LONG TERM PLAN
2024 - 2034
PART 2

Te Kaunihera-ā-Rohe o Taratahi
CARTERTON
DISTRICT COUNCIL

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Strategies

Infrastructure Strategy 2024-54

Purpose

The purpose of this Infrastructure Strategy to identify issues that will face Council's infrastructure over the next 30 years, and to identify the options available for addressing the issues.

Infrastructure is essential to connect people and place. In Carterton, the provision of services and facilities that meet the current and future needs of communities falls under the responsibilities of Carterton District Council.

This infrastructure provides the foundations on which the Carterton district is built. It is essential to the health, safety, and land transport needs of the district and has a significant impact on the physical environment.

Effective infrastructure planning is critical to ensure economic prosperity and to enable populations to access fundamental services and facilities of everyday living. However, building and maintaining infrastructure is expensive and requires careful and considered management to ensure the current and future needs of communities are provided for. Strategic and integrated planning is required to review, anticipate, and adapt to changing scenarios.

Themes that will influence the decisions we make about maintaining and managing our infrastructure over the next 30 years are:

- Changing society - Population and demographic change in the demand for infrastructure services
- Funding challenges
- Protecting public health
- Protecting the environment
- Infrastructure resilience

By understanding these themes mentioned above, the strategy will identify the issues facing our infrastructure and then discuss the options available for responding to the issues. As part of the discussion, this strategy will:

- Outline the most likely scenario for managing the infrastructure assets within the district over the next 30 years; and
- how the projected capital and operating expenditure associated with managing the district's assets, and,
- Identify the significant decisions about capital expenditure that Council expects it will have to make; and
- Include the assumptions on which the scenario is based and providing information of the level of certainty or uncertainty associated with the scenario.

This strategy is updated every three years to reflect the changing themes, knowledge of assets and assumptions and to identify the impacts of changing circumstances. The last Strategy was adopted in 2021. Over time our knowledge will improve through improved performance and condition information. This will enable improved accuracy of asset renewal profiles and better investment decisions.

This Strategy shall form the basis or the front end of the Asset Management Plan and provides the overarching "strategic story," including challenges and priorities and what is required over the next 30 years to deliver desired levels of customer service for Carterton district.

Context

Geographic

Carterton district located in the Greater Wellington region, encompasses predominantly rural land on the eastern side of the lower North Island. The western boundary is the Tararua ranges with the eastern boundary being the Pacific Ocean. The district is adjacent to Masterton district to the north, and South Wairarapa district to the south. Kāpiti Coast district adjoins its western boundary though buffered by parcels of Department of Conservation land.

Figure 1 - Geographical boundary for Carterton District

Population and Demographics

Population forecasts show that the district's population is expected to reach 14,351 by 2047. Our society is getting older. For Carterton, the percentage of the population over 65 years of age is expected to increase over the next thirty years. The average age is projected to reach 52.4 years in 2048.

Economy

The predominant land use in the district is pastoral agriculture, mainly beef and dairy farming, with a significant amount of forestry in the eastern hill country. The main employment sectors are agriculture, forestry, and fishing, with all of these sectors highly dependent on CDC's infrastructure services for transport connections. Small pockets of viticulture and winemaking exist in the Gladstone area.

Future challenges and opportunities

The next thirty years will present multiple challenges and opportunities that will influence the way we manage Council infrastructure. Front-footing and adapting to change is an important part of our strategy. Decisions also need to factor in the wider context, risks and considering social, cultural, economic, and environmental trends.

Our journey towards achieving our strategic outcomes will require us to consider the following:

Funding challenges

Carterton District Council, much like other Councils in the region will face increasing levels of asset renewal and replacement expenditure over the coming years; although the extent of this varies across each council. Affordability is a pressing issue for councils with ageing networks and limited ability to increase revenue.

Funding infrastructure to support new development is also challenging as it involves expensive upfront costs. Because most underground three waters infrastructure lasts around 80 years, the payback period is long and returns on investment are low in the initial years. This can mean high borrowing and interest costs – particularly if growth is slower than anticipated.

Funding growth through financial contributions, and / or development contributions will become increasingly important, to ensure the condition of the remaining network is maintained. Ensuring financial and development contributions adequately fund growth is also crucial, as shortfalls are funded by the ratepayer.

Three waters infrastructure generally has a low profile. By nature, it is designed to be unobtrusive and it is challenging for the community to appreciate the value of these buried pipes and remote treatment plants which are taken for granted.

Alternative funding models and tools could be an effective means addressing some of these affordability issues.

Environmental Limitations

Urban development supports the social and economic well-being of communities. As the region's population increases, there is a need to ensure that new houses and infrastructure services are developed in a sustainable way, which meets aspirations of the community and is sensitive to the environment.

Contributors to the degradation of freshwater bodies include wastewater overflows and leakage, and contaminated stormwater run-off. For water supply, most of the district's major rivers are either fully allocated, or in some cases even over-allocated. This means at normal to low flow there is only just enough water to meet all consented water takes while still remaining within consented levels.

Enabling urban growth, while maintaining and improving water quality, will be an important focus looking forward. But there are other challenges at play too. Urban expansion is limited by the availability of suitable land, which means that marginal land, such as low-lying areas, become options for greenfield development. Affordability is also an issue, with difficult trade-offs required for levels of service across all three waters.

These issues require us to challenge conventional thinking about infrastructure provision and consider more affordable options, which may have multiple benefits. Non-asset solutions such as hydraulic neutrality[1] and on-site systems for reducing wastewater discharges (e.g., greywater recycling) may reduce the pressure on our existing networks while minimising impacts on the environment. Water sensitive urban design solutions such as wetlands, rainwater detention storage facilities will become increasingly important for managing the impacts of stormwater and flooding.

[1] Hydraulic neutrality is used to describe an urban development activity where additional stormwater from new impervious areas are managed on site in a way that the total discharge from the new development is no greater than what it was pre-development.

Extreme Natural Events

The Wairarapa district and the Greater Wellington region is vulnerable to a range of natural disasters. We know it is not a question of if an event will strike our region, but when. Events such as Cyclone Hale and Gabrielle are a stark reminder that significant events can result in serious damage to buildings and infrastructure, while disrupting business and everyday activities.

Our networks are vulnerable and susceptible to breakage. Approximately 30% of water reticulation pipes are made of cast iron and asbestos cement. These pipes are fragile and prone to sudden bursts as they age. Further, our water storage tanks are considered to be vulnerable to extreme shocks.

We also have low resilience in our wastewater network with 45% of pipes made from asbestos cement, concrete or earthenware, meaning they are likely to break under disruptive forces. This in turn leads to inundation of public areas with untreated wastewater which may result in illness and disease.

The change in weather patterns due to climate change means there are more frequent heavy rain events and damaging sea swells. These weather patterns mean that the ground is saturated, resulting in landslips that disrupt road access to parts of the districts.

The Eastern Hills access roads have a history of significant land movements occurring when the ground is saturated. The sea level is also predicted to rise with climate change. This will exacerbate the coastal erosion and has specific ramifications for the district coastal communities e.g., Flat Point.

Legislation Changes

Management of the region's 3-water networks is influenced by a range of statutes and legislative instruments (including regulations) spanning governance, asset management, health and safety and protecting environmental values. The Health Act (1956), Local Government Act (2002); the Resource Management Act (1991); the Health (Drinking Water) Amendment Act

(2007) and the Building Act (2004) are particularly relevant to the management of three waters.

The regulatory environment and institutional arrangements for managing three waters are constantly changing: with multiple drivers for these changes. Some of these outlined below.

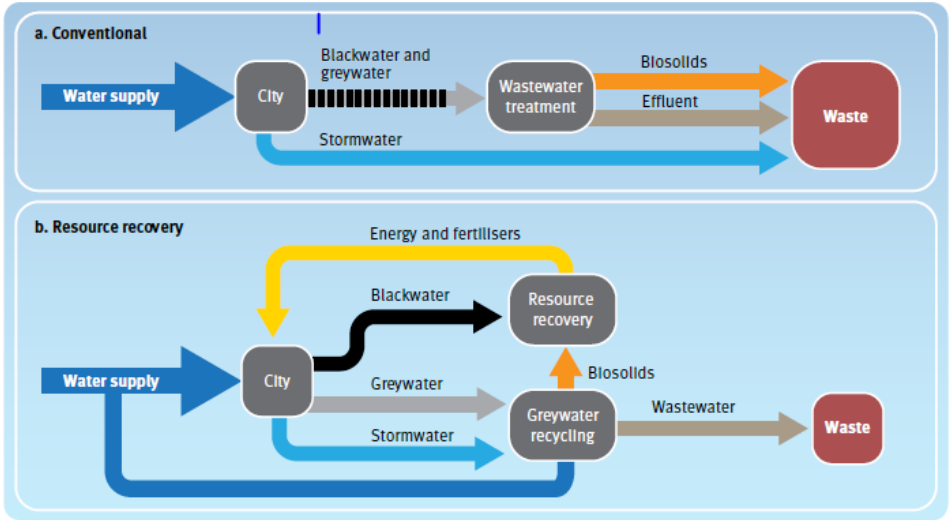
- Increasing community expectations around safe water supply
- Environmental quality and resource scarcity
- Fragmented water governance structure with multiple entities
- Joined up and more efficient service delivery
- Financial incentives and the need to fund the bow wave of renewals
- Housing supply and affordability – supporting high growth
- More robust building standards
- Public health and safety
- Legislative proposals for waters services to financially sustainable and separate from all other Council activities.

Technology

Technology and innovation will continue to provide opportunities to improve services; mitigate environmental impacts and reduce costs. Technology provides exciting opportunities, but also brings challenges around cyber security, and the flexibility of our current systems to adapt. Many cities across the world are already transitioning towards what is referred to as the "fourth generation" of water infrastructure. This is characterised by improved water efficiency; source control; separation of resources and pollutants at source; improved management and control of flows in the system; and resource recovery of energy, carbon and nutrients.

Water efficiencies are being achieved through the implementation of "smart" metering. It provides our users with the ability to monitor their consumption patterns and avoid wastage. This is an integral to our demand management strategy.

Pipelining and trenchless technology is increasingly become a cost effective and less disruptive option for renewals, upgrades and new works.



Adapted from Prosser, IP 2011, *Water: Science and Solutions for Australia*, CSIRO Publishing, p. 86.

Figure 2 - An example of technological innovation in resource recovery

The use of automated systems to operate mechanical systems more efficiently is helping keep pace with future pressures such as climate change and population growth. Installation of variable speed drives is one example where individual control of pumping rates can reduce overall energy consumption in rising main pumping systems.

New technologies will also encourage more effective capture of physical asset data, reducing the cycle time between asset installation and asset management.

We aim to transform our plethora of operational and 'core asset' data into meaningful information to support decision-making. The transformation of source data to useable information is driven by two trends. First, the 'convergence' of operational data (for example, data captured from sensors) with asset and compliance data. Second, automation allows the pace of data collection to increase. Both trends place a greater role on the development of accurate, fast-paced tools that can support three waters decision-making.

Assessment of water and sanitary services

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

Carterton District Council's asset management plan, source water management plan, water safety plan and alternative water source investigation collectively assesses the matters contained in section 125 of the Local Government Act 2002.

The assessment has informed the development and ongoing review of the Long-Term Plan and as such there are no variations between the proposals outlined.

Levels of Service

The Council is responsible for providing infrastructure services for

- Roads and footpaths, all as required by Local Government Act 2002.
- collecting, treating, and providing safe drinking water.
- collecting and treating wastewater and,
- managing stormwater within the urban environment.

The Council is also responsible for the efficient delivery of services in relation to the following matters, including, but not limited to:

- ensuring all statutory requirements and environmental standards are met.
- installing and maintaining water meters and undertaking meter reading for billing purposes
- managing and maintaining all parts of the network so that water is available on demand and at a pressure appropriate to the area.
- monitoring water quality to meet national drinking water standards so that a risk to public health does not develop.
- responding to and fixing all leaks and faults in the respective networks within agreed time frames.
- upgrading areas of the respective networks that are either non-existent, too small, or not performing.
- flushing wastewater mains to allow wastewater passage.
- developing, promoting, and implementing water conservation measures.
- undertaking forward works planning in order to anticipate future demand, the effects of climate change and the district's growth and development.
- ensuring that the environment is protected from any adverse effects from the three water activities; this includes, where possible and practical, the contamination of surface waters from treated wastewater effluent.
- providing a fit for purpose roading network by maintaining road surfaces, footpaths, culverts, channels, and bridges.
- resealing 8% of the road network per annum.
- maintaining traffic signs, road markings and streetlights.
- managing vegetation within the road corridor.

Current levels of service

In 2010, the Local Government Act was amended to require local authorities to report non-financial mandatory performance measures via annual reports. The aim was to help the community to contribute to discussions in determining levels of service and allow them to compare the level of service provided by different councils.

Levels of service provided by Council is assessed by the:

- Non-Financial Performance Measures Rules, Department of Internal Affairs, 2023, known as the Non-Financial Mandatory Performance Measures Rules 2024
- Regional resource consent compliance (based upon information provided by regional councils in 2022), and
- Ruamāhanga Roads also uses and monitors Waka Kotahi ONRC[2] and ONF[3] performance measures to support the delivery of the high-level measures set by the Council. The monitoring of these measures informs the development of strategy and plans for future delivery.

The Infrastructure Strategy does not intend to propose any changes in the current levels of service. Levels of service during the term of this plan will be measured through the non-financial mandatory performance measures in CDC's performance framework and will be reported on in the Annual Report.

[2] ONRC – One Network Road Classification

[3] ONF – One Network Framework

Approach towards managing assets

Changing society

Population growth

Demographic change, and the needs and preferences of particular groups, will affect the way we manage our Infrastructure.

It's worth noting that these predictions could play out quite differently as a result of a major event, unprecedented pandemics such as COVID-19, natural events such as an earthquake etc.

As the population trends upwards, it is expected that household numbers will grow at a higher rate. However, changing social preferences and an aging population mean that households across the region are also expected to become smaller – i.e., the household occupancy rate is expected to decline on average from 2.8 to 2.6 people per household. This means new dwellings are expected to decrease in size but with greater intensity.

The capacity of our networks is also impacted by a significant transient population who commute to city centres for work and other reasons. However, this may change in future as technology influences how we work and where we work from.

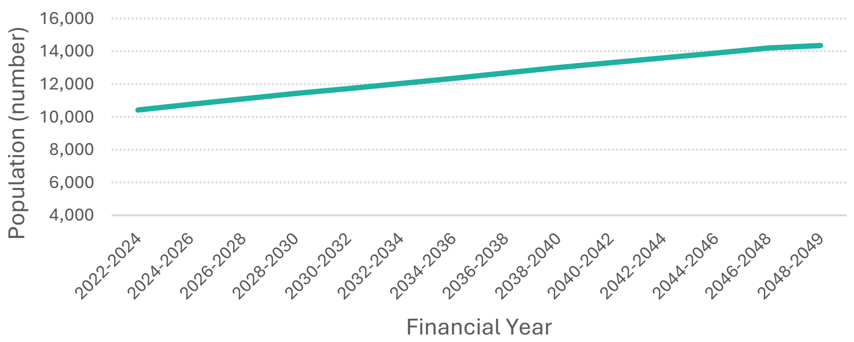


Figure 3 - Long term population projections[4]

[4] Demographic forecasts for the Wellington region, March 2023-Sense Partners

Social preferences

People's social preferences are constantly changing, and this is impacting on community expectations for infrastructure services.

Advances in education and technology have helped empower individuals, and this is leading to increasing demands to participate in decision-making processes. Communities are becoming more concerned about levels of expenditure, environmental outcomes, and hazard events such as flooding, climate change and earthquakes. At the same time there is an increased focus on recreation, aesthetics, and the liveability of our cities. Technology is also empowering people to modify their lifestyle and understand the way that they utilise water services (e.g., smart metering).

Our involvement with the community takes many forms – from broadcasting information (e.g., social media); through to a representative that can express their preferences in an informed way. The future is likely to involve more 'influence' from the community, with customer feedback directly linked to decision making processes.

Responding to growth

Given that we are operating in a world of limited funding and difficult investment trade-offs, we need to be smarter and more efficient about the way we support future growth. Better integration and alignment, along with a more systematic approach to modelling, is setting us in the right direction.

The dynamic and changing environment within which we manage infrastructure assets means that we need to revisit assumptions and forecasts as new information comes to hand.

Our best advice will be underpinned by systematic and comprehensive modelling undertaken on a catchment basis so that cumulative impacts and interrelationships can be identified and factored into future planning decisions.

Carterton District Council has proposed a long-term modelling plan which will provide a more robust platform from which to determine capacity issues and constraints, which in turn will be prioritised in our future Annual Plans.

The criticality and condition of our networks has been a key driver behind investment and management of our pipe networks. In order to accommodate growth, network capacity is rapidly becoming the primary focus of the district's capex programme. By applying a 'systems' lens to three waters management, we can ensure the necessary inter-connections are made across boundaries.

Planning for Growth

The proposed Wairarapa Combined District Plan (pWCDP) identifies how the district is planning for growth. The pWCDP is progressing through Hearings and will be given greater effect over time. The pWCDP includes for smaller lot sizes for General Residential Zones which provides for greater housing density and urban population growth.

The infrastructure required to cater for this housing growth has been included in Infrastructure Strategy. This includes our ability to supply drinking water to a growing population base up to 2043 and beyond, and deal with wastewater demands up to 2052 when our current consent expires. Further wastewater demand analysis is included in the first three years of the Long-Term Plan.

Previously the Eastern Growth Area had been considered necessary to cater for population growth in the district. With the smaller lot sizes available in Carterton's urban General Residential Zone, the development of the Eastern Growth Area and associated infrastructure has been placed on hold for the foreseeable future.

Te Mana o te Wai

Understanding that we are an entity responsible for water, which is a taonga for Māori, highlights a need to ensure our planning and investment approach does not directly or indirectly exclude the views and values of our iwi partners. This means going beyond 'consulting,' 'including' or 'involving' our iwi partners in the planning process and ensuring that they form a part of our decision-making processes.

To recognise and respect the Crown's responsibility towards the principles of Te Triti o Waitangi/the Treaty of Waitangi, there is an overarching requirement for all persons performing or exercising duties, functions, or powers to also give effect to Te Mana o te Wai, to the extent that Te Mana o te Wai applies to those duties, functions, or powers.

Carterton District Council will engage with mana whenua to develop our response to any Te Mana o te Wai statements and develop how these are integrated and implemented in future. Our efforts to give effect to Te Mana o te Wai are essential for ensuring the protection and sustainable management of water resources and assets and therefore integral to this strategy.

Figure 4 - Kaipaitangata Stream

Roading Infrastructure

The roading infrastructure are being managed by Ruamāhanga Roads. Ruamāhanga Roads is a multi-party funding agreement with between Carterton and South Wairarapa District Council.

Ruamāhanga Roads is the joint network of 110 km of urban and 991 km of rural roads of Carterton and South Wairarapa District Councils. These roads are critical for the farming, forestry, and wine industries and for the social, economic, cultural, and environmental well-being of the wider community of ~21,000 residents.

The road network is the primary asset that enables the people in the community to interact with each other.   The population of the two districts is small and the roading network is large. This means that the cost per person for maintaining this network is high.

We need to continue to invest in road pavement renewal to ensure continued access across the district.

Key Issue:

- ***Historic underfunding of operational maintenance and renewals***

Maintenance and renewals have been under-invested in past years. The under-investment in pavement renewals will cause unsustainable maintenance volumes and costs in future years. At present, only 0.3% of the network undergoes pavement renewal each year, which means it would take 300 years to replace all pavements at this rate.

If pavement renewals are not increased, the pavement maintenance costs will continue to increase, in real terms, by approximately 30% per year. If we invest in sufficient pavement renewals, we will start to see a real reduction in the quantity of pavement maintenance required. When we address the backlog of pavement renewals, the pavement maintenance costs will be lower.

