



CARTERTON DISTRICT COUNCIL

Annual Report for the year ended 30
June 2022

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Te Kaunihera-ā-Rohe o Taratahi

CARTERTON
DISTRICT COUNCIL

Directory

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Solicitors	<p> Keith McClure WCM Legal </p>
Bankers	<p> Sean O'Connor Bank of New Zealand </p>

Contents

	Page
Mayor and councillors	4
Senior executives	4
Hurunui-o-Rangi Marae representatives	4
Introduction from the Mayor	5
Chief Executive's report	6
Opportunities for Māori to contribute	7
Statement of compliance and responsibility	8
Audit New Zealand report	9
Statement of service performance	11
Groups of activities	
Governance	13
Community support	18
Regulatory and planning	23
Transportation	27
Wastewater	32
Stormwater drainage	36
Waste management	39
Water supply	43
Financial statements	
Statement of Financial Performance	49
Statement of Other Comprehensive Revenue and Expense	49
Statement of Changes in Equity	50
Statement of Financial Position	50
Statement of Cashflows	51
Whole of Council Funding Impact Statement	51
Funding Impact Statement – Administration	52
Notes to the Financial Statements	53
Other legislative disclosures	76
Financial prudence disclosure statement	80

Mayor and councillors:

As at 30 June 2022

His Worship the Mayor	Mayor Greg Lang	
Deputy Mayor	Cr Rebecca Vergunst	
Councillors	Cr Robyn Cherry-Campbell	Cr Jill Greathead
	Cr Steve Cretney	Cr Russell Keys
	Cr Brian Deller	Cr Dale Williams

As at the time of adoption of Annual Report:

His Worship the Mayor	Mayor Hon. Ron Mark	
Deputy Mayor	Cr Dale Williams	
Councillors	Cr Grace Ayling	Cr Steve Gallon
	Cr Robyn Cherry-Campbell	Cr Steve Laurence
	Cr Steve Cretney	Cr Lou Newman
	Cr Brian Deller	

Senior executives:

Chief Executive	Geoff Hamilton
Infrastructure Services Manager	Johannes Ferreira
Community Services Manager	Glenda Seville
Corporate Services Manager	Kelly Vatselias
People and Wellbeing Manager	Geri Brooking
Planning & Regulatory Services Manager	Solitaire Robertson

Hurunui-o-Rangi Marae representatives:

Manawhenua Representatives on Council	Jareth Fox
Manawhenua Representatives on Committees	Marty Sebire Rāwiri Smith

Introduction from the Mayor

Kia ora, nau mai, haere mai ki tēnei putanga o te pūrongo ā-tau.

Hello and welcome to this edition of the Annual Report.

It is an honour and a privilege to be re-elected to lead Carterton Council and I am humbled to be able to present this Annual Report for the year ended 30 June 2022.

It would be fair to say that looking back over FY21/22 that it was impacted on and influenced by activities that overlapped from FY20/21.

The farewell of our previous CE in May 21, the appointment of an interim CE between May 21 and August 21 and finally the appointment of our current CEO Geoff Hamilton, brought challenges and change. Changes which were also reflected amongst the Executive Leadership Team as new senior managers were appointed.

All of this at a time when council was required to review and consult on its Long Term Plan and from that, produce a FY22/23 budget. For an incoming CE having to quickly come to terms with the legacy issues left by previous management, offer solutions to Council and implement the necessary plan changes was not an insignificant task. If that wasn't enough, the new CE had to swiftly get to grips with the plethora of challenges confronting Council from central government in order to advise Council as to the implications going forward and how Council might respond. Then there was the small issue of the Oct 22 Local Body Elections to look forward to and prepare for.

What is clear is that with the changing of the guard there has been a distinct difference in the way in which Carterton District Council has been managed and its performance and our new CEO Geoff Hamilton should be acknowledged for that. The issues that were inherited and which have subsequently arisen have been numerous. Be it the Dog Pound, the Waste Water Reservoir Project or the Clock Tower all have been exercises in lessons learned and I feel confident that internally Carterton District Council at all levels is a much stronger organisation.

Local Government is always challenging and the pressure from Central Government can make that more difficult. But the massive changes wrought upon us in 21/22 now threaten the very existence of small rural councils such as ours. The challenges seem endless and at times it feels like we are being forced to drink from a fire hose of consultation on hefty matters such as the Local Government Review, Three Waters Reforms, the proposed RMA changes, all of which massively increased workloads on staff at the same time as we are dealing with climate change, inflation and the ongoing and escalating problems and costs within the supply chain.

The impact of these heavy workstreams for local government across New Zealand should not be underestimated for they consume huge amounts of valuable staff time and if not carefully managed can distract from and adversely affect Council's ability to deliver on its core business of building, maintaining and operating quality infrastructure and delivering essential services in a timely and efficient manner.

Tena koutou, tena koutou, tena koutou katoa,



Maj (rtd) HW Hon Ron Mark, OSRE (Oman), DSAP (MFO)
Mayor



Chief Executive's report

Tēnā koutou

I have now been with Council for a year, and what a year it has been. I am proud of how hard the staff have continued to work in an environment of increasing work levels, whether it be service requests for our parks and operations staff, putting on amazing events at the Carterton Events Centre, or providing the information required by the Government for the Three Waters Reforms. The content of our Annual Report is a great reflection of our staff's dedication, hard work and commitment to high quality outcomes for our communities.



This year we have made great progress in many areas, including our key capital projects. The upgrade of the Frederick Street Water Treatment plant has progressed well, with the majority of the physical works now complete. This will be a game changer for delivery of water to our urban water network users. Once completed, we anticipate this will give sufficient capacity to provide for future growth and improve resilience of water supply. The water storage tanks will provide the town with up to 4 million litres of potable water storage, providing further resilience to our water supply network.

The 2021/22 year was earmarked to begin the construction of a new dog impound facility, however increasing construction costs and inflation drove up the cost estimates to deliver this project. As a consequence, we put this on hold while we explored other options. Instead of continuing a build project in Carterton, we have made an agreement in principle to use the other Wairarapa councils' facilities on a 'per night' basis. It is anticipated CDC will not have ownership in either facility; will not determine the level of service; nor contribute towards the capital build costs.

Work on this agreement will continue next year, with one of the two facilities expected to be available mid-2023.

We also made significant progress in our Wastewater Reservoir upgrade project, which was not without its challenges. Council took possession from the contractor in September 2021 after repeated delays and the discovery of extensive damage to the reservoir linings. An independent engineer's report was commissioned to determine the best way to repair the damaged liners. Following this, remedial repairs began in March, and in June 2022 we partially filled Reservoir 1 with ground water to settle the liner fabric and undertake testing on the repairs. We anticipate all three reservoirs will be repaired, tested and available for service by June 2023. Once this is complete, we will be able to determine the liability of the Phase two contractor, and pursue recoveries through our construction contract, and if necessary, the courts.

Finally, I would like to acknowledge and thank all our staff, Elected Members, Mana Whenua and Community Advisory Groups for the commitment they have shown to Carterton and the Council during the past year. I am proud to be part of such an outstanding team here in the centre of the beautiful Wairarapa.

Ngā manaakitanga / Kind regards

A handwritten signature in blue ink that reads "Geoff Hamilton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Geoff Hamilton
Chief Executive

Opportunities for Māori to contribute

The Carterton District Council recognises the Declaration of Independence of New Zealand (1835) as the founding document of Aotearoa. Council further recognises the Treaty of Waitangi (1840) as creating an enduring partnership between Māori and the Crown.

Through legislation, the Council is devolved powers from the Crown for the whole community. Relevant legislation includes, amongst others, the Resource Management Act, the Local Government Act, the Heritage New Zealand Pouhere Taonga Act, and the Reserves Act.

The mana whenua status of Hurunui-o-Rangi Marae with Carterton District Council has been acknowledged since 2010 by the Council. The Council acknowledges Hurunui-o-Rangi Marae as a mana whenua entity within its district and values the role of the Marae and associated hapū and whānau in the social and cultural fabric of our community.

The Marae and the Council wish to build on their relationship for the good of our communities, through respectful engagement, and taking note of our respective aspirations and capacity. It is through this evolving partnership 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. To this end, Hurunui-o-Rangi Marae is represented at meetings of the Council, the Policy and Projects Committee, the Audit and Risk Committee and Council's advisory groups and workshops. Members have full voting rights, except on the Council which is not allowed under the Local Government Act.

The Council also acknowledges there are other hapū in the district such as Ngāti Kahukuraawhitia, and Council will continue to develop meaningful relationships with these entities as the opportunity arises.

The Council recognises the importance of its own governance and operational capability to work alongside mana whenua to build capacity and opportunities for Māori.

We have also been working with Hurunui-o-Rangi, and other iwi, hapū, and Māori entities (such as the Post Settlement Governance Entities - PSGEs) on other activities during the last year including:

- leadership of Council's civic ceremonies including Citizenship Ceremonies, Charles Rooking Carter Civic Awards, and pōwhiri for the new Chief Executive
- attendance of councillors and senior managers at Marae Trustee meetings
- Marae submissions to the planning processes
- regular presentations by the Marae at Council and Committee meetings
- community development activities such as the development of the mara whaiora at the community garden
- a hui with respective leaders of hapū and PSGEs
- support of Hurunui-o-Rangi papakāinga and marae development plans
- Hapū representatives on Council Advisory Groups
- Submission of remit for changes to the Māori electoral role requirements
- Council funding support to Māori entities and groups.

Statement of compliance and responsibility

Compliance

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

Responsibility

2. The Council and management of the Carterton District Council accept responsibility for the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them.
3. The Council and management of the Carterton District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance report.
4. In the opinion of the Council and management of the Carterton District Council, the annual Financial Statements for the year ended 30 June 2022 fairly reflect the financial position and operations of Carterton District Council.



Hon. Ron Mark
Mayor
21 December 2022



Geoff Hamilton
Chief Executive
21 December 2022

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Carterton District Council's annual report for the year ended 30 June 2022

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

We are also required to report on:

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

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

We completed our work on 21 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 49 to 51 and pages 53 to 75:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the funding impact statement on page 51, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statements of service performance on pages 11 to 47:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 17, 22, 26, 31, 35, 38, 42, 47 and 52 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 17, 22, 26, 31, 35, 38, 42, 47 and 52, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 80 to 84, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 20 on page 74, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statements of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 84, but does not include the audited information and the disclosure requirements.

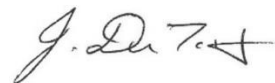
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the District Council.



Jacques Du Toit
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Service Performance

Community wellbeing outcomes

'Community outcomes' are the aspirations that a local authority aims to achieve for the social, economic, environmental, and cultural wellbeing of its district or region, in the present and for the future. The Community Outcomes support the Council's vision for Carterton of "a welcoming and vibrant community where we all enjoy living" as expressed in the Ten-Year Plan,



The following community outcomes relate to **social** well-being:

- A strong and effective council providing trusted leadership.
- A caring community that is safe, healthy, and connected.
- An empowered community that participates in Council and community-based decision making.
- Awesome public facilities, spaces, and parks.

The following community outcomes relate to **environmental** well-being:

- Safe and resilient water supply, wastewater, and stormwater systems.
- Healthy, sustainable waterways.
- An environmentally responsible community committed to reducing our carbon footprint and adapting to the impacts of climate change.
- A resilient community capable of responding and recovering from environmental shocks.

The following community outcomes relate to **economic** well-being:

- Quality fit for purpose infrastructure and services that are cost-effective and meet future needs.
- A vibrant and prosperous business and primary sector investing in, and supported by, the community.
- A community that is productively engaged in employment, education, and community service.

The following community outcomes relate to **cultural** well-being:

- Te Āo Māori/Māori aspirations and partnerships are valued and supported.
- A community that embraces and encourages our cultural diversity and heritage.
- A community that fosters and promotes our quirkiness and creativity.

Each group of activities carried out by the Council contributes in some way to one or more of the community outcomes:

Group of activities	Community outcomes			
	Social Wellbeing	Environmental Wellbeing	Economic Wellbeing	Cultural Wellbeing
Governance	✓	✓	✓	✓
Community Support	✓	✓	✓	✓
Regulatory and Planning	✓	✓	✓	✓
Transportation	✓	✓	✓	
Wastewater	✓	✓	✓	
Stormwater Drainage		✓	✓	
Waste Management	✓	✓	✓	
Water supply	✓	✓	✓	

Groups of activities

Governance

This group of activities...

includes the following services and programmes:

- Administering Council and committees and other democratic processes e.g., Local Body Elections.
- Public communication, consultation, and information.
- Effective leadership and decision-making.
- Future planning and development.
- Advocacy.

...contributes to the community outcomes

A strong and effective council providing trusted leadership.

An empowered community that participates in Council and community-based decision making.

Te Āo Māori/Māori aspirations and partnerships are valued and supported.

Council meets its legal requirements and commitment to community outcomes and well-beings by:

- conducting Council business in an open, transparent, and democratically accountable manner.
- through democratic decision-making at a local level.
- by partnering with mana whenua.
- by managing the Council's expenditure prudently.
- by reporting progress against outcomes.
- by encouraging participation within the district.
- by managing risks well.

- by providing strong advocacy for Carterton district within local government, and to central government and other agencies.
- by identifying needs in the community and gaps in services and outcomes.
- through shared services.

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

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

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

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

When making decisions, the Council must:

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

The Council must also:

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

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

Examples of Council activities that contributed to achieving outcomes

- Regular meetings of the Council, its committees and working groups were held to address governance and strategic policy issues. The conduct of these meetings observed standing orders and reflected best practice.
- Engaged with the community in a range of ways: informal consultation events, service groups, business forums and individually.
- Undertook the residents' satisfaction survey that is conducted annually.
- Participation at the Wellington Region Mayoral Forum and Wairarapa fora.
- Attendance at the Zone 4 Local Government New Zealand meetings.

- Councillors' membership on a number of outside committees and groups.
- Mayoral leadership through the Mayor's Town Centre Taskforce.
- Training in Tangata Tiriti and Te Reo.
- Preparation for the 2022 Local Body Election.

