Projects Fund.

Revenue from sales is either reserved or off-set for further asset acquisition.

Managing and reporting to the Council on investments

The Chief Executive has delegated authority to invest funds within the criteria outlined in this investment policy. The Chief Executive is authorised to sub-delegate this authority to the Corporate Services Manager.

The monthly financial report to the Council is to provide a copy of the bank reconciliation and a list of investment accounts, amounts invested, and the banks in which those investments are held.

Given that the Council has only three small equity investments, disclosure in the Annual Report on these items is sufficient for reporting to the Council.

The disposal of properties can only proceed by resolution of the Council.

The Council's forestry consultants provide annual reports to the Council on the forest valuation and calculations of the anticipated cash flows from harvest.

Investment risk management

The Council's exposure to risk in relation to its investment activities is relatively minimal. The greatest risk exposure arises in relation to its cash investments and property investments.

In managing its investments, the Council always seeks to minimise its risk by investing only in institutions with a high degree of security and credit rating.

The Council will not generally invest surplus funds in equity investments due to the risks involved.

The Council has a statutory obligation to promote prudent, effective, and efficient financial management. In considering investments, the Council may consider the following:

- managing risk by having a diversified investment portfolio
- identifying all or any risks
- the estimated return on investment
- the term of the investment
- the marketability of the proposed investment during its term and on completion.

Liability management policy

Introduction

This policy has been prepared to fulfil the Council's obligations under Section 102(2)(b) and Section 104 of the Local Government Act 2002.

Legislative requirements

Section 104 of the Act sets out what is to be included in the Council's Policies with respect to the management of both borrowing and other liabilities and must include the following:

- interest and rate exposure
- liquidity
- credit exposure
- debt repayment
- specific borrowing limits
- the giving of securities.

General policy

The Carterton District Council will use term borrowing to fund capital expenditure providing assets where the benefits of such expenditure are received over terms greater than one financial year and the term of borrowing would be related to the expected economic life of the assets purchased.

Internal borrowing

The Council will fund its borrowing programme for both the purchase of new assets and the re-financing of existing term debt by way of internally borrowing if it is considered prudent to do so in any given circumstances. The rate of interest charged on internal borrowing is calculated to be the weighted average rate that the Council receives on its investment portfolio.

Interest rate exposure policy

Interest rate exposure refers to the impact that movements in interest rates has on the Council's debt servicing costs and cash flow.

Factors that influence interest rates for long and short term securities are beyond the control of the Council. It is prudent to be aware of where interest rate cycles are when making a decision as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing.

The Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

Liquidity management policy

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs.

The Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall.

Short-term liquidity management is monitored and controlled through daily cash management activities with long-term liquidity management being monitored and controlled through the annual plan and LTP.

As part of its overall liquidity policy, the Council seeks to avoid a concentration of debt maturity dates and may maintain an overdraft facility to meet cash requirements if required.

Credit exposure policy

The only credit exposure risk to the Council in relation to its borrowing activities is the risk that a counterpart to an incidental arrangement may default.

Any incidental arrangement involving a contract or arrangement for the hedging of financial risks is restricted to only those with credit worthy counterparts. Creditworthy counterparts are selected on the basis of their current rating with Standard & Poors, which must be A- or better.

Any incidental arrangements involving contracts or arrangements with underwriters, brokers or any other agents are considered to be low risk and therefore do not require Council approval.

Debt payment policy

The objective of the debt payment policy is to ensure that the Council is able to repay debt on maturity with minimum impact on Council cash flows.

The Council repays its debt from targeted rates, general funds, debt repayment reserves, or from any other source that the Council may resolve to use for debt repayment.

The Council may establish 'debt repayment reserves' for external loans, but will have the discretion whether to repay or reinvest those funds having regard to the comparative interest rates and other relevant market conditions.

Borrowing limits

The Council will limit its borrowing such that all three of the following conditions are met:

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

Security

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

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

Management of borrowing

The Council approves all proposed borrowing through the annual plan process and reports public debt levels in the annual report.

The Council's borrowing activities are managed through its finance function, which has the following responsibilities:

- provide appropriate finance, in terms of both maturity and interest rates and manage the Council's borrowing programme to ensure funds are readily available at the best margins and costs available to the market
- minimise adverse interest rate related increases on ratepayers' charges and maintain overall interest cost and revenues within budgeted parameters
- management the overall cash and liquidity position of the Council's operations
- provide timely and accurate reporting of treasury activity and performance.



Development contributions or financial contributions policy

Introduction

This policy is prepared under section 106 of the Local Government Act 2002 (The Act) and it outlines in which circumstances the Council intends to require development or financial contributions.

Legislative requirements

The Act requires the Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991.

Once adopted, this policy may be amended as a Long Term Plan (LTP) amendment.

Financial contributions provision in the Wairarapa Combined District Plan

The Council has adopted the Wairarapa Combined District Plan. Section 23 specifies in detail the provisions relating to financial contributions:

23. Financial Contributions

23.1 Introduction

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works and services and may include the provision of roads and services, the

protection of important historic or natural features, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents may include the cost of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewerage and stormwater.

This section deals with the requirements for financial contributions, with as a standard of a permitted activity, or a land use or subdivision consent.

Where a financial contribution is required as a condition of a permitted activity or resource consent, the purpose, circumstances in which a contribution may be required, and the amount of that contribution are stated. For some types of contributions, a maximum contribution is specified to ensure such contributions are equitable and not unreasonably onerous for some forms of development.

Contributions for land use development through the resource consent process will be sought in full, unless a previous contribution has been received in the subdivision of the site. Conversely, if a contribution was paid at the time of land use development, then no contribution may be required at the time of any subsequent subdivision consent in recognition of the previous contributions.

23.2 Reserves Contributions Standard

23.2.1 Circumstances when a general reserve contribution is required as a condition of a permitted activity or a resource consent.

(a) As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term Council Community Plan.



(c) As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of code of Code of Compliance Certificate for the building consent, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

23.2.2 Amount of Contribution Required as a Condition of a Permitted Activity or Resource Consent

(a) For subdivision, 3 percent of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision, or

(b) For land use development for residential purposes, 0.25 percent of the value of each additional residential unit (plus GST).

23.2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution

In determining whether to grant a remission or waiver of any reserves contribution, regard shall be had, but not limited to, the following criteria:

(a) The activity's impacts on the reserves network and the cost to the relevant Council to avoid, remedy or mitigate these impacts.