- ***Road safety***

The rate of serious and fatal accidents is increasing, and this is negatively impacting the welfare of the community.

- ***Network resilience***

The increased scale and frequency of damage caused by weather events on some parts of the network will be beyond the ability of the Community to fund the required repairs.

Note the investment in renewals, road safety and resilience will also reduce the carbon footprint of the Council's Road Transport Activity.

Our Strategy

Programme of Work and Funding

The following actions are proposed improve the efficiency of maintenance & renewal and are best practices for sustainable management of the network's assets.

Our long-term plan includes funding of pavement rehabilitation to enable 1% of the network to be renewed annually. Our long-term plan also plans for funding of road resealing to enable 8% of the network to be resealed annually.

We also provide the maintenance funding to address the backlog of maintenance over the next 3 years.

Network Safety

The recommended programme to reduce road crashes on the network is the following combination of options:

- To continue with the current level of road safety education.
- To invest from the Low-Cost Low Risk or R2Z funding category, on speed management.
- To invest from the Low-Cost Low Risk funding category, improvements to Guard Railing, delineation, and signage to ensure standards are uniform within each ONRC/ONF Customer level of service.

Network Resilience

The identification of sites where there is a high risk and impact of the road being closed due to slipping and select one site for the development of a stabilisation plan with the adjoining landowner(s).

Fund the implementation of a trial section of slope stabilisation.

Action Plan

Strategy	Initiatives	Timing
Fit for purpose Road Network	Increase funding in maintenance activities such as pothole patching, drainage maintenance and grading	Ongoing
Pavement rehabilitation %	Rehabilitate 1% of road network per annum	Ongoing
Resealing of network	Reseal 8% of road network per annum	Ongoing

Protecting public health

Carterton District Council provide water services to ensure safe drinking water and work to minimise the public health risks from wastewater and stormwater over time. A safe and reliable water supply is essential to public health and the social and economic progress of the district. Delivering current levels of service to the reticulated areas of the district requires the abstraction, treatment and delivery of an average 2.3 million litres of water each day and providing sufficient capacity for fire-fighting supply when required.

Once this water has been used, the untreated wastewater needs to be safely conveyed through reticulated networks then treated and disposed in an appropriate way to minimise risks to human health.

Water Sources

Carterton district is fortunate to have most of its water sourced from protected catchments.

Activities on land upstream of surface and groundwater abstraction points are managed by Greater Wellington Regional Council and Carterton District Council through the provisions of the Resource Management Act 1991.

The water supply for the Carterton district comes from two sources:

- The headwaters of the Kaipaitangata Stream, abstracted from an intake, treated at the Kaipaitangata Water Treatment Plant and stored in the two water storage tanks located at that site.
- Groundwater abstracted from three bores located on Lincoln Road and Frederick Street, treated at the Frederick Street Water Treatment plant and stored in four water storage tanks located at Frederick Street and Dalefield Road.

Figure 5 - Carterton water source at Kaipaitangata stream

Bulk water sourced from the Kaipaitangata Stream is limited by consents which require minimum flows to be maintained so that the ecological health of the stream is sustained. This source at the Kaipaitangata Stream has limited raw water storage capacity and requires the intake to be turned off during rain events.

Figure 6 - Lincoln Road water storage tanks

Water extracted from the three underground bores at Frederick Street is also limited by consents which are intended to maintain the allocation limitation set on how much water can be taken from groundwater sources to protect the health needs of the people. During periods of low demand, some water is diverted to the new storage tanks on Dalefield Road. Stored water from these tanks is then pumped back to Frederick Street treatment plant during period of high demand.

Figure 7 - Frederick Street Bore

Providing Safe Water

Safe drinking water is crucial to public health. To be deemed "safe", drinking water needs to meet the requirements of the Drinking Water Standards for New Zealand. However, meeting these Standards is only part of the story. The delivery of safe drinking water is also dependent on the security of supply in terms of quality and quantity. We are also aware of customer perceptions of what is considered 'safe' water. This can be driven by aesthetic qualities such as taste, odour, and appearance.

In line with international best practice, we use a multi-barrier approach for managing risks of contamination. That means protecting the *source* water from contamination; treatment plant processes; management of distribution system risks; effective monitoring and response; and the protection of water after treatment to prevent re-contamination.

Fluoridation

Over the last couple of years, fluoridation of drinking water has been in the news a lot. Fluoridation has been subject to battles mainly between oral health fluoridation advocates and the implacably opposed.

Fluoridation is the process of adding the micronutrient fluorine to drinking water to raise its concentration above the level it occurs naturally in source water. Fluoride is typically added in the final stages of treatment.

The Ministry of Health recommends the adjustment of fluoride to between 0.7 and 1 mg/L as the most effective and efficient way of helping prevent tooth decay in communities receiving a reticulated water supply. The New Zealand drinking water standards set a Maximum Acceptable Value (MAV) of 1.5 mg/L for fluoride. The MAV of a chemical is the concentration of that chemical which does not result in any significant risk to the health of a 70 kg person over a lifetime of consumption of two litres of the water a day. The 1.5 mg/L MAV for fluoride is based on the latest World Health Organisation (WHO) Guidelines.

Until December 2021, there was no legislation in New Zealand that required the addition of fluoride to a water supply and was undertaken by local councils at its discretion. The Health (Fluoridation of Drinking Water) Amendment Bill came into effect in December 2021 gives the Director-General of Health the ability to direct Council to add fluoride to drinking water. The Council has received no such direction from the Director-General thus far. It must be noted that the current legislation does not take away the ability for Council to use its discretion to add fluoride to drinking water.

The Director-General of Health wrote to Council in September 2023 stating that no further action was required from Council towards community water fluoridation. Based on this proviso, our strategy and Long-Term plan at this stage does not include addition of fluoride to drinking water unless the Director-General of Health directs Council to do so.

We have assumed that any future direction from Director-General to add fluoride to drinking water will be supported with capital funding from central government to install the necessary treatment equipment, however it must be noted that the Health (Fluoridation of Drinking Water) legislation does not commit central government to provide capital funding towards the upgrades. In the event there is no central government funding support, the necessary upgrades required to add fluoride to drinking water, its operation and ongoing maintenance will need to be funded by Council's annual budgets.

Providing Water for Firefighting

The protection of peoples' lives and property from the hazards of fire is dependent on an adequate supply of water for fire protection and firefighting. In general terms this means that the design of water supply networks must have adequate water pressures and flows available for in property fire protection systems and for use by Fire and Emergency NZ personnel. Sufficient water storage is also critical should supply to networks become unavailable.

Our water supply network is generally adequate for firefighting purposes. However, there are localised areas where water pressure and available flows could be improved. Future improvements will be based on improved knowledge of network performance and through dialogue with Fire and Emergency NZ. Changes may involve reconfiguring the water supply network so that firefighting supplies are more accessible to emergency services.

Protecting Public Health (Water)

The district urban areas and some rural areas are serviced by our reticulated wastewater networks, which are designed to protect public health and the environment by transporting contaminated water away from private property without exposing people to harmful pathogens that are contained in human waste.

Stormwater services are also essential to protect public health as rainfall needs to be drained away to prevent damp ground and the various illness that can develop affecting people and property.

Key Issues

Monitoring Source Water

In the last 12 months, about 70% of the Carterton's water supply has been sourced from the underground aquifer, abstracted at Frederick Street.

Greater Wellington Regional Council (GWRC) is responsible for protecting the aquifer (and source) and does this by regulating water takes, discharge and land use activities that may adversely impact on quality and supply of water.

The National Environmental Standard for Sources of Human Drinking Water require regional councils to protect drinking water sources through water and discharge permits and consent conditions. The Natural Resources Plan (NRP) identifies a community drinking water protection area (Schedule M2) for the aquifer which controls certain discharges to land (e.g., on site wastewater effluent in rural areas). As development intensifies in this protection area, it will become increasingly important to manage and monitor the effects of land use activities on the aquifer.

On-going investigations are increasing our understanding of the aquifer and testing previous assumptions. We need to be responsive as new information comes to hand on the integrity of the aquifer and potential sources of contamination (e.g., Nitrates). This may require changes to the way we monitor and respond to aquifer water quality and changes to our mode operation. Also, depending on what investigations reveal, other forms of treatment or upgrades may be necessary.

The detection of emerging risks in our primary source water such as Nitrates (or Nitrate-Nitrogen) will require a greater focus in the future. Epidemiological evidence that has observed associations between nitrate in drinking water and a range of adverse health outcomes including colorectal cancer, congenital anomalies, preterm births, and childhood cancer are far below the current MAV[5] in the NZDWS[6]. However, the evidence base is not conclusive with respect to whether the relationship is causal or coincidental.

In those studies that found an association, the concentration of nitrates in drinking-water associated with bowel cancer were about the same as obtained from Carterton's drinking water from Frederick Street WTP[7].

There is a growing interest in potential health risks associated with nitrates in drinking water and whether the MAV is set at an appropriate level.

During 2022, Taumata Arowai publicly consulted on the drinking water standards and received submissions advocating for a lower MAV. In the event of a legislation change could result in MAV for nitrates drop below existing values obtained from Carterton's primary water source (Frederick Street WTP). In such an event, the source from Kaipaitangata WTP will play an important role as a low nitrate-nitrogen source to dilute the nitrate levels obtained from the primary source at Frederick Street.

Health impacts from wastewater and stormwater

During heavy rain events, stormwater and groundwater can enter the wastewater network resulting in overloading the capacity of the wastewater networks and overflow to the environment. These overflows are exacerbated by cross connections where stormwater downpipes are incorrectly connected into the wastewater system and local flooding which can directly enter gully traps.

Figure 8 - Wastewater overflows

Wastewater overflows can also occur in dry weather; often from blockages from private household drains and tree roots blocking pipes resulting in overflowing gully traps. These blockages can result in untreated wastewater seeping onto neighbouring properties and causing a health risk. Untreated wastewater can also enter the environment by seeping through old and fragile pipes; with detection difficult. Overloaded networks often result in uncontrolled flows; overflowing through manhole lids and onto land.

The potential public health impacts from blockages and overflows can be significant. As well as impacting on the environment , wastewater overflows can result in disease and gastrointestinal upsets in people who have direct contact with the contaminated ground surface. Children who inadvertently play in polluted areas are particularly at risk. Although most of our urban streams are not generally used for swimming, high levels of E. coli bacteria can still indicate a health risk to children playing in or near the water.

[5] Maximum Acceptable Value

[6] New Zealand Drinking Water Standards

[7] Water Treatment Plant

Our Strategy to protect public health

Effective treatment of water supply

We are fortunate that source water supplying the Kaipaitangata water treatment plant plants is from a protected catchment. This means a reduced risk of contamination from human and animal sources that introduce disease-causing organisms such as protozoa, bacteria, and viruses.

However, we cannot fully rely only on the natural filtering processes of our underground aquifer to provide a safe supply of drinking water. Following the Havelock North water contamination incident, treatment methods such as chlorination and UV light (for the treatment of protozoa) are now required to ensure customer safety. Ongoing investigations may also reveal the need for different treatments.

We will continue to manage risk through assessing the condition of pipes and storage reservoirs. Water safety plans remain an important tool for managing risk and driving operational improvements and investments. We will continue to ensure these plans reflect the best available information and manage public health risk at an appropriate level.

Figure 9 – Carterton's water disinfection systems

Figure 10 - Water filtration system at Kaipaitangata water treatment plant

Minimising the impacts of wastewater leaks and overflows

Addressing these issues will require a combination of asset (pipe renewals) and non-asset solutions. A program of investigations is underway to determine inflow and infiltration, and where possible, the occurrence of cross connections.

Regulatory measures, such as bylaws, and design measures may also play a role in mitigating overflows. Some design elements include storage at pumping stations (to allow for failure), ensuring gully trap heights are maintained, and understanding when to replace leaking lateral pipes will aid in controlling this inflow and infiltration to a manageable level.

Action Plan

Strategy	Initiatives	Timing
Effective treatment of water supply	Regular monitoring of source and treated water quality	Ongoing
Minimising the impacts of wastewater leaks and overflows	Inflow and Infiltration reduction works	Ongoing
	Asset renewals and upgrades	Ongoing
	Network performance monitoring	Ongoing
	Wastewater Treatment Plant Upgrades	0-3 yrs.
	Policies, bylaws and design measures to reduce overflows	Ongoing

Protecting the environment (Water)

The district's freshwater bodies including Mangatarere Stream, support a range of ecological values. Water from our freshwater bodies support surrounding reserves, regional parks and forests which serve as popular sites for recreational activities. Our rivers and streams provide habitat and food for hundreds of plants and animals, from tiny algae to two metre eels, and to native freshwater fish - many of which migrate between freshwater and the sea.

Māori continue to have a close relationship with water in all its forms, both spiritually and physically. Water is a taonga of huge importance to Iwi and enhancing the health and wellbeing of our waterways is a priority for Iwi. Māori often consider their personal health and the health of the Iwi to be intricately linked to the health of their water bodies. For Māori degradation has led to traditional values embedded in their water-bodies being either compromised or lost completely.

Figure 11 - Wastewater outfall structure within Mangatarere Stream

Carterton District Council continues to have a long-term vision to improve fresh water quality by removing treated urban wastewater effluent from streams.

The Council completed the construction of its new wastewater reservoirs in 2023 and has continued to increase the amount of treated wastewater being discharged to land over time. There is still much more to do. Council recently brought forward its plans to purchase an 85-hectare parcel of land adjacent to its new wastewater reservoirs at Daleton Farm that could see the expansion of its strategy to remove the discharge of treated wastewater into the waterways.

Figure 12 - Carterton's wastewater effluent storage and dispersal field

Figure 13 – Land-based irrigation

In January 2018, Greater Wellington Regional Council (GWRC) approved a 35-year resource consent to undertake land-based discharge of treated wastewater onto land owned at Dalefield Road. The consent includes approximately 20ha of pivot irrigation and around 25ha of land for further development. This 25ha has been recently leased to GWRC for a poplar and willow pole nursery, irrigated with treated wastewater.

Figure 14 –Signing of the lease agreement between Carterton District Council, Ngāti Kahukuraāwhitia, and Greater Wellington Regional Council for the establishment of a pole nursery using treated wastewater for irrigation

This agreement highlights a joint effort to conserve the environment and sustainably use the land. Once established, the nursery will double the amount of treated wastewater being diverted away from the Mangatarere stream and discharged safely to land Council and also signed a Memorandum of Understanding, agreeing to work together to help train and develop the required skills within our community.

Our consents

Many of our three waters activities require resource consents to comply with Regional Plan and District Plan requirements. These include stormwater network consents; new consents for capital expenditure (capex) projects; wastewater treatment plant (WWTP) upgrades; wastewater overflows, and water permits for bulk water abstraction. Carterton District Council currently manages eight consents (and conditions) relating to its infrastructure services, but also has a heavy future schedule of new consents and consent renewals that will be subject to greater rigor.

The Natural Resources Plan (NRP) has introduced new and more stringent consent requirements for three waters infrastructure. This includes new consent requirements for stormwater discharges. A key requirement of the stormwater discharge consent is the establishment of a monitoring regime and the development of stormwater management strategies that target water quality improvements.

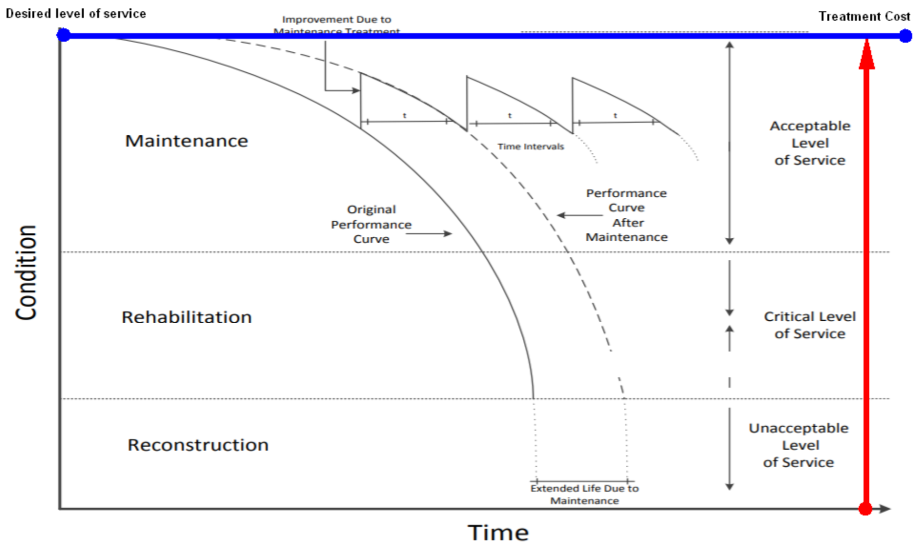
Key Issues

Aging Infrastructure

A history of deferred maintenance has created legacy issues across the asset hierarchy, which will require significant investment in the future to maintain and improve current levels of service.

Figure 15 - Sludge dewatering facility at Dalefield Road wastewater treatment plant

To put this into context, around 48% of the district's reticulated wastewater pipes are in poor condition and assets at the treatment plant headworks are past its service life, some of which have been operating since 1940s. There are considerable lengths of network that are likely to need repairing before the end of their usual life date because of the poor quality of materials used for construction during the 1960s and 1970s.



Source: Adapted from AASHTO 2012

Fig 16 - Graphical representation to show the relationship between replacement cost v/s asset life

Infrastructure Capacity

Stormwater networks have historically, been designed to cope with a 1 in 10 or 1 in 20 year storm events. This means networks have been overwhelmed in places as the storm intensity has exceeded the design capacity resulting in private residences and businesses being flooded.

All of our wastewater network is designed to transport wastewater with some allowance for leaks and trade waste flows. However, during periods of heavy rainfall, excessive stormwater can make up the majority of the flow and lead to overflows from the wastewater system. Similarly the wastewater treatment plant is designed to cope with dry weather flows, but in storm events the flows increase significantly. For example, stormwater entering treatment plants can cause variations of more than 300% of the total wastewater volumes on some days. In some cases, the peak flows exceed the capacity of the plants, resulting in treated wastewater being discharged into freshwater bodies as opposed to discharge to land. This is a particular issue for our Dalefield Road Wastewater Treatment Plant where the current capacity for dealing with high flows is limited, especially at the front end i.e., plant intake.

The end result of contaminated water flowing onto land and/or into waterways (overland flow), impacts cultural values, human health, and the ecological health of the receiving environment.

As our networks age and through land movement, this issue will be compounded by groundwater entering the wastewater system. Further, the capacity of our networks will also be impacted by climate change through more intense and frequent rainfall events.

Urbanisation and stormwater

Given population forecasts for the region, urban growth is inevitable. This growth needs to occur in a way that maintains, and even enhances the environment for residents to enjoy, and for businesses to prosper.

Urbanisation is contributing to the degradation of water quality through increased stormwater volumes flowing directly into water bodies. Greenfield development in particular, results in sedimentation from vegetation removal and soil compaction, or coverings of impervious surfaces such as roofing, asphalt, and concrete. As rainfall runs off over land it picks up sediment, contaminants, petrochemicals, and metals such as zinc, copper or lead and carries them through the stormwater network untreated to streams.

These contaminants, especially heavy metals, can build up over time in increasing concentrations. For example, research suggests that most of the zinc in our stormwater comes from unpainted or poorly maintained galvanized iron roofs. Some contaminants are historical and are expected to decrease over time – e.g., lead contamination from the historical use of lead additives in petrol. Similarly, modern roofing materials have a very low zinc yield compared to traditional galvanized iron. The impacts of stormwater are likely to worsen in the near future.

Disposing of biosolids (Sludge)

Each year, our district produces tonnes of biosolids (sludge), as a by-product of the wastewater treatment process. The disposal of biosolids is becoming an emerging issue for parts of the district because of the limited capacity of landfills to deal with the waste and the production of carbon emissions from the landfills.