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

There were no significant asset acquisitions or replacements for governance activities during the year, or significant variations from the 2021/22 year of the 10-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Open and transparent conduct of Council business	Agenda is available on website 3 working days before each scheduled Council or Committee meeting	90%	100%	Achieved. Agendas for scheduled meetings of Council and Committees were available at least three working days before the meeting for 100% of the scheduled meetings. All were available in terms of statutory requirements. [2021: Achieved – 100%]
Representation of residents by elected members	Residents' satisfaction ¹ with the Council's overall governance and reputation	≥65% Rate 7-10	42%	Not achieved. In the Council's survey undertaken in 2022 42% of residents surveyed ² scored the overall governance and reputation of the Council 7-10 ³ . [2021: Not achieved 48%]
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	On time and unmodified	On time and unmodified	Achieved. The Annual Report was adopted on 21 December 2022 within revised statutory deadline of 31 December 2022 with no modifications. [2021: Achieved. Adopted by revised statutory deadline with an unmodified opinion.]
	Net cash flow from operations: actual-planned variance from budgeted	≤10%	10%	Not achieved. Actual result was a positive 19% variance from budgeted. [2021: Not achieved. Actual result was a positive 348.5% variance from budgeted]

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

² Annual Residents Survey, Mairton Research, April 2022

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

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Māori Engagement	Council engagement plans include specific actions for engagement with Māori	100%	100%	<p>Achieved. Council have engaged with Māori on the following activities during the 2021/2022 year: Annual Plan, Five Towns Trails network development, Wastewater Treatment Plant Upgrade, Community Garden development, Walking & Cycling Festival, Te Wiki O Te Reo Māori, Local Body Elections, Resource Management and Consenting, Chief Executive Employment, Māori Wards, Māori Electoral Roll, Hurunui-o-Rangi Marae papakāinga and marae development, and a Hapū and Post Settlement Governance Entities Leaders Hui.</p> <p>Discussions were held during the year with the Chairs of two local iwi, Kahungunu ki Wairarapa and Rangitane O Wairarapa, and discussed whether Council's partnership engagement should be iwi level, or hapu level. Both Chair's indicated Council should engage at hapu level, and as such Council's engagement has focused on Ngāti Kahukuraawhitia and Hurunui-o-Rangi.</p> <p>[2021: 100%]</p>
Partnerships with mana whenua	Compliance with provisions of Memoranda of Understanding in place with mana whenua	100%	N/A	<p>The MOU with Hurunui-o-Rangi Marae has yet to be formally renewed however Council outcomes achieved include:</p> <ul style="list-style-type: none"> • representation at Council meetings • representation and voting rights at Committee and Advisory Group meetings • funding support for marae maintenance and representative attendance • support with papakāinga and marae development • support for Marae Trust and Committee meetings • exploration of other avenues for the Marae to engage • realisation of the Marae's values, priorities and aspirations where possible • invitation for stewardship and advice on tikanga and kawa for formal events and activities. <p>The following are yet to be achieved pending the MOU being agreed:</p> <ul style="list-style-type: none"> • Establishment of a Māori Forum • Support of the development of a Strategic Plan • Identification of taonga for protection • Development of a joint Māori Engagement Plan • Accountability process. <p>There is currently no MOU in place with Ngāti Kahukuraawhitia, however Council has worked with the hapū on the Wastewater Treatment Plant Upgrade, and future land development opportunities. Council will continue to engage and develop meaningful relationships as the opportunity arises.</p> <p>[2021: Not measured, as new measure in 2021-31 10-Year Plan]</p>

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Risk Management	Appropriate risk management systems are in place	Yes	Yes	Achieved. Risk management plans are in place with regular reporting to the Audit & Risk Committee. [2021: Yes – in place]
Responsive to customers	Across all activities service requests are acknowledged within 1 working day	95%	56%	Not achieved. There was varying performance across all activities with 56% of service requests being acknowledged within 24 hours. We are working on our system and processes to ensure we improve our performance against this measure. [2021: Not measured, as new measure in 2021-31 10-Year Plan]

Councillor meeting attendance records for the year ended 30 June 2022

Councillor	Total Council meetings attended	Total Committee meetings attended
Mayor Greg Lang	9 of 9	18 of 19
Cr Rebecca Vergunst	8 of 9	8 of 9
Cr Robyn Cherry-Campbell	9 of 9	12 of 12
Cr Steve Cretney	9 of 9	11 of 11
Cr Brian Deller	9 of 9	15 of 15
Cr Jill Greathead	9 of 9	8 of 9
Cr Russell Keys	6 of 9	2 of 11
Cr Rob Stockley (<i>resigned 16 December 2021</i>)	5 of 5	6 of 6
Cr Dale Williams	9 of 9	15 of 15

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Governance

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	733	911	904
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	5	13
Total operating funding	734	916	917
Applications of operating funding			
Payments to staff and suppliers	605	588	724
Finance costs	-	-	3
Internal charges & overheads	72	217	186
Other operating funding applications	-	-	-
Total applications of operating funding	677	805	913
Surplus/(deficit) of operating funding	57	110	4
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	374
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	374
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve level of service	-	-	-
• to replace existing assets	-	-	-
Increase / (decrease) in other reserves	57	110	(22)
Increase / (decrease) of investments	-	-	400
Total applications of capital funding	57	110	378
Surplus/(deficit) of Capital Funding	(57)	(110)	(4)
Funding balance	-	-	-

Community Support

This group of activities...

includes Community Development, Economic Development, Emergency Management, Parks and Reserves, and Community Amenities.

Community development

- providing information, advice, and advocacy services to a wide range of people and community groups.
- providing grants to initiatives that support health, cultural and community development initiatives that help achieve Council's strategic objectives.
- supporting projects that encourage people to develop skills and increase employment opportunities.
- supporting volunteer networks by providing volunteering opportunities.

Economic development

- supporting the local economy to recover from economic shock caused by the COVID-19 pandemic.
- supporting the Wairarapa Youth 2 work movement which aims to have all young people in the Wairarapa in either employment, Education or Training.
- Council will also continue to provide a wide range of other services and activities that contribute towards economic development. These include:
 - o plans for town centre redevelopment.
 - o ensuring the town centre is attractive and appealing to visitors and potential investors.
 - o providing sufficient suitably zoned land is available for development.
 - o providing good quality infrastructure and services.

Emergency management

While the Wellington Region Emergency Management Office (WREMO) either delivers or facilitates many of the CDEM outcomes, the councils remain responsible for:

- providing suitable Emergency Operations Centres (EOC)—an EOC for the whole of Wairarapa is located at Masterton District Council offices.
- maintaining the EOC and associated equipment to an acceptable operational standard.
- providing the local communications network within their territory, including VHF radio and where appropriate satellite communications.
- providing staff for an Incident Management Team.
- providing a panel of Local Controllers.
- co-ordinating the delivery of welfare within the community, including staff to operate the Community Emergency Hub situated in the Carterton Events Centre.
- providing an Emergency Assist Centre as directed by the EOC during an emergency.
- re-establishing life-lines of essential services such as water, sewerage, and roading.

Parks and reserves

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

Community amenities

Community Amenities include the Carterton Events Centre, Carterton Public Library, Cemetery, Outdoor Swimming Pool, Public Toilets and Holiday Park. Together these facilities provide a range of services and opportunities for social interaction that benefit the whole community in different ways.

...contributes to the community outcomes

A strong and effective council providing trusted leadership.

A caring community that is safe, healthy, and connected.

An empowered community that participates in Council and community-based decision making.

Awesome public facilities, spaces, and parks.

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.

The Events Centre ensures community organisations and user's needs are met, while balancing commercial use and the extra income it provides.

The continued focus for Wairarapa Library Service in 2021/22 has been ensuring a consistent and modern library service across all four branches.

Under the New Zealand Libraries' Partnership Programme administered by the Department of Internal Affairs – National Library of New Zealand, the Libraries were fortunate to receive funding for six full time equivalent (FTE) positions until 30th June 2022. The positions' salaries, setup costs and programme delivery costs are fully covered

by the Covid-recovery funding. The positions are ensuring adequate staff coverage to operate the libraries as well as the opportunity to develop and deliver a range of modern library services previously unable to be provided.

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

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

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

Examples of Council activities that contributed to achieving outcomes

- Distribution of grants to around 40 community organisations that benefit Carterton residents.
- Continued our partnership provision of funding to Hurunui-o-Rangi Marae Partnership, Rangatahi ki Rangatira, Destination Wairarapa, Enviro-schools, Youth to Work Wairarapa (REAP).
- Annual scholarships to Universal College of Learning (UCOL) and Outward Bound.
- Supported the Wairarapa Community Networks to facilitate community network meetings which encourage information sharing and collaboration to ensure comprehensive delivery of social and community services within Carterton.
- Participated in the Youth to Work Wairarapa and Mayor's Taskforce for Jobs partnerships with 50 work placements between July 2021 and June 2022.
- Delivered free school holiday programmes for Carterton children.

- Continued to support the community garden in collaboration with Wairarapa Herb Society, R2R and Ka Pai Carterton.
- Supported the Carterton Ka Pai committee to develop a community led plan for Carrington Park.
- Continued implementation of the combined councils Positive Ageing Strategy.
- Continued support of the Waiwaste volunteer food rescue initiative.
- Supported development of a Carterton Housing Action Plan.
- Distributed funding to support local arts projects and supported place making projects.
- Provided civic ceremony funds to commemorate significant events and welcome new citizens.
- Provided a free venue for the delivery of social services.
- Provided community training for emergency preparedness.
- Enhanced neighbourhood connections through the provision of Neighbourhood Support.
- Provided affordable staging/lighting options for community events.
- Managed the Carterton Community Courthouse allowing more affordable meeting spaces for community groups.
- Supported fundraising events including Rotary Book fair, Big Wai Art Sale, Bride of the Year, Talent Wairarapa Holdsworth Restoration Trust Mountain Film Festival, Big Bike Film night, Rotary quiz night, Pack the Bus Christmas Collection.
- Continued to focus on providing a professional and seamless experience for Events Centre hirers and patrons.
- Attracted more quality events, partially due to restrictions on overseas travel.
- Implemented a modern library management system enabling easier and improved discoverability of library collections by people and more back-house efficiency in operation.
- Joined the SMART collaboration of libraries enabling people to use their WLS library card to access collections at Masterton, Kapiti, Porirua, Lower Hutt, WelTec and Whitireia Polytechnics.
- Delivered regular workshops on coding, robotics, job-seeking, oral history, writing, digital skills, and reading literacy.
- Active partnerships to facilitate regular sessions with Age Concern, Digital Seniors, and JPs.

- Review of entire Wairarapa Library Service (WLS) collection, refresh and boost to key areas such as Large Print, Māori, Non Fiction, Graphic Novels and picture books.
- Regular professional development of library staff.
- Continuing consolidation and improved business processes for fundamental library operations.
- Pole Shed built at Clareville Cemetery.
- Development of Nga Tawhai reserve.
- 3x solar lighting installed at Carrington Park and 1 at Howard Booth Park.
- Completed the Clock Tower reserve.
- 30 Kowhai trees planted in Rexwood Street.
- Utilised the steam machine throughout the year as a non-chemical weed control method.
- Installed new Exercise Equipment at Carrington Park.
- Feist Street Reserve limestone path & seats.
- Planted 3 areas in grasses & natives around Bike Park, including around oaks to barricade tree roots.
- 3 new BBQ tables installed at Carrington park.
- 2x Seats installed at Clareville Cemetery.
- Native specimen tress planted Nga Tawhai Reserve.
- Northern entrance daffodil sign upgrade.
- Victoria\Pembroke Street pathway bank planted in natives and mulch.
- Keep Carterton Beautiful Group (KCBG) continued to assist weeding and upkeep of reserves, painting assets and general maintenance.
- Membership and funding support to the Wellington Region Emergency Management Group and to the Wairarapa Coordinated Emergency Management Group.
- Active training for roles in the Emergency Operation Centre.
- Resilience work across all three Councils under the WELA umbrella.

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

There were no significant asset acquisitions or replacements, or significant variations from the 2021/22 year of the 10-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
A range of amenities of a standard satisfactory to residents	Residents satisfaction with the swimming pool	≥75% rate 7-10	78%	Achieved. In the survey undertaken in 2022, 78% of those respondents who had visited the pools in the last twelve months ⁴ , rated their satisfaction in the range of 7–10 ⁵ . [2021: Achieved 81%]
	Residents satisfaction with public toilets	≥75% rate 7-10	65%	Not achieved. In the survey undertaken in 2022, 65% of those respondents who had visited public toilets in the last twelve months ⁶ , rated their satisfaction in the range of 7–10 ⁷ . [2021: Not achieved 70%]
	Residents satisfaction with services provided at the Library	≥75% rate 7-10	91%	Achieved. In the survey undertaken in 2022, 91% of those respondents who had visited the library in the last twelve months ⁸ , rated their satisfaction in the range of 7–10 ⁹ . [2021: Achieved 93%]
High quality sports fields, parks, and reserves	Residents satisfaction with the provision of open space, amenities and gardens	≥75% rate 7-10	79%	Achieved. In the survey undertaken in 2022, 79% of those respondents who had visited a council-maintained park or reserve in the last twelve months ¹⁰ , rated their satisfaction in the range of 7–10 ¹¹ . [2021: Achieved 87%]
Events Centre usage	Events Centre hirers' satisfaction with service and experience	≥85% rate 7-10	100%	Achieved. In the survey of Events Centre hirers conducted during 2021/2022, 100% of event promoters and 100% of community organisations who responded to this question rated their satisfaction in the range of 7–10. The survey evolved over the year July 2021 to June 2022 and this satisfaction question was included from March 2022. [2021: Not measured, as new measure in 2021-31 10-Year Plan]

⁴ Annual Residents Survey, Muirton Research, April 2022

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

⁶ Annual Residents Survey, Muirton Research, April 2022

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

⁸ Annual Residents Survey, Muirton Research, April 2022

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

¹⁰ Annual Residents Survey, Muirton Research, April 2022

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

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Community Support

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	4,439	4,363	4,333
Targeted rates	-	-	-
Subsidies and grants for operating purposes	420	328	24
Fees and charges	173	149	67
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	376	439	211
Total operating funding	5,407	5,279	4,635
Applications of operating funding			
Payments to staff and suppliers	1,976	1,876	1,961
Finance costs	19	12	37
Internal charges & overheads	1,799	1,922	1,788
Other operating funding applications	506	480	266
Total applications of operating funding	4,299	4,290	4,052
Surplus/(deficit) of operating funding	1,108	989	583
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	395	517	191
Increase / (decrease) in debt	(130)	224	(219)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	265	741	(28)
Applications of capital funding			
Capital expenditure			
• to meet additional demand	334	20	75
• to improve level of service	-	-	-
• to replace existing assets	315	596	672
Increase / (decrease) in other reserves	724	1,114	(193)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	1,373	1,730	555
Surplus/(deficit) of Capital Funding	(1,108)	(989)	(583)
Funding balance	-	-	-

Regulatory and planning

This group of activities...

includes the following services:

- Administration of the responsibilities imposed on the Council under the Resource Management Act 1991, the primary focus being the management of the effects of activities on the environment according to the rules set out in the District Plan.
- Oversight of the building control functions of both the Territorial Authority's (TA) and Building Consent Authority's (BCA) regulatory responsibilities within the Council. Both BCA and TA requirements are set out under the Building Act 2004 with specific requirements for the BCA in the Building (Accreditation of Building Consent Authorities) Regulations 2006.
- Maintenance and development of the Council's Geographic Information System (GIS), which provides a cadastral mapping database that graphically depicts property and road boundaries, and holds valuable data about each property in the district, e.g. location of sewer and water connections, fault lines, and resource consents.
- Environmental health including administration of the Food Act 2014, noise control, trade waste, and potable water monitoring.
- Licensing the sale and supply of alcohol under the Sale and Supply of Liquor Act 2012.
- Civil defence and emergency management.
- Animal management.

...contributes to the community outcomes

An environmentally responsible community committed to reducing our carbon footprint and adapting to the impacts of climate change.

Quality fit for purpose infrastructure and services that are cost effective and meet future needs.

A vibrant and prosperous business and primary sector that investing in and supported by the community.

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

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

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

The District Plan balances environmental safeguards and protection for natural assets in conjunction with the rights of property owners wishing to undertake property development.

Community infrastructure needs are included in the District Plan guidelines for new development.

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

- Local Government Act 2002, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, e.g. the making of bylaws.
- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation.

- Building Act 2004 and regulations, which sets out the roles and responsibilities of the BCA, TA, owner, builder designer, and product manufacturer.
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health.
- Sale and Supply of Alcohol Act 2012, which requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district.
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency.
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety.
- Bylaws Act 1910 is an enabling act that allows Council to undertake, monitor or restrict a number of actions.