(b) Measures proposed by the developer to enhance an existing reserve or the open space of the locality.

(c) Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.

(d) Whether any site of natural and cultural heritage can and should be enhanced or protected.

23.2.4 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

If a reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as a reserve shall be established on the basis of a registered valuer's report. Registered valuer's reports shall be produced at the consent holders cost and be no older than three months at the time the contribution is paid.

23.2.5 Purpose

(a) To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.

(b) To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.

(c) To provide opportunities for public access to and along water bodies including the coast.

(d) To provide recreational opportunities near water bodies.

23.2.6 Contributions

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.3 Infrastructure Contributions Standard

23.3.1 Circumstances when an infrastructure contribution is required as a condition of a permitted activity or resource consent

- (a) As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes, provided that any infrastructure contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- (b) As a condition of subdivision resource consent for any new allotment, provided that an infrastructure contribution has not already been made under the relevant Council's Long Term Council Community Plan.
- (c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that an infrastructure contribution has not already been made at the time of subdivision creating that lot under the relevant Council's Long Term Council Community Plan.

23.3.1 Amount of Contribution as a condition of a permitted activity or a resource consent

- (a) The actual cost of water supply, wastewater or stormwater disposal systems to the development, and
- (b) The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building, and
- (c) The actual cost of connecting between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system, and
- (d) The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development, and
- (e) A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future

development. The share will be calculated on the proportion of the additional capacity required to service the development, and

- (f) A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development—the share will be calculated on the proportion of the additional capacity required by the development, and
- (g) For subdivisions, \$5000 (plus GST) per allotment that connects with public infrastructure and services, or
- (h) For land use development for residential, administrative, commercial and industrial purposes, \$5,000 (plus GST) per new unit for linking with public infrastructure and services, plus 0.5 percent of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or
- (i) For land use development for additions and alternations for administrative, commercial or industrial purposes that connects with public infrastructure and services 0.5 percent of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated value (excluding GST) of the building as stipulated on the building consent application.

23.3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution

In determining whether to grant a remission of any infrastructure contribution, regard shall be had, but not limited to, the following criteria:

- (a) Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.
- (b) The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.

(c) Measures proposed by the developer to upgrade any existing infrastructure.

(d) Whether any contribution has been previously made towards the establishment or upgrade of the infrastructure.

23.3.4 Form of Contribution

(a) The contribution may be required in the form of money or works or any combination thereof.

23.3.5 Purpose

(a) To provide a potable water supply.

(b) To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.

(c) To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.

(d) To ensure sufficient water is available for fire fighting purposes.

23.3.6 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.4 Roads, Access Parking and Loading Contributions Standard

23.4.1 Circumstances when a roads, access parking and loading contribution is required as a condition of a permitted activity or resource consent

(a) As a condition of a land use resource consent for any residential, commercial or industrial activity, provided that a roads, access parking and loading contributions has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of a subdivision resource consent for any new allotment, provided that a roads, access parking and loading contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a roads, access, parking and loading contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(d) AS a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

23.4.2 Amount of contribution for roads, access, parking and loading as a condition of a permitted activity or resource consent

(a) The actual cost of providing a road or access to the development, and

(b) The actual cost of all necessary roads and accesses within the development area for each allotment or building, and

(c) The actual cost of road or access crossings between allotments, or buildings in the development, and

(d) A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development, and



(e) A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of the additional capacity necessary to serve the development, and

(f) The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space, and

(g) For subdivision, 2 percent of the land value of each allotment to be created in the Residential, Commercial, Industrial Zones (plus GST), and 3 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision.

23.4.3 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

23.4.4 Purpose

(a) To provide for the safe and convenient movement on roads of motor vehicles, bicycles and pedestrians within and through the Wairarapa.

23.4.5 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

Remission of rates policy

Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

Legislative requirement

Section 109 Local Government Act 2002 requires the Council to adopt a Rates Remission Policy that includes:

- the objectives sought to be achieved by the remission of rates
- the conditions and criteria to be met in order for rates to be remitted.

Remission of penalty rates

Objectives

- To enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

Criteria and Conditions

The Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- Remission of penalty incurred on instalment one will be considered where the ratepayers pays the total amount due for the year on or before the penalty date of the second instalment.

- Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.
- Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criterion will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
- Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with the Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.
- Remission will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one instalment. Future instalments do not qualify under this criterion.

Conditions

- Application for remission of penalty rates must be in writing using the prescribed form.
- Penalty rates will not be considered for remission if the penalty rates were incurred more than twelve months before the date of application, whether or not the application otherwise meets the criteria.

Delegation

The Council delegates the authority to remit penalty rates to the Chief Executive and the Corporate Services Manager.

Remission of rates for land used by sporting, recreational and community organisations

Objectives

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of Carterton.
- To provide indirect financial assistance to community organisations.

- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

This policy will apply to land owned by the Council, or owned and occupied by a charitable organisation, that is used exclusively or principally for sporting, recreation or community purposes.

The Council will remit 50 percent of rates, with the exception of targeted rates, for organisations that qualify under this policy. Sporting organisations will qualify for 50 percent remission regardless of whether they hold a current license under the Sale of Liquor Act 1989.

The Council will remit 100 percent of all rates for Rural Halls, to be reviewed annually to ensure that the use still remains the same.

The policy does not apply to organisations that operate for pecuniary profit or that charge tuition fees.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

Applications for remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be back dated.

Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives

Delegation

The Council delegates the authority to remit 50 percent of rates for sporting, recreational and community organisations to the Chief Executive and the Corporate Services Manager.

Remission of rates on land protected for natural, historical, or cultural conservation purposes

Objective

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

- Ratepayers who own rating units that have some feature of cultural, natural or historic heritage that is voluntarily protected may qualify for remission of rates under this part of the policy.
- Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.
- Applications must be made in writing, Applications should be supported by documentary evidence of the protected status of the rating unit eg a copy of the covenant or other legal mechanism.
- In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
 - the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
 - the degree to which features of natural, cultural or historic heritage are present on the land
 - the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
 - the degree to which features of natural, cultural or historic heritage are present on the land.
- In granting remissions under this part of the policy, the Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
- The Council will decide what amount of rates will be remitted on a case by case basis.

Delegations

Applications for remission of rates on land protected for natural, historical, or cultural conservation purposes will be considered by the Council.



Remission of specified rates in certain circumstances

Objective

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple rating units in the first year.