Historically, before leaving the treatment plants, sludge goes through a dewatering process before it is transported to landfill.

Dewatered sludge is generally mixed with other waste streams prior to its disposal, and this is done on a 'ratio' basis to ensure safe and stable storage. However, this mixing ratio isn't sustainable at most landfills as volumes of waste remain static (because of waste reduction measures) against *increasing* volumes of sludge produced from population growth. One option may be the introduction of thermal dryers for the Wastewater Treatment Plant, which would reduce the volume and produce a "Grade A" product which is safe for beneficial use on forestry land, for example.

Our Strategy to protect the environment

Expansion of land irrigation facility

Work will begin on developing options for the additional 85Ha of land adjacent to the new wastewater reservoirs at Daleton Farm that could see the expansion of the existing land irrigation facility using treated wastewater effluent. The initial work will include discussions about expanding the existing Resource Consent with GWRC[8].

Planning Controls

Over the short term we will work with our planning and regulatory division to introduce consistent District Plan provisions, standards and codes of practice designed to help mitigate the impacts of stormwater. This can be achieved by incentivising (or requiring) certain approaches to development, such as hydraulic neutrality, minimum floor levels, setbacks from open streams, and the protection of overland flow paths. These provisions can be set at the policy stage; or as a consent condition.

Financial and Development Contribution policies can also impose fees on the basis of impervious surfaces and have some influence depending on the relative dis-incentive versus benefit of hard surfaces for any specific case. However, such provisions normally only apply to the non-residential sector.

[8] Greater Wellington Regional Council

The NZS4404:2010 'Land Development and Subdivision Infrastructure' has been revised to include specific reference to water sensitive design, stating that solutions that use natural processes and add value to urban environments are the preferred approach to land development and infrastructure design. There may also be an opportunity to better utilise transport routes as overland flow paths.

Managing biosolids

We need a step change around how we manage wastewater sludge, which takes a holistic view of benefits and costs, e.g., better sludge management can have waste reduction benefits.

Thermal drying may not be a viable option as it is a major capital expense, is energy intensive, and results in emissions. On the other hand, the ongoing disposal of biosolids may impact on waste reduction initiatives. This in turn has implications for council policies aimed at reducing waste volumes and their associated carbon emissions.

A sustainable solution for biosolids management needs to be developed within the next ten years, which is championed district wide, environmentally sound, economically viable, and socially accepted. This will be a medium to Long-Term focus for Carterton District Council in partnership with various internal and external stakeholders.

Energy Efficiency

The growing emphasis on energy efficiency and reducing resources will become an increasingly important issue for the management of three waters. Electricity is a significant proportion of the operating costs for the water supply network. The cost of pumping is the single largest component of power usage.

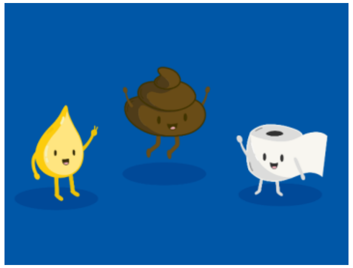
Wastewater treatment also represents significant energy consumption for aeration, pumping and UV disinfection. It is by far Council's largest source of emissions. Wastewater treatment plants could potentially focus on conserving or producing energy from digestion of biosolids. For example, the combustion of sewage sludge with fuels or other types of waste may be a feasible alternative use that could generate income through energy recovery. Approximately 55%[9] of Australia's wastewater treatment plants are capturing biogas and generating bioenergy.

[9] Beca Consulting (November 2015) – Opportunities for Renewable Energy in the Australian Water Sector – Prepared for Australian Renewable Energy Agency (ARENA)

We will continue to look at ways to run our systems more efficiently, as well as leveraging new technologies as they become available. Regional and national climate change policies could require sustainable solutions to be implemented over the medium to Long-Term. This will become an increasingly important priority for us over the next ten years.

Community awareness

We want a community that is well-informed and engaged about how their actions may affect our networks and their environment. Community awareness programmes are an important part of our strategy to reduce environmental impacts across all three waters. It involves providing information that our communities can act on by changing their perceptions and behaviours.



Community awareness can help minimise blockages caused by inappropriate items being disposed in the wastewater network, which can result in dry weather overflows. Simple messaging relating to what can be flushed down the toilet, location of tree planting and avoiding cross connections between the stormwater and wastewater networks can go a long way towards mitigating adverse effects. Education and work training programmes aimed at reducing litter and the disposal of contaminants into the stormwater system (e.g., heavy metal concentrations, oils, and detergents) can also be effective.

There are a range of tools that can be used to encourage efficient water usage. Educational campaigns can help customers understand how they use water and encourage them to reduce their demands on the system, particularly when supply is low. A major reduction of water demand has been the improvement of the efficiency of appliances over the last 20-30 years. For example, it has been possible to bring clothes washing water usage down from an average of 140 litres/wash to under 75 litres/wash. Other demand management options, such as leak detection and universal metering has been put in place to manage water demand.

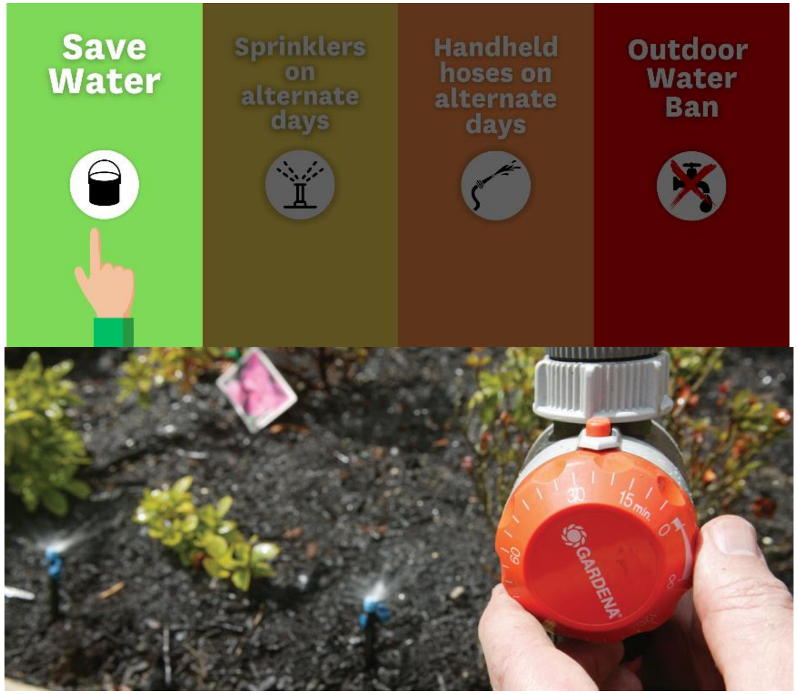


Figure 17 - Water restriction awareness-raising

Figure 18 – Debris found in the wastewater network

Action Plan

Strategy	Initiatives	Timing
Planning Controls	Regular monitoring of Stormwater Discharge Consent	Ongoing
	Provide advice on suitable planning controls to mitigate the impacts of stormwater run-off	Ongoing
Managing biosolids	Future Study: Sludge Management	0-7yrs
Energy Efficiency	Future study: Carbon reduction	0-3yrs
Community awareness	Education and community awareness campaigns across the district	Ongoing

Infrastructure water resilience

Resilient three water networks are vital to the prosperity, well-being and safety of our communities.

Resilient networks can recover and remain functioning after shock events, such as earthquakes or landslides. Restoring essential services to the is vital to communities and for sustaining the economy.

Resilient networks are also adaptive to on-going stresses such as the impacts of climate change, and uncertainties such as social and political change. Minimising the impacts of flooding on people's lives is an important focus for the district as climate change is likely to exacerbate the frequency and severity of flooding events.

Key Issues

Network Capacity

Our three waters networks are being placed under increasing pressure from new development. The impacts from infill housing are becoming a significant issue for networks already overloaded during wet weather and a regulatory environment requiring the reduction of overflows over time. For example, by increasing the amount of impervious areas in the catchment, there is a risk that water quality in our receiving environments is adversely affected and that higher peak flows may cause flooding.

Historically, investment in three waters has largely focused on network condition - arguably at the expense of capacity or environmental outcome.

There are an increasing number of occurrences where the cumulative demands from our already overloaded networks are resulting in adverse health and environmental impacts – e.g., increasing wet weather wastewater overflows.

Continuing to deliver current levels of service (and improved environmental levels of service), whilst at the same time supporting new growth, will require increased levels of investment. This issue is also compounded by a network already overloaded. Accommodating unanticipated growth needs within our investment envelope requires on-going re-prioritisation which has the potential to impact on current and future levels of service.

Security of water supply

The water supply system for Carterton is primarily sourced from three bores. It relies on an aquifer source and additional tank storage backup (Dalefield Road). Looking forward, this could be exacerbated by climate change. There is also a need to maintain operational resilience, in the event that one plant is off-line.

All current water take consents, including the Kaipaitangata and Frederick Street bores, are from sources that are identified as over-allocated in GWRC's Natural Resources Plan. That means it would be extremely difficult to secure new consents for additional water takes. These limits also apply to other catchments earmarked for future use. More stringent limits could impact on future water takes when consents expire from 2024-2034, further supporting a strategic case for demand management.

The alternative water source investigation undertaken by WSP was brought to a conclusion by Carterton District Council in 2023. The investigation concluded based on current rates of abstraction, Carterton is likely to meet projected demand for water supply for the next twenty years (i.e. until 2043).

Issues which could impact future supply are restrictions on the renewed water take consents and unanticipated natural events, such as seismic disruptions. More specifically, limits set by Greater Wellington Regional Council for the source from Kaipaitangata Stream require a reduction in water abstraction to meet objectives under the National Policy Statement – Fresh Water Management.

Figure 19 - An example of a modular stormwater storage cell

Flooding

Flooding is one of the costliest natural hazards not only in Carterton but across New Zealand. Its impacts on households and communities can be severe and long lasting. Managing urban flood hazards involves an integrated combination of infrastructure, urban planning, community preparedness and emergency response. To avoid costly damages in extreme rainfall our district has relied on overland flow paths and buildings with elevated floor levels.

Flooding risk in our district is increasing as a result of the changing land use, forms of building construction, climate change, growth and the loss of connectedness and understanding of the natural drainage systems as our district expand and intensify. To continue to effectively manage flood risks into the future will require our developers and planners to rethink and innovate our current approaches with a strong emphasis on reducing our dependence on pipe infrastructure.

Our Strategy to achieve infrastructure resilience

Minimising the impacts of flooding

Reducing the impacts of flooding through soft and hard infrastructure underpins our future investment strategy is the need to better understand the limitations of our networks so that improvements can be planned on the basis of risk and the achievement of service standards.

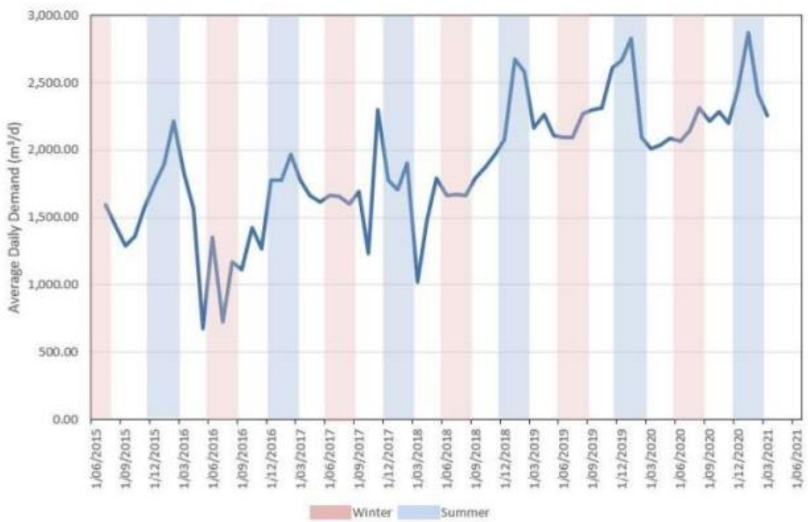


Figure 20 - Carterton's average daily water demand between the years 2015 and 2021

Hydraulic modelling is an important tool for understanding the “capacity” of our pipe networks. Although complex and costly to develop they not only assess the potential impacts of flooding but determine the effectiveness of proposed mitigation options.

An effective way of managing the impacts of flooding is through widespread application of planning measures that will over time raise the resilience of our communities. These include measures such as hydraulic neutrality policy, water sensitive design guidelines, designated overland flow paths, controlling land uses and flood hazard maps that can withstand scrutiny and legal challenge.

The are national guidelines available on applying hydraulic neutrality principles, which is also promoted by Proposed District Plan.

Asset solutions such as renewals and replacement remain part of our future strategy; particularly in developed areas, which flood frequently. However, the economic viability of infrastructure solutions will become an increasingly important consideration. There may be a need to look for alternative solutions like storage in parks and reserves as more affordable asset solutions.

An effective way of mitigating the impacts of flooding is through resilient building solutions, such as raising floor levels and flood resistant buildings. Some of New Zealand's residential buildings are not well suited to this type of approach. We know from the international experience that these types of solutions can take time to implement. Discussions with our buildings division and research entities such as BRANZ could set us in the right direction.

Reducing demand for drinking water

Demand per capita for water in Carterton has been trending upwards over the last decade. Demand reduction will remain an important focus in the future – not just from an environmental outcomes perspective but as a means of deferring capital investment in source development.

Leak detection, infrastructure replacement programmes, on-site storage, along with better management of reticulation systems remain an important part of demand management. Further, trends such as reduction in garden sizes through infill housing and apartment developments, and a decline in water-intensive industries will play its part in reducing demand.

Action Plan

Strategy	Initiatives	Timing
Minimising impacts of flooding	Modelling programmes to understand limitation of networks and overland flow paths	Ongoing
	Planning measures to reduce reliance on hard infrastructure solutions	Ongoing
	Asset solutions such as renewals	Ongoing
Reducing demand for drinking water	Leak detection and replacement programmes	Ongoing
	Promoting water conservation	Ongoing
	Review residential water charging methodology	1-2yrs

Infrastructure Renewals Strategy

CDC's infrastructure renewal strategy is, in general, to rehabilitate or replace assets when justified by:

- Risk: The risk of failure
- Economics: Renewals are programmed with the objective of achieving:
  - the lowest life-cycle cost for the asset (the point at which it is uneconomic to continue repairing the asset), and
  - a sustainable Long-Term cash flow by smoothing spikes and troughs in renewals programmes based on the estimated economic lives of asset groups, and
  - efficiencies, by co-ordinating renewal works with capacity upgrade work or other planned works in the area.

The concept of **Risk** which is closely linked to consequences and likelihood of failure. Infrastructure assets also need to be assessed in relation to its consequence and likelihood of failure which largely reflects its criticality, life expectancy, and the extent of deterioration that has occurred. Assets that exhibit both high consequence, and high likelihood, of failure carry the highest risk of calamitous failure and has been the primary focus for asset management.

Likelihood of failure of an asset is derived from its current known condition and performance of the asset. Criticality is a key component in risk management and is considered to be synonymous with consequence. Critical assets have been defined as an asset where failure could have significant consequences, either in the ability of the system to provide services to customer or the effect on the environment.

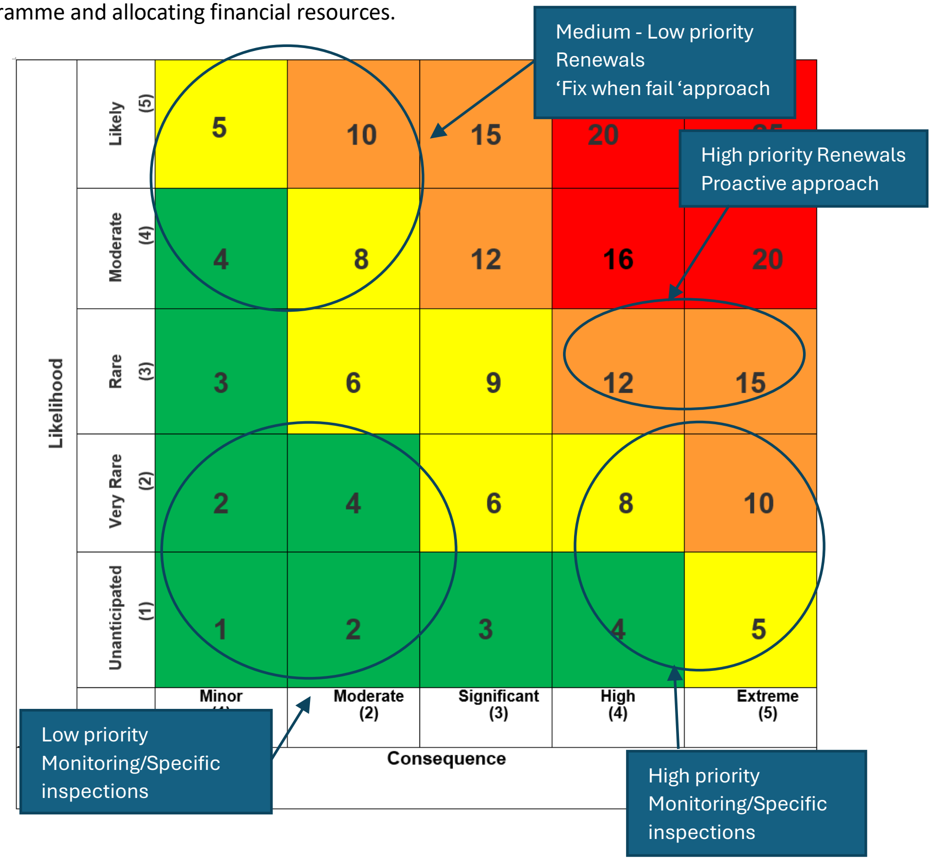
Carterton District Council's risk management framework has been incorporated into the planning and decision-making process for the infrastructure renewals programme.

The objectives of incorporating the CDC risk management framework into the renewal planning are to:

- Provide a simple method and balanced approach for all staff to minimise exposure, loss and damage whilst realising opportunity and delivering improvement.
- Integrate risk management with governance and management arrangements, embedded in major organisational and business processes, and to clearly specify its accountability.
- Align the Council's risk management approach with the ISO 31000 Risk Management Standard
- Provide a consistent language in the consideration of risk across all Council activities.

The largest drawback of developing a separate framework in isolation is that the outcomes do not get utilised across the organisation in actually managing the assets. For example, the Operations Manager might not be aware of the implications for 'Critical Spares', contingency planning, or escalation. The Communications Manager may be unaware of the potential for an asset failure to result in the council making the national television news and senior management may be unaware of the potential impact of budget restrictions on the organisation's ability to properly manage critical assets.

The risk analysis makes a **risk rating** using the **likelihood** and **consequence** criteria and is considered in the context of existing controls. The various combinations of consequence and likelihood are then further broken down into priority categories when developing renewal programme and allocating financial resources.



By definition assets with high consequences of failure, and hence high criticality lie at the right-hand end of the matrix and can creep into the 'Not Acceptable' red zone if the Likelihood of Occurrence is too high. A newly constructed asset will typically start life with a low likelihood of failure reflecting its 'as new' condition and this will apply irrespective of its Criticality. As it ages and deteriorates the likelihood of failure will gradually increase and the asset will gradually move up the matrix. This is an important point as it illustrates that the risk associated with an asset is not static but will vary over time to reflect its gradually deteriorating condition.

Other points to note are that low criticality assets can still be low risk (and associated low profile management approach) even if the likelihood of failure is high i.e., the top left corner of the matrix. These assets fail and are repaired. if such assets fail too often, these are then renewed.

Operations and maintenance

Operational activity is work or expenditure which has no direct effect on asset condition, but which is necessary to keep the asset functioning, such as the provision of staff, inspections, consumable materials (chemicals etc.), resource consent applications and compliance, monitoring, and investigations.