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

Examples of Council activities that contributed to achieving outcomes

- Membership of the regional BCA group and Simpli alignment of Councils.
- Ongoing accreditation following audit of the BCA by International Accreditation New Zealand.
- Resource management and planning including consent processing.
- In combination with South Wairarapa District Council and Masterton District Council, progress in the review of the Wairarapa Combined District Plan.
- Building consent processing.
- Regular inspection and support to all food and alcohol outlets.

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

There were no significant asset acquisitions or replacements. One significant variation from the 2021/22 year of the 10-Year Plan relates to the animal pound. The animal pound had been carried forward to be built in 2021/22, however this project has again been carried forward to 2022/23. Further work is currently being completed to determine whether CDC can make arrangements with the other councils in the Wairarapa which may mean the new animal pound is not required. This will be determined in the 2022/23 year.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Timely processing of applications	LIMs ¹² processed within 10 working days	100%	99%	Not achieved. 107 of 108 LIMs processed were completed within the 10-day statutory timeframe. Average process time was 7 days. [2021: Achieved. 178 LIMs processed, all within 10-day statutory timeframe; average processing time 6 days]
	Non-notified and notified resource consents processed within statutory timeframes	100%	97%	Not achieved. 74 of 76 resource consents were processed and completed within statutory timeframes. [2021: Not achieved, 95%. 58 resource consents, 55 within statutory timeframes]
	PIMs and building consents processed within statutory timeframes	100%	82%	Not achieved. 394 building consents and PIMs were processed during the year. 322 were processed within the statutory time frame (82%). The average processing time was 15 days. Most of the year the team ran at an 80% staffing level, due to vacancies and sickness, which impacted timeliness. This was notified to IANZ (International Accreditation New Zealand) in advance, who have monitored, and are pleased with, Council's progress. Prior to year-end all building team vacancies had been filled. [2021: Not achieved. 386 Building consents and PIMs, 93% (358) within statutory timeframes]
Safe and healthy food premises	Known food premises in the district have food control measures in place	100%	100%	Achieved. 60 food premises/organisations have been monitored, ensuring current licensing and registration under health legislation. 22 licences were updated over the period where they fell due and the other 48 becoming due during the period 2022 to 2024. 44 organisations are on annual renewal while 16 organisations renew their licensing under the national programme every two years. [2021: Achieved 100%]
Licensed liquor outlets	Known liquor outlets ¹³ in the district have appropriate licences and certificates	100%	100%	Achieved. 5 on licences, 8 off-licences, 5 club licenses 1 temporary authority and 43 manager certificates were either renewed or issued during the year covering 49 organisations/premises involved in the sale of liquor. These outlets included 16 special licence events. [2021: Achieved 100%]

¹² Land Information Memorandums

¹³ This includes the venue for an event

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Regulatory and Planning

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	519	196	195
Targeted rates	221	166	165
Subsidies and grants for operating purposes	-	-	-
Fees and charges	997	1,142	1,004
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	139	402	1
Total operating funding	1,876	1,906	1,366
Applications of operating funding			
Payments to staff and suppliers	1,441	1,654	811
Finance costs	-	24	8
Internal charges & overheads	424	520	458
Other operating funding applications	-	-	-
Total applications of operating funding	1,864	2,198	1,277
Surplus/(deficit) of operating funding	12	(292)	89
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	710	1,026
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	710	1,026
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve level of service	50	210	1,080
• to replace existing assets	8	12	20
Increase / (decrease) in other reserves	(45)	197	15
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	12	418	1,115
Surplus/(deficit) of Capital Funding	(12)	292	(89)
Funding balance	-	-	-

Transportation

This group of activities...

Includes the management and operation of a safe and efficient road corridor. The road corridor includes roads, footpaths, bridges, retaining structures, culverts, stormwater channels, road signs, streetlights and vegetation. The road corridor provides safe access to all road users within the Carterton district. The Council also contributes funding for the Wairarapa Road Safety Council.

...contributes to the community outcomes

Quality fit-for-purpose infrastructure and services that are cost effective and meet future needs.

A caring community that is safe, healthy, and connected.

The roading network benefits road users in the district 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 public roads in the district except State Highway 2.

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

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

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

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

The district roading network is managed under the Ruamāhanga Roads Asset Management Plan 2020 that sets out the targets for asset condition, performance, and levels of service.

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

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

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

Examples of Council activities that contributed to achieving outcomes

- The partnership of 'Ruamāhanga roads' between South Wairarapa District Council, Carterton District Council and Fulton Hogan continues.
- Completion of the approved maintenance programme for the financial year, being the first year in the 2022/24 three-year programme.
- Resurfaced 76,233 m² of the road network.
- Rehabilitated 9,000 m² of road pavement.
- Increased the width of Hughes Line as part of the Low Cost, Low Risk programme.
- Responded to emergency weather event in February 2022.

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

Nearly all of the roading work was 'normal operations' work undertaken as per the maintenance programme of works. Emergency work from weather incidents was the only exception.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network ¹⁴	Fatal: decrease or ≤1 increase, Serious injury: decrease or ≤3 increase	0 fatal 1 serious injury crash	Achieved. During 2021/22 there were no fatal crashes and one serious injury crash. There were moderate and minor injuries crashes reported which are outside the measures. [2021: Achieved. There were no fatal crashes and four serious injury crashes]

¹⁴ Source: NZTA's Crash Analysis System

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	95%	Achieved. Of the 240 requests to the contractors, 229 or 95% were responded to within the contract response time. [2021: Not achieved 82%]
	Average quality of ride on the sealed local road network, measured by smooth travel exposure	≥90%	98%	Achieved. The percentage of travel (Vehicle Kilometres Travelled) on smooth roads of the sealed local road network is measured every 2 years (surveyed in late 2022 and the next due in 2023/24). It is not expected to deteriorate significantly over the period. [2021: Achieved 98%]
	Percentage of sealed road network that is resurfaced	≥5%	6.6%	Achieved. 20.7km (6.6%) of the 311.4 km of sealed roads were resurfaced. [2021: Not achieved 10.3km or 3.5%.]
	Percentage of footpaths compliant with condition standards	≥95%	92.3%	Not achieved. A condition rating survey was undertaken in July 2022 with results identifying 92.3% of footpaths scored a condition grading of 1-3 (good condition). [2021: Achieved. 99.1% of footpaths scored a condition grading of 1-3 (good condition)]
	Residents' satisfaction with the district's roads	≥55% rate 7-10	51%	Not achieved. In the survey undertaken in 2022, 47% of the respondents rated their satisfaction with the district's rural roads in the range of 7–10, and 56% of the respondents rated their satisfaction with the district's urban roads in the range of 7–10. Overall average of 51%. [2021: Not achieved 40%. Note that in 2021 satisfaction for roads, cycleways and footpaths and walkways was one measure]
	Residents' satisfaction with the district's cycleways	≥55% rate 7-10	35%	Not achieved. In the survey undertaken in 2022, 35% of the respondents ¹⁵ rated their satisfaction with the district's cycleways in the range of 7–10 ¹⁶ [2021: Not achieved 40%. Note that in 2021 satisfaction for roads, cycleways and footpaths and walkways was one measure]
	Residents' satisfaction with the district's footpaths and walkways	≥55% rate 7-10	46%	Not achieved. In the survey undertaken in 2022, 42% of the respondents ¹⁷ rated their satisfaction with the district's footpaths in the range of 7–10 ¹⁸ and 51% rated their satisfaction with the district's walkways in the range 7–10. Overall average of 46%. [2021: Not achieved 40%. Note that in 2021 satisfaction for roads, cycleways and footpaths and walkways was one measure]
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95%	82%	Not achieved. Of the 11 regulatory signs repaired or replaced, 9 were repaired or replaced within the time frame and the remaining 2 were outside the response time. A regulatory sign directs driver behaviour on roads. [2021: Not achieved. A response rate of 46%.]

¹⁵ Annual Residents Survey, Muirton Research, April 2022

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

¹⁷ Annual Residents Survey, Muirton Research, April 2022

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

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	≥70%	97%	Achieved. Of the 33 non-regulatory sign faults advised, 32 were repaired within the 21 days. The remaining 1 was not repaired within the timeframe. Non-regulatory signs include directional, street and other location/advisory signs. [2021: Not achieved. 61%]
	Road signs and markings found missing or not visible	≤5%	2%	Achieved. Of the 3,011 road signs or markings within the district, 64 road signs or markings were found to be missing or not visible or bad condition in the network inspections/condition assessment. [2021: Achieved 3.2%]
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	≥80%	82%	Achieved. Of 28 fault reports and public complaints related to street lighting, 23 were responded to within 2 working days. Not all were acknowledged within the time frame of two days due to either resource scheduling (involving the contractors) or time necessary to assess the reported fault. [2021: Achieved 80%]
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	≥70%	93%	Achieved. Of 215 service requests, 201 responded to within 10 days. Those not responded to within the time frame of ten days due to either resource scheduling (involving the contractors) or time necessary to assess the reported fault. All fault reports and public complaints are recorded as service requests. [2021: Achieved. A response rate of 80%]

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Transport

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	2,148	2,554	2,544
Targeted rates	-	-	-
Subsidies and grants for operating purposes	919	1,213	861
Fees and charges	18	13	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	88	78	134
Total operating funding	3,173	3,859	3,539
Applications of operating funding			
Payments to staff and suppliers	1,993	2,236	2,071
Finance costs	29	20	13
Internal charges & overheads	321	319	356
Other operating funding applications	-	-	-
Total applications of operating funding	2,344	2,575	2,440
Surplus/(deficit) of operating funding	829	1,284	1,099
Sources of capital funding			
Subsidies and grants for capital expenditure	918	970	1,498
Development and financial contributions	436	444	191
Increase / (decrease) in debt	(102)	(123)	208
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,252	1,291	1,898
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	52
• to improve level of service	-	-	295
• to replace existing assets	1,732	1,942	2,827
Increase / (decrease) in other reserves	348	633	(177)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	2,081	2,575	2,997
Surplus/(deficit) of Capital Funding	(829)	(1,284)	(1,099)
Funding balance	-	-	-

Wastewater

This group of activities...

includes Wastewater. Services provided include 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

Safe and resilient water supply, wastewater, and stormwater systems'

Healthy and sustained waterways

The urban reticulated wastewater 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 wastewater reticulation supports a vigorous residential and commercial community. Reticulation and sewage treatment infrastructure capable of meeting resource consent requirements minimises adverse impact on the environment.

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

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide wastewater and sanitary services and maintain its capacity to do so.
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works, the definition of which includes 'sanitary services'.
- Resource Management Act that sets out the principles under which the disposal of wastewater may take place.

The urban reticulated wastewater network is managed under the Wastewater Asset Management Plan 2021, which sets out the targets for asset condition, performance, and levels of service.

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

The level of service for the wastewater 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 wastewater infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements.

Examples of Council activities that contributed to achieving outcomes

- Reporting to Greater Wellington Regional Council (GWRC) on resource consent conditions.
- The continued upgrade and renewal of the sewer reticulation network.
- Provision of reticulated wastewater services to the Waingawa Industrial Zone by agreement with Masterton District Council.
- Ongoing progress on the Wastewater Treatment Plant upgrade – the construction of three new storage reservoirs and associated works.

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

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

Work on sewer mains renewal or upgrade throughout the network continues.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
System and adequacy	Number of dry weather wastewater overflows per 1,000 connections	≤5	1.88	Achieved. There were five dry weather wastewater overflows during the year, calculated per 1,000 connections, this is 1.88. A dry weather wastewater overflow is an event that occurs after a period of 24 hours in which period rainfall accumulated during that period is less than 1mm. [2021: Achieved, 3 dry weather overflows, calculated as 1.13 per 1,000 connections]
Management of environmental impacts (compliance with consents)	Number of abatement notices	≤1	0	Achieved. No abatement notices were issued by GWRC. [2021: Achieved, none]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2021: Achieved, none]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2021: Achieved, none]
	Number of convictions	0	0	Achieved. No prosecution actions against the Council were taken by GWRC. [2021: Achieved, none]
Response to wastewater system faults	Median attendance time	≤1 hour	0.35 hours	Achieved. There were 35 incidents recorded as service requests with a median time for attendance of 21 minutes. 30 were attended within 1 hour of being reported. [2021: Achieved, median time of 0.55 hours]
	Median resolution time	≤4 hours	23.43 hours	Not achieved. The median time to resolve an incident from when first reported was 23 hours 26 minutes. 35 incidents occurred: 14 took less than 4 hours to resolve, 5 between 4 hours and 1 day to resolve; 6 took 1- 2 days to be resolved and 10 more than 2 days. [2021: Achieved. The median was 2.28 hours]

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤20	13	Achieved. The 35 complaints received relating to sewage and sewerage was effectively a rate of 13.18 per 1000 connections. [2021: Achieved. A rate of 10 per 1000 connections]
	Residents satisfaction with the town's wastewater system	≥75% rate 7-10	59%	Not achieved. In the survey undertaken in 2022, 59% of those respondents who had used the town's sewerage system in the last twelve months ¹⁹ , rated their satisfaction in the range of 7–10 ²⁰ [2021: Achieved. 75%]

¹⁹ Annual Residents Survey, Muirton Research, April 2022

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

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Wastewater

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	225	255	254
Targeted rates	2,080	2,295	2,284
Subsidies and grants for operating purposes	-	-	-
Fees and charges	355	558	450
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	47	-	12
Total operating funding	2,707	3,108	3,000
Applications of operating funding			
Payments to staff and suppliers	867	1,004	907
Finance costs	132	124	128
Internal charges & overheads	885	914	772
Other operating funding applications	-	-	-
Total applications of operating funding	1,884	2,042	1,806
Surplus/(deficit) of operating funding	822	1,066	1,193
Sources of capital funding			
Subsidies and grants for capital expenditure	17	478	-
Development and financial contributions	80	105	96
Increase / (decrease) in debt	(417)	5,316	8,660
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	256
Other dedicated capital funding	-	-	-
Total sources of capital funding	(321)	5,899	9,012
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve level of service	3,361	2,493	1,770
• to replace existing assets	303	1,869	1,360
Increase / (decrease) in other reserves	(3,162)	2,603	7,076
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	502	6,965	10,206
Surplus/(deficit) of Capital Funding	(822)	(1,066)	(1,193)
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

Safe and resilient water supply, wastewater, and stormwater systems

Healthy and sustained waterways

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

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

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

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

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

Examples of Council activities that contributed to achieving outcomes

- Continued maintenance of the urban stormwater systems.