Conditions and Criteria

This policy will apply to land that fulfils all three of the following criteria:

- subdivided into three lots or more
- where title has been issued
- is owned by the original developer who is holding the individual titles.

Remission will only apply for the first rating year that the individual titles have been separately rated after subdivision. To avoid doubt, remission under this policy will not be given to subdivisions that were given a block rating valuation for any rating year prior to 1 July 2003.

Remission will be limited to 100 percent of the following rates for each unsold lot except one:

- UAGC
- urban sewerage rate
- refuse collection and kerbside recycling rate
- urban water rate.

Delegation

The Council delegates the authority to remit rates on multiple rating units to the Chief Executive and the Corporate Services Manager.

Remission of rates for natural disasters

Objectives

- To provide relief to properties affected by natural disasters.

Conditions and criteria

- The Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.
- The level of remission will be the extent of funding provided by Central Government.

Postponement of rates policy

Introduction

This policy is prepared under Section 110 Local Government Act 2002.

Legislative requirements

The Local Government Act 2002 requires that the Postponement of Rates Policy must state:

- the objectives sought to be achieved by a postponement of the requirement to pay rates.
- the conditions and criteria to be met in order for the requirement to pay rates to be postponed.

Objective

To assist ratepayers experiencing extreme financial circumstances that affects their ability to pay rates.

Criteria and conditions

The Council will consider, on a case by case basis, all applications received that meet all the criteria and conditions listed below.

Criteria

- The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The ratepayers(s) must be the current owner of the rating unit and have owned or resided on the property or within the district for not less than five years.
- The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
- The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

Conditions

- Application must be in writing by the ratepayer(s) or by any authorised agent.
- The ratepayer(s) is required to disclose to the Council, all personal circumstances, including the following factors; age, physical or mental disability, injury, illness and family circumstances so that the Council can consider these factors to establish whether extreme financial hardship exists.
- Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.
- If the Council decides to postpone rates the ratepayer(s) must first enter into an agreement with the Council to make regular payments for future rates.
- The Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.
- Any postponed rates will be postponed until:
 - The death of the ratepayer(s), or
 - the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
 - the ratepayer(s) ceases to use the property as their residence, or
 - a date specified by the Council as determined by council in any particular case.
- Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- Postponed rates will be registered as a statutory land charge on the rating unit under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of the Council.

Delegation

The Council delegates the authority to approve applications for rate postponement to the Chief Executive and the Corporate Services Manager.

Remission and postponement of rates on Māori freehold land policy

Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission or postponement under this policy. Currently there are 38 rating units in the district that meet the definition of Māori freehold land, of which 16 are non-rateable.

Whether rates are remitted or postponed in any individual case will depend on the individual circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
- Meeting the requirement of Section 108 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.
- In determining the policy, the Council has considered the matters set out in Schedule 11 of the Act.

Objectives

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rāhui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

- Where only part of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate development or use of the land where the Council considers rates based on the rateable value make the use of the land uneconomic.

Conditions and criteria

Application for the remission or postponement should be made prior to commencement of the rating year.

Applications made after the commencement of the rating year may be accepted at the discretion of the Council. Owners or trustees making application should include the following information in their application:

- Details of the property.
- The objectives that will be achieved by providing the remission.
- Documentation that proves the land that is the subject of the application is Māori freehold land.

The Council may, of its own will, investigate and grant remissions or postponement of rates on any Māori freehold land in the district.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

The Council will give a remission or postponement of up to 100 percent of all rates, except targeted rates set for water supply or wastewater disposal, based on any of the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land.
- The land is better set aside for non-use (whenua rāhui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

Significance and engagement policy

(Pursuant to section 76AA of the Local Government Act 2002)

Purpose

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

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

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

Introduction

Councillors are elected to make decisions on behalf of their communities. Consultation with the community is one of a number of ways in which the Council interacts and engages with the people of Carterton to help it make informed decisions.

Effective community engagement builds trust in Council decision-making, while also increasing the Council's awareness of issues in the community, but over-consultation can exhaust the community's willingness to participate.

As well as the informal methods of consultation, some decisions require a more structured form of engagement, due to the significance that a matter has within the wider community, or for groups within the community.

The Council may choose not to consult on some projects when it believes it has enough information with which to make an informed decision. The Council may choose not to consult when it believes the matter is not significant enough. In these cases, the public will receive information about the project and the decision.

This policy does **not** apply to decision-making under the Resource Management Act 1991.

This policy is made up of two parts. The first part on significance explains how decisions on significance will be determined and what happens when something is highly significant or not.

The second part focuses on engagement and consultation. It sets out the principles of engagement the Council will use, minimum information requirements, and the special consultative procedure.

This Policy also lists the assets the Council considers to be strategic assets.

Part 1—Significance

Definition

Section 5 of the Local Government Act 2002 (the Act) defines **significance** as:

'in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) the current and future social, economic, environmental, or cultural wellbeing of the district or district:*
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so'.*

And it defines **significant** as:

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

Determining significance

Councils must make decisions about a wide range of matters and most will have a degree of significance, but not all will be considered to be 'significant'. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement and consultation, will be considered in the early stages of a proposal before decision-making occurs.

The following questions should be considered when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- Does it relate to a 'strategic asset', as defined by the Act or Schedule 1 of this policy, including the transfer of ownership or control, or the construction, replacement or abandonment?
- How many residents and ratepayers may be affected or interested?
- To what extent may residents and ratepayers be affected or interested?
- How much public interest is likely to be generated?
- To what extent is the current and future social, economic, environmental, and cultural well-being of the Carterton District likely to be affected?
- To what extent will it affect the capacity of the Council to perform its role and carry out its existing activities, now and in the future?
- To what extent are service levels of any significant activity likely to be affected?
- To what extent is the outcome(s) likely to affect the way in which any significant activity is carried out?
- To what extent is the outcome(s) likely to affect the capacity of the Council to provide any significant service or carry out any significant activity?
- Will a specific area be affected (eg geographic area, or area of a community by interest, age or activity)?
- Will council debt, rates on residents, or the financial figures in any one year or more of the Long Term Plan be substantially affected?
- Does it involve the sale of a substantial proportion of, or controlling interest in, the Council's shareholding in any council-controlled trading organisation or council-controlled organisation?
- Does it involve contracting out, or entry into any partnership with the private sector, to carry out a significant activity?
- Will an existing activity cease or a new group of activities be added?

Process

Decisions on significance will be made in accordance with this policy, the Council's Governance Statement, Standing Orders, and other policies including Delegations.