Maintenance can be defined as the activities that preserve an asset in a condition which allows it to perform its required function. Maintenance comprises regular servicing and immediate repairs necessary to keep the asset operational. The ongoing efficiency of routine maintenance is critical to achieve optimum asset life cycle costs that best suit the desired levels of service.

Maintenance falls into two categories, planned and reactive, each having quite different triggering mechanisms but similar objectives.

Planned maintenance comprises routine servicing of assets to maintain day to day functionality. It often entails scheduled servicing of key asset components on a rotational or seasonal basis – e.g., servicing of pumps, flushing of mains, mowing of roadside vegetation, etc.

Reactive maintenance entails responses to unplanned asset failure such as burst water mains, roadside slips, sewer overflows, etc.

The strategy is to maintain levels of service through timely and effective maintenance interventions until the age or condition of the asset makes it uneconomic to continue to maintain. Within this, striking a balance between the frequency of planned maintenance and the incidence of reactive maintenance, is key.

Investment based on evidence

Quality data and information is pivotal to understanding the performance and capacity of our assets and driving optimal investment decisions. We are continuously building and refining our information base by integrating new and existing asset information from all five councils. We also generate data and information through modelling the capacity of our networks and capturing real-time operational data through our monitoring systems. Collectively this information steers our strategic and operational decision making.

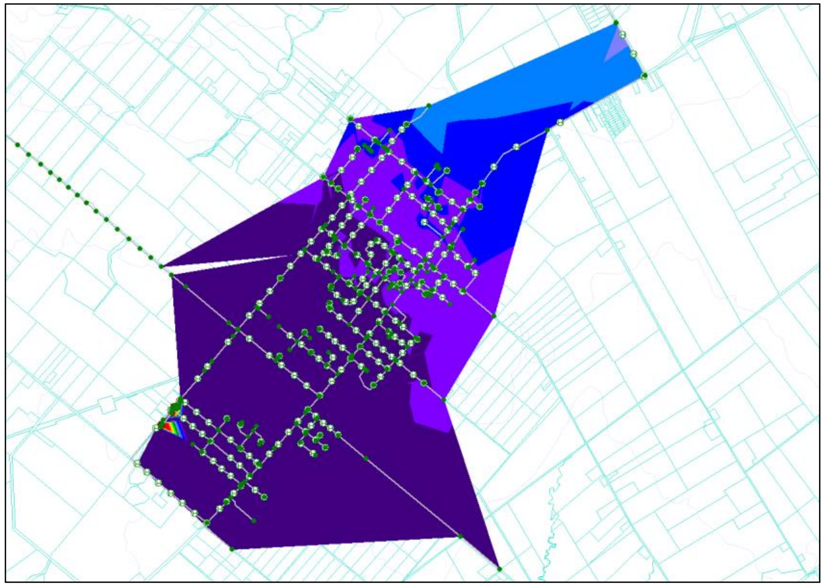


Figure 21 - Carterton's water pressure map derived from computer modelling

Fragile and aging networks, coupled with a limited funding base means we have to be smarter about our investment decisions. Addressing this complexity will require evidence from multiple sources; not just asset data - but social, economic, and environmental sources. Our technology strategy hinges on creating tools that transform data into accurate and user-friendly decision support tools (e.g., GIS, Dashboards)

Hydraulic modelling is an important tool which helps us understand the capacity and performance of our networks. Modelling information supports operational and strategic decisions ranging from the capacity of existing infrastructure to support urban development through to priorities for future upgrades.

We monitor the performance of our assets through range of mechanisms, such as Supervisory Control and Data Acquisition (SCADA) monitoring, incident reports (e.g., blockages and overflows); feedback from operations contractors; customer feedback; performance testing; and network modelling. Performance monitoring assesses whether we have achieved our goals and associated levels of service.

Another increasingly important part of our monitoring regime focuses on water quality and regulatory requirements. A new stormwater consent is likely to requires us to monitor stormwater discharges and investigate where there are acute effects on water quality. This will provide us with the information to improve the quality of discharges in the future. Our focus is to manage the provision of accurate data (i.e., 'clean' and 'complete') that is accessible for users as information to support their decision-making. Various programmes are underway to support this, with a focus on solutions that integrate, share data with regulators and provide tools (such as a GIS, WaterOutlook) that makes sense of data for users. We have worked to align our asset data to a set of national metadata standards for three waters. This has enabled us to standardise data with different councils and will inform future programmes on simplifying the IT tools that store data.

Collaboration and Partnerships

Just as it is essential to recognise and manage resources in an interconnected way, it is also vital to involve people in a meaningful way. Our strategic outcomes cannot be achieved through network investment alone, but through involvement and engagement with the wider community and other agencies.

Managing future demand for potable water through water efficiency initiatives is another area that that will require influencing and changing the behaviour of the community. Further on-site infrastructure solutions, such as water sensitive design and hydraulic neutrality are an important means of managing impacts on the environment and mitigating the impacts of flooding. Achieving a water sensitive and resilient network will require us to think differently about the way we provide three water services. We will adapt and respond to future challenges by thinking about three waters as part of a broader "system". This will allow us to better understand the interrelationships between those involved in delivering service outcomes, our customers, and the broader socio-political environment within which we operate.

Figure 22 - Blessing at the new Waste Water Treatment Ponds

Our strategy over the next 30 years will involve a combination of understanding our community better; influencing the community and creating behaviour changes; and mitigating impacts through both asset and non-asset design solutions.

We have limited ability to deliver better outcomes through traditional asset-based solutions. By encouraging and activating individuals, households, neighbourhoods, and communities to raise their awareness of the three waters, and make changes in their behaviour, those outcomes are likely to be achieved sooner and at lower cost.

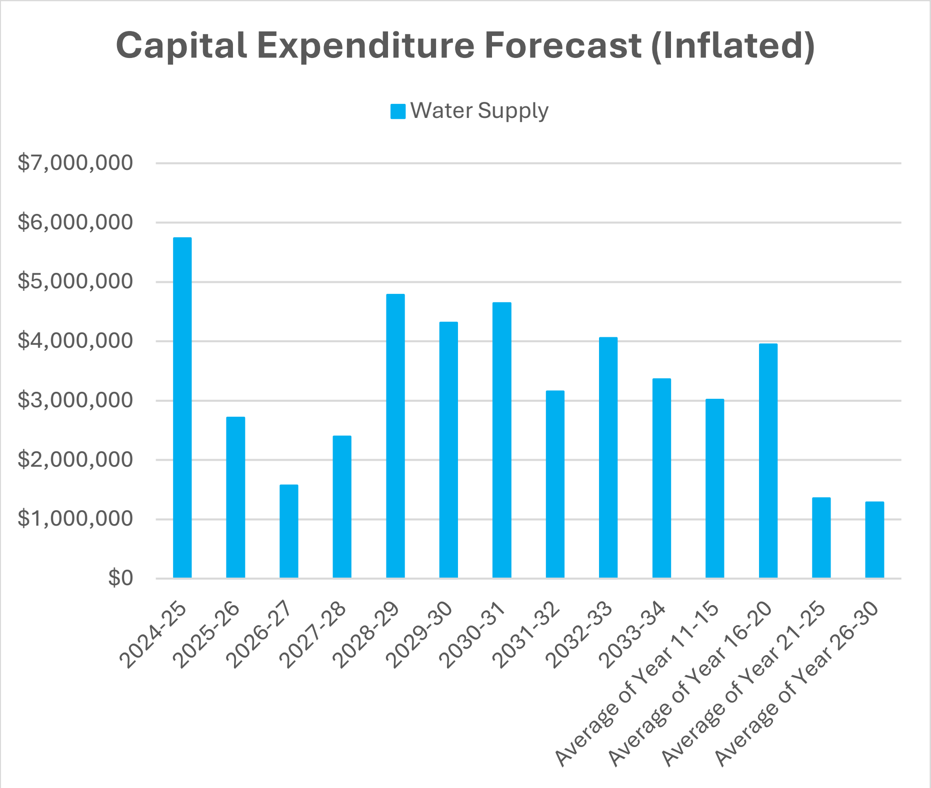
Figure 23 - Planting at Ngā Tawhai Reserve

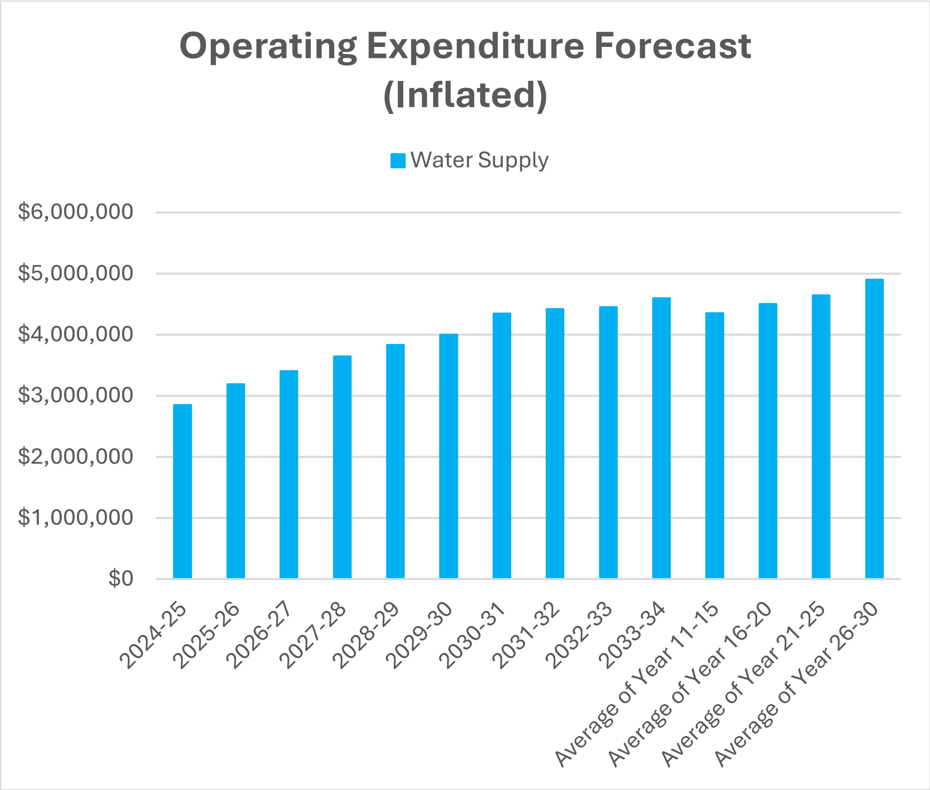
The development of partnership arrangements is crucial to achieving a participatory approach of Māori values and principles in the Council's planning and decision-making processes. The challenge for Carterton District Council and our iwi partners moving forward is to understand the imbued differences and to contemplate how a 'co-existence' framework based on shared values and mutually desired outcomes for water may be meaningfully implemented.

Financial Projections

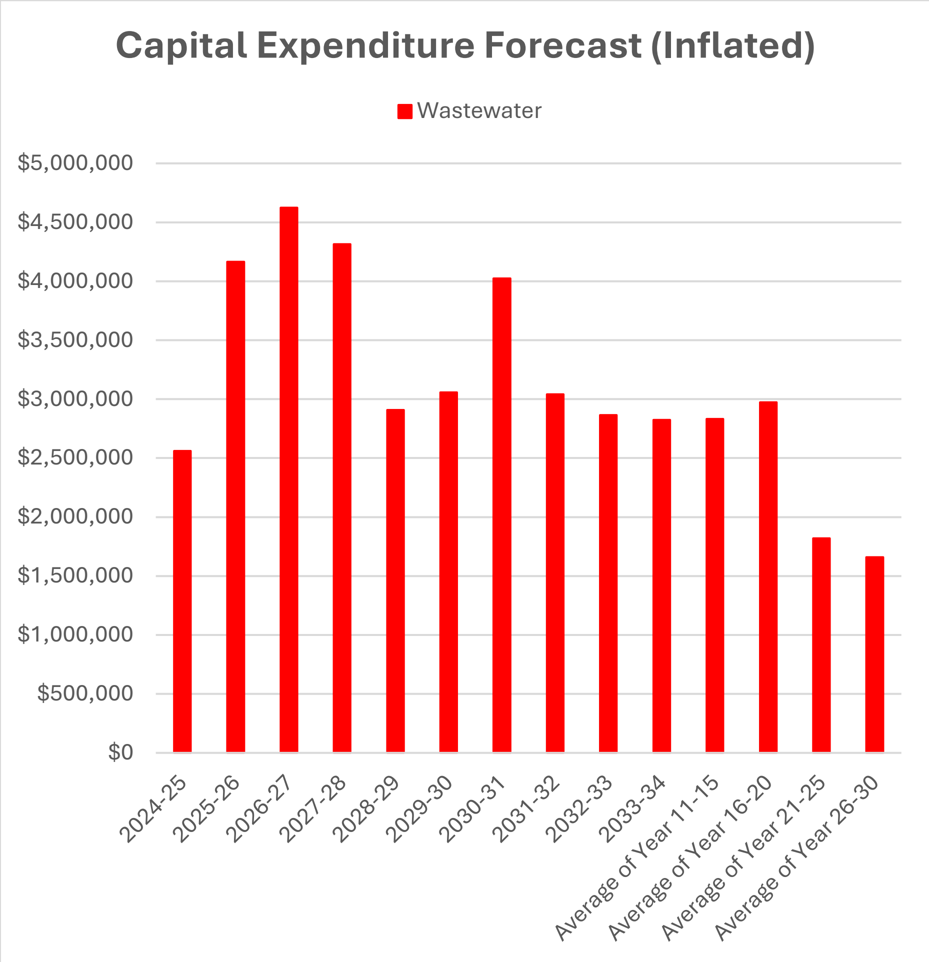
The following section illustrates the indicative forecasts of capital and operational expenditure for the next 30 years. The Council's financial strategy provides a full overview of net capital and operational costs.

Water Supply





Wastewater


Capital Expenditure Forecast (Inflated)
Wastewater
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
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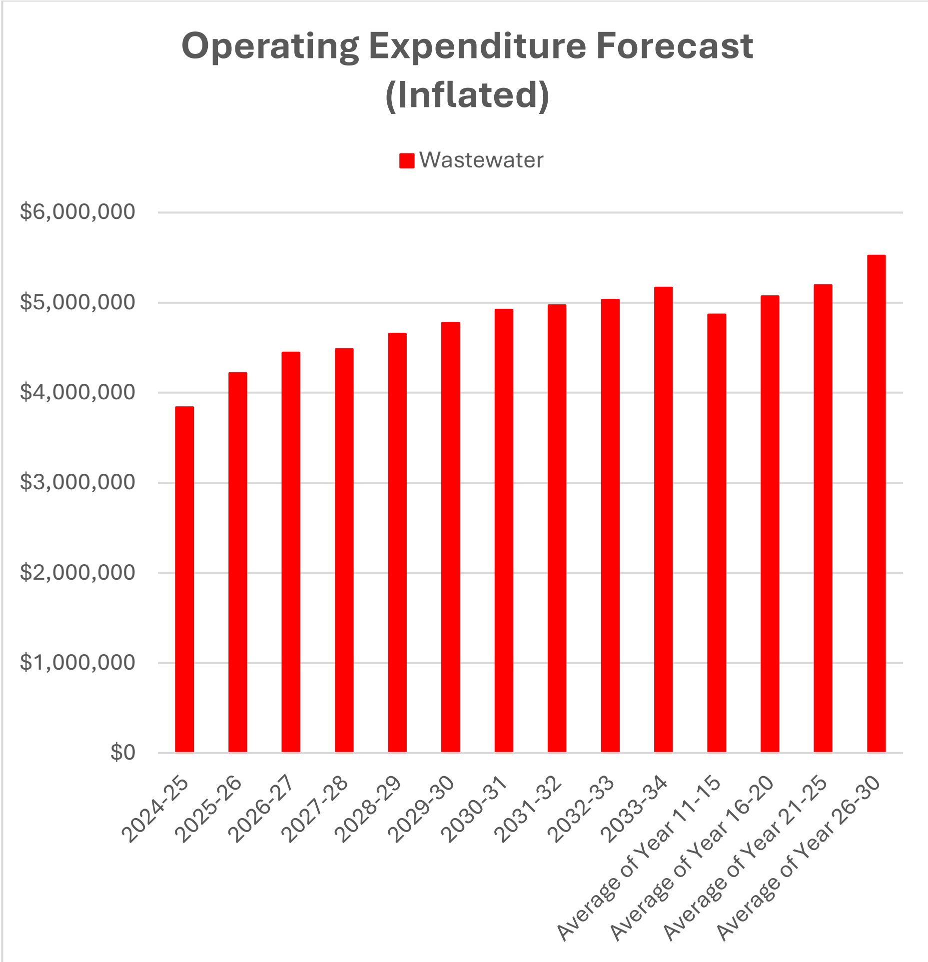
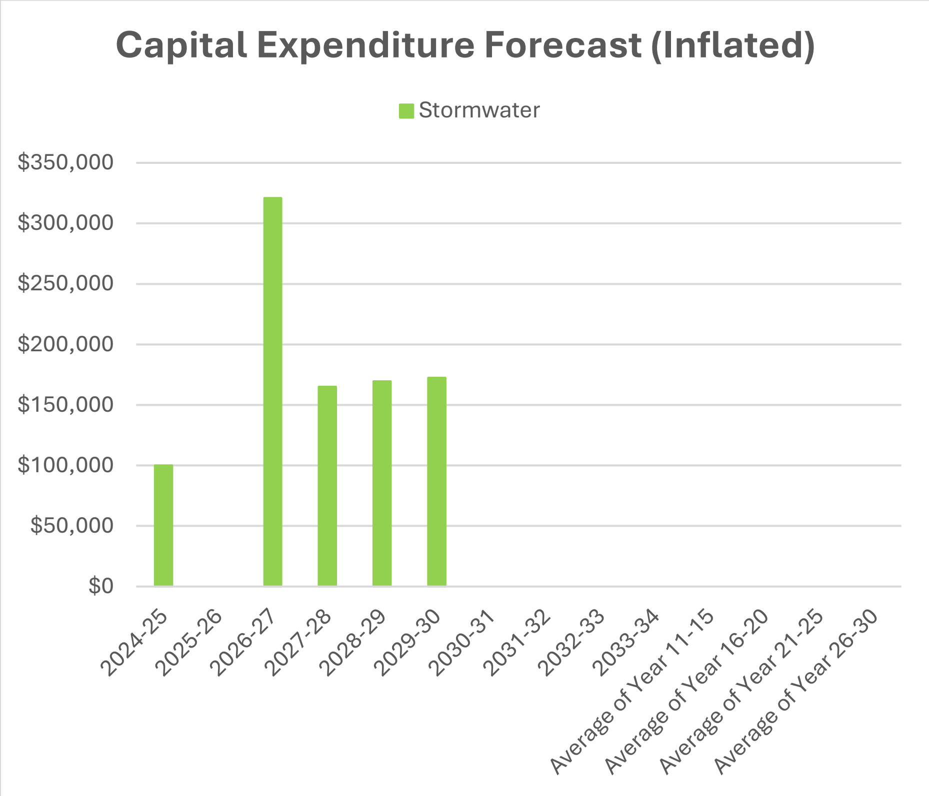
2033-34
Average of Year 11-15
Average of Year 16-20
Average of Year 21-25
Average of Year 26-30


Operating Expenditure Forecast (Inflated)
Wastewater
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
2030-31
2031-32
2032-33
2033-34
Average of Year 11-15
Average of Year 16-20
Average of Year 21-25
Average of Year 26-30