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

There were no significant asset acquisitions or replacements, or significant variations from the 2021/22 year of the 10-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
System and adequacy	Number of flooding events	≤1	None	No flooding events recorded. A flooding event is where a residential or commercial floor-space is flooded. [2021: Achieved, none]
	For each flooding event, the number of habitable floors affected, per 1000 properties connected	≤1	None	There were no flooding events. [2021: Achieved, none]
Management of environmental impacts	Number of abatement notices	0	0	Achieved. No abatement notices were issued by GWRC. [2021: Achieved, none]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2021: Achieved, none]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2021: Achieved, none]
	Number of convictions	0	0	Achieved. No prosecution action taken against the Council by GWRC. [2021: Achieved, none]
Response to stormwater system issues	The median response time to attend a flooding event	≤3 hours	None	Achieved. There were no flooding events in 2021/22. 18 blockages or overflows (i.e., service faults) were reported and resolved. Blockages or overflows occur within the stormwater/drainage system consequently to adverse weather events. Such incidents are upgraded to a flooding event where those blockages or overflows impact upon residential or commercial buildings. [2021: Achieved, none]
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤10	7	Achieved. The 18 complaints received relating to stormwater was effectively a rate of 6.53 per 1000 connections. Most service requests report a blockage or minor flooding. A blockage that keeps happening through lack of capacity or maintenance is considered an issue for complaint. [2021: Achieved. The rate is 2 per 1000 properties]
	Residents satisfaction with the town's stormwater system	≥60% rate 7-10	44%	Not achieved. In the survey undertaken in 2022, 44% of those respondents who had used the town's stormwater system in the last twelve months ²¹ rated their satisfaction in the range of 7–10 ²² [2021: Not achieved. 53%]

²¹ Annual Residents Survey, Muirton Research, April 2022

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

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Stormwater

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	26	30	29
Targeted rates	235	265	264
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	-	3
Total operating funding	261	295	297
Applications of operating funding			
Payments to staff and suppliers	70	108	80
Finance costs	-	-	-
Internal charges & overheads	69	95	94
Other operating funding applications	-	-	-
Total applications of operating funding	139	203	173
Surplus/(deficit) of operating funding	122	92	123
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	37	41	19
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	37	41	19
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve level of service	-	-	-
• to replace existing assets	-	-	364
Increase / (decrease) in other reserves	158	133	(221)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	158	133	142
Surplus/(deficit) of Capital Funding	(122)	(92)	(123)
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

An environmentally responsible community committed to reducing our carbon footprint and adapting to the impacts of climate change

A caring community that is safe, healthy, and connected

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

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

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

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

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

- encourage efficient and effective waste management services.

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

The Council provides a weekly kerbside residual waste and recycling collection service and transfer station facilities at Dalefield Road. The Transfer Station provides for green waste disposal, steel and general recycling facilities as well as residual waste disposal.

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

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

Examples of Council activities that contributed to achieving outcomes

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

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

- Represented Wairarapa at Waste Forum meetings held quarterly, hosting one of those at Carterton.
- Collaboration of promotion of the Sort Waste website across the 8 Wellington region councils.
- Implemented the Zero Waste Education programme.
- Appointed a Zero Waste Educator.

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

There were no significant asset acquisitions or replacements, or significant variations from the 2021/22 year of the 10-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Refuse and recycling services of a satisfactory standard	Resident's satisfaction with waste disposal services	≥75% Rate 7-10	69%	Not achieved. In the survey undertaken in 2022, 81% of the respondents ²³ rated their satisfaction with the kerbside rubbish in the range of 7–10 ²⁴ and 80% rated their satisfaction with the kerbside recycling collection in the range of 7–10. Overall, 69% of respondents rated their satisfaction with all waste management services in the range of 7–10. [2021: Not achieved 70% overall, with refuse collection 84% and kerbside recycling 74%]
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	One non-compliant	Not achieved. Groundwater sampling adjacent to the Landfill has shown to exceed some consent conditions. The source of this contamination may not be totally related to the landfill activity given the past use of approximately 1.5ha of unlined area of the landfill site for irrigation of wastewater until 2013 and adjoining agricultural and horticultural activities. [2021: Not achieved. One non-compliant]

²³ Annual Residents Survey, Muirton Research, April 2022

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

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Waste Management

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	513	488	315
Targeted rates	305	300	470
Subsidies and grants for operating purposes	-	-	-
Fees and charges	313	359	296
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	69	65	78
Total operating funding	1,200	1,212	1,159
Applications of operating funding			
Payments to staff and suppliers	782	838	921
Finance costs	-	3	-
Internal charges & overheads	141	128	130
Other operating funding applications	5	12	60
Total applications of operating funding	928	981	1,111
Surplus/(deficit) of operating funding	272	231	48
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			
• to meet additional demand	-	-	-
• to improve level of service	-	-	-
• to replace existing assets	69	29	21
Increase / (decrease) in other reserves	203	202	27
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	272	231	48
Surplus/(deficit) of Capital Funding	(272)	(231)	(48)
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

Safe and resilient water supply, wastewater and stormwater systems.

Quality fit for purpose infrastructure and services that are cost effective and meet future needs.

Economic development prospects are enhanced by an affordable and reliable water supply.

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

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

A public water supply system provides water suitable for drinking for the general well-being and health of its community. A high-quality water supply is fundamental to

community health. Water that complies with Drinking Water Standards provides the community with assurance it is safe and healthy to drink.

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

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

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

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

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

The urban reticulated water network is managed under the Water Asset Management Plan 2021, 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 are supplied by the Masterton District Council.

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

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

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

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

The level of service determines the amount of funding that is required to maintain, renew, and upgrade the urban water infrastructure to provide customers with the level of service provided. Changes in the level of service will impact on funding requirements. The rural water service is under the oversight of the Water Race Committee, which is made up of councillors and community members elected by water race users. The Committee determine policy, sets targets for maintenance, and monitors the proactive cleaning programme.

Examples of Council activities that contributed to achieving outcomes

- Universal electronic water metering of the urban reticulated water supply has assisted in identification of leaks on private property pipes and subsequent repair.
- Provision of water for stock farming, industrial, horticulture, and viticulture businesses through the water race network.
- Provision of reticulated water services to the Waingawa Industrial Zone by agreement with Masterton District Council.
- Continued monitoring and upgrading of the potable water supply network.

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

- Upgrades to the Frederick Street treatment plant have continued. The DIA grant funding has allowed for some of this work to be brought forward from the planned timeframe. The upgrades have improved several areas, including increasing the ability of the plant to take, and process water, improving the efficiency of the plant, increasing automation (e.g., ability to monitor and respond to demand).

There were no other significant asset acquisitions or replacements, or significant variations from the 2021/22 year of the 10-Year Plan.

Levels of service and performance measures

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Safety of drinking water	Compliance with part 4 of DW Standards (bacteriological requirements)	Full compliance	Non-compliance	Not Achieved. Kaipaitangata Treatment Plant – non-compliant: <ul style="list-style-type: none"> Issues arising from a delay in certification of Ultraviolet (UV) treatment equipment. Frederick Street Treatment Plant – non-compliant: <ul style="list-style-type: none"> Due to upgrades being completed at the plant over 2021 and 2022, there were times when systems were required to be offline which resulted in missing data for certain periods. Missing data means that full compliance cannot be demonstrated. Once upgrades on the plant have been completed (expected to be completed 2023), the issue with incomplete data is expected to be resolved. [2021: Not achieved]
	Compliance with part 5 of DW Standards (protozoal requirements)	Full compliance	Non-compliance	Not Achieved. Kaipaitangata Treatment Plant – non-compliant: <ul style="list-style-type: none"> Issues arising from a delay in certification of Ultraviolet (UV) treatment equipment. Frederick Street Treatment Plant – non-compliant: <ul style="list-style-type: none"> Due to upgrades being completed at the plant over 2021 and 2022, there were times when systems were required to be offline which resulted in missing data for certain periods. Missing data means that full compliance cannot be demonstrated. Once upgrades on the plant have been completed (expected to be completed 2023), the issue with incomplete data is expected to be resolved. [2021: Not achieved]
Maintenance of the reticulation network	Real water loss from networked reticulation system	≤45%	25%	Achieved. The water losses were calculated by the recommended methodology is 25.2%, Improvement of the reticulation system through replacement and refurbishment is expected to reduce real water losses over time. Monitoring of the network condition will identify where that work will occur. Flushing to maintain service levels is measured and included. [2021: Achieved. 38%]

The service broken down into measurable components	Performance measure	Target 2022	Result 2022	Comment
Fault response times	Median time to attend urgent call-outs	≤2 hours	0.17 hours	Achieved. There were 5 urgent callouts in 2021/22. An urgent call-out is where there is a complete loss of water supply. The median time to attend was 10 minutes. [2021: Achieved, no urgent callouts]
	Median time to resolve urgent call-outs	≤4 hours	1 hours	Achieved. There were 5 urgent callouts in 2021/22 of which 4 were resolved within four hours. The median was 1 hour. [2021: Achieved, no urgent callouts]
	Median time to attend non-urgent call-outs	≤12 hours	4.25 hours	Achieved. There were 118 non-urgent callouts during 2021/22. 68 were attended within 12 hours and the median time to attend the callouts was 4 hours and 15 minutes. [2021: Achieved. 3.85 hours]
	Median time to resolve non-urgent call-outs	≤24 hours	24.25 hours	Not achieved. The median time to resolve a non-urgent call out from when first reported was 1 day and 15 minutes. [2021: Achieved. The median was 17.25 hours]
Customer satisfaction	Number of complaints received per 1000 connections	≤15	1.29	Achieved. We had 4 complaints during 2021/22 that related to water quality (clarity, taste, odour, pressure or flow, continuity of supply), for a result of 1.29 per 1,000 connections. [2021: Achieved. Effective complaint/service request rate relating to water quality is 1.45 complaints per 1,000 connections]
Customer satisfaction – water races	Water is continuously supplied through the water races	≥90%	75%	Not achieved. Of 16 service requests received, 2 reported no water flow. The remaining requests were for weed clearance, blockages and/or overflows and potential land use impacts. 12 requests had been resolved by year-end. [2021: Not measured, as this was a new measure in the 2021-31 10-Year Plan]
Demand management	Average consumption of drinking water per day per resident within the district	≤400 litres	399 litres	Achieved. 398.8 litres per resident serviced by urban water supply, inclusive of water losses; 298 litres per resident excluding water losses. [2021: Achieved. 399.58 litres per resident]
Urban water system of a satisfactory standard	Resident's satisfaction with their household water supply	≥75% rate 7-10	65%	Not achieved. In the survey undertaken in 2022, 65% of the respondents ²⁵ connected to the urban water supply rated their overall satisfaction with household water supply in the range of 7–10 ²⁶ [2021: Not achieved 49%]
Adverse effects on the environment are minimised	Compliance with water resource consent conditions	100%	One non-compliance	Not achieved. Frederick St - Compliance with water resource consent conditions for the water taken through the artesian bores located at Frederick Street. Kaipaitangata - Compliance was not achieved due to the weir measuring the stream flow being damaged, so accurate recordings were not possible. [2021: Achieved, 100%]

²⁵ Annual Residents Survey, Muirton Research, April 2022

²⁶ Using a 1–10 scale where 1 means 'very dissatisfied', and 10 means 'very satisfied'

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Water Supply

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	260	318	312
Targeted rates	2,580	3,127	3,077
Subsidies and grants	-	-	-
Fees and charges	62	57	36
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other	1	5	6
Total operating funding	2,903	3,506	3,430
Applications of operating funding			
Payments to staff and suppliers	1,366	1,421	1,543
Finance costs	7	19	10
Internal charges & overheads	653	1,108	1,098
Other operating funding applications	-	-	-
Total applications of operating funding	2,026	2,548	2,651
Surplus/(deficit) of operating funding	877	959	779
Sources of capital funding			
Subsidies and grants for capital expenditure	360	893	-
Development and financial contributions	115	125	96
Increase / (decrease) in debt	(19)	768	805
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	649
Other dedicated capital funding	-	-	-
Total sources of capital funding	456	1,787	1,549
Applications of capital funding			
Capital expenditure			
• to meet additional demand		934	2,123
• to improve level of service	-	3	166
• to replace existing assets	1,099	1,037	1,611
Increase / (decrease) in other reserves	234	772	(1,572)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding	1,333	2,745	2,328
Surplus/(deficit) of Capital Funding	(877)	(959)	(779)
Funding balance	-	-	-

Financial statements

Carterton District Council
Statement Of Financial Performance
For the year ended 30 June 2022

		Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
	Note			
<u>Operating Revenue</u>				
Rates		14,268	15,175	15,070
Rates penalties		49	68	70
Finance revenue		97	141	39
Fees and charges		1,782	2,158	1,853
Waka Kotahi (NZTA) subsidy		1,838	2,183	2,360
Grants and subsidies		797	1,699	944
Petrol tax		86	78	98
Recoveries		343	711	185
Rental revenue		117	107	129
Event revenue		194	171	-
Forestry revenue		9	4	9
Commissions		61	69	51
Miscellaneous revenue		115	63	23
Development and financial contributions		1,062	1,233	593
Profit on sale of assets		6	5	-
Assets vested		-	1,174	-
Total operating income	2	20,823	25,039	21,422
<u>Operating Expenditure</u>				
Governance		679	807	915
Transportation		4,661	5,133	4,894
Water Supply		2,647	3,319	3,495
Wastewater		2,535	2,808	3,055
Stormwater		248	335	300
Waste management		980	1,048	1,171
Community support		4,898	5,025	4,762
Regulatory And Planning		1,879	2,211	1,345
Bad Debt write off/(recovered)		-	(63)	40
Loss on sale of assets		2	1	-
Total operating expenditure		18,529	20,624	19,978
Operating Surplus/(deficit)		2,295	4,415	1,445
Fair value gains/(losses)	2	47	(233)	-
Surplus/(deficit) before tax		2,341	4,182	1,445
Taxation expense		-	-	-
Surplus/(deficit) after tax		2,341	4,182	1,445
Note: Total expenditure includes -				
Depreciation	10	4,880	5,704	6,168
Finance		258	255	201
Personnel	3	4,845	5,724	4,836

The accompanying notes form an integrated part of these financial statements

Carterton District Council
Statement of Other Comprehensive Revenue and Expense
For the year ended 30 June 2022

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Surplus/(deficit) after tax	2,341	4,182	1,445
Adjustment for reversed retentions	202	-	-
Gain on property, plant & equipment revaluation	13,537	29,185	1,989
Financial assets at fair value through other comprehensive revenue and expense	1	1	-
Total other comprehensive revenue and expense	13,739	29,186	1,989
Total comprehensive revenue and expense	16,080	33,368	3,434

The accompanying notes form an integrated part of these financial statements

Carterton District Council
Statement of Changes in Equity
For the year ended 30 June 2022

	Note	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Equity at start of year		221,767	237,847	224,907
Total comprehensive revenue and expense		16,080	33,368	3,434
Equity at end of year		237,847	271,216	228,341
Components of equity				
Retained earnings at start of year		118,615	119,622	117,653
Surplus/(deficit) after tax		2,341	4,182	1,445
Transfers (to)/from equity for revaluation reserves		202	-	-
Transfers (to)/from equity for restricted/Council created reserves		(1,535)	577	5,295
Retained earnings at end of year	14	119,622	124,382	124,393
Revaluation reserves at start of year		92,251	105,788	93,582
Financial asset revaluation gains		1	1	-
Asset Revaluation gains		13,537	29,185	1,989
Revaluation reserves at end of year	14	105,788	134,974	95,571
Restricted/council created reserves at start of year		4,407	5,400	5,500
Transfers (to)/from restricted reserves		994	967	(1,119)
Restricted reserves at end of year	14	5,400	6,367	4,381
Other (Council created) reserves at start of year		6,495	7,037	8,172
Transfers (to)/from other reserves		542	(1,544)	(4,176)
Other (Council created) reserves at end of year	14	7,037	5,493	3,996
Equity at end of year		237,847	271,216	228,341