In practice, this means:

- Where any issue, policy, decision, or other matter meets one or more criterion and is deemed to have significance (low, moderate or high), the matter shall be reported to Council.
- Each report shall include a statement indicating that the issue, policy, decision, or other matter has been considered in regard to Significance and Engagement Policy. The report shall include an assessment of the degree of significance of the issue, policy, decision, or other matter, based on the criteria outlined in this Policy.
- The assessment should consider each criterion of significance and report on these, where applicable. The report should include a statement on the level of significance and reasoning behind the conclusion (eg why was it determined to have moderate significance) using the following table for guidance.

Matter/Issue	Determining the Level of Significance		
	Low Significance	Moderate	High
Relates to an asset that is a 'strategic asset'	Does not relate to strategic assets or does not substantially affect other Council assets	Involves sale of, or substantial impact on, part of a strategic asset, or other Council asset	Sale of a strategic asset, or activities that affect the performance of the strategic asset as a whole
Changes to levels of service	Minor loss of, or change to, service levels provided by the Council (or its contractors)	Moderate changes to the level of service provided by the Council.	Decision or proposal creates substantial change in the level of service provided by the Council
Likely level of community interest	Decision or consequence has little impact or is easily reversible	Minor or moderate level of community interest in a proposal or decision; or there is a moderate impact arising from changes; or one or more areas of the District are affected disproportionately to another; or duration of an effect may impact detrimentally on people or a community	A high level of community interest in a proposal or decision; likely to be, or is, controversial in the context of the impact or consequence of the change; involves a specific area affected (eg geographic area, or area of a community by interest, age or activity); or there are substantial impacts or consequences arising from the duration of the effect
Financial impact	No material effect on the Council's budget, debt, or residents' rates	Minor effect on rates, debt, or the financial figures in any one year or more of the Long Term Plan	Substantially affects debt, rates, or the financial figures in any one year or more of the Long Term Plan
Changes to Groups of Activities	Minor change to how Council manages groups of activities	Partial exit from a group of activities	Ceasing an existing activity or adding a new group of activities
Delivery arrangements	No substantive change to partnership arrangements for delivery of services, or consultant services	Contracting out or entering partnership with the private sector to carry out minor activities on behalf of the Council	Contracting out or entering partnership with the private sector to carry out a significant activity or a group of activities

- The assessment, and where appropriate the report, must also include consideration of the following requirements, matters, and procedures set out in the Act:
 - s77 Requirements in Relation to Decisions
 - s78 Community Views in Relation to Decisions
 - s79 Compliance with Procedures in Relation to Decisions
 - s80 Identification of Inconsistent Decisions
 - s81 Contributions to Decision-making Processes by Maori
 - s82 Principles of Consultation.
- The report should recommend appropriate methods and extent of consultation and engagement, proportionate to the level of significance.

Part 2—Engagement and consultation

The primary purpose of consulting with the community is to enable effective participation of individuals and communities in the decision-making of councils. This will enable elected representatives to make better-informed decisions on behalf of those they represent.

Matching engagement to significance

In any engagement process undertaken with the community, that engagement will be in proportion to the significance of the matter being considered and any statutory requirements. This is illustrated in the table below.

← LOW to MEDIUM to HIGH significance → <i>(one or more approach may be used)</i>				
The community is provided with objective information to assist in its understanding of problems, solutions, performance	Feedback is obtained from the community to assist in the formulation of options and decisions	The Council works directly with the public throughout the process, to ensure both public and private concerns are understood	The Council seeks direct advice from the community in formulating solutions, and this advice is incorporated in decisions to the maximum extent possible	The public is empowered to make the decision

← EXAMPLES OF ENGAGEMENT METHODS → <i>(additional activities, from left to right)</i>				
Reports, website update, media release, public notice, letter, <i>Snippets</i> , social media, customer services staff information training, or councillor or staff email networks	Notifications to those directly affected, information displays at Council and Library, and at targeted venue, public meeting, open days, focus groups, online consultation, public hearings, print and radio advertising	Discussion groups and workshops, road shows, residents' survey, community-led development, pre-engagement strategy to heighten awareness and create interest and participation, expert opinion on outcomes sought	Working groups, advisory boards	Local body elections

Engagement principles

When any engagement takes place, other than simply providing information, the Council will:

- ensure that elected members are a primary conduit for engagement with the community they represent
- ensure that the engagement has sufficient time and adequate resources to be effective
- seek to hear from everyone likely to be affected
- ask for views early in the decision-making process so that there is enough time for feedback, and for views to be considered properly
- consider different ways in which views can be presented
- listen to and consider views in an open and honest way
- respect everyone's point of view
- work in partnership with appropriate representative and special interest groups
- be sensitive to engagement becoming a burden
- ensure that the engagement process is efficient and cost-effective
- provide information about the outcome of the engagement and the reasons for any decisions.

Information Requirements

At a minimum, the Council will provide the following information when conducting consultation or engagement:

- what is being proposed
- why it is being proposed
- what the reasonably practicable options and consequences are for the proposal
- if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document
- if a plan or policy or similar document is proposed to be amended, details of the proposed changes
- what impacts may occur if the proposal goes ahead
- how submitters and participants can provide their views
- the timeframe for consultation and engagement
- how the decisions will be made and who will be making them
- how submitters and participants will be informed about the outcome.

Special consultative procedure

There are still situations where the Special Consultative Procedure (section 83 of the Act) must be used:

- adoption or amendment of a Long Term Plan
- making amending or revoking a by-law
- reviewing a strategic asset.

There are also statutes that require the special consultative procedure to be followed in specific situations, including:

- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012
- Reserves Act 1977
- Dog Control Act 1996
- Building Act 1991.

Review of the Policy

The Significance and Engagement Policy will be reviewed at least every three years.

Schedule 1—Strategic assets

Strategic asset is defined in the Local Government Act 2002 as an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- any asset or group of assets listed in accordance with section 76AA by the local authority
- any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy
- any equity securities held by the local authority in:
 - a port company within the meaning of the Port Companies Act 1988
 - an airport company within the meaning of the Airport Authorities Act 1966.

The Council has identified its strategic assets as:

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

Appendix B

Additional information

Community support—asset details

The Community support group of activities includes a range of amenities and facilities. More details of these assets are given below. Further information on the district's urban and rural parks and reserves, the Clareville Cemetery, the Outdoor Swimming Complex, and the Holiday Park can be obtained from the reserve management plans.