Stormwater


Capital Expenditure Forecast (Inflated)
Stormwater
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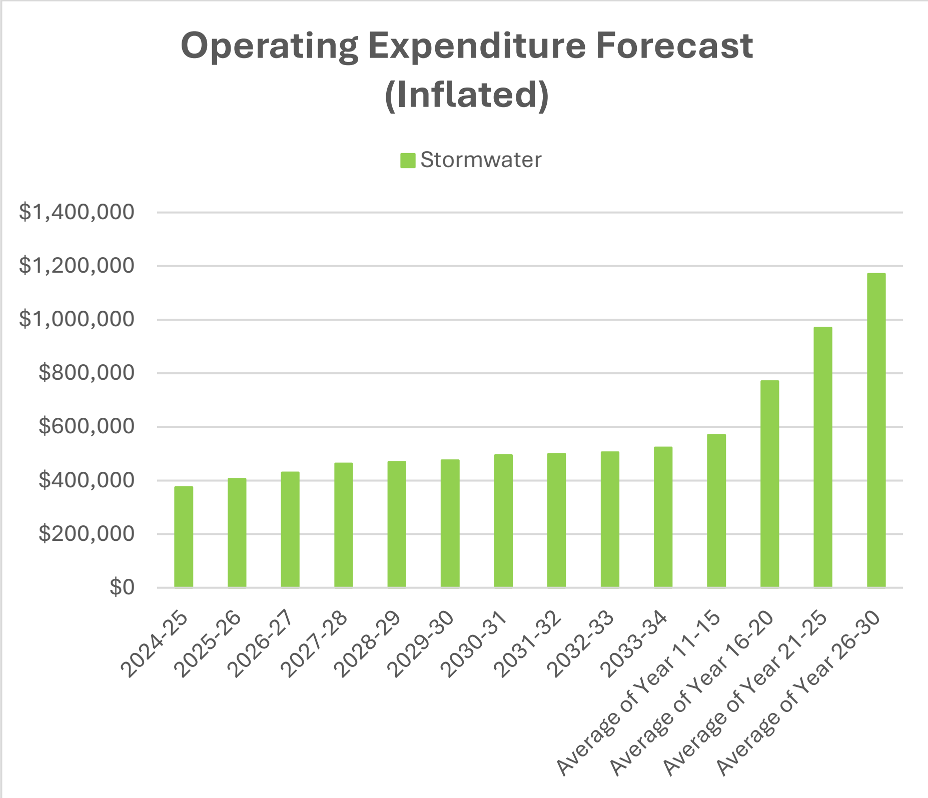
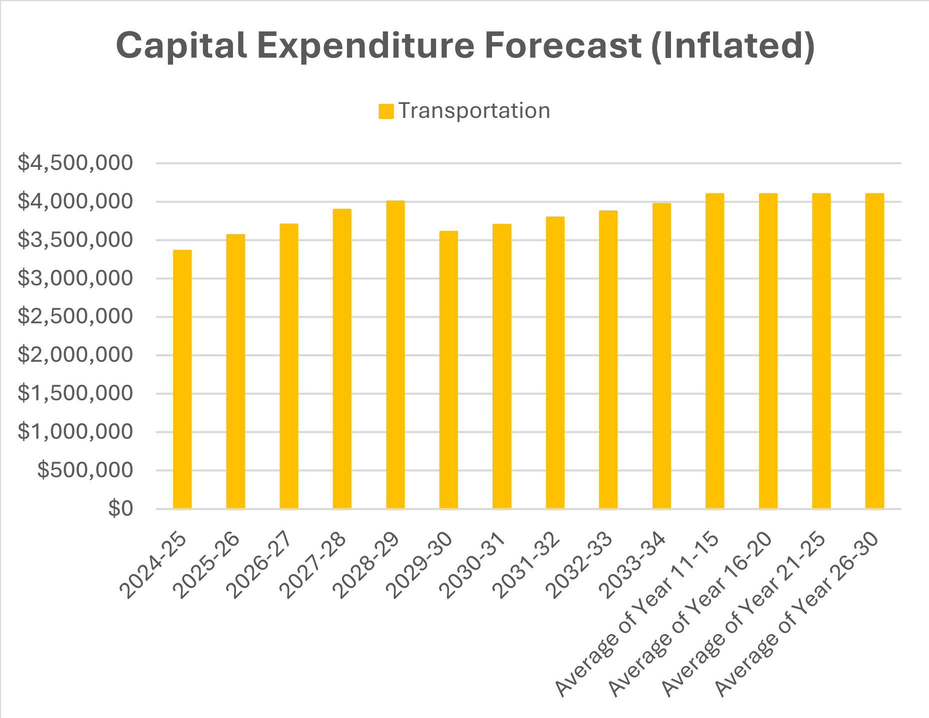
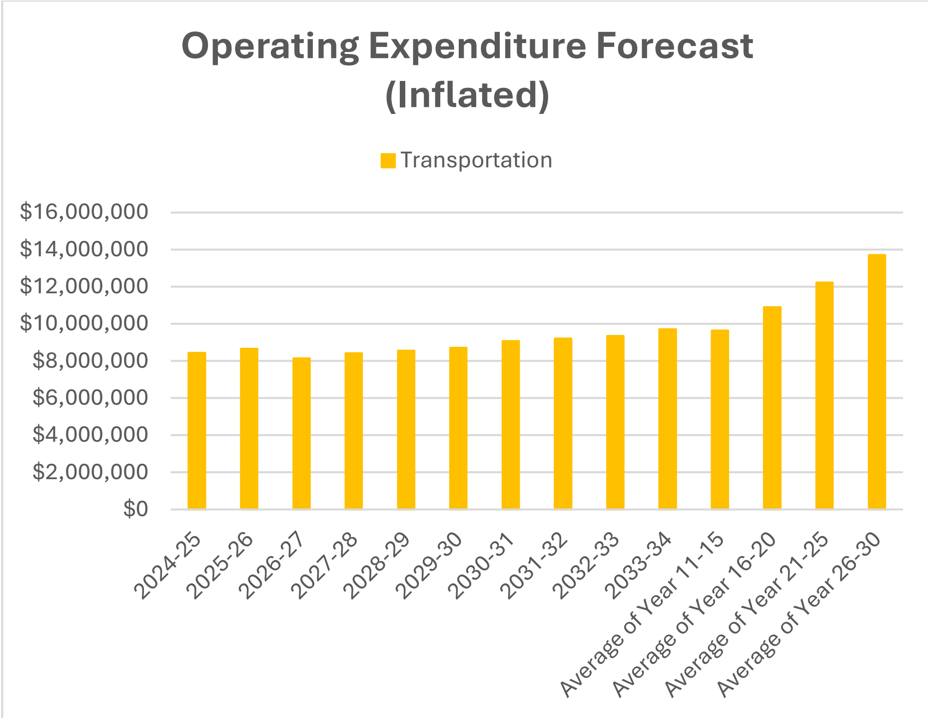
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
2030-31
2031-32
2032-33
2033-34
Average of Year 11-15
Average of Year 16-20
Average of Year 21-25
Average of Year 26-30


Operating Expenditure Forecast (Inflated)
Stormwater
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
2030-31
2031-32
2032-33
2033-34
Average of Year 11-15
Average of Year 16-20
Average of Year 21-25
Average of Year 26-30

Roading/Transportation





Total Expenditure Summary

In addressing the issues identified in the previous sections of this strategy, CDC expects to spend $285.8 million on new or replacement infrastructure between 2024 and 2054. Over the same period, $623.1 million is expected to be spent on operating costs, including direct labour, depreciation, materials, and maintenance.

Operating expenditure relates to day-to-day administration, financing, and maintenance of the respective infrastructure assets.

The forecast totals are distributed across the four infrastructures asset activity areas as shown in the table below:

Asset	Capital Expenditure ($m)	Operating Expenditure ($m)	Total Expenditure ($m)
Water Supply	84.7	130.7	215.4
Wastewater	80.8	149.8	230.6
Stormwater	0.9	22.0	22.9
Transportation	119.4	320.6	440
Total	**285.8**	**623.1**	**908.9**

The table above shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational requirements (operating costs, labour, depreciation, materials, and maintenance) between 2024 and 2054. Total operating expenditure is expected to average $20.77 million per year for the period covered by this strategy.

Significant decisions

Asset	Significant decision	Principal option(s)	Scale of costs	Indicative timing
Roading	Increase operation maintenance and renewals to address back log 2025-2027	Option 1 (recommended) Increased sealed pavement maintenance 100 % of Network Resealing 8% of network 1% Pavement Rehabilitation	$21.6m	June 2024
		Option 2 Sealed pavement maintenance 76% of roads 0.8% Pavement Rehabilitation Resealing 6% of network	$20.7m	
		Option 3 Sealed pavement maintenance 54% of roads Resealing 4% of network 0.8% Pavement Rehabilitation	$19.83m	
Wastewater	Renewal/Replacement of the critical wastewater treatment infrastructure that have exceeded its service life. 2025-2027	Option 1 Replacement of existing assets including • Grit trap • Intake pumps • Digester and Sludge Drying beds Construction of new assets including • Primary Clarifier to provide operation flexibility and ability to accommodate additional wastewater load as a result of growth • Foul air treatment facility to minimise odour generation from the sludge obtained from the new and existing clarifier	$12.5m	June 2024
		Option 2 (recommended) Replacement of existing assets including • Grit Removal • Intake pumps Rehabilitation of existing primary clarifier.	$6m	
Water	Reduction of Nitrates (Nitrate-Nitrogen) from primary source of water supply (Frederick Street) should there be a reduction in MAV for nitrates in the NZ drinking water standards (NZDWS) relevant at the time of decision making. Upgrade of the secondary source at Kaipaitangata water treatment plant to serve as a reliable backup supply,	Option 1 (recommended) Dilute the level of Nitrates obtained from primary source by achieving adequate mixing between two existing sources. Upgrade the treatment facility at Kaipaitangata Water Treatment Plant to have a reliable backup in the event of failure at the primary source and also reduce operational burden.	$6.6m	June 2027
		Option 2 Remove Nitrates by upgrading the treatment facility at Frederick Street water treatment plant i.e. removal closer to source.	$5m	

Asset	Significant decision	Principal option(s)	Scale of costs	Indicative timing
	even in wet weather events. 2028-2029			
Water	Establishment of an alternative water source. 2040-2043	Option 1 (recommended) Upgrading existing treatment and infrastructure	$6.1m	June 2039
		Option 2 New surface water take	$9.4m	
		Option 3 New groundwater take	$7.3m	
		Option 4 Connecting to neighboring water supply (Masterton)	$2.6m	

Assumptions

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
No new unfunded mandates from central government. Central government's water allocation strategy is consistent with current policy	Medium	Increase in capital and operating costs associated with compliance
There is no reorganisation of local government that affects the Carterton District Council.	Medium	Comprehensive review of this infrastructure strategy.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Limited structural change to population and demographic projections that for the basis of this strategy.	Medium	Inability to provide infrastructure for growth at the appropriate time and location.
Economic influences that will impact on Council's business that are out of its control.	Medium	Review of this infrastructure strategy to cater for unforeseen economic influences.
Depreciation Average asset lives at a project level for new works have been used to calculate depreciation.	Medium	Depreciation is an annual expense to reflect the reduced economic potential of an asset. Because revenue (cash) covers this expense (non-cash) a cash reserve builds up over an asset's life to help fund the asset's replacement at the end of its life. This depreciation reserve is the principal funding mechanism for asset renewals. If the depreciation is inadequate, renewal projects may have to be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.
Fluoridation of water supply Council's strategy and Long-Term plan assumes that any future direction from Director-General to add fluoride to drinking water will be supported with capital funding from central government to install the necessary treatment equipment.	Medium	It must be noted that the Health (Fluoridation of Drinking Water) legislation does not commit central government to provide capital funding towards necessary upgrades. In the event there is no central government funding support, the necessary upgrades required to add fluoride to drinking water, its operation and ongoing maintenance will need to be funded by Council's annual budgets.

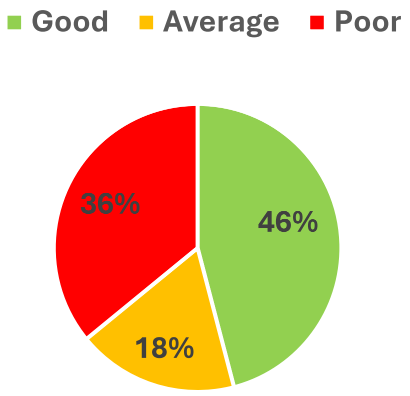
Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Natural disasters That there are no major natural disasters requiring additional funding for reinstatement of assets.	Medium	There is medium risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some further provision for increasing the resilience of the assets has been built into this plan but there is still further work to be undertaken to determine the desired level of resilience and the further asset improvements to achieve this.
Service potential Service potential of the asset is maintained by the renewal programme.	Medium	There is medium risk that the service potential of the pipe network assets will not be maintained by implementation of the renewal programme if the latter is not based on reliable asset condition information or planning.
Asset lives Asset lives are accurately stated.	Medium	The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of sections of pipe networks has been confirmed using CCTV and other methods of visual inspection. The potential effect is that the effective lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Changes to levels of service It is assumed that no significant changes to levels of service are required other than those specifically identified in this strategy.	Medium	Different levels of service from that assumed could mean higher or lower capital expenditure and associated financing, depreciation, operating, and maintenance costs, or it could impact operating costs and resource requirements. Different technology may be needed.
Maintenance and operational costs These are largely based on historical rates and assume similar contract rates throughout the planning period.	Low	Inflation factors have been applied to the programmes and budgets over the first ten years of this strategy. Budgets for the remaining years of Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast. Higher than forecast inflation would likely mean higher operating and capital costs and higher revenue; higher capital expenditure could mean greater borrowing; and there would be pressure on rates to increase to cover these costs.
Construction Costs No major changes relative to current cost structure.	Low	It is possible that the price of some components will change relative to others. Budgets are reassessed each year for the Annual Plan process to mitigate this risk.
NZ Transport Agency Subsidies Subsidies will continue at the approved rate of 51 percent.	Low	If the rate or dollar level of subsidy decreases, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.
Council policy No significant change to Council policy that impacts on assets and services.	Low	Any significant change will require a full review of asset management plans and implications identified at the time.

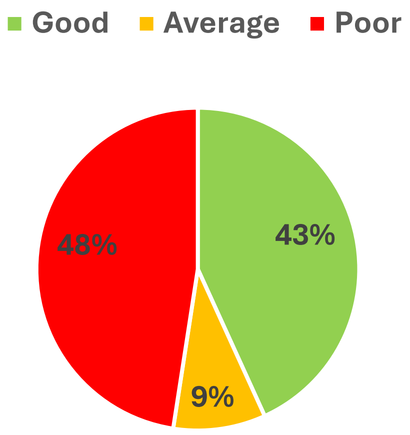
Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Vested assets No assets are gifted to the council as a result of subdivision.	Low	The Council's preference is receive infrastructure or development contributions by way of cash, rather than land or other assets. If assets are vested as a result of subdivision, this will replace cash revenue.

Assets

Water Supply

Asset Class	Quantity	ODRC[10] (2022)
Treatment Plants	2	$2.2m
Reticulation	93 km	$13.5m
Pump Stations	1	$1.8m
Asset Condition Summary		

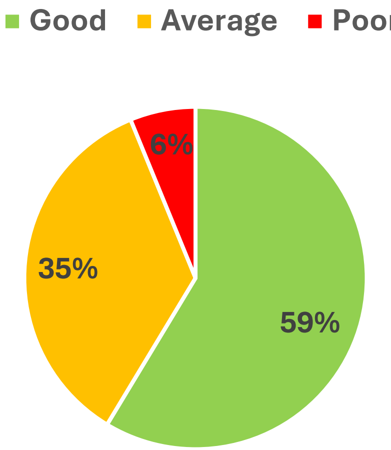
Wastewater

Asset Class	Quantity	ODRC[11] (2022)
Treatment Plants	1	$1.9m
Reticulation	72 km	$11.1m
Pump Stations	17	$0.6m
Asset Condition Summary		

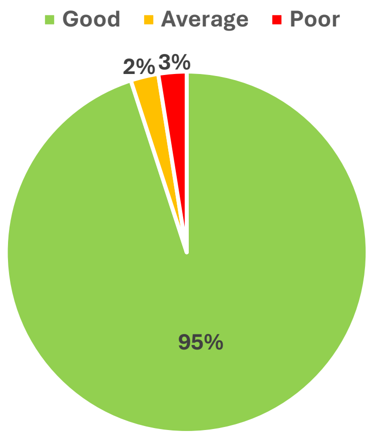
[10] Optimised depreciated replacement cost (ODRC)

[11] Optimised depreciated replacement cost (ODRC)

Stormwater

Asset Class	Quantity	ODRC[12] (2022)
Reticulation	21.5 km	$8.9m
Open channels	8.6 km	$0.1m
Asset Condition Summary		

Roading

Asset Class	Quantity	ODRC[13] (2023)
Sealed Roads	320 km	119,911,000
Unsealed Roads	160 km	6,758,000
Footpaths	50 km	5,291,000
Bridges	49	18,231,000
Street Lights	1,114	494,000
Road Signs	1,937	484,000
Guardrails	601 m	624,000
Asset Condition Summary		

[12] Optimised depreciated replacement cost (ODRC)

[13] Optimised depreciated replacement cost (ODRC)

Conclusion

This Strategy is aimed to set out the future direction for infrastructure services over the next 30 years. Our planning and investment decisions will steer us towards our desired future state – a welcoming and vibrant community where we all enjoy living.

Our actions combine both asset and non-asset solutions. Some of the key principles driving future investment choices are affordability, adaptable to Long-Term change, flexibility to overcome shock events and resource efficiency and recovery. Our future investments will also result in multiple outcomes, rather than being a single infrastructure solution. These outcomes, for example, may include resilience, water quality, amenity, and so on.

Achieving our strategy will require a shift in thinking from a ‘business as usual’ conventional approach towards innovative design solutions which embrace new technologies. It may take decades before communities fully realise the benefits of new approaches, so our journey will be incremental. However, it is important that we don’t lose sight of our end state and take advantage of opportunities as they arise.

We can avoid risks of over-capitalisation and significant upfront costs by investing in solutions which are adaptive and scalable. The future challenges and opportunities outlined in the strategy will influence future investment decisions. We need to be in a position to front-foot many of these challenges, while responding to unforeseen events. That requires us to constantly review our Strategy and investment priorities as new information comes to hand.

Our investment decisions will be informed by a growing body of knowledge which factors in multiple sources of information. Our Smart Investment approach will ensure decisions are linked to council priorities and aligned to our three company outcomes and service goals.

Finally, by thinking about infrastructure as an integrated system we can better target our investment decisions, and work towards achieving multiple outcomes.

FINANCIAL STRATEGY

2024 - 2034

Te Kaunihera-ā-Rohe o Taratahi
CARTERTON
DISTRICT COUNCIL

Financial strategy

Introduction

This financial strategy sets the overall direction for the Council's finances over the next ten years. The approach is consistent with the financial management of the Council outlined in previous Long-Term Plans.

We prepare detailed plans every year and a 10-year plan and review of funding and financial policies every three years. We produce summary version of those plans for our community and ratepayers, and we consult about what we plan to do. We report against those plan every year through our Annual Report which is audited by Audit New Zealand.

The goal of this financial strategy is to maintain and renew assets that the community depend on. To that end, asset management plans have been prepared and are the basis for the forecast renewal expenditure programmes.

This financial strategy is closely linked to the Council's Infrastructure Strategy. The Infrastructure Strategy details the capital and operational budgets and specific projects in the areas of transportation and roads, water supply, stormwater, and solid waste management.

The demand we are facing

Maintaining and upgrading our infrastructure accounts for over half of our annual operating expenditure, and most of Council's capital expenditure. This includes roads, footpaths, wastewater, our urban water supply, and stormwater.

Our infrastructure is essential to the health, safety, and transport requirements of the district, and has a significant impact on the physical environment. We need to strike the right balance between ensuring we have reliable, quality infrastructure, while weighing up the needs of our growing community, and how our infrastructure will be funded in an intergenerational way.