The accompanying notes form an integrated part of these financial statements

Carterton District Council
Statement of Financial Position
As at 30 June 2022

	Note	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Assets				
Current assets				
Cash and cash equivalent	5	2,005	11,888	9,163
Debtors and other receivables	6	1,242	2,001	1,739
Investments	7	7,394	4,179	4,381
Inventory		-	8	-
Total current assets		10,641	18,076	15,282
Non-current assets				
Property, plant and equipment	10	235,522	269,811	230,854
Forestry asset	8	1,107	874	1,014
Intangible assets	9	894	847	1,847
Investments	7	-	368	423
Other financial assets:				
Investment in CCOs and section 6(4) entities	7	23	23	
Investment in other entities	7	1	1	
Total non-current assets		237,547	271,924	234,138
Total assets		248,188	290,000	249,421
Liabilities				
Current liabilities				
Creditors and other payables	11	2,566	3,415	1,985
Employee entitlements	12	525	641	590
Borrowings	13	415	2,700	1,331
Leases	13	-	7	-
Provisions		3	-	-
Total current liabilities		3,510	6,763	3,906
Non-current liabilities				
Employee entitlements	12	50	-	60
Borrowings	13	6,781	12,000	17,113
Leases	13	-	21	-
Total non-current liabilities		6,831	12,021	17,174
Equity				
Public equity		119,622	124,382	124,393
Restricted reserves		5,400	6,367	4,381
Revaluation reserves		105,788	134,974	95,571
Other reserves		7,037	5,493	3,996
Total equity	14	237,847	271,216	228,341
Total liabilities and equity		248,188	290,000	249,421

The accompanying notes form an integrated part of these financial statements

Carterton District Council
Statement of Cash Flows
For the year ended 30 June 2022

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Cash flows from Operating Activities			
Cash was received from:			
Receipts from rates revenue	14,375	15,332	15,140
Grants, subsidies and donations	2,634	3,698	3,304
Petrol tax	86	80	98
Receipts from other revenue	4,254	3,660	2,842
Finance revenue	95	108	39
	21,444	22,878	21,422
Cash was applied to:			
Payments to suppliers and employees	12,814	13,589	13,608
Finance expenditure	251	199	201
	13,065	13,787	13,809
Net cash flow from operating activities	8,379	9,090	7,613
Cash flows from Investing Activities			
Cash was received from:			
Sale of property, plant and equipment	4	5	-
Term investments, shares & advances	6,011	3,215	7,521
	6,016	3,220	7,521
Cash was applied to:			
Purchase of property, plant and equipment	7,675	9,563	13,829
Purchase of term deposits, shares and advances	7,394	368	4,781
Purchase of forestry assets	47	-	-
	15,115	9,931	18,611
Net cash flow from investing activities	(9,099)	(6,711)	(11,090)
Cash flows from Financing Activities			
Cash was received from:			
Proceeds from borrowings	18	7,533	12,490
	18	7,533	12,490
Cash was applied to:			
Repayment of borrowings	675	29	1,258
	675	29	1,258
Net cash flow from financing activities	(657)	7,504	11,232
Net increase/(decrease) in cash held	(1,377)	9,883	7,755
Add cash at start of year (1 July)	3,383	2,005	1,407
Balance at end of year (30 June)	2,005	11,888	9,163
Represented by:			
Cash, cash equivalents and overdrafts	2,005	11,888	9,163

The accompanying notes form an integrated part of these financial statements

Carterton District Council
Whole of Council Funding Impact Statement
For the year ended 30 June 2022

	Annual Plan 30 June 2021 \$000	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC, rates penalties	9,292	8,896	9,090	8,880
Targeted rates	4,778	5,421	6,153	6,260
Subsidies and grants for operating purposes	927	1,339	1,541	900
Fees and charges	1,363	1,919	2,280	1,853
Interest and dividends from investments	-	97	141	-
Local authorities fuel tax, fines, infringement fees and other receipts	456	787	1,069	533
Total operating funding	16,816	18,460	20,274	18,426
Applications of operating funding				
Payments to staff and suppliers	12,488	12,879	14,222	13,242
Finance costs	659	258	255	201
Other operating funding applications	361	510	429	366
Total applications of operating funding	13,508	13,647	14,906	13,809
Surplus/(deficit) of operating funding	3,308	4,812	5,368	4,617
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	947	1,295	2,341	1,498
Development and financial contributions	409	1,062	1,233	593
Increase / (decrease) in debt	2,888	(657)	7,288	11,232
Gross proceeds from sale of assets	-	6	4	-
Lump sum contributions	-	-	-	905
Other dedicated capital funding	-	-	-	-
Total capital funding	4,245	1,707	10,866	14,228
Applications of capital funding				
Capital expenditure				
• to meet additional demand	288	334	954	2,250
• to improve level of service	3,337	3,407	2,705	3,709
• to replace existing assets	4,173	3,904	5,940	7,871
Increase / (decrease) in reserves	(244)	(1,125)	6,267	4,616
Increase / (decrease) of investments	-	-	368	400
Total applications of capital funding	7,553	6,519	16,234	18,845
Surplus/(deficit) of Capital Funding	(3,308)	(4,812)	(5,368)	(4,617)
Funding balance	-	-	-	-

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2022

Administration

	Annual Report 30 June 2021 \$000	Annual Report 30 June 2022 \$000	Annual Plan 30 June 2022 \$000
Sources of operating funding			
General rates, UAGC, rates penalties	34	(24)	(5)
Targeted rates	-	-	-
Subsidies and grants	-	-	15
Fees and charges	1	1	-
Internal charges and overheads recovered	4,364	5,220	4,882
Interest and dividends from investments	97	141	-
Local authorities fuel tax, fines, infringement fees and other	68	76	75
Total operating funding	4,564	5,414	4,967
Applications of operating funding			
Payments to staff and suppliers	3,780	4,496	4,225
Finance costs	70	54	3
Internal charges & overheads applied	-	-	-
Other operating funding applications	-	(63)	40
Total applications of operating funding	3,850	4,487	4,268
Surplus/(deficit) of operating funding	714	927	699
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	11	392	378
Gross proceeds from sale of assets	6	4	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	18	396	378
Applications of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve level of service	-	-	398
• to replace existing assets	375	455	997
Increase / (decrease) in other reserves	357	501	(318)
Increase / (decrease) of investments	-	368	-
Total applications of capital funding	732	1,323	1,076
Surplus/(deficit) of Capital Funding	(714)	(927)	(699)
Funding balance	-	-	-

Notes to the Financial Statements

Note 1 Reporting entity, basis of preparation and summary of significant accounting policies

Reporting Entity

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

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

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

The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 21 December 2022.

Basis of Preparation

Statement of compliance

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

These financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (RDR). The Council is eligible and has elected to apply PBE RDR as it has expenditure less than \$30 million and does not have public accountability as defined by the External Reporting Board (XRB).

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

Measurement base

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) other than the remuneration and the severance payment disclosures in Note 3, and the related party transaction disclosures in Note 17. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar. The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There are no changes in accounting policies.

Summary of Significant Accounting Policies

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

Borrowing costs

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council for the 2021/22 year of the 2021-31 Ten-Year Plan. The budget figures have been prepared in accordance with PBE IPSAS, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

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

Statement of cash flows

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

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

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

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

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Forestry Assets

Note 8 provides information about the estimates and assumptions applied in determining the fair value of forestry assets held.

Property, Plant and Equipment

Note 10 provides information about the estimates and assumptions applied in determining the fair value of property, plant and equipment.

Standards issued and not yet effective and not early adopted

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

PBE IPSAS 41 Financial instruments

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

This new standard is effective for annual periods beginning on or after 1 January 2022, with early application permitted. Council plans to apply this standard in preparing its 30 June 2023 financial statements. Council has yet to assess the effects of the new standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

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

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

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

Note 2 Revenue

Revenue is measured at the fair value of consideration received or receivable and may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

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

Rates revenue

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

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

Rates are a tax as they are payable under the Local Government Ratings Act 2002 and are therefore defined as non-exchange.

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

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
General rates	9,022	8,847
Targeted rates attributable to activities		
Water	2,810	2,277
Metered water charges	317	303
Wastewater	2,295	2,080
Stormwater	265	235
Waste management	300	305
Regulatory and planning	166	221
Total targeted rates	6,153	5,421
Total rates	15,175	14,268
Rates penalties	68	49
Total revenue from rates and penalties	15,243	14,318

Rates remission

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Rates revenue before remissions	15,255	14,332
<i>Council policy remissions:</i>		
Sports bodies	3	3
Other	9	11
Total remissions	12	14
Rates revenue after remissions	15,243	14,318

Non-rateable land

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

Government grants

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

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

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
DIA 3 Waters Stimulus Funding	1,371	377
Grant to Mayoral Trust Fund for Youth	250	250
Grant to support Freedom Camping facilities	-	67
Employment subsidy	34	48
Creative New Zealand	29	27
Sports NZ rural travel fund	11	10
War Graves - through NZDF and Internal Affairs	1	1
Summer reading grant	3	2
World War II memorial trust	-	1
Other donations, grants	1	15
Total grants and subsidies	1,699	797

Provision of services

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

Vested assets

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

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

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

Sale of goods

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

Agency arrangements

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Fines and penalties

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

Other gains and losses

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Gain/(loss) on revaluation	-	-
Gain/(loss) in fair value of forestry assets	(233)	47
Total gains/(losses)	(233)	47

Financial contributions

Financial contributions are recognised as revenue when Council has rights to the contribution and has provided, or is able to provide, the service that gave rise to the charging of the contribution. Financial contributions have been set aside as part of Special Funds and Reserves designated for parks and reserves development, infrastructure, and roading upgrades. These contributions are not specifically required to be spent on one locality or project, so have no residual liability associated with them.

	30-Jun 2022 \$000	30-Jun 2021 \$000
Roadway Contributions	444	436
Infrastructural Contributions	272	232
Recreation Reserve Contribution	517	395
Total Contributions	1,233	1,062

Operating Leases as lessor

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

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
Revenue Commitments: Non-cancellable leases as Lessor		
- not Later than 1 year	23	22
- later than 1 year but not later than 5 years	43	55
- later than 5 years	20	31
Total lease commitments	86	108

Note 3 Personnel

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

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
Salaries and wages	5,433	4,727
Defined contribution plan employer contributions	225	186
Increase/(decrease) in employee entitlements/liabilities	65	(68)
Total personnel costs	5,724	4,845

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

Chief Executive and staff

For the year ended 30 June 2022, the total annual cost to the Carterton District Council of the remuneration package being received by the Chief Executive is calculated at \$221,278 (2021: \$249,577). The Chief Executive of the Council appointed under section 42 of the Local Government Act 2002 received a salary of \$221,278.

At balance date, the Council employed 59 (2021: 54) full-time employees, with the balance of staff representing 10.4 (2021: 11.6) full-time equivalent employees. A full-time employee is determined on the basis of a 35-hour working week. Included are four employees whose cost is shared with Masterton and/or South Wairarapa District Councils.

For the year ended 30 June 2022 the Council made no severance payments (2021: one payment, \$14,000).

	30-Jun	30-Jun
	2022	2021
<i>Council employees remuneration by band</i>		
< \$60,000	25	48
\$60,000 - \$79,999	25	15
\$80,000 - \$99,999	11	11
\$100,000 - \$119,999	6	3
\$120,000 - \$239,999	7	2
Total employees	74	79

Note: where the number of employees in any band is 5 or fewer, the number for that band is combined with the next highest band.

Elected representatives

Council membership comprises the Mayor and eight councillors, being elected for three-year terms. Councillor Stockley resigned in December 2021, so from then until balance date, there were seven councillors, and the Mayor. Their remuneration over the past 12 months is shown below.

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
<i>Elected representatives</i>		
G Lang (Mayor)	84	83
R Vergunst (Deputy Mayor)	47	45
B Deller	29	27
J Greathead	27	25
R Keys	27	25
R Cherry-Campbell	27	25
S Cretney	27	25
R Stockley	12	25
D Williams	27	3
S Bertram	-	15
Total elected members remuneration	307	298

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

Note 4 Other expenses

Grant expenditure

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Finance leases

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

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

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

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

Operating leases

An operating lease is a lease that does not transfer substantially all 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. 2022: 0 (2021: Nil)

Audit fees

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Fees to auditors		
Audit fees to Audit NZ for audit of the financial statements and performance	111	102
Audit fees to Audit NZ for audit of the Long-term plan for 2021-31	-	60
	<u>111</u>	<u>163</u>

Note 5 Cash and cash equivalents

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

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Cash at bank and on hand	6,514	1,978
Short-term deposits with maturities less than 3 months at acquisition	5,374	27
Total cash and cash equivalents	<u>11,888</u>	<u>2,005</u>
<i>Weighted average effective interest rate</i>	1.10%	0.05%

The carrying value of cash at bank, short-term deposits with maturities less than three months approximates their fair value.

Total value of cash and cash equivalents that can be used for a specific purpose, as outlined in a trust deed or Council Resolution is \$nil (2021: \$27,184).

Note 6 Receivables

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

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
<i>Receivables under exchange transactions</i>		
Prepayments	24	5
	<u>24</u>	<u>5</u>
<i>Receivables under non-exchange transactions</i>		
Rates receivables	386	380
Other receivables	945	743
Goods and services tax	376	182
Sundry debtors	306	15
	<u>2,013</u>	<u>1,325</u>
Less allowance for credit losses	(12)	(83)
Total debtors and other receivables	<u>2,001</u>	<u>1,242</u>

Movements in the allowance for credit losses in receivables and community loans are as follows:

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
At 1 July	83	83
Additional provisions made during the year	-	20
Receivables written off during the period	(71)	(20)
At 30 June	<u>12</u>	<u>83</u>

Note 7 Investments

Derivative financial instruments and hedge accounting

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

Other financial assets

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

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

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

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

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

Loans and receivables

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

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

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

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

Fair value through other comprehensive revenue and expense

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

Council includes in this category:

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

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

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

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

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Loans and receivables		
Cash and cash equivalents		
- Cash at bank and on hand	4,063	1,978
- Short term funds	7,708	-
- Special funds	117	-
Investments		
- Special funds	43	27
- Long term investments	4,135	7,394
Debtors and other receivables	2,001	1,242
Other financial assets:		
- Investments	368	-
Total loans and receivables	18,435	10,641
Fair value through comprehensive revenue and expense		
Other financial assets:		
- Investment in CCos and section 6(4) entities	23	23
- Investment in other entities	1	1
Total fair value through equity	24	24

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

	30-Jun 2022	30-Jun 2021
	\$000	\$000
Term and other cash deposits with maturities greater than 3 Months		
Bank deposits with maturities greater than 3 months and remaining maturities less than 12 months	4,135	2,021
Special funds - Term deposits with maturities greater than 3 months and remaining maturities less than 12 months	43	5,373
Total Term Deposits	4,179	7,394

Impairment of financial assets

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

Loans and other receivables

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

Note 8 Forestry

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

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

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

	30-Jun 2022	30-Jun 2021
	\$000	\$000
Balance at 1 July	1,107	1,014
Increases due to purchases	-	47
Gains/(losses) arising from changes in fair value less estimated point of sale costs	(233)	47
Balance at 30 June	874	1,107

Through its investment in Kaipaitangata Forest, the Council owns 213 hectares of pinus radiata forest, which are at varying stages of maturity with prospective harvest dates ranging from 2023-2042. There is a further 23 hectares of pinus radiata ranging from 41 to 49 years maturity that are deemed to have a near zero net stumpage (i.e. no value).

Valuation assumptions

Independent registered valuer, Forest Enterprises Group Limited, has valued forestry assets as at 30 June 2022. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

The forestry assets have been valued using industry standard forest estate modelling. The method applied is the same as applied in the previous three years. A discount rate of 8% was used to discount the present value of expected pre-tax cash flows to value the forestry assets for the year ended 30 June 2022 [2021: 8%].