- Library collection comprises:

– books	29,120
– compact discs	10
– jigsaw puzzles	67
– DVDs	466
– talking books	36
- Carrington Park
 - area 5.82 ha
 - band rotunda
 - changing rooms complete with hot showers and men's and women's toilets
 - public toilets
 - outdoor tables and seating
 - small well and pump adjacent to the cricket wicket
 - cricket practice nets with a concrete base
 - 2 long jump pits and a discus/shot-put launching pad
 - 2 sealed carparks
 - play equipment
 - lighting
 - fitness trail
 - rubbish bins
 - drinking fountains.
- Howard Booth Park
 - area 8.81 ha (including Holiday Park)
 - public toilets (open during the soccer season)
 - play equipment
 - lighting
 - shed
 - rubbish bins
 - drinking fountains.
- Public toilets
 - Carrington Park and Memorial Square, and at the Events Centre, Holloway Street.
- Memorial Square
 - area 0.23 ha
 - Cenotaph
 - flag pole
 - colonnade and small stage
 - lighting
 - irrigation system and well
 - seating
 - rubbish bins.
- Millennium Park
 - area 0.09 ha
 - tiled daffodil water feature
 - street sign directory
 - seating
 - lighting
 - rubbish bins.
- South End Park
 - area 1.01 ha
 - play equipment on soft fall matting
 - BMX track
 - picnic table and seating
 - rubbish bins.
- Clareville Cemetery
 - total area 16.28 ha
 - currently used area is 4.12 ha
 - fenced off swamp land reserve area of 1.50 ha
 - remaining paddocks leased for grazing of 10.58 ha
 - chapel
 - caretaker's shed and workshop
 - unisex toilet
 - burial plots
 - ash interment plots
 - pet cemetery

- outdoor seating and tables
- pump.
- Outdoor Swimming Complex
 - area 0.35 ha
 - main pool: 34 x 20 metres, depth 1.00–2.06 metres, holds 1087 cubic metres of water
 - learners pool: 6.1 x 15.3 metres, depth 0.60 metres, holds 80 cubic metres of water
 - toddlers pool: 12.25 x 6.1 metres, depth 0.25 metres, holds 19 cubic metres of water
 - changing rooms/toilets
 - 2 slides
 - diving board
 - three shade structures
 - kiosk
 - pump shed
 - storage shed.
- Carterton Holiday Park
 - area of 8.81 ha (including Howard Booth Park)
 - 6 fully furnished, heated, carpeted ensuite cabins, sleeping up to 6 people each
 - 4 budget cabins
 - 24 powered camp sites and numerous non-powered tent sites
 - communal kitchen and dining room
 - laundry
 - toilets and shower facilities
 - dump station
 - BBQ shelter.
- Events Centre
 - located in Holloway Street
 - 300-seat auditorium
 - meeting rooms
 - Youth Centre
 - foyer/art gallery
 - library
 - information Centre
 - heat and serve kitchen.
- Halls
 - Exhibition Centre, Holloway Street
 - Belvedere Hall
 - West Taratahi Hall
 - Longbush Hall.
- Forestry
 - Kaipaitangata Forest: 250 ha in the foothills of the Tararua Ranges at the end of Dalefield Road
 - various small woodlots in Clifton Grove/Admiral Road area.

Schedule of fees and charges 2015/16

User fees and charges are used to recognise that there is a private benefit from the operation of the variety of services provided by the Council to the community. User fees revenue reduces the rates revenue required to be collected from ratepayers.

The following schedule of fees and charges are for the 2015/16 year.

2014/15 fees including GST		2015/16 fees including GST
	Health licences	
\$250.00	New food premises	\$265.00
\$200.00	Cafés, restaurants	\$210.00
\$200.00	Supermarket and food manufacturers	\$200.00
-	Minor food retailers (limited sale)	\$110.00
\$180.00	Mobile shops	\$180.00
\$200.00	Motels	\$200.00
\$220.00	Itinerant trader—annual registration including inspection	\$220.00
\$100.00	Hawkers licence	\$110.00
\$100.00	Transfer of registration	\$120.00
\$110.00	Hairdressers	\$120.00
\$110.00	Inspection on request	\$110.00
\$75.00	Re-inspection for failure to comply with requisition or FCP record	\$75.00
\$20.00 per week	Street stall licence	\$20.00 per week
\$130.00	Offensive trade, sale yards, camping grounds	\$130.00
\$60.00	Hall (inspection services)	\$60.00
	Noise control—recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
	Noise/health-related complaints under the RMA ⁴⁹ and Health Act 1956—recover all reasonable costs associated with investigating/resolving the matter	
\$100.00	Gambling venue applications	\$100.00
\$50.00	Beekeepers	\$50.00
\$175.00	Funeral directors	\$175.00
\$11.25	Amusement devices	\$12.00

2014/15 fees including GST		2015/16 fees including GST
new	Camping ground (annual charge)	\$180.00
	Resource Consent Fees (deposit only)	
\$500.00	Controlled activity (other than minor land use)	\$500.00
\$1,000.00	Discretionary activity	\$1,000.00
\$85.00 per hour	Additional processing time above 5 hours	\$85.00 per hour
\$1,700.00	Notified resource consents—deposit only (applicants are required to meet the full cost of processing applications inclusive of hearing costs)	\$1,700.00
\$150.00	Minor changes to consents (eg changes to conditions)	\$150.00
\$400.00	Application for land use of a minor nature (eg relocated dwelling, building setback dispensation)	\$400.00
\$500.00	Resource consents under section 127 RMA	\$500.00
\$300.00	Certificate of Compliance and any other certificates eg Section 226 RMA	\$300.00
\$300.00	Section 223 and 224 RMA certificates	\$300.00
\$1,000.00	Monitoring compliance with resource consents—cost, with maximum of	\$1,000.00
\$5,100.00	District Plan changes—deposit only (applicants are required to meet the full cost of processing applications)	\$5,100.00
\$85.00	Copy of District Plan	\$85.00
\$189.00	Land Information Memorandum	\$200.00
\$255.00	Land Information Memorandum—urgent service	\$300.00
actual cost	Other external reports, eg engineers, commissioners, solicitors, special advisors (indicative charges between \$150–300 per hour)	actual cost
\$5,750.00	Infrastructure Contribution	\$5,750.00
\$7,475.00	Infrastructure Contribution—Waingawa Industrial Zone	\$7,475.00
2% of land value + GST	Roading Contribution—Residential, Commercial, and Industrial Zones	2% of land value + GST
3% of land value + GST	Roading Contribution—Rural Zone	3% of land value + GST
3% of land value + GST	Reserve Contribution—Residential, Commercial, and Industrial Zones	3% of land value + GST
2% of land value + GST	Reserve Contribution—Rural Zone	2% of land value + GST
\$105.00 per hour	Rural effluent field assessment Labour in excess of 2 hours charged at \$26.25 per 15 minutes or part thereof	\$105.00 per hour
\$10.00	Monthly building consent lists	\$10.00