Key projects and levels of service that need funding in this Long-Term Plan are:

- Improving our maintenance and renewals of the roading network
- Completing the remainder of Cyclones Gabrielle and Hale emergency works on our roads
- Upgrading the intake of our wastewater plant
- Delivering resilience across our community including the development of new trails and footpaths
- The demand for services with population growth
- The impact of climate change and extreme weather events
- The risks to and resilience of our assets
- The response to changing regulatory requirements from central government

When considering how to share these costs across our community, the Council has applied the following principles:

- Be fair to our ratepayers and customers
- Maintain service delivery and if required, meet increasing demand
- Balance the budget – planned revenue equals planned expenditure
- Be good stewards of our assets and infrastructure, and of our funds
- Repayments of loans for the projects built today, will be funded in an intergenerational way by the people who are using and benefiting from those assets for the life of the assets, not just those who were ratepayers when the asset was constructed

Climate change

Council have considered climate change and provided more detail in the Significant Assumptions and Infrastructure Strategy that form part of the LTP document.

Our District

Population growth in the Wellington region[14] is expected to be low by recent, pre-pandemic standards. For the next 10 years growth will be below the growth experienced in the past 10 years. Longer run, growth is expected to moderate with lower birth rates and lower rates of immigration.

We expect to see population average annual growth (vs NZ) of 1.3% per annum over the life of the plan. Carterton district's population is projected to grow from 10,258 in 2022 to 11,890 by 2032 (+15.9%) over those ten years. Projections through to 2047 see the population increase to 14,351 (+28% over the 25 years) compared to the 2022 base.

NZ Statistics shows Carterton currently expecting to see an increase in people aged 65+ (25.9% 2023 compared to 21.2% in 2018) increasing to 31.8% by 2033. Numbers for people aged under 15 (17.4% 2023 compared to 18.7% 2018) show a decrease to 15.6% by 2033. The proportion of people aged 65+ will increase and Carterton's population will age, projected to move from an average age of 48.2 in 2023 to 52.4 in 2048.

Future challenges and opportunities

Multiple challenges and opportunities will influence the way we manage Council's infrastructure and adapting to change is an important part of our Infrastructure Strategy

Affordability

Affordability is a challenge both the Council and residents of the Carterton district are facing. The economic and community operating environment has changed dramatically since the Council prepared its LTP 2021-31. We are operating in an environment of high inflation and borrowing costs have increased steeply since 2021. Insurance premiums continue to rise while access to insurance for many Council's assets is becoming more difficult. Put simply everything we do is costing more to deliver our services in a more constrained funding environment.

The LTP 2024-34 incorporates decisions made by Council and results in a work programme to deliver Council services over the next ten years.

Rates funding is a significant outcome of the process and our budget results in a rates increase for 2024/25 of 11.4% (10.77% after growth) and an average annual increase of 4.9% over the ten years of the plan.

The council has set a rate increase limit of BERL + 2% over the ten years of the plan. However, the higher rates increase in the first three years of the plan are necessary to continue to fund the current core levels of service. We have tried to forecast a fair and balanced budget for this plan that deals with the issues in keeping Carterton resilient.

Funding challenges

Carterton District Council, like other Council's in the region and nationally will face increasing levels of asset renewal and replacement expenditure over the coming years, although the extent of this varies across each council. Affordability is therefore a pressing issue for Council's with ageing networks and limited ability to increase revenue.

Environment limitations

Urban development supports the social and economic well-being of communities. As the region's population increases, there is a need to ensure that new houses and infrastructure services are developed in a sustainable way.

Enabling urban growth, while maintaining and improving water quality, will be an important focus looking forward. Urban expansion is limited by the availability of suitable land, such as low-lying areas. Affordability is also an issue, with difficult trade-offs required for levels of service across all three waters.

Extreme natural events

The Wairarapa district and the Greater Wellington region is vulnerable to a range of natural disasters. Events such as Cyclone Hale and Gabrielle are a stark reminder that significant events can result in serious damage to building and infrastructure, while disrupting business and everyday activities.

Legislative changes

Management of the regions three water networks is influenced by a range of statutes and legislative and regulatory instruments spanning governance, asset management, health and safety and protecting environmental values. More detail is provided in the Infrastructure Strategy on page 4.

[14] Demographic forecasts for the Wellington region, March 2023-Sense Partners

Local Water Done Well

The coalition Government has signalled its' intention to repeal the Affordable Waters reform legislation (previously referred to as Three Waters Reforms) which was passed into law by the previous Government. The coalition Government is implementing its "Local Water Done Well" programme through the passing of three further bills through Parliament. The first bill passed in February 2024 repealed the previous Government Affordable Waters / Three Waters reform legislation.

The second bill - the Local Government (Water Services Preliminary Arrangements) Act - passed into law on 2 September 2024. The second bill provides the framework and preliminary arrangements for the new water services system, including the creation of Waster Services Delivery Plans (WSDP's), and streamlined consultation and decision-making processes for establishing water services council-controlled organisations. Under the second bill councils will be required to develop Water Services Delivery Plans by 3 September 2025 – the key foundation for Local Water Done Well. The WSDP's will set out information on the delivery of water services, how much is required to be invested for the WSDP to be financially sustainable, how this will be funded, the preferred water service delivery operating model, the scope of water services being delivered and whether the arrangement is stand-alone or a joint undertaken with other councils.

The third bill is expected to be passed in December 2024 providing further requirements on delivery models, economic regulation of water services, minimum requirements for drinking water standards and wastewater discharges, along with new financing arrangements and debt limits.

Maintaining our levels of service

The Council is responsible for providing multiple services to our infrastructure. The Infrastructure Strategy provides further details on these Levels of Service.

Capital Investment

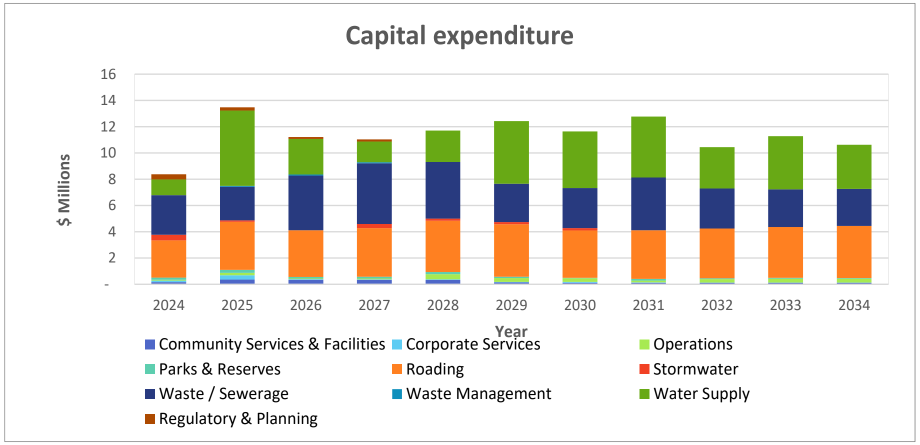
Capital investment or expenditure is for purchasing, building, replacing, or developing the district's assets, such as roads, parks, underground pipes, and buildings. For each major infrastructure network (water, wastewater, stormwater, and roads) asset management plans are in place. These are key planning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

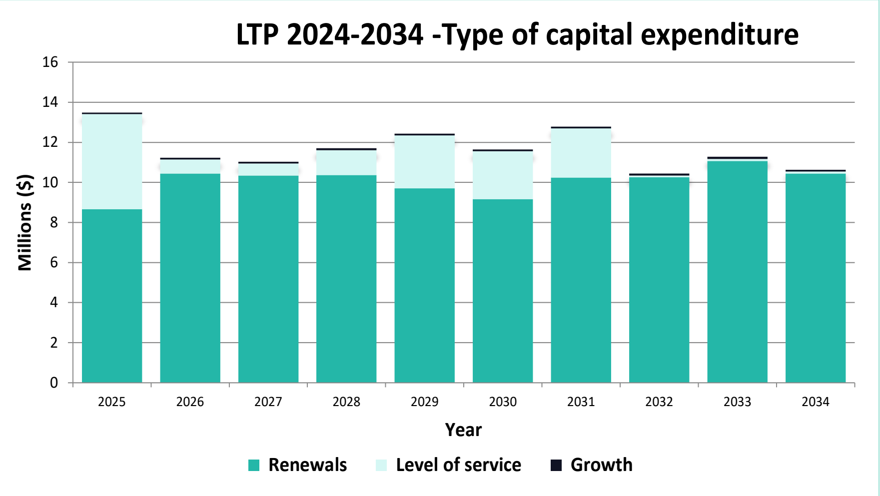
The assets managed by the Council are forecast to grow from $249 million to $441 million over the ten years of this plan.

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

- Water Treatment intake- improve our treatment of wastewater, including grit and fat removal, new primary sedimentation tank and foul air treatment, $6 million over three years
- Transportation – invest in resurfacing and rehabilitation our roads, also referred to as 'pavement renewals' to provide longevity in the condition of our roads, completion of our emergency works following the damage caused by Cyclones Gabrielle and Hale and maintaining our existing levels of service for road maintenance.

The Council will spend $116.6 million on capital expenditure over the next ten years ($13.5 million in 2024/25). The chart below provides a breakdown by major group of activities. The largest share of the capital spend is on transportation ($37.7 million or 32%) followed by water supply ($36.7 million or 31%) and wastewater ($34.3 million or 30%).





As shown in the chart above, a large portion of the capital expenditure forecasted for the next ten years is predominantly in levels of renewals and maintaining current levels of service of our assets for years one to three and for limited growth for the remaining years.

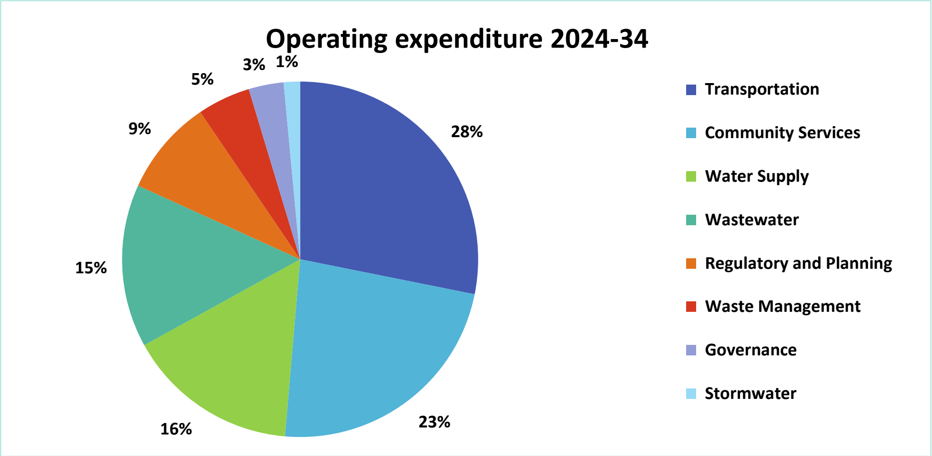
The chart breaks down capital expenditure between renewal of existing assets, responding to, or anticipating growth in demand, and improving levels of service.

We are operating in a world of limited funding and difficult investment trade-offs. This dynamic and changing environment within which we manage infrastructure assets means that we need to revisit assumptions and forecasts as new information comes to hand.

The criticality and condition of our networks has been a key driver behind investment and management of our pipe networks. In order to maintain the levels of service, network capacity is rapidly becoming the primary focus of the district's capex programme.

Operating expenditure

Operating expenditure is forecast to increase from $27.5 million (2024/25) to $34.2million (2024/34) over the next ten years, an increase of 25%. The following chart shows the split between groups of activities for 2024/25.



The largest operating expenditure over the next ten years is on transportation ($88.2 million or 28%), followed by community services ($72.7million 23%) water supply ($45.8 million or 16%) and wastewater ($46.5 million or 15%).

How we intend to finance our future

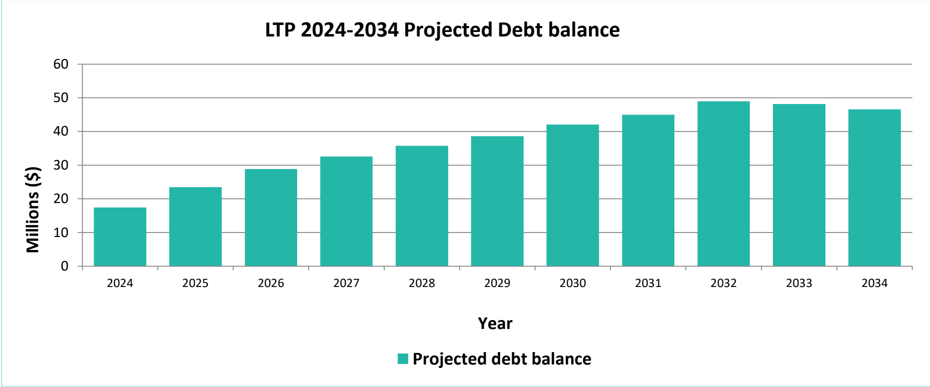
Borrowing

The level of external debt is expected to rise from $23.4 million in 2024/25 to $46.5 million by 2033/34 to fund the capital works programme.

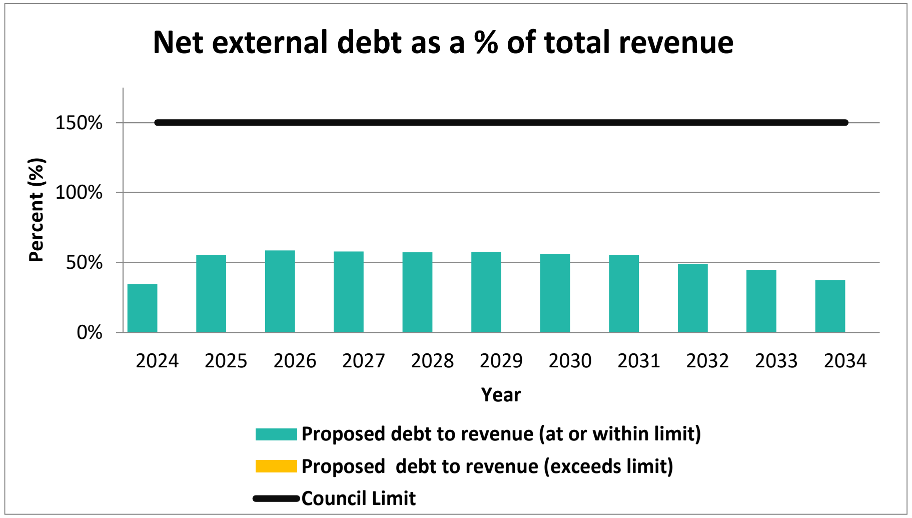
The Council has set prudential limits on the level of borrowing (debt) and the level of financing costs (interest). The borrowing limits in the financial strategy are set at the limits of our borrowing covenants with the NZ Local Government Funding Agency (LGFA) and adopted by all member councils. These are set out in our Treasury Management Policy.

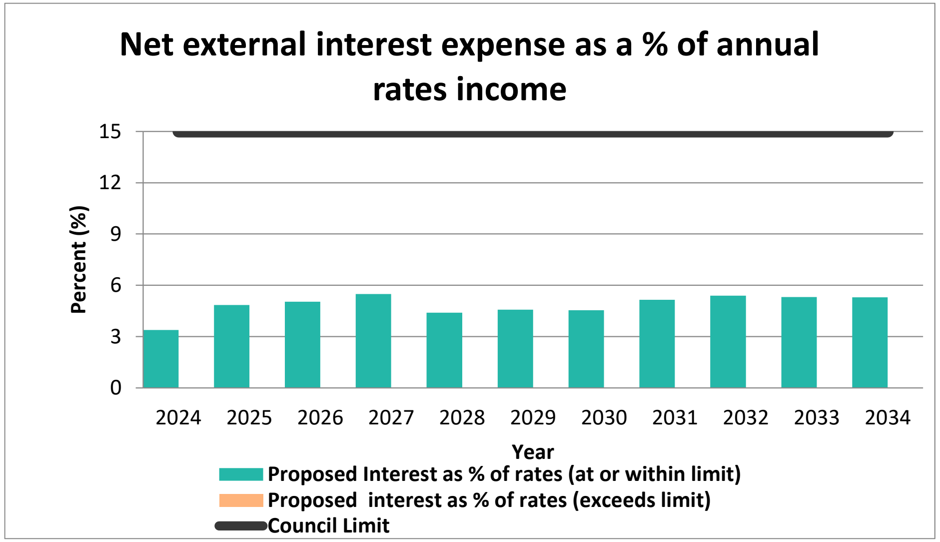
Limit	Council Limit	LGFA Lending Policy Limit
Net external interest expense as a percentage of annual rates income	<15%	<25%
Net interest expense as a percentage of total revenue	<15%	<20%
Net external debt as a percentage of total revenue	<150%	<175%
External debt plus unutilised committed facilities plus liquid assets over existing external debt	Are maintained at or above 110%	Are maintained at or above 110%

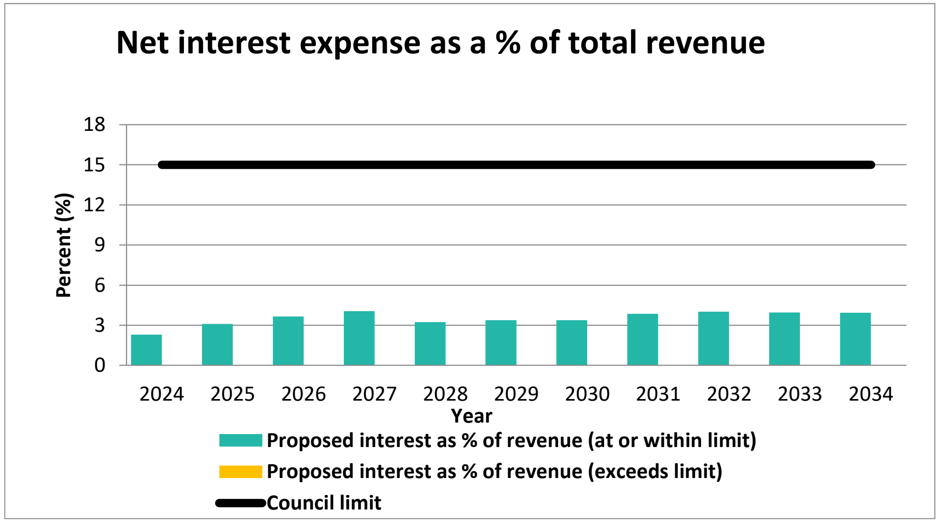
Carterton District Council does not have a credit rating with Standards and Poors.



With the projected level of borrowing over the next ten years, these prudential benchmarks are set out in the following three graphs. All are within the limits set by the Council.







Rates

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

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

Rates revenue makes up between 60% and 70% of Council's operating revenue. Rates are levied on the property owners of the district and keeping changes in rates affordability is a key aspect of our decision-making framework.