The 213 hectares of plantation tree crops, have been valued on the basis that they will be managed as an integrated forest estate, as opposed to separate and individual stands. The impact of this is that the harvesting of the various aged stands will most likely occur in groups, to provide a reasonable level of annual harvesting volume, and not harvested at a fixed age.

The 26 hectares of manuka tree crop has been incorporated at a value approximating the cost of investment; no assessment being made of their bearer crop value given they were planted in 2018.

Financial risk management strategies

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

Note 9 Intangible Assets

Software acquisition and development

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

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

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

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

Resource consents

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

Carbon credits

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

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

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

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

Amortisation

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

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

Computer software	5 years	20.00%
Resource consents	3–35 years	2.3–33.33%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

	Carbon Credits	GIS Software	Other Software	Resource Consents	Total
	\$000	\$000	\$000	\$000	\$000
Balance 30 June 2021					
Cost	115	50	214	862	1,242
Accumulated amortisation and impairment	-	(26)	(104)	(217)	(347)
Closing carrying amount	115	24	110	646	894
Year ended 30 June 2022					
Additions	-	-	56	-	56
Disposals	-	-	-	-	-
Amortisation charge	-	(8)	(43)	(53)	(104)
Movement within period	-	(8)	13	(53)	(48)
Balance 30 June 2022					
Cost	115	50	270	862	1,298
Accumulated amortisation and impairment	-	(34)	(148)	(269)	(451)
Closing carrying amount	115	16	122	593	847

	Carbon	GIS	Other	Resource	Total
	Credits	Software	Software	Consents	
Balance 30 June 2020	\$000	\$000	\$000	\$000	\$000
Cost	115	39	169	862	1,185
Accumulated amortisation and impairment	-	(20)	(69)	(164)	(252)
Opening carrying amount	115	19	100	699	933
Year ended 30 June 2021	\$000	\$000	\$000	\$000	\$000
Additions	-	11	45	-	57
Disposals	-	-	-	-	-
Amortisation charge	-	(6)	(35)	(53)	(94)
Movement within period	-	5	10	(53)	(38)
Balance 30 June 2021	\$000	\$000	\$000	\$000	\$000
Cost	115	50	214	862	1,242
Accumulated amortisation and impairment	-	(26)	(104)	(217)	(347)
Closing carrying amount	115	24	110	645	894

note: 2020 and 2021 have been reclassified for presentation purposes. GIS Cost and accumulated Amortisation has decreased by \$209k Other software Cost and accumulated Amortisation has decreased by \$ 53k Resource Consents Cost and accumulated Amortisation has decreased by \$380k.

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

Note 10 Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

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

Additions

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

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

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. There is no capitalisation of borrowing costs (interest or other financial charges) relating to assets whose acquisition is funded through borrowing where these costs are incurred in the period prior to the asset being commissioned for operational service.

Disposals

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

Depreciation

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

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

Buildings	5 to 100 years	1 - 20%
Plant and equipment	10 to 50 years	2 - 10%
Motor vehicles	10 years	10%
Fixtures and fittings	10 to 50 years	2 - 10%
Office equipment	5 to 10 years	10 - 20%
Library collections	5 to 6 years	16 - 20%
Roads, bridges & footpaths*	4 to 100 years	1 - 22%
Water systems*	5 to 100 years	1 - 20%
Stormwater systems*	50 to 100 years	1 - 2%
Wastewater systems*	5 to 80 years	1.5 - 10%
Heritage assets*	4 to 5 years	20 - 25%

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

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

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Governance	3	3
Transportation	2,562	2,318
Water supply	771	621
Wastewater	766	650
Stormwater	132	109
Waste management	67	52
Community support	1,047	599
Regulatory and planning	13	14
Administration and support services	343	514
Total depreciation	5,704	4,880

Impairment of property, plant and equipment

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

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

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

Capital Commitments

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Capital commitments		
Buildings	-	-
Transportation	2,647	3,970
Wastewater	966	1,663
Waste Management	152	-
Water Supply	1,988	1,672
Total Capital Commitment	5,753	7,305

Note 10 Property, plant and equipment- contd

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year	Current year	Current year	Accumulated depreciation	Current year	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	30-Jun	30-Jun	30-Jun	additions	transfers	disposals	on disposals	depreciation		30-Jun	30-Jun	30-Jun
	2020	2020	2020							2021	2021	2021
30-Jun-21	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Infrastructural assets</i>												
Land under roads	5,952	-	5,952	-	133	-	-	-	-	6,085	-	6,085
Roads, streets & footpaths	154,822	-	154,822	1,732	29	-	-	(2,317)	-	156,583	(2,317)	154,266
Land	3,115	-	3,115	-	-	-	-	-	1,808	4,923	-	4,923
Water systems - treatment plant & facilities	2,062	(1)	2,061	388	(3)	-	-	(135)	-	2,447	(136)	2,312
Water systems - other	8,641	(520)	8,121	238	11	-	-	(408)	-	8,890	(928)	7,962
Wastewater systems - treatment plant & facilities	2,328	(1)	2,327	-	-	-	-	(95)	-	2,328	(97)	2,231
Wastewater systems - other	6,970	(560)	6,410	301	22	-	-	(521)	-	7,292	(1,081)	6,211
Stormwater systems	7,440	(108)	7,332	182	6	-	-	(109)	-	7,628	(217)	7,411
	191,330	(1,191)	190,139	2,841	199	-	-	(3,584)	1,808	196,177	(4,775)	191,402
<i>Operational assets</i>												
Land	7,097	-	7,097	-	(133)	-	-	-	8,996	15,959	-	15,959
Buildings	13,239	(978)	12,261	138	603	-	-	(495)	2,739	15,247	-	15,247
Fixtures & fittings	3,217	(1,804)	1,414	210	(4)	-	-	(289)	-	3,424	(2,093)	1,331
Office equipment	814	(641)	173	146	-	-	-	(72)	-	959	(713)	246
Library collections	473	-	473	86	-	-	-	(95)	-	559	(95)	465
Motor vehicles	1,286	(848)	438	38	(1)	-	(1)	(85)	-	1,324	(934)	390
Plant & equipment	2,040	(1,366)	673	235	(25)	-	3	(136)	-	2,250	(1,499)	750
Transferstation	214	-	214	-	-	-	-	-	-	214	-	214
Water races	550	(30)	520	-	-	-	-	(27)	-	550	(57)	493
	28,931	(5,667)	23,264	853	440	-	2	(1,199)	11,735	40,486	(5,391)	35,095
Heritage assets	52	-	52	26	-	-	-	(2)	(6)	71	-	71
	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	5,696	-	5,696	3,897	(639)	-	-	-	-	8,954	-	8,954
Total assets	226,010	(6,858)	219,152	7,616	-	-	2	(4,785)	13,537	245,688	(10,166)	235,522

Note: infrastructural assets land, and operational assets land, have been reclassified for presentation purposes.

Note 10 Property, plant and equipment – cont'd

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year	Current year	Current year	Accumulated depreciation	Current year	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	30-Jun	30-Jun	30-Jun	additions	transfers/ adjustments	disposals	on disposals	depreciation		30-Jun	30-Jun	30-Jun
	2021	2021	2021							2022	2022	2022
30-Jun-22	\$	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Infrastructural assets</i>												
Roads, streets & footpaths –land	6,085	-	6,085		-	-	-	-	-	6,085	-	6,085
Roads, streets & footpaths	156,583	(2,317)	154,266	1,830	661	-	-	(2,558)	12,638	166,837	-	166,837
Land	4,923	-	4,923		-	-	-	-	153	5,076	-	5,076
Water systems - treatment plant & facilities	2,447	(136)	2,312		(245)	-	-	(168)	181	2,079	-	2,079
Water systems - other	8,890	(928)	7,962	134	706	-	-	(519)	7,367	15,651	-	15,651
Wastewater systems - treatment plant & facilities	2,328	(97)	2,231	-	(696)	-	-	(104)	279	1,711	-	1,711
Wastewater systems - other	7,292	(1,081)	6,211	497	833	-	-	(605)	5,049	11,985	-	11,985
Stormwater systems	7,628	(217)	7,411	-	177	-	-	(132)	1,736	9,193	-	9,193
	196,177	(4,775)	191,402	2,460	1,437	-	-	(4,086)	27,404	218,617	-	218,617
<i>Operational assets</i>												
Land	15,959	-	15,959		-	-	-	-	243	16,202	-	16,202
Buildings	15,247	-	15,247	123	20	-	-	(816)	1,523	16,097	-	16,097
Fixtures & fittings	3,424	(2,093)	1,331	361	(44)	-	-	(268)	-	3,741	(2,317)	1,424
Office equipment	959	(713)	246	103	(249)	(64)	60	(79)	-	749	(483)	266
Library collections	559	(95)	465	72	-	-	-	(111)	-	631	(206)	425
Motor vehicles	1,324	(934)	390	170	(125)	(119)	111	(84)	-	1,250	(783)	467
Plant & equipment	2,250	(1,499)	750	202	(67)	(47)	71	(128)	-	2,338	(1,510)	827
Transfer station	214	-	214	-	-	-	-	-	-	214	-	214
Water races	550	(57)	493	22	-	-	-	(27)	-	572	(84)	488
	40,486	(5,391)	35,095	1,053	(465)	(230)	241	(1,513)	1,766	41,794	(5,383)	36,411
Heritage assets	71	-	71	-	-	-	-	(2)	16	85	-	85
					-					-	-	-
Work in progress	8,954	-	8,954	6,026	(282)	-	-	-	-	14,698	-	14,698
										-	-	-
Total assets	245,688	(10,166)	235,522	9,540	689	(230)	241	(5,600)	29,185	275,194	(5,383)	269,811

Note 10 Valuation of Property, plant and equipment – cont’d

Valuation—general

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

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

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

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

Valuation—specific

Land (operational)

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

The most recent valuation was performed by independent valuers Ashley Pont (Valuer, BLPM), Maria McHugh (Registered Valuer, B.Com (VPM), MPINZ) and Jaime Benoit (BAppl Sci (VFM and Ag) MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2022. The landfill liner and water races are carried at deemed cost.

Buildings (operational and heritage)

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

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

- the replacement asset is based on the replacement cost of the specific assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design
- the replacement cost is derived from recent construction contracts of similar assets, reference to publications such as the Rawlinsons Construction Handbook, recent costing obtained from construction details and Property Institute of New Zealand cost information
- the remaining useful life of assets is estimated

- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

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

The most recent valuation was performed by independent valuers Ashley Pont (Valuer, BLPM), Maria McHugh (Registered Valuer, B.Com (VPM), MPINZ) and Jaime Benoit (BAppl Sci (VFM and Ag) MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2022. Heritage assets are also included in this category.

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

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

- estimating any obsolescence or surplus capacity of the asset
- estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets
- estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation for roads, streets and footpaths was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of WPS International Consultants, and the valuation is effective as at 30 June 2022. All roads, streets and bridge assets were valued. The Council’s most recent estimate of the replacement cost for roads, streets and footpaths is \$242,757,000 based on the 30 June 2022 valuation.

The most recent valuation for wastewater systems, water systems and stormwater was performed by independent valuer John Vessey (BE (Civil), BA (Economics), CPEng, FIPENZ, Affiliate Member of PINZ, and member of ACENZ) of WPS International Consultants, and the valuation is effective as at 30 June 2022. All wastewater, water and stormwater assets were valued.

Council’s three waters data is continuously improving as better information is obtained through the maintenance and replacement of assets. As part of completing the valuation, the expert valuer must therefore apply professional judgement to aspects of the data where required.

The Council's most recent estimate of the replacement cost for wastewater systems, water systems and stormwater is \$85,466,000 based on the 30 June 2022 valuation as follows:

Wastewater systems – treatment plant & facilities	4,932,000
Wastewater systems – other	24,575,000
Water systems – treatment plant & facilities	5,767,000
Water systems – other	36,461,000
Stormwater	13,731,000

Land under roads

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

Library collections

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

Vest assets

Assets vested in Council by asset class are:

	30-Jun 2022 \$000	30-Jun 2021 \$000
Transportation	661	0
Water	199	0
Stormwater	177	0
Wastewater	137	0
	<u>1,174</u>	<u>0</u>

Impairment

There were no impairment losses in 2022 (2021: \$nil).

Finance leases

The net carrying amount of plant and equipment held under finance leases is \$28,830 (2021: \$35,745).

Note 11 Creditors and other payables

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
<i>Payables under exchange transactions</i>		
Trade payables	2,520	1,268
Deposits and bonds	131	204
Accrued expenses	225	143
	<u>2,876</u>	<u>1,616</u>
<i>Payables under non-exchange transactions</i>		
Revenue in advance	241	162
Government contributions not fully applied	-	543
Rates in advance	297	245
	<u>538</u>	<u>950</u>
Total creditors and other payables	<u>3,415</u>	<u>2,566</u>

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

Note 12 Employee Entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

A discount rate of 2.21% (2021: 3.19) and an inflation factor of 2.00% (2021: 2.00%) were used. The discount rate is based on the weighted cost of borrowing. The inflation factor is based on Local Government Cost Index maintained by BERL for personnel.

Presentation of employee entitlements

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

Superannuation schemes

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

	30-Jun 2022 \$000	30-Jun 2021 \$000
Accrued pay	201	144
Annual leave	419	345
Long service leave	13	70
Time off in lieu	8	8
Sick leave	-	9
Total employee entitlements	641	575
Comprising:		
Current	641	525
Non-current	-	50
Total employee entitlements	641	575

Note 13 Borrowings

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

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

During 2021/22 Council agreed and entered a guarantee arrangement with the Local Government Funding Agency (previously a non-guarantee arrangement since 2019/20).

	30-Jun 2022 \$000	30-Jun 2021 \$000
Current		
Secured loans	2,700	408
Lease liabilities	7	7
Total current borrowings	2,707	415
Non-Current		
Secured loans	12,000	6,753
Lease liabilities	21	29
Total non-current borrowings	12,021	6,781

The range of interest rates applying to the above loans is 1.19% to 3.50% with a weighted average of 2.21% (2021: 3.19%). Loans are secured by way of rates.

Fixed-rate debt

The Council's secured debt of \$14,700,000 (2021: \$7,196,163) is issued at fixed rates of interest.

Security

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

	2022	2021
	\$000	\$000
Less than one year	2,700	415
<i>weighted average effective interest rate</i>	1.27%	3.08%
Later than one year but not more than five years	9,000	6,781
<i>weighted average effective interest rate</i>	2.37%	3.19%
Later than five years	3,000	-
<i>weighted average effective interest rate</i>	2.57%	0.00%

Internal borrowings

	2022	2021
	\$000	\$000
Internal loans		
As at 1 July	8,887	5,481
Loans advanced	-	3,406
Repayments	(2,867)	-
As at 30 June	6,020	8,887
These loans applied to the following activities:		
Wastewater	6,020	8,642
Waste management	-	184
Planning	-	61
	6,020	8,887
Interest charged	133	327

Internal borrowings reflect capital expenditure for a council activity funded by internal resources held for another. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values of non-current borrowing

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

Financial Instruments— both current and non-current: application of the policies outlined for these financial instruments is reflected in the following:

Financial Liabilities	30-Jun 2022 \$000	30-Jun 2021 \$000
Financial liabilities at amortised cost		
Creditors and other payables	2,566	2,023
Borrowings:		
- finance leases	28	36
- secured loans	14,700	7,160
Total financial liabilities at amortised cost	17,294	9,219

Note 14 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

	2022	2021
	\$000	\$000
As at 1 July	119,622	118,615
<i>Transfers to:</i>		
Restricted and other reserves:		
Special Reserves	(967)	(994)
<i>Transfers from:</i>		
Restricted and other reserves		
Depreciation reserves	1,544	(384)
Targeted rate reserves		(157)
Transfers from revaluations reserve	-	-
Adjustment for reversed retentions		202
Surplus / (deficit) for the year	4,182	2,341
As at 30 June	124,382	119,622

Restricted reserves

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

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

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

Council's objectives, policies and processes for managing capital are described in note 16.