⁴⁹ Resource Management Act 1991

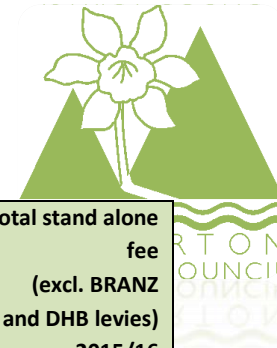
2014/15 fees including GST		2015/16 fees including GST
	Service fees	
Actual Cost	Water connection	Actual Cost
Actual Cost	Sewer connection	Actual Cost
\$51.00	Administration fee	\$51.00
Actual Cost	Combined sewer and water connection	Actual Cost
Actual Cost	Standard vehicle crossing	Actual Cost
\$57.50	Applications for water race draw off	\$57.50
Actual Cost	Clearing sewers (property owner boundary to main)	Actual Cost
Actual Cost	Damage to Road Reserve	Actual Cost
	Transfer station entry fees	
	General refuse	
\$17.00	Car boot	\$17.00
\$35.00	Small trailer or ute up to 1.8m x 1.2m x 0.4 high (sorted)	\$35.00
\$184.00	Any load after this weight (per tonne)	\$195.50
	Green waste	
\$5.00	Car boot	\$5.00
\$10.00	Small trailer or ute	\$10.00
\$20.00	Large trailer/medium truck less than 2 tonne	\$20.00
\$42.00	Large truck up to 6 tonne	\$42.00
	Any larger loads as charged by Council	
	Tyres	
\$510.00	Tyres (per tonne)	\$510.00
\$3.50 each	Car and 4WD tyres—up to 4 tyres on rims	\$3.50 each
\$5.50 each	Truck tyres—up to 4 tyres	\$5.50 each
\$510.00 per tonne	Tractor or earthmover tyres, more than 4 tyres/load (any type) or mixed load containing tyres	\$510.00 per tonne
	Dog registration fees (before 1 August)	
	From 1 August—50% of the fee will be added as penalty. For certified seeing-eye or hearing dogs, a fee of 50% of those stated below.	
\$84.00	Urban—entire dogs	\$84.00
\$59.00	Urban—spayed/neutered dogs	\$59.00
\$59.00 per dog	Rural—non-neutered and neutered dogs—first two dogs	\$59.00 per dog
\$31.00 per dog	Rural—non-neutered and neutered dogs—all remaining dogs	\$31.00 per dog
\$126.00	Dog classified as dangerous	\$126.00

2014/15 fees including GST		2015/16 fees including GST
	Impounding fees	
\$50.00	Dogs, sheep, goats	\$50.00
\$75.00	Cattle, deer, horses and all other animals	\$75.00
	Droving charge—calculated on actual cost including labour and plant hire	
\$8.00 per day	Sustenance fee—dogs	\$8.00 per day
\$10.00 per day	Sustenance fee—all other animals	\$10.00 per day
	Outdoor swimming complex	
Free	Entry fee adult/child—per person	Free
Free	School groups—per child per season (schools are responsible for lifeguard arrangements and associated costs)	Free
	Cemetery	
\$25.00	Headstone permit	\$25.00
	Plots	
\$1,000.00	• lawn	\$1,100.00
\$156.00	• child under 1 year old	\$160.00
\$312.00	• child over 1 year old and below 10 years old	\$320.00
\$208.00	• cremation	\$215.00
\$260.00	Extra depth charge	\$270.00
	Interment	
\$680.00	• lawn	\$700.00
\$156.00	• cremation	\$160.00
\$125.00	• child under 1 year old	\$130.00
\$312.00	• child over 1 year old and below 10 years old	\$320.00
\$612.00	• servicemen	\$615.00
\$792.00	Out-of-town burial fee	\$850.00
\$1,042.00	Saturday burials	\$1,100.00
\$1,305.00	Saturday burials—out of town	\$1,350.00
Actual Cost	Disinterment	Actual Cost
	No burials on Public Holidays	
	Private Burial Service	
\$51.00	Chapel	\$55.00
	Park Fees	
\$572.00	Association Football—per ground	\$572.00



2014/15 fees including GST		2015/16 fees including GST
\$884.00	Cricket Association	\$884.00
\$572.00	Athletic Club	\$572.00
	<i>Additional charges may be levied for additional services, including pitch preparation and repairs</i>	
	Housing for the Elderly—rentals per week (GST exempt)	
\$87.00	Porritt Place unit	\$94.00
\$90.00	Dudson Place single unit	\$97.00
\$100.00	Dudson Place double unit	\$107.00
\$120.00	Fisher Place unit	\$127.00
\$120.00	Wakelin Street single unit	\$127.00
\$132.00	Wakelin Street double unit	\$140.00
Note: The above housing rentals are a subsidised rental for those tenants on low incomes and with limited assets. Tenants who do not meet the criteria to qualify for a subsidised rental will be charged the market rate rental.		
	Community Notice Board	
Free	Use of the Community Notice Board—community groups	Free
\$5.00 per day	Use of the Community Notice Board—commercial and private	\$10.00 per day
	Holiday Park (per night)	
\$30.00	Tent site (2 persons)	\$30.00
\$15.00	• additional person	\$15.00
\$5.00	• additional children	\$5.00
	Cabins—peak season rates may apply	
\$40.00	• standard cabin (2 persons)	\$40.00
\$80–95.00	• self-contained cabin (2 persons)	\$80–95.00
\$15.00	• additional adult	\$15.00
\$5.00	• additional child	\$5.00
	Library	
	Rentals (per issue)	
\$0.50	• fiction books (including re-issues)	\$0.50
\$0.50	• magazines	\$0.50