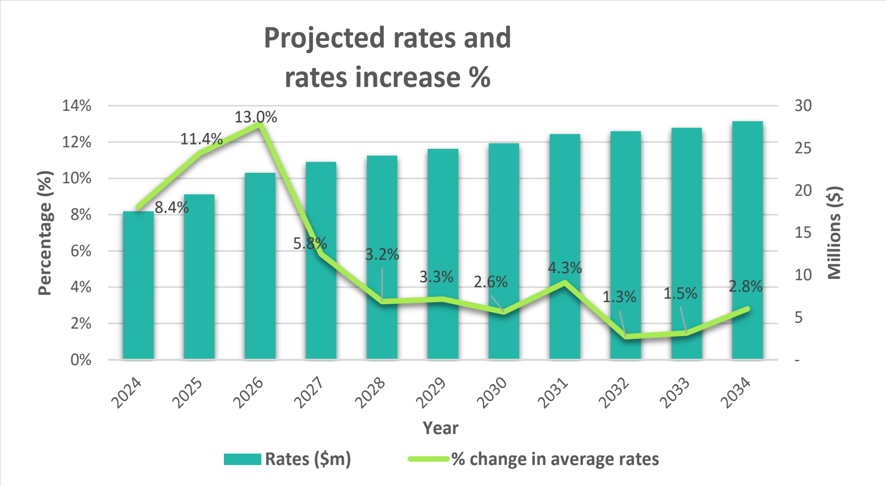
Rates limit

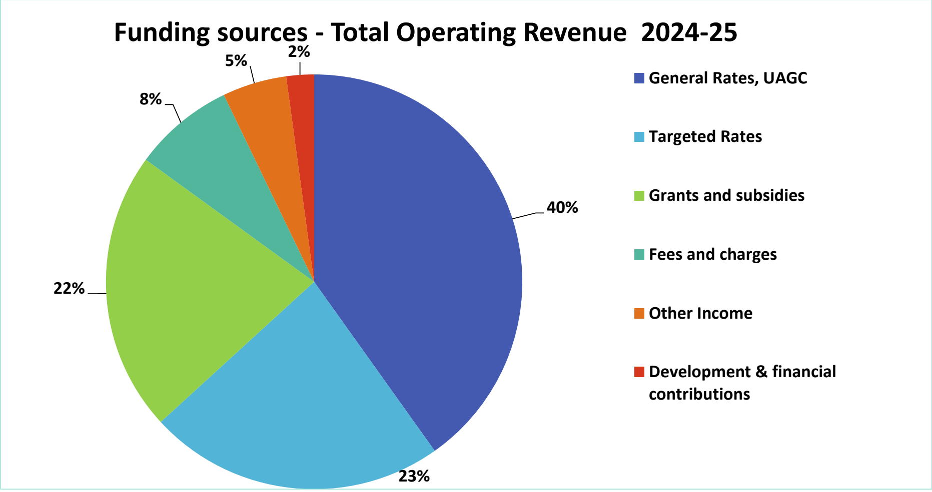
The following chart shows the projected rates during the Long-Term Plan (the blue bars) and the percentage increase compared with the limit in rates increases (the green line).

We have set a limit on the rates increases at the Local Government Cost Index (BERL) movement plus 2%, after allowing for growth in the rating base.

Rates Increases for the 2024-34 Long-Term Plan

Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Increase	11.4%	13.0%	5.8%	3.2%	3.3%	2.6%	4.3%	1.3%	1.5%	2.8%





In the 2024/25 financial year, the Council proposes to collect $19.5 million in rates revenue. This is an increase of $1.3 million on the current financial year and equates to 11.4% rates increase, with an average of 4.9 % over the 10 years.

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

Other funding sources

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

Some of the detail

Inflation

The numbers in this Long-Term Plan incorporate inflation as forecast by economics consulting company BERL.[15]

The New Zealand Inflation Rate as reported by Statistics NZ, has decreased to 4.7 percent in the fourth quarter December 2023 from 5.60 percent in the third quarter of 2023. For the June 2024, the quarterly inflation rate was 0.4 percent and the annual inflation rate was 3.3 percent.

Depreciation

Depreciation is calculated on an annual basis to fund the renewal of existing assets over time. It is a major expense. It represents over a quarter of total operating expenditure. Charging depreciation each year spreads the cost of an asset over its useful life. Generally, depreciation is funded by income (including rates) in the same year that the depreciation is incurred. Funding of depreciation results in an increase in the Council's cash balance

[15] Business and Economic Research Limited, September 2023.

over the ten-year period of the Plan, held in depreciation reserves. These cash funds will earn interest and will provide funding towards the replacement of relevant infrastructure assets in the future.

In this Long-Term Plan, depreciation has been fully funded for the ten years of the plan other than the following:

- Three waters depreciation is funded at 50% in year 1 and 75% in year 2. From Year 3 of the plan, Council fully funds depreciation.
- Roading depreciation is funded at 42% in year 1 and at 49% from remainder of the plan. This takes into account funding from NZTA through subsidy (51%) on capital expenditure.
- For assets that are loan funded, council does not fund depreciation until the loan has been fully repaid.

This recognises that either we do not need to build up the full amount of funds for future replacement, or it would not be fair on the current generation of ratepayers and to ensure intergenerational equality i.e. those who benefit from the asset.

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

In general, capital expenditure for the renewal of existing assets will be funded from depreciation reserves. However, if insufficient reserve funds are available, the expenditure may be funded by borrowing.

We borrow to fund other capital expenditure. If it is a new asset that is a significant improvement to an existing assets sometimes referred to as an increased level of service or because of growth.

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

Reserve funds

The Council has modest reserves built up from depreciation on assets, roading contributions, infrastructure contributions and other special reserves including recreational. The main source of funds are depreciation, surpluses and asset sales.

During this LTP the roading and three waters depreciation reserves will be drawn down largely for renewals expenditure where there are sufficient balances available.

Security on borrowing

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

Council have invested in the NZ Local Government Funding Agency (LGFA) as a shareholding council that enables us to borrow from them and take advantage of their access to favourable debt funding costs.

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

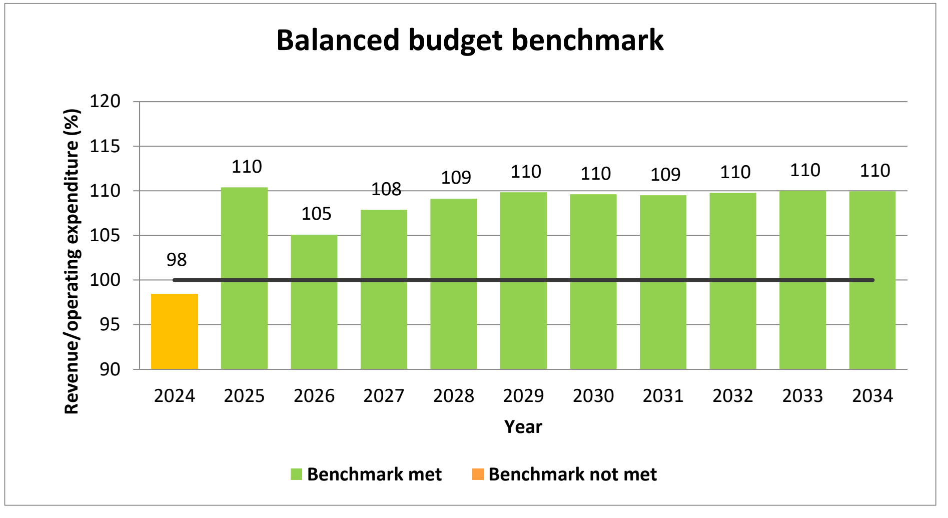
Balancing the budget

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

The rates are set to cover:

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

In every year of this Long-Term Plan Council will run a surplus, i.e. the revenue including rates will be more than our operating expenses.



Council did not meet the balanced budget benchmark in 2023/24, by a small reduction in rates revenue. This was a result of reducing the level of general rates increases.

Financial investments and equity securities

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

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

Fees and Charges

Schedule of Fees and Charges 2024/25

From 1 August 2024

This proposal summarises the key changes to user fees and charges proposed for the year beginning 31 July 2024.

User fees and charges are used to assist the operation and maintenance of a variety of services provided to the community. User fee revenue reduces the rate revenue required to be collected from ratepayers.

Council wants to minimise rate increases wherever possible and has indicated that it will continue to review all user fees and charges on an ongoing basis. The proposed fees and charges reflect the outcome of this review process.

Council's user fees and charges are updated each year. Updates reflect changing circumstances, Consumer Price Index (CPI) adjustments, legislative requirements, removed fee requirements, and benchmarking with other Councils. Inflation adjustment and rounding has also been applied.

In general, the fees and charges have been reviewed and adjusted in line with inflation at 5%. Excluded from this CPI increase are Animal Control and Community fees.

All fees are GST inclusive, unless otherwise stated.

Food Act 2014

	2024/25 incl GST
Verification of template Food Control Plan. Includes: booking appointments, checking prior history, travel time, actual time on- site, completion of reports, lodging of results to MPI and Council database and follow up on Corrective Action Requests (first 2 hours)	$410.00
Additional hours	$168.00
Renewal of registration for food premises	$142.00
Amendment to registration	$100.00

Public Health (Health Act 1956, Health Registration Regulations 1966)

Annual Registration and Inspection	**2024/25**
Hairdressers	$210.00
Motels/Boarding Houses	$210.00
Itinerant trader – annual registration including inspection	$294.00
Camping Grounds/Motor Home Parks	$263.00
Hawkers licence	$158.00
Hairdressers, beauticians, tattooists, skin piercers	$263.00
Funeral directors	$263.00
Offensive trades – septic tank services, waste or refuse cartage	$263.00
Saleyards	$263.00
Street stall licence	$32.00 per week
Health inspection for events where food will be sold, or inspection on request	$158.00
Noise control – recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
Noise/health-related complaints under the RMA and Health Act 1956 – recover all reasonable costs associated with investigating/resolving the matter	
Gambling venue applications	$630.00
Removal of abandoned vehicles	Actual cost-plus 10%

Resource Consent Fees (deposit only)

	2024/25
Controlled activity (other than minor land use)	$1,260.00
Restricted Discretionary – non-notified	$1,575.00
Discretionary activity	$2,100.00
Permitted boundary activity	$336.00
Non-complying	$5,000.00
Heritage items	Free
Additional Charges	
Public notification	$5,250.00
Limited notification	$2,625.00
Pre-hearing	$557.00
Post decision – requested changes	$630.00
Additional processing time above 5 hours (per hour)	$210.00
Section 127 variation to consent	$1,575.00
Section 223 RMA certificates	$525.00
Section 224 RMA certificates	$683.00
Any other certificate	$683.00
Monitoring compliance with resource consents – cost, with maximum of:	$2,100.00
District Plan changes – deposit only (applicants are required to meet the full cost of processing applications)	$20,000.00
Land Information Memorandum (LIM) *refund less $50 admin fee, if cancelled within 1-2 working days	$250.00
Land Information Memorandum (LIM) - urgent service *no refund if cancelled Charges between $150-$300 per hour	$450.00
Other external reports, e.g. engineers, commissioners, solicitors, special advisors (indicative charges between $150-$300 per hour	Actual cost
Hearing administration fee + cost of Commissioners	$1,575.00

Note: Pursuant to Section 36, 36 (1) and 36 (3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the above charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.

Infrastructure Contribution	
Wastewater	$2,300.00
Water	$2,300.00
Stormwater	$1,150.00
Infrastructure Contribution – Waingawa Industrial Zone	
Wastewater	$2,990.00
Water	$2,990.00
Stormwater	$1,495.00
Roading Contribution – Residential, Commercial and Industrial Zones	2% of land value + GST
Roading Contribution – Rural Zone	3% of land value + GST
Reserve Contribution - Residential, Commercial and Industrial Zones	3% of land value + GST
Reserve Contribution – Rural Zone	2% of land value + GST
Monthly building consent lists	$26.25
Officer consultation	$210.00 per hour

Service Fees	**2024/25**
Water/Wastewater Standover	$126.00 per hour
Administration fee	$100.00
Applications for a new water and wastewater connection	$236.25 per application
Application for disconnection of existing water and wastewater connection	$236.25 per application
Applications for water race draw off	$168.00 per application
Applications for piping or relocating water race (plus expenses)	$168.00 per application
Clearing public wastewater main or lateral pipe damaged as a result of private fault (fat/rags or similar)	Actual cost
Damage to road reserve	Actual cost

Transfer Station Entry Fees

General refuse	**2024/25**
Car boot or SUV - up to 100kg (incl GST)	$35.80
Small trailer, van or ute up to 1.8m x 1.2m x 0.4m high or up to 250kg (incl GST)	$85.00
Large trailer - up to 1.8m x 1.2m x 0.8m high or up to 500kg (incl GST)	$113.00
Weigh in/out (minimum $20.00) per tonne (excl GST)	$310.00 per tonne
Green waste	
Car boot or SUV - up to 100kg (incl GST)	$7.00
Small trailer, van or ute up to 1.8m x 1.2m x 0.4m high or up to 250kg (incl GST)	$17.00
Large trailer - up to 1.8m x 1.2m x 0.8m high or up to 500kg (incl GST)	$23.00
Weigh in/out (minimum $20.00) per tonne (excl GST)	$74.60 per tonne
Tyres	
Car and 4WD tyres – up to 4 tyres on rims (each) (incl GST)	$6.70 each
Car and 4WD tyres – over 4 tyres (each) (incl GST)	$5.30 each
Car and 4WD tyres (incl GST)	$737.00
Truck tyres (incl GST)	$737.00 per tonne
Truck tyres (each) (incl GST)	$10.00 each
E-waste (electronic waste)	
Small consumer items (e.g. mobile phones, GPS, digital cameras)	No charge
Small/Medium items (e.g. keyboards, docking stations, modems, routers, stereos, gaming consoles)	$5.00
Large items (e.g. TV's, computer monitors, printers, scanners, fax machines, microwaves)	$20.00
Photocopiers	$50.00

Dog Registration Fees

From 1 August – 50% of the fee will be added as penalty. For certified seeing eye or hearing dogs, a fee of 50% of those stated below.	**2024/25**
Urban – entire dogs	$110.00
Urban – spayed/neutered dogs	$85.00
Over 65 canine companion* *Over 65 fee is only for Urban dog owners. Owners will have to apply for the Over 65 fee and provide proof of their age.	$75.00
Rural – non-neutered and neutered dogs – first 2 dogs	$75.00 per dog
Rural – non-neutered and neutered dogs – all remaining dogs	$40.00 per dog
Dog classified as dangerous	$165.00
Other Fees	
Urban – application to keep more than 2 dogs	$75.00
Replacement Tag	$10.00
Housing dog at other facilities (if required)	Actual costs
Rehoming fee – sustenance, administration, registration, microchip (if required) and property suitability inspection	$50.00
Costs associated with vet treatment/supplementary feeding	Actual costs
Euthanise dog	Actual cost
Voluntary handover (surrender dog)	$50.00
Impounding Fees	
Dogs, sheep, goats	$150.00
Second time impounding (dogs)	$200.00
Third and subsequent impounding (dogs)	$250.00
Cattle, deer, horses and all other animals	$200.00
Droving charge – calculated on actual cost including labour and plant hire	Actual cost
Sustenance fee – all animals	$20.00 per day

Water Supply

*Water rates are set under the Local Government (Rating) Act 2002 Section 16(3)(b), Section 19(1), Section 19(2)(a) and Section 19 (2)(b). The information below on the 'Waingawa water and reticulated supply' and 'Urban water, reticulated supply' is an extract of the Funding Impact Statement from the Long-Term Plan 20240-34 for information only.

Waingawa water and reticulated supply

	2024/25
Metered water*	\$3.13 per m^3
Metered water - high volume > 50,000 cubic meters per year*	\$2.60 per m^3
Draw water from Council fire hydrant	\$3.13 per m^3

Urban water, reticulated supply

	2024/25
Extraordinary use > 225 cubic meters per year *	\$2.00 per m^3
Metered water (Commercial and Industrial use) * Large or temporary connections	\$3.13 per m^3
Draw water from Council metered hydrant	\$3.13 per m^3

Water Race

	2024/25
Water race - metered - for principally commercial/industrial use - per cubic metre taken	\$2.25 per m^3
Water race - metered - for principally horticultural use per cubic metre taken	\$1.31 per m^3

Outdoor Swimming Complex

2023/24	**2024/25**
Entry fee adult/child – per person	Free
School groups – per child per season (schools are responsible for lifeguard arrangements and associated costs)	Free

Cemetery

NOTE - No burials on public holidays

	2024/25
Headstone permit	$44.00
Family back-fill	$441.00
Plots	
Lawn	$1,208.00
Lawn - Child under 1 year old	$215.00
Lawn – Child over 1 year old and below 10 years old	$378.00
Cremation	$278.00
Cremation - Child under 1 year old	$173.00
Cremation - Child over 1 year old and below 10 years old	$273.00
Extra depth charge	$493.00
Interment	
Lawn	$830.00
Cremation	$242.00
Child under 1 year old	$142.00
Child over 1 year old and below 10 years old	$352.00
Servicemen	$824.00
Out-of-town burial fee	$1,323.00
Saturday burials	$1,323.00
Saturday burials – out-of-town	$1,600.00
Placenta (interment administration fee)	$28.00
Disinterment	Actual cost
Natural Burial	
Plot (2x standard fee)	$2,415.00
Interment (as above)	$830.00
Costs:	
Compost (cost includes topping-up within first 3 years)	$336.00
Tree (cost includes planting)	$168.00
Natural burial fee (at cost)	$268.00
Out of District fee	$1,323.00
Private burial service	
Chapel	$68.00

Park Fees

	2024/25
Association Football – per ground	$625.00
Cricket Association	$110.00
Athletic Club	$625.00

Library Fees

Rentals (per issue)	**2024/25**
Fiction books (including re-issues)	Free
Magazines	Free
DVDs – children's (one week)	Free
DVDs – adult (one week)	$2.10
Fines	
Adult book – first week	Nil
Per week thereafter	Nil
Children's books – first week	Nil
Per week thereafter	Nil
Reserves	Nil
Inter-loans	
Per book, article or subject request	$10.00
International inter-loan	$42.00 USD
Charges from other libraries	Actual cost
Other	
Lost library book	Replacement Cost
Photocopying – per page	**2024/25**
A3 black and white	$0.40
A4 black and white	$0.20
Double sided - black and white Double sided – colour	$0.30 per page $0.50 per page
A3 colour	$0.65
A4 colour	$0.50
Double-sided – black and white Double-sided - colour	$0.80 per page $1.00 per page
Laminating per page	
A4	$2.00
Rubbish bags	$3.80

Replacement/additional recycling bins	$16.00
Replacement yellow-lid recycling wheelie bin	$80.00
Rating information schedule	$21.00

Official Information Request charges

(requests under the Local Government Official Information and Meetings Act (LGOIMA) 1987

	2024/25
Staff time (in excess of one hour)	$65.00 per half hour or part thereof

Services not listed in this schedule

	2024/25
For any services provided not listed elsewhere in this schedule	$250.00 per hour

Building consent and PIM fees

(all amounts include GST)

Classification *All fees are based on a maximum number of hours for processing. Consents that go over the maximum hours (shown in brackets) will be charged additional processing fees.	**PIM only fee 2024/2025**	**When included with other work (excl. BRANZ and MBIE levies) 2024/25**	**Total stand- alone fee (excl. BRANZ and MBIE levies) 2024/25**
Minor Work			
Solid fuel heater (1)*	$53.00	$131.25	$400.00
Minor plumbing and drainage work, e.g. fittings, drain alteration (1)*	$53.00	$131.25	$452.00
Minor building work (1)*	$53.00		$452.00
Drainage work, e.g. new minor subdivision services, and common drains (2)*	$53.00		$1,208.00
Drainage work, e.g. new effluent disposal system (1)*	$53.00	$368.00	$546.00
Wet area shower (tile floor) (1)*	$53.00	$263.00	$557.00
Private marquee >100m2 – professional assembly only (no inspection) (1)*	$53.00		$190.00
Public marquee > 100m2 and <50 people – professional assembly (no inspection) (1)*	$53.00		$195.00
Public marquee >100m2 and >50 people (with inspection) (2)*	$53.00		$388.00
Private marquee >100m2 (with inspection) (2)*	$53.00		$388.00
Sheds / Garages / Conservatories etc.			
Swimming pool 1200mm above ground and pool fencing (2)*	N/A		$163.00
In-ground swimming pools (includes fence) (2)*	$50.00		$558.00
Garden sheds/retaining walls/carports/conservatories/other minor works (1)*	$50.00		$662.00
Minor farm buildings (hayshed covered yards 1-6 bays, etc.) (2)*	$99.50		$930.00
Larger farm buildings (covered yards, wool sheds) – no plumbing or drainage (3)*	$99.50		$1,323.00
Larger farm buildings (covered yards, wool sheds) – with plumbing or drainage (3)*	$99.50		$1,680.00
Proprietary garages standard (2)*	$105.00		$966.00
Proprietary garages with fire wall (2)*	$105.00		$998.00