	2022	2021
	\$000	\$000
Restricted reserves		
As at 1 July	5,400	4,407
<i>Transfers from:</i>		
Public equity to Special Reserves	967	994
As at 30 June	6,367	5,400
 Restricted reserves consist of:		
Restricted reserves	6,240	5,275
Hall Board reserves	43	43
Trusts	79	78
Other trusts	4	4
Total restricted reserves	6,367	5,400

Other reserves

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

	2022	2021
	\$000	\$000
Other reserves		
As at 1 July	7,037	6,495
<i>Transfers to:</i>		
Public equity from		
Depreciation reserves	(1,544)	384
Targeted rate reserves	-	157
As at 30 June	5,493	7,037

Revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Revaluation reserves	2022 \$000	2021 \$000
As at 1 July	105,788	92,251
Revaluation gains / (losses) in Statement of Comprehensive Income	29,186	13,538
Transfer from public equity for Revaluation gains / (losses) in Statement of Financial Performance	1	-
As at 30 June	134,975	105,788
	2022 \$000	2021 \$000
Asset revaluation reserves consist of:		
Infrastructure assets		
Roads, streets and footpaths	80,753	68,115
Water systems	15,922	8,374
Wastewater systems	7,191	1,863
Stormwater systems	7,314	5,578
Operational assets		
Land	14,851	14,455
Buildings	8,471	6,948
Library collections	432	432
Restricted assets		
Heritage assets	36	21
Total asset revaluation reserves	134,970	105,785
Fair value revaluation reserves consist of:		
As at 1 July	3	2
Net revaluation gains / (losses) in shares held (note 7)	1	1
Total fair value revaluation reserve	4	3
Total revaluation reserves	134,974	105,788

Note 15 Contingent liabilities and contingent assets

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2022, the Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$16.8 billion (2021: \$13.6 billion), of which the Council have borrowed \$0.026 billion (2021: \$0.025 billion). As a result, the Council's cross guarantee on LGFA's loans to other local authorities is \$16.7 billion (2021: \$13.6 billion).

Public Benefit Entity (PBE) Accounting Standards require the Council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- the Council is not aware of any local authority debt default events in New Zealand; and,
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Note 16 Capital management

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

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

The Council has the following Council -created reserves:

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

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

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

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

Note 17 Related party transactions

Key management personnel

Key management personnel comprise the Mayor, Councillors, the Chief Executive and the Leadership Team (tier two managers).

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

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

Related party disclosures have not been made for transactions that are within normal supplier or client/recipient relationships and are entered into on terms and conditions that are no more, or less favourable than the Council would have adopted in dealing with the party at arm's length in the same circumstances.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2021: \$nil).

	30-Jun	30-Jun
	2022	2021
	\$000	\$000
<i>Mayor & Councillors</i>		
Remuneration	307	298
Full-time equivalent members	9	9
<i>Chief Executive and Leadership Team</i>		
Remuneration	771	720
Full-time equivalent members	6	5
Total key management personnel remuneration	1,078	1,018
Total full-time equivalent personnel	15	14

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

Note 18 Events after balance date

There are no significant events after balance date.

Note 19 Covid-19 Impacts

On 18 August 2021 New Zealand went into Alert Level 4 lockdown as a result of Covid-19 in the Auckland community. Carterton District moved to Alert Level 3 lockdown on 1 September 2021, then Alert Level 2 on 8 September 2021. During Alert Levels 3 and 4, Council provides essential services only. Under Alert Level 2, there are stronger social distancing practices and lowered patronage at community facilities such as the library. Overall, the changes in Alert Levels did not significantly impact user charges collected.

In November 2021 the Government moved to a COVID-19 Protection Framework traffic light system, and vaccine passes were introduced. Under the new framework, the Council's library, events centre and swimming pool were only accessible to users with vaccine passes, or a valid exemption. The use of vaccine passes for Council facilities was discontinued in April 2022. The COVID-19 Protection Framework and use of vaccine passes did not significantly impact user charges collected.

Note 20 Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner. Under this plan four new publicly-owned Water Services Entities (WSEs) will run New Zealand's drinking water, wastewater and stormwater services – currently operated by councils on behalf of communities. Council would belong to WSE 'C', along with 22 other Councils.

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and that the group's participation in the proposed reform will be mandatory.

These entities will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms, and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements.

Subsequently, on 2 June 2022, the government introduced the Water Services Entities Bill in the House of Representatives. After the first reading on 9 June 2022 the Bill was referred to the Finance and Expenditure Committee. The legislation received royal assent from the Governor-General on 14 December 2022.

The Water Services Entities Bill proposes to create four publicly owned water services entities that would take on responsibility for delivering water services to a specific geographical area, from 1 July 2024.

Further clarification of the transition to the new water services entities is expected to be released in legislation in 2023.

Based on the progression of this legislation, it is expected Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

High level guidance has been issued that outlines which assets would transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with any certainty.

Note 21 Explanation of major variances against budget

Explanations for major variations from the Council's estimated figures in the 2021/22 year of the 2021-31 10-Year Plan are as follows:

Statement of Financial Performance

Overall, the significant increase in the operating surplus in comparison to the Annual Plan reflects the higher than planned development activity in the District. This resulted in increased levels in financial contributions, and receipts from fees and charges, primarily building consents, also assets vested (infrastructure) by developers. In addition, there were also increases in grants received, particularly grants related to capital projects.

Most of these significantly increased revenue items are capital related, which meant they are not also recognised as an expense in the statement of financial position, leading to the significant surplus. These capital related items, i.e., vested assets, financial contributions, approximately half of the Waka Kotahi revenue (other half relates to maintenance), and capital grants, total approximately \$4 million.

During the year the development of the Combined District Plan was well underway, income (from the other Wairarapa Councils for their share of the plan) and expenditure was higher than budgeted in recoveries income and regulatory and planning expenditure.

There was continued activity on improving Council services including shared services with other Wairarapa Councils, as well as succession planning in some teams, leading to increased personnel costs.

Statement of Other Comprehensive Revenue and Expense

There have been revaluations of 3 waters, land and building assets, and roading assets that are held by Council this year to reflect current replacement values. The roading and land and building valuations were not planned for this year (were completed due to increases in the fair value of assets) and were therefore not budgeted for in the Annual Plan, which has resulted in the variance in gain on property, plant & equipment revaluation. The revaluation was positive and increased the asset revaluation reserves accordingly.

Statement of Movements in Equity

The increases in value for total comprehensive revenue and expense and asset revaluations gains due to the revaluation of land and building, roading and 3 water assets held by the Council and reflects their revaluation in 2021/22. Council's depreciation reserves were used to support capital expenditure.

Statement of Financial Position

The overall position of the Council is that it is currently able to meet commitments having sufficient means to cover current liabilities. Property, plant and equipment shows a higher than budgeted assets due to the revaluation of the majority of the larger asset base. The lower than budgeted external debt reflected the lower than budgeted capital expenditure for the year, and again the revaluation reserves are higher than budget due to the revaluation of land and buildings and roading assets that was not budgeted for in the 2021/22 year.

Statement of Cashflows

Council has higher than budgeted net cash flows, this reflected some prefunding of capital expenditure that was not completed in this financial year, this also reflected in the lower then planned cash applied to purchase of property plant and equipment.

This cash flow also reflects the repayment of some of councils internal debt with external debt, although the proceeds from borrowings was lower than planned due to some capital projects that did not get underway during the year as anticipated.

Other legislative disclosures

Local Government Act 2002 – Financial disclosures

The Local Government Act 2002 sets out a number of disclosure requirements for Councils over and above the generally accepted accounting practice (GAAP) information. New disclosures were added in legislative changes and additions to the Local Government (Financial Reporting and Prudence) Regulations 2014.

Insurance of assets

The Local Government Act 2002 requires that from 2014 the annual report include information about the insurance of assets.	Carrying amount at 30 June 2022	Carrying amount at 30 June 2021
Insurance contracts	\$000	\$000
Material damage		
<i>Subject to range of deductibles- \$5,000 for most claims, and 5% of site value for earthquakes.</i>	27,225	27,607
Forestry		
Maximum cover of \$20,000 for hail, no cover for windstorm, volcanic activity, earthquake, or landslip. Deductible of 1.5% of Property Declared Value subject to minimum \$10,000 per loss occurrence.	1,014	973
Motor vehicle		
Insured for market value. Carrying amount has been used for this disclosure.	390	438
Risk sharing arrangements		
Infrastructural assets as member of LAPP		
This is 40 percent of the estimated replacement cost of the scheduled assets. A deductible of \$60,000 applied.	30,273	23,646
Central government assistance		
Under the 'Guide to the National Civil Defence Emergency Management Plan', the government may fund 60 percent of the cost of repair or recovery of essential infrastructure assets. A deductible of .0075 percent applied.		
Self-insured		
To cover deductibles and uninsured assets	45,410	35,619
Total assets insured	104,312	88,283

Rating base information

The Local Government Act (Amendment No.3) includes a clause 30A in Schedule 10. The information below satisfies the disclosure requirements of that clause and adds comparative information for the current year.

Rating base	30-Jun 2022	30-Jun 2021
These values represent the opening values and number of rating units at the beginning of each financial year ending:		
Capital value	3,831,228,400	2,912,755,700
Land value	2,069,246,700	1,515,666,700
All rating units	5,285	5,173

Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 31 of the Local Government Act 2002 requires certain information to be included in the Annual Report about these reserves. Reserve funds as 'money set aside by a local authority for a specific purpose'. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The purpose and activities of each reserve is set out in the Council's investment policy, as follows.

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

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

Recreation Reserve Account— Funds from Recreation Reserve levies as provided for in the District Plan. Funds to be used for the purchase of Esplanade Reserves and Strips as required under the Resource Management Act or for the purchase or development of new or existing recreation reserves.

Roading Emergency Fund—Contingency fund to be used for emergency roading works, eg damage caused by flooding.

Rural Water Contingency Fund—Contingency fund to be used to upgrade or replace the water race intakes.

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—Funds received from Creative New Zealand for the Council to distribute as grants for community arts.

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

Memorial Square Fund—Established under the Carterton and District Memorial Square Act 1932 to obtain land and erect a memorial (now Memorial Square) and for the ongoing maintenance and upkeep of the memorial and of the associated public park or recreation ground.

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

Longbush Domain, Belvedere Hall, and West Taratahi Hall—Funds held by the respective community organisations for activities in association with the community halls and property in their communities owned by the Council.

Election Contingency Fund—Funds set aside by Council in non-election years to assist with the costs of elections.

Workshop Depot Upgrade Fund—Funds set aside by Council for the upgrade of the garage workshop in the Council Operations Depot.

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

Roading Contributions Fund—Funds 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—Funds 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—Funds from Waingawa Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding water supply and the disposal of sewage for the Waingawa industrial area.

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

Statement of special funds reserves

30-Jun-22

	Opening balance	Deposits	Withdrawals	Closing balance
	\$000	\$000	\$000	\$000
Equipment purchase and renewal fund	2			2
Recreation and reserve account	1,074	524	(68)	1,530
Road emergency fund	444	3		447
Rural water contingency fund	65			65
Waste disposal fund	141	52	(104)	90
Creative New Zealand fund	1			1
Clareville grave maintenance trust	2			2
Memorial Square fund	8			8
WWII Memorial trust	78	2		79
Longbush Domain fund	5			5
West Taratahi Hall fund	35			35
Election contingency fund	41			41
Workshop depot upgrade fund	26			26
Combined district plan reserve	82	1		83
Road contribution fund	1,452	454	(112)	1,793
Infrastructure contributions fund	1,702	241	(71)	1,873
Waingawa infrastructure contributions fund	198	43		241
Belvedere Hall fund	3			3
Waingawa industrial zone services deficit fund	41	1		42
Special funds reserves Totals	5,400	1,321	(354)	6,367

Statement of special funds reserves

30-Jun-21

	Opening balance	Deposits	Withdrawals	Closing balance
	\$000	\$000	\$000	\$000
Equipment purchase and renewal fund	2			2
Recreation and reserve account	722	405	(53)	1,074
Road emergency fund	438	6		444
Rural water contingency fund	64	1		65
Waste disposal fund	140	104	(102)	141
Creative New Zealand fund	1			1
Clareville grave maintenance trust	2			2
Memorial Square fund	8			8
WWII Memorial trust	76	3	(2)	78
Longbush Domain fund	5			5
West Taratahi Hall fund	22	13		35
Election contingency fund	40	1		41
Workshop depot upgrade fund	26			26
Combined district plan reserve	82			82
Road contribution fund	1,054	397		1,452
Infrastructure contributions fund	1,516	187		1,702
Waingawa infrastructure contributions fund	165	33		198
Belvedere Hall fund	3			3
Waingawa industrial zone services deficit fund	41	1		41
Special funds reserves Totals	4,407	1,151	(157)	5,400

Sensitivity Analysis 30 June 2022

The sensitivity analysis relating to Carterton District Council's (Council's) borrowing portfolio as at 30 June 2022 is as follows:

Sensitivity Analysis 30 June 2022

Interest rate risk		Potential impact on surplus and deficit		
Details	Currency	Amount	Plus 100bps	Minus 100bps
Variable Rate Borrowings	NZD	\$2,000	\$(19)	\$19

Council had \$12.7 million of fixed rate borrowings as at 30 June 2022. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts.

Contractual Maturity Analysis

The undiscounted cash flows relating to Council's borrowing portfolio as at 30 June 2022 is as

Debt - Contractual Maturity Analysis

Period	Carrying amount	Contractual cash flows*	Bank standby facility	LGFA
Less than 1 year	\$2,700	\$3,043	-	\$3,043
1 to 2 years	\$4,700	\$5,015	-	\$5,015
2 to 5 years	\$4,300	\$4,663	-	\$4,663
More than 5 years	\$3,000	\$3,216	-	\$3,216
Grand Total	\$14,700	\$15,936	-	\$15,936

*calculated on an undiscounted cash flow basis

The contractual maturity analysis is provided for debt borrowing amounts only.

Note that the above Table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2022, through to the contracted maturity date. This analysis includes the cash flows associated with interest payment amounts and the terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

Future interest payments on floating rate debt are based on the margin for each debt instrument and implied floating interest rate at each payment date.

IPSAS 30 does not prescribe time periods for reporting and as such, we have used prior year time bands for consistency in reporting. As there were no outstanding derivative instruments at 30 June 2022, no analysis has been completed.