2014/15 fees including GST		2015/16 fees including GST
\$2.00	• DVDs	\$2.00
	Fines	
\$0.50	• adult book—first week	\$0.50
\$1.00	• per week thereafter	\$1.00
\$0.20	• children's books—first week	\$0.20
\$0.70	• per week thereafter	\$0.70
\$0.50	Reserves	\$0.50
	Inter-loans	
\$5.00	• per book, article, or subject request (\$2.00 non-refundable in advance, \$3.00 on delivery)	\$5.00
	• charges from other libraries (at cost)	
\$2.00	Replacement cards	\$2.00
Replacement cost	Lost library book	Replacement cost
	Administration	
	Photocopying—per page	
\$1.00	• A3 black and white	\$1.00
\$0.50	• A4 black and white	\$0.50
	• double-sided black and white—add 10 cents per page	
\$0.10	• school homework	\$0.10
	• 20 or more copies—Librarian's discretion	
\$2.00	• A3 colour	\$2.00
\$1.00	• A4 colour	\$1.00
	• double-sided colour—add 30 cents per page	
	Laminating per page	
\$3.00	• A3	\$3.00
\$2.00	• A4	\$2.00
\$2.70	Rubbish bags	\$2.70
\$11.50	Replacement/additional recycling bins	\$11.50
\$15.00	Rating information schedule	\$15.00
\$55.00	Street index	\$55.00



Building consent and PIM fees (all fees include GST)

PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15	Classification	PIM only fee 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16
			Minor work			
\$43.25	\$112.00	\$268.00	Solid fuel heater	\$44.50	\$115.00	\$274.00
\$43.25	\$112.00	\$355.00	Minor plumbing and drainage work, eg fittings, drain alteration	\$44.50	\$115.00	\$363.00
\$43.25		\$908.00	Drainage work, eg new minor subdivision services, and common drains	\$44.50		\$929.00
\$43.25	\$320.00	\$770.00	Drainage work, eg new effluent disposal system	\$44.50	\$327.00	\$788.00
\$43.25	\$182.00	\$493.00	Wet area shower (vinyl floor)	\$44.50	\$186.00	\$504.00
\$43.25	\$216.25	\$675.00	Wet area shower (tile floor)	\$44.50	\$221.50	\$690.00
\$43.25		\$130.00	Private marquee >100 m ² —professional assembly only (no inspection)	\$44.50		\$133.00
\$43.25		\$130.00	Public marquee >100 m ² and <50 people—professional assembly (no inspection)	\$44.50		\$133.00
\$43.25		\$268.00	Public marquee >100 m ² and >50 people	\$44.50		\$274.00
\$43.25		\$268.00	Private marquee >100 m ² (with inspection)	\$44.50		\$274.00
			Sheds / garages / conservatories etc			
na		\$86.50	Swimming pool 1200mm above ground and pool fencing	na		\$89.00
\$43.25		\$355.00	In-ground swimming pools (includes fence)	\$44.50		\$363.00
\$43.25		\$536.00	Garden sheds/retaining walls/carports/conservatories/other minor works	\$44.50		\$549.00
\$86.50		\$623.00	Minor farm buildings (haysheds covered yards 1–6 bays, etc)	\$89.00		\$637.00
\$86.50		\$900.00	Larger farm buildings (covered yards, wool sheds)	\$89.00		\$920.00
\$86.50		\$623.00	Proprietary garages standard	\$89.00		\$637.00
\$86.50		\$761.00	Proprietary garages with fire wall	\$89.00		\$779.00
\$86.50		\$761.00	Proprietary garages including sleepout no plumbing or drainage	\$89.00		\$779.00
\$86.50	203.00	\$1,038.00	Plumbing and drainage	\$89.00	203.00	\$1,062.00
\$86.50		\$804.00	Garages, simple custom design, single level	\$89.00		\$823.00
\$43.25		\$536.00	Residential repile	\$44.50		\$549.00
\$43.25		\$199.00	Residential demolition	\$44.50		\$204.00
			Residential dwellings—new (note: double units charged at single unit rate + 50%)			
\$346.00		\$3,425.00	Single storey	\$354.00		\$3,425.00

PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15	Classification	PIM only fee 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16
\$519.00		\$3,495.00	Multi-storey	\$531.00		\$3,575.00
\$86.50		\$2,647.00	Transportable dwelling (yard built)	\$89.00		\$2,708.00
\$432.50		\$1,522.00	Relocated residential dwelling (if applicable, add alteration fee)	\$442.50		\$1,558.00
			Residential dwellings—additions and alterations			
\$43.25		\$355.00	Minor external alterations	\$44.50		\$363.00
\$43.25		\$536.00	Internal alterations	\$44.50		\$549.00
\$86.50		\$1,263.00	Addition to single storey	\$89.00		\$1,292.00
\$86.50		\$1,349.00	Addition to multi-storey	\$89.00		\$1,381.00
	\$203.00	\$1,038.00	Plumbing and drainage		\$208.00	\$1,062.00
			Commercial / industrial			
\$43.25		\$536.00	Commercial demolition	\$44.50		\$549.00
\$86.50		\$1,116.00	Single storey shop fitouts	\$89.00		\$1,142.00
\$86.50		\$1,393.00	Multi-storey shop fitouts	\$89.00		\$1,425.00
\$562.25		\$2,041.00 plus \$415.00 per unit	Single storey, multi-unit apartments/motels	\$575.50		\$2,088.00 plus \$425.00 per unit
\$778.50		\$2,387.00 plus \$692.00 per unit	Multi-storey, multi-unit apartments/motels	\$796.50		\$2,442.00 plus \$708.00 per unit
\$237.88		\$709.00	Minor commercial work eg signs/shop fronts/minor fitouts (no plumbing or drainage)	\$243.50		\$726.00
\$458.45		\$2,111.00	Commercial/industrial ≤\$50,000.00	\$469.00		\$2,159.00
\$631.45		\$2,941.00	Commercial/industrial \$50,000.01–\$100,000.00	\$646.00		\$3,009.00
\$804.45		\$3,771.00	Commercial/industrial \$100,000.01–\$150,000.00	\$823.00		\$3,859.00
\$977.45		\$4,602.00	Commercial/industrial \$150,000.01–\$250,000.00	\$1,000.00		\$4,708.00
\$1,150.45		\$5,432.00	Commercial/industrial \$250,000.01–\$350,000.00	\$1,177.00		\$5,558.00
\$1,323.45		\$6,263.00	Commercial/industrial \$350,000.01–\$500,000.00	\$1,354.00		\$6,407.00
\$1,323.45		\$6,816.00	Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,354.00		\$6,974.00
\$1,323.45		\$6,816.00 plus \$415 per \$100,000 or part thereof	Commercial/industrial/agricultural >\$1,000,000.00	\$1,354.00		\$6,974.00 plus \$423 per \$100,000 or part thereof
			Other charges			
		\$1.00 per \$1,000	BRANZ levy for work \$20,000 or more			\$1.00 per \$1,000
		\$2.01 per \$1,000	DBH levy for work \$20,000 or more			\$2.01 per \$1,000
		\$138.00	Unscheduled inspections			\$142.00