Classification *All fees are based on a maximum number of hours for processing. Consents that go over the maximum hours (shown in brackets) will be charged additional processing fees.	**PIM only fee 2024/2025**	**When included with other work (excl. BRANZ and MBIE levies) 2024/25**	**Total stand- alone fee (excl. BRANZ and MBIE levies) 2024/25**
Proprietary garages with plumbing and drainage (2)*	$105.00		$1,212.00
Proprietary garages including sleepout no plumbing or drainage (2)*	$105.00		$945.00
Proprietary garages including sleepout with plumbing or drainage (2)*	$105.00		$1,544.00
Garages custom design including plumbing and drainage (3)*	$105.00	$231.00	$1,817.00
Garages, simple custom design, single level (3)*	$105.00		$1,030.00
Residential re-pile (1)*	$55.00		$662.00
Residential Dwellings – New ***NB double units charged at single unit rate + 50%***			
Single storey value <$500k (4)*	$413.00		$5,460.00
Complex -Single Storey value >$500k and Multi storey (6)*	$617.00		$6,615.00
Transportable dwelling (yard built) (4)*	$105.00		$3,465.00
Relocated residential dwelling (if applicable, add alteration fee) (4)*	$518.00		$1,995.00
Residential Dwellings — Additions and Alterations			
Alterations (minor) up to 3 inspections plus processing time (2)*	$55.00		$1,260.00
Alterations (major) up to 8 inspections plus processing time (8)*	$105.00		$3,465.00
Plumbing and drainage (2)*		$231.00	$1,312.00
Commercial/Industrial			
Commercial demolition (1)*	$55.00		$672.00
Single storey shop fitouts (3)*	$105.00		$1,365.00
Multi-storey shop fit-outs (3)*	$105.00		$1,680.00
Single storey, multi-unit apartments/motels (5)*	$662.00		$2,520.00 plus $498.75 per unit
Multi-storey, multi-unit apartments/motels (6)*	$992.00		$3,045.00 plus $829.50 per unit
Minor commercial work e.g. signs/shop fronts/minor fit outs (no plumbing or drainage) (2)*	$275.50		$876.75
Commercial/industrial ≤$50,000.00 (4)*	$551.00		$2,646.00
Commercial/industrial $50,000.01–	$738.50		$3,675.00

Classification *All fees are based on a maximum number of hours for processing. Consents that go over the maximum hours (shown in brackets) will be charged additional processing fees.	**PIM only fee 2024/2025**	**When included with other work (excl. BRANZ and MBIE levies) 2024/25**	**Total stand- alone fee (excl. BRANZ and MBIE levies) 2024/25**
$100,000.00 (5)*			
Commercial/industrial $100,000.01–$150,000.00 (6)*	$937.50		$4,725.00
Commercial/industrial $150,000.01–$250,000.00 (7)*	$1,213.00		$5,733.00
Commercial/industrial $250,000.01–$350,000.00 (8)*	$1,433.00		$6,720.00
Commercial/industrial $350,000.01–$500,000.00 (9)*	$1,654.00		$7,875.00
Commercial/industrial $500,000.01–$1,000,000.00 (10)*	$1,764.00		$8,558.00
Commercial/industrial/agricultural >$1,000,000.00 (10)*	$1,523.00		$8,557.00 plus $472.50 per $100,000 value

Other charges	**2024/25**
Processing hard copy certificate applications	$105.00
Pool inspections	$158.00 per hour (this includes travel time to the site and any associated research or administration relating to the inspection
Pool inspections – assessment of independent audit	$68.00
BRANZ levy for work $20,000.00 or more, a stand-alone fee of $1.00 per $1,000 for the total project value	$1.00 per $1,000.00
MBIE levy for work $65,000.00 or more including GST, a stand-alone fee of $1.75 per $1,000 for the total project value	$1.75 per 1,000.00 (for work $65,000.00 or more)
Structural engineering or fire engineering assessment/peer review (the building consent fee does not include the cost of any structural or fire engineers' assessments that may be required)	Cost plus 10%
Compliance schedule application (includes inspection, 12A and BWoF administration & auditing)	$210.00 per hour
Inspection hourly rate	$231.00 per hour
Certificate of acceptance—building consent fee for the applicable building plus actual costs, payable on issue of certificate	$231.00 per hour for inspections plus applicable building consent fees

Registration of certificates under the Building Act	$683.00
Reassessment fee (amended plans or specifications)	$236.00 per hour
Certificate of title	$52.50
Vehicle crossing bonds will be assessed for each application where required	$573.00
Street, crossing, footpath, and berm damage bond for buildings moved to/from site	$1,733.00
Property search fee (includes download, scanning documents, email, or writing to disc)	$52.50 per file (covers the search and the first file – every file thereafter $10.00)
Officer consultation	$210.00 per hour

Trade waste

Under Wairarapa Consolidated Bylaw 2019 – Part 9

(all amounts exclude GST)

Category	Description	2024/25
Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
Trade waste application fee	Payable on application for a trade waste discharge	Small business (1-5 staff) $178.50 Medium business (6-15 staff) $336.00 Large business (16+ staff) $651.00
Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority where a notice served under the bylaw has not been complied with by the trade waste discharger	$157.50 per hour
Annual trade waste charges	An annual management fee for a trade waste discharge to cover the Waste Water Authority's costs associated with for example: a) Administration b) General compliance monitoring c) General inspection of trade waste premises d) Use of the sewerage system The charge may vary depending on the trade waste sector or category of the discharger	**Small** Permitted $220.50 per annum. Conditional $441.00 per annum **Medium** Permitted $756.00 per annum Conditional $1,208.00 per annum **Large** Permitted 1,733.00 per annum Conditional $2,415.00 per annum
Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2) of the Local Government Act. Section 150(4) states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period	Discretion of Council As calculated by Council
New or additional trade premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below

B1 Volume	Payment based on the volume discharged	$0.74 per cubic metre
B3 Suspended solids	Payment based on the mass of suspended solids $/kg	$0.74 per kilogram
B4 Organic loading	Biochemical oxygen demand or chemical oxygen demand $/kg	$1.78 per kilogram
B5 Nitrogen	Payment based on the defined form(s) of nitrogen $/kg	$11.65 per kilogram
B6 Phosphorus	Payment based on the defined form(s) of phosphorus $/kg	$17.85 per kilogram
B7 Sodium	Payment based on the defined form(s) of sodium $/kg	$0.90 per kilogram
C1 Tankered waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	$84.00 per cubic metre

Corridor Access

(all amounts exclude GST)

Category	Description	2024/25
Corridor Access	Corridor Access Request (CAR)	$189.00
	CAR with Traffic Management Plan (TMP) (4 months)	$420.00
	CAR with TMP (12 months) and generic	$1,050.00
	TMP third submission fee	$525.00
	Work Access Permit (WAP) extension	$78.75
	CAR/WAP warranty close off	$52.50
	Temporary Road Closure	$420.00
Corridor Access Enforcement	Non notification fee	$367.50
	Issue Stop work notice	$1,575.00
	Non-conformance notice	$787.50
Corridor Access Staff Fees	TTM auditors per hour	$131.25
	Corridor officer per hour	$120.75
	Engineer per hour	$195.00
	Travel costs per km	$1.15
Permits	Generic Overweight Permit	$105.00
	Individual Overweight Permit	$105.00
	Vehicle Crossing Application	$236.25
No Spraying Fees	Install 2 pegs	$63.00
	Install additional pegs (per peg)	$26.25
Infringement / Fines	Damage to road reserve	Actual cost
	Damage to road corridor infrastructure	Actual cost
	Trimming of encroaching vegetation	Actual cost
	Tipping of waste within the road corridor	$2,625.00

Events Centre

NB All amounts include GST

		Hurunui o rangi meeting room	Maungaraki meeting room	Taratahi Auditorium	Te Mahau Foyer	Civic Plaza	Ron Wakelin Plunket rooms	Diva Rooms	Rangatahi Hub	Library
Commercial Rates										
Full day (8.30am-5pm OR 5pm-12am)	**24/25**	$430.00	$430.00	$900.00	$430.00	$290.00	$290.00	$290.00	$430.00	$290.00
Half day (4 hr)	**24/25**	$215.00	$215.00	$450.00	$215.00	$145.00	$145.00	$145.00	$215.00	$145.00
Entire venue full day (8.30am-5pm OR 5pm-12am)	**24/25**	$2,100.00								
Community Rates										
Full day (8.30am-5pm OR 5pm-12am)	**24/25**	$170.00	$170.00	$340.00	$170.00	$116.00	$116.00	$116.00	$170.00	$116.00
Half day (4 Hr)	**24/25**	$85.00	$85.00	$170.00	$85.00	$58.00	$58.00	$58.00	$85.00	$58.00
Per hour	**24/25**	$22.00	$22.00	$43.00	$22.00	$15.00	$15.00	$15.00	$22.00	$15.00
Staff rates (commercial/community)										
After-hours function (per staff member)	**24/25**	$40.00 per hour								
FOH Staff	**24/25**	$30.00 per hour								
Pack-in/out assistance (per staff member)	**24/25**	$35.00 per hour								
Bar Manager	**24/25**	$55.00 per hour								

Commercial Rates – equipment										
		Hurunui o rangi meeting room	**Maungaraki meeting room**	**Taratahi Auditorium**	**Te Mahau Foyer**	**Civic Plaza**	**Ron Wakelin Plunket rooms**	**Diva Rooms**	**Rangatahi Hub**	**Library**
Social Event Bond (repayable)	**24/25**	$170.00	$170.00	$340.00	$170.00				$170.00	$170.00
Pack in/rehearsal (full day rate)	**24/25**			$450.00						
Seating block – to erect and dismantle	**24/25**			$2,250.00						
Easy lift scaffold	**24/25**			$34.00						

	2024/25
Staging and set-up	POA
Lighting	POA
Sound System	POA
AV	POA
Exclusive use of kitchen	$168.00
Tea and coffee facilities	$2.60 per person
Flip Chart	$25.00
Piano	Tuning at hirer’s cost
WIFI	No charge
Electronic White board	No charge
Round tables	$25.00
Round tablecloths	$18.00
Social functions cleaning fee	$335.00

Community Rates – equipment										
		Hurunui o rangi meeting room	**Maungaraki meeting room**	**Taratahi Auditorium**	**Te Mahau Foyer**	**Civic Plaza**	**Ron Wakelin Plunket rooms**	**Diva Rooms**	**Rangatahi Hub**	**Library**
Social Event Bond (repayable)	**24/25**	$170.00	$170.00	$340.00	$170.00				$170.00	$170.00
Pack in/rehearsal (full day rate)	**24/25**			$168.00						
Seating block – to erect and dismantle	**24/25**			$2,000.00						
Easy lift scaffold	**24/25**			$25.00						

	2024/25
Staging and set-up	POA
Lighting	POA
Sound System	POA
AV	POA
Exclusive use of kitchen	$85.00
Tea and coffee facilities	$2.60 per person
Flip Chart	$18.00
Piano	Tuning at hirer's cost
WIFI	No charge
Electronic White board	No charge
Round tables	$25.00
Round tablecloths	$18.00
Social functions cleaning fee	$335.00
Foyer Plinths (for community initiatives or information)	No charge

Policies

Significance and Engagement Policy

Introduction

The purpose of local government includes enabling democratic local decision-making and action by, and on behalf of, communities. Engagement with the community is an important part of fulfilling that purpose.

What is the purpose of this policy?

The Significance and Engagement Policy guides 'when' and 'how' Carterton District Council (Council) engages with its community about important Council decisions. The 'when' to engage is determined by the significance of the decision being made. The 'how' is guided by the engagement framework in this policy.

What are the key terms?

What do we mean by significance?

Significance is the importance of an issue, proposal, decision or matter before Council. It is measured by its likely impact on the criteria listed below. If a decision or work programme is considered to have an overall 'High' significance, i.e. is significant under this policy then various levels of engagement with the community are required. Determining if an issue is significant and the level of significance has been based on three key factors:

- The economic, social, cultural and environmental wellbeing of the district
- Affected people and communities
- Council's ability to perform its role as a local authority and achieve its strategic objectives in the Long-Term Plan.

What do we mean by engagement?

Engagement is the process of seeking information from the community to inform and assist decision-making, and providing the community information on the outcome of a decision-making process. Council values and is committed to meaningful community engagement so that important decisions are made with input from the community. Engagement can also be targeted with specific groups or sections of the community rather than with the community as a whole. Council's approach to engagement, including when we will not engage with our community, is outlined further in this policy.

What do we mean by strategic asset?

Under the Local Government Act (LGA) 2002 this policy is required to identify 'strategic assets'. Strategic assets are defined in LGA 2002 as an asset (or group of assets) that needs to be retained so that Council can maintain its capacity to achieve or promote any outcome that Council determines to be important to the current or future well-being of the community. These assets include:

- any asset or group of assets listed in this policy;
- any land or building owned by Council and required to maintain Council's capacity to provide affordable housing as part of its social policy; and

How will we determine the significance of a decision?

Council will generally determine significance in two ways - named strategic assets and a significance assessment criteria.

Council's strategic assets

For the purpose of this Policy, Council considers its networks and other large assets as complete single assets. It is the group of assets as a whole that delivers the service.

The Council has identified its strategic assets as:

- roading network, including bridges, street lighting, and footpaths
- water treatment, storage, and supply network
- wastewater reticulation network and wastewater treatment facilities
- stormwater drainage network
- rural water race network
- landfill site, including the transfer station
- parks and reserves Council-owned land and buildings, public toilets, and sports fields
- cemetery
- Carterton events centre
- outdoor swimming complex
- Kaipaitangata forest.

Significance Assessment Criteria

All matters for Council decision will be assessed for its impact on the following:

Criteria	Higher significance	Lesser significance
The effects on all or a large part of the Carterton District	The decision would have a major impact on all or a large part of the district	The decision would have a lower impact on all or a large part of the district
The effects on individuals or specific communities	The decision would have a major impact on individuals or specific communities	There is a lower impact on individuals or specific communities
The impact on the relationship of Māori including their tikanga (culture and traditions) with their ancestral land, water sites, waahi tapu, valued flora and fauna, and other taonga	The decision would have a major on the relationship of Māori including the importance of tikanga and their relationship with ancestral land, water sites, waahi tapu, valued flora and fauna, and other taonga	The decision would have a lower impact on the relationship of Māori including the importance of tikanga and their relationship with ancestral land, water sites, waahi tapu, valued flora and fauna, and other taonga
The likely level of community interest or history of public interest in the matter or issue	There is a history of the matter generating wide and intense public interest and a reasonable expectation that this will again be so	There is no history of the matter generating widespread interest
The financial impact	The impact is major and/or Long-Term on either debt levels or rates There is a major and Long-Term financial impact The decision results in a major departure from the Financial Strategy	The impact on debt levels or rates is of a low level There is a low level of Long-Term financial impact There is no or little impact on the Financial Strategy
Consistency with Council's current strategies and policies including the Strategic priorities	The decision results in a major departure from Council's current strategies and policies including the Strategic Priorities (Te taiao, Te hanganga, Ngā tikanga āwhina tāngata)	The decision is consistent with Council's current strategies and policies.
Impacts on Council's Long-Term Plan, Annual Plan, and levels of service (also including the Regional Land Transport Plan, if applicable)	Full exit from an existing activity or adding a new group of activities There is a major and/or Long-Term change to services	Minor change to how Council manages groups of activities There is a medium to low level of change to services
The decision involves a strategic asse	The decision involves the sale or transfer of more than 20% of a strategic asset	The decision does not impact on Council's ownership of the asset
Whether the decision is reversible	The decision is irreversible and would impact negatively on future generations to a high degree	The decision is reversible, or if it is irreversible, the impact on future generations would not be high

Climate change is an important consideration for Council that is assessed against our Climate Change Strategy and action plan rather than being a criteria for significance. This enables a more detailed analysis to be conducted and also proposes mitigation/adaptation methods.

Council officers provide a recommendation of a decision's significance to elected members. The final decision about the significance of any matter rests with elected members. When making this determination other factors may need to be considered; e.g. urgency, safety, commercial sensitivity and public good.

How will we engage?

Council's approach to community engagement?

Council communicates and engages with our community all the time to deliver our work - whether it's to gather input at the start of a process, get feedback on a proposal, or just keep people informed of decisions that have been made and work that is being undertaken. There is a responsibility to communicate the work we do with the right information, at the right time, in the right way. Council has a number of different legal requirements for engagement depending on the matter being decided. The legal requirements are the minimum standards that we then build on in our approach to community engagement. Council's approach to community engagement is to:

- promote a sense of ownership of Council decisions by the community.
- inform people and communities about issues that affect them.
- provide opportunity for people and communities to have meaningful input into Council decisions.
- create a sense of awareness of the diversity of opinion within the community.
- show leadership.
- deliver innovation and be responsive in all communication and interactions with our community.

Council's preferences for engagement methods may be different for different types of issues and opportunities, and that these preferences may change over time. Council, when engaging with affected or interested communities, will recognise the relationship elected members have with the location, specific communities and individuals affected by consultation or engagement initiatives. Participation of elected members in Council engagement is an essential component for our engagement approach.

How communities want to engage

Communities are dynamic and evolve rapidly. Technology is changing the way that our communities want to engage with us and there is an increased uptake and desire for online engagement. Council's engagement methods are evolving to meet new platforms that our communities use.

Face-to-face opportunities are still important as these opportunities strengthen relationships, and provide visibility and accountability.

Council will continuously review feedback from communities about engagement processes and continue to evolve our methods on an ongoing basis rather than only reviewing methods at a fixed point in time.

Phases of engagement for Councils decision making process

Staff must consider the required engagement for a decision or work programme as part of their assessment of significance. The three-phase engagement model focuses on the connection between significance and engagement in the decision-making process.

If a decision or work programme is considered to have an overall 'High' significance, ie is significant under this policy Council will conduct three phases of engagement (Early Engagement, Consultation, Promotion) as part of the process. The process will start with engagement as part of the design phase, consultation on a proposal, and promotion of the final outcome.

If a decision or work programme is considered to have an overall 'Medium' significance under this policy Council will conduct two phases of engagement (Consultation, Promotion) as part of the process. The process will start with consultation on a proposal, and promotion of the final outcome.

If a decision or work programme is considered to have an overall 'Low' significance under this policy Council will conduct one phase of engagement (Promotion) to communicate the final outcome.

The phases of engagement are sequential – early engagement comes before consultation; consultation comes before promotion.

Refer to the table below:

Phases of Engagement

Phases	Early Engagement	Consultation	Promotion
	Informal Early Engagement	*Formal Engagement and Special Consultative Procedure*	*Informing and Educating*
Purpose	We'll engage with affected communities in the planning or development of concepts for proposed documents or work programmes, to: • identify needs or aspirations find out what people want us to change or improve • ask for input into solutions or options	After drafting proposed documents, changes or work programmes, we present actions, options, implications and benefits to get submissions from affected groups or the wider community, to: • check it reflects their input or desired outcomes • find out if they agree or disagree with the proposal or preferred options • identify if there are any further things to consider before we implement the proposal	We'll inform, educate or promote to our community what we're doing and how it affects them. This is generally when work has been planned, a decision has been made, or change is occurring.
Outcome	We'll use feedback to develop direction, content or actions in proposals or work programmes.	We'll use submissions to determine final recommendations and inform elected members in making decisions	Communication is typically one-way, however it's intended that the community is aware or takes action as a result. We evaluate if communication is successful via measures of action and/or through feedback where necessary
Timeframe	2-6 weeks depending on significance	4 weeks (minimum)	Following decision or prior to implementing work. As required to provide ample promotion or notice.

Methods to engage:

Informal Early Engagement: Social media, face to face, workshops, focus groups, community meetings, newspapers, mailouts.

Consultation: in addition to the early engagement methods the following additional methods will be used while in the formal engagement process: Consultation document / Statement of