Fair Value Hierarchy of Liabilities

Debt instrument	Level 1	Level 2	Level 3
Floating rate loans (amortised cost)	\$2,000	-	-
Fixed rate loans (fair value)	-	\$11,850	-

Financial prudence benchmarks

Annual report disclosure statement for year ended 30 June 2022

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

Rates affordability benchmark

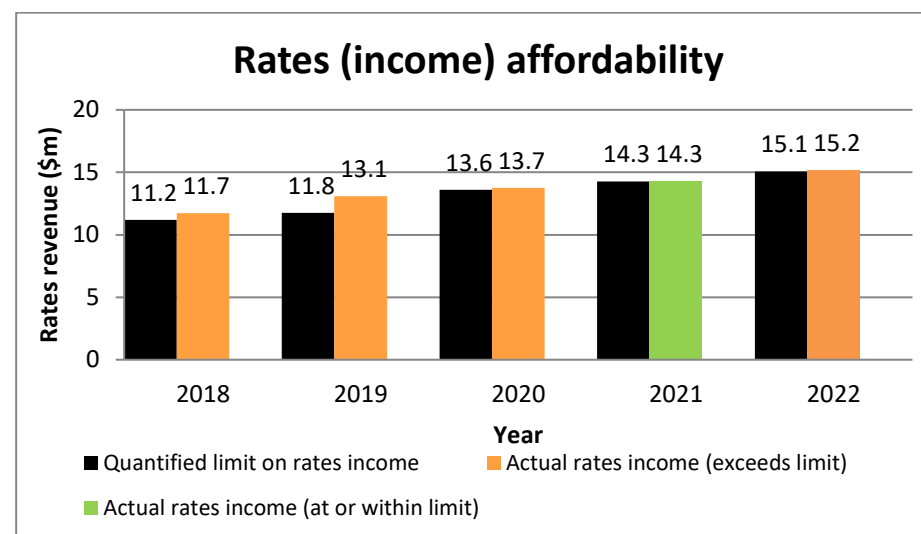
The council meets the rates affordability benchmark if—

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

Rates (income) affordability

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

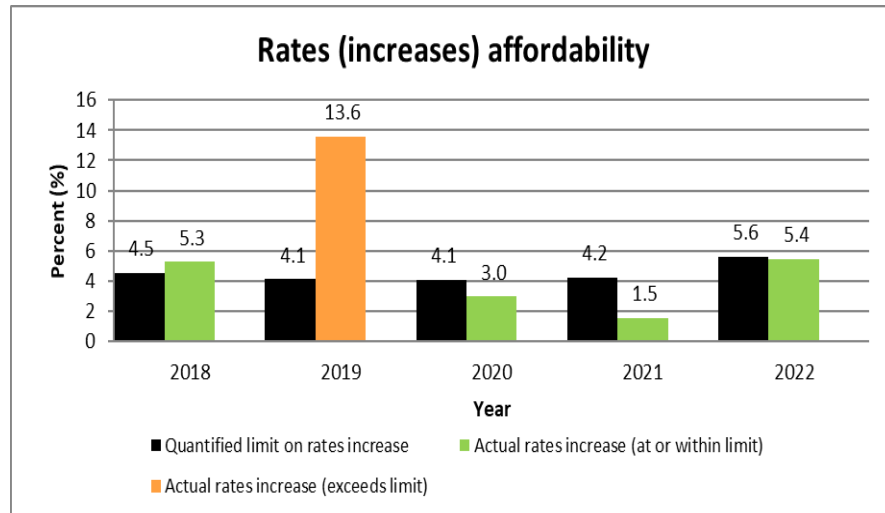
Carterton District Council has not set a definite dollar value as its quantified level for rates income; rather the Council has set the quantified level applicable each year to be that calculated using the prior year average rate multiplied by the forecast number of rateable units at the BERL local government cost index plus 2%.



In the graph above, the limits and actuals for 2018 to 2022 include the additional water-by-meter rates.

Rates (increases) affordability

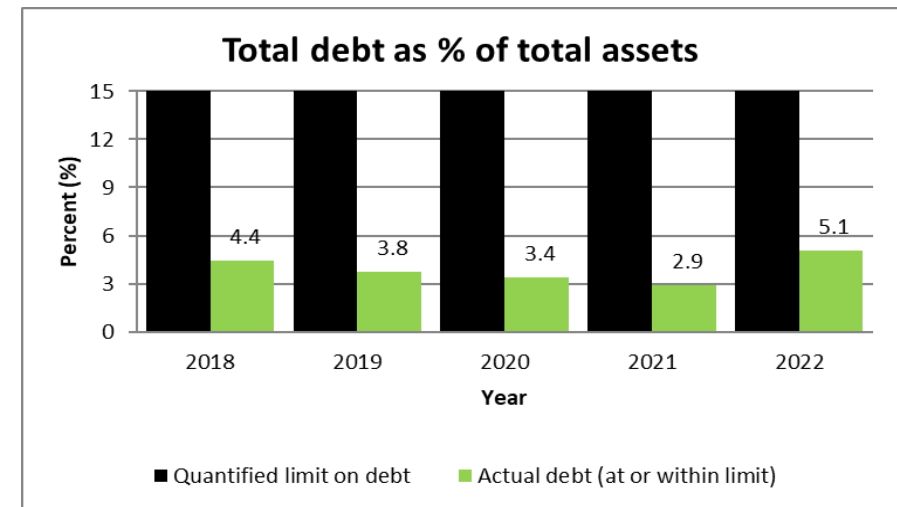
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is the percentage change in average rates²⁷ must not exceed the increase in the opening BERL local government cost index plus 2 percent.



Debt affordability benchmark

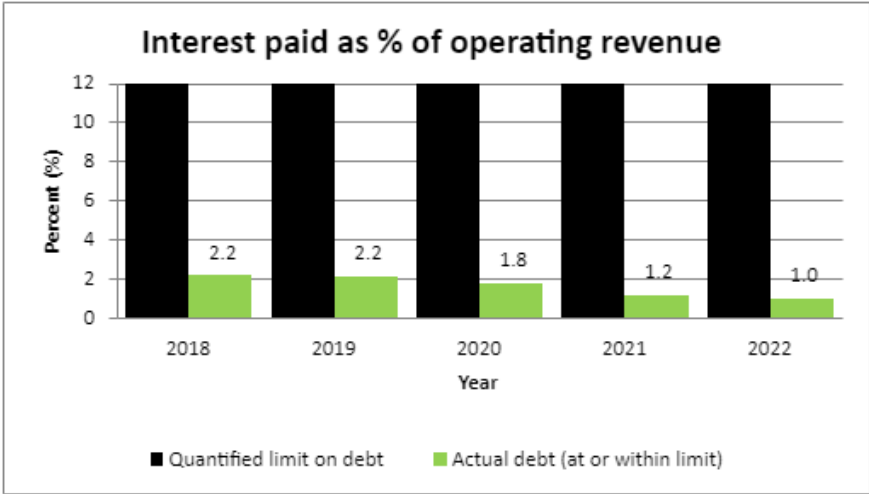
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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

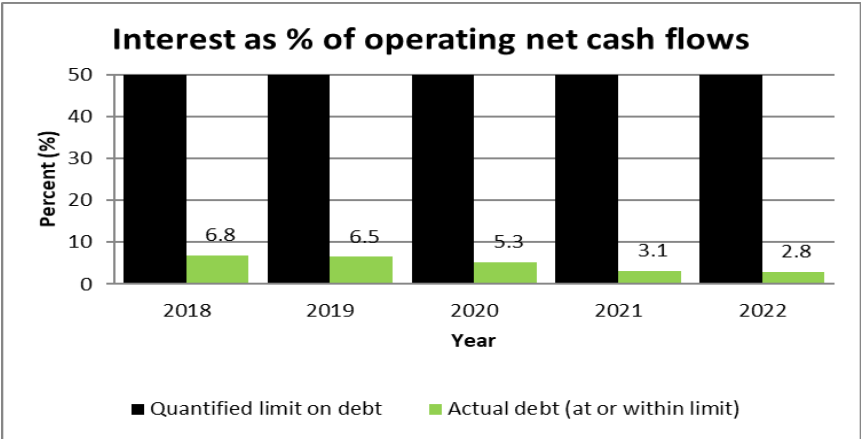


²⁷ The average rates is the total rates income divided by the total number of rates assessments.

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



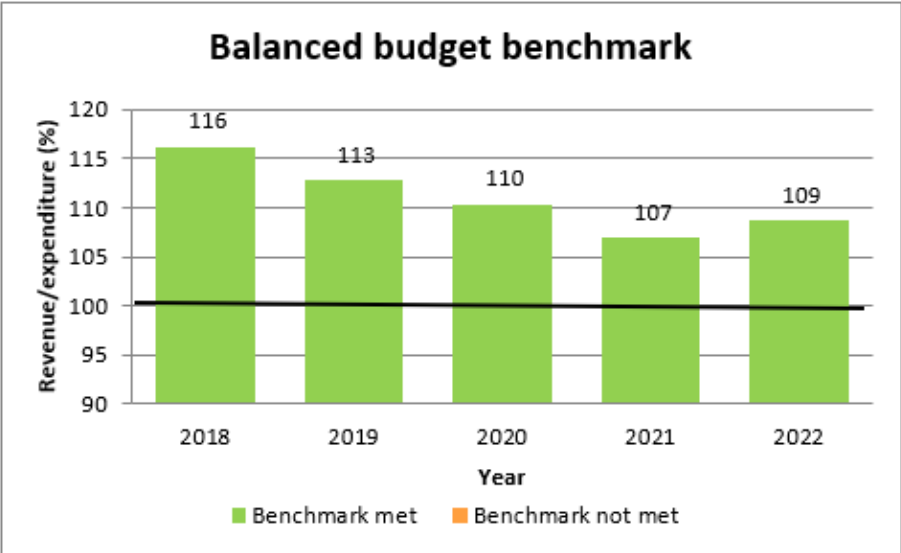
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



Balanced budget benchmark

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

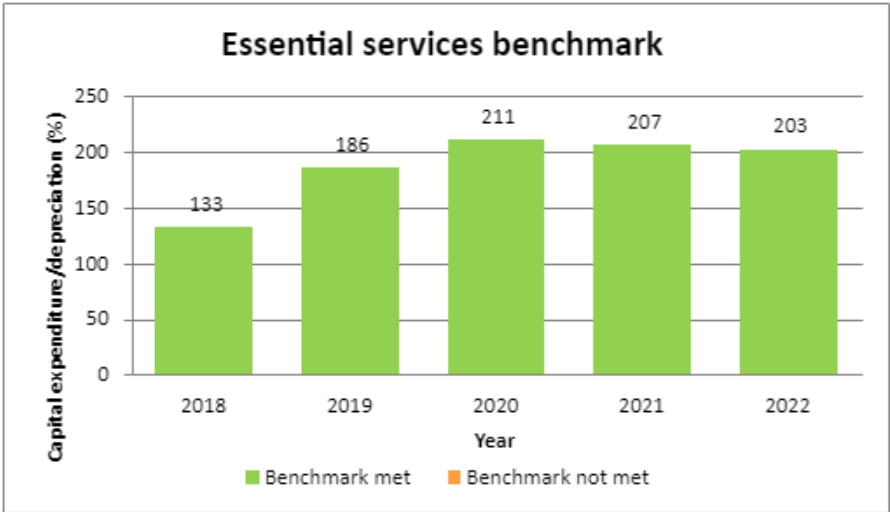
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

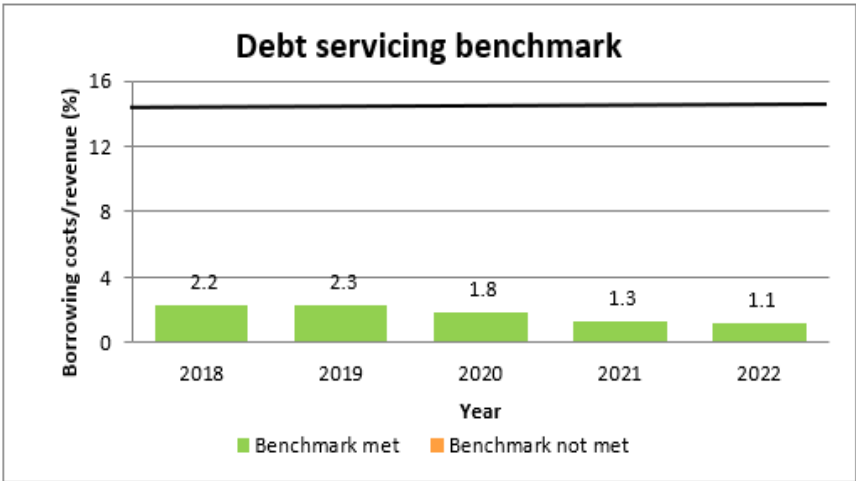
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

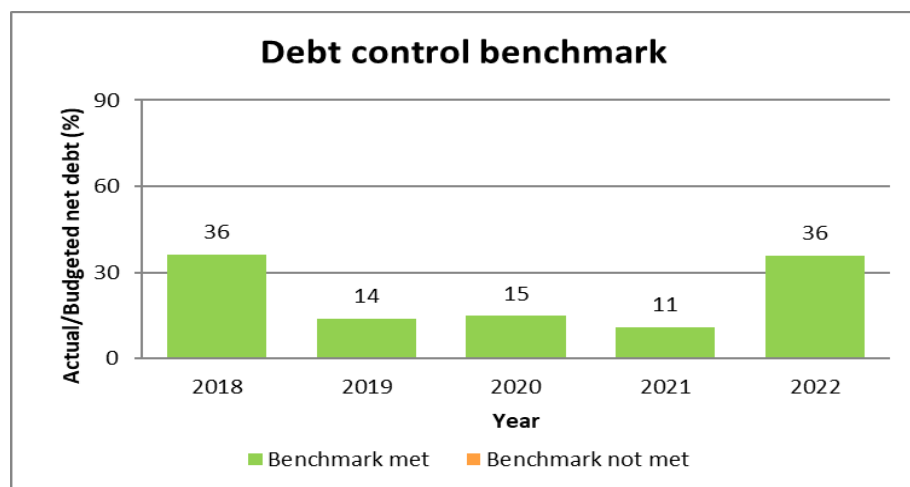
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

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

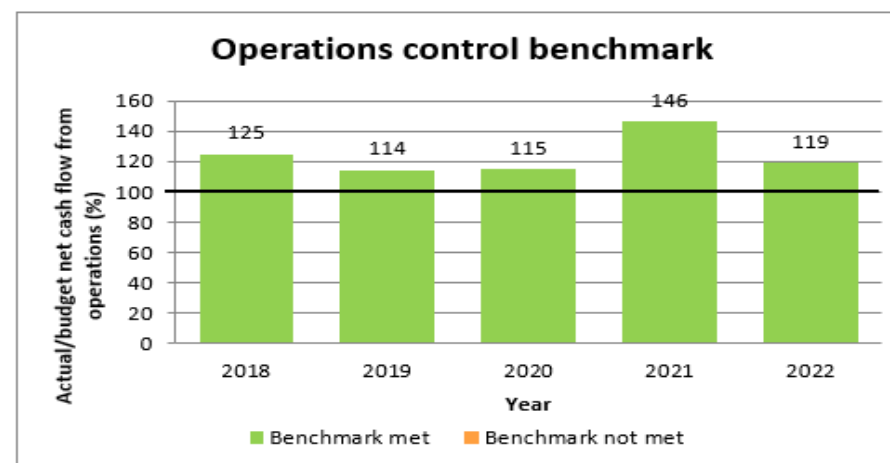
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

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

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



Over the period 2017-2022, other revenue was significantly higher than planned whereas expenditure across most areas was in line with planned, other than in wastewater where actual expenditure was less than planned due to lower than planned borrowing and delayed capital spend.