PIM only fee 2014/15	When included with other work (excl. BRANZ and DHB levies) 2014/15	Total stand alone fee (excl. BRANZ and DHB levies) 2014/15	Classification	PIM only fee 2015/16	When included with other work (excl. BRANZ and DHB levies) 2015/16	Total stand alone fee (excl. BRANZ and DHB levies) 2015/16
		cost plus 10 percent	Structural engineering or fire engineering assessment/peer review (the building consent fee does not include the cost of any structural or fire engineers assessments that may be required)			cost plus 10 percent
		\$173.00	Compliance schedule change			\$177.00
		\$173.00 per hour	Inspection hourly rate			\$177.00 per hour
		\$138.00	Re-inspection fee per inspection			\$142.00
		building consent fee plus \$73.00 per hour	Certificate of acceptance—building consent fee for the applicable building plus actual costs, payable on issue of certificate			building consent fee plus \$173.00 per hour
		\$173.00	Reassessment fee (amended plans)			\$177.00
		\$173.00 plus \$173.00 per hour after first half hour	Building warrant of fitness audit inspection fee			\$177.00 plus \$177.00 per hour after first half hour
		-	Certificate of title			\$20.00
			Vehicle crossing bonds will be assessed for each application where required			
		\$1,500.00	Street, crossing, footpath, and berm damage bond for buildings moved to/from site			\$1,500.00
		\$10.00 per file	Property search fee (includes download, scanning documents, email, or writing to disc)			\$10.00 per file

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

2014/15 charges	Category	Description	2015/16 charges
At cost	Connection fee	Payable on application for connection to discharge	At cost
At cost	Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
At cost	Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560	Trade waste application fee	Payable on an application for a trade waste discharge	Small business (1–5 staff) \$152 Medium business (6–15 staff) \$288 Large Business (16+ staff) \$560

2014/15 charges	Category	Description	2015/16 charges
\$85 per hour	Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority (WWA) where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85 per hour
Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa	Annual trade waste charges	An annual management fee for a trade waste discharge to cover the WWA's costs associated with for example: a. administration b. general compliance monitoring c. general inspection of trade waste premises d. use of the sewerage system This charge may vary depending on the trade waste sector or category of the discharger	Small Permitted \$190 pa Conditional \$390 pa Medium Permitted \$650 pa Conditional \$1,050 pa Large Permitted \$1,400 pa Conditional \$2,000 pa
Discretion of Council As calculated by Council	Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2). Section 150(4) of the LGA states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.	Discretion of Council As calculated by Council
As per charges outlined below	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
\$0.52/ m ³	B1 Volume	Payment based on the volume discharged	\$0.52/ m ³
\$0.60/kg	B3 Suspended Solids	Payment based on the mass of suspended solids \$/kg	\$0.60/kg
\$0.65/kg	B4 Organic Loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.80/kg
\$10.00/kg	B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.	\$10.00/kg
\$10.00/ kg	B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg.	\$15.00/ kg
\$120 per cubic metre or tonne (1000kg)	C1 Tankered Waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$62.00 per cubic metre

Events Centre charges and fees 2015/16 (all fees include GST)

	Meeting Room 1 (Large)	Meeting Room 2 (Small)	Auditorium	Dressing Room	Youth Centre	Library	Foyer	Interview Room (Plunket)
Charges/day unless otherwise specified	[per half day]	[per half day]	[per full day]		[per full day]	as arranged	[per half day]	[per half day]
Meetings 15 or fewer people	\$25.00 (\$10.00/hr)	\$25.00 (\$10.00/hr)		\$12.00			\$25.00 (\$10.00/hr)	\$25.00 (\$10.00/hr)

Charges/day unless otherwise specified	Meeting Room 1 (Large) [per half day]	Meeting Room 2 (Small) [per half day]	Auditorium [per full day]	Dressing Room	Youth Centre [per full day]	Library as arranged	Foyer [per half day]	Interview Room (Plunket) [per half day]
Meetings 16–30 people	\$45.00 (\$12.00/hr)	n/a					\$45.00	
Meetings over 30 people			\$100.00		\$100.00	\$100.00	\$75.00	
Meetings (commercial enterprise)	\$75.00	\$50.00				\$250.00	\$75.00	\$45.00
Performances ordinary rehearsals			\$30.00		n/a			
Performances ordinary rehearsals (half auditorium)			\$15.00		n/a			
Dress or lighting rehearsals			\$50.00	Free with auditorium				
Performances (community theatre or amateur performance)	\$12.00		\$150.00	Free with auditorium	\$100.00		\$50.00	
Performance (half auditorium)			\$75.00	Free with auditorium				
Performance (professional)	\$25.00		\$250.00	Free with auditorium	\$150.00			
Conferences	\$50.00	\$35.00	\$250.00		\$100.00		\$15.00	\$15.00
Displays (community service)						Free	Free	
Exhibitions (non-profit)			\$75.00		\$50.00		\$25.00	
Exhibitions (commercial)			\$150.00				\$50.00	
Commercial sales and auction events	\$75.00	\$50.00	\$250.00		\$200.00		\$100.00	
Social Events – bond	\$300.00							
Social events – deposit	\$350.00							
Kitchen use (per day)	\$12.00	\$12.00	\$12.00		\$12.00	\$12.00	\$12.00	\$12.00
Pack in/out fee	\$10.00	\$10.00	\$50.00		\$50.00		\$25.00	
Cougar Hire			\$12.00/hr		\$12.00/hr		\$12.00/hr	
Staff time for assistance with pack in, pack out, or setup	\$15.00/hr	\$15.00/hr	\$15.00/hr		\$15.00/hr		\$15.00/hr	
Staff time (security/lockup/unlock)	\$15.00/hr	\$15.00/hr	\$15.00/hr		\$15.00/hr		\$15.00/hr	
<i>Note: The Centre user is responsible for returning the rooms hired in a clean and tidy state. Additional charges may be levied for additional services, including access, security, cleaning, and repairs.</i>								

Appendix C

Infrastructure strategy 2015–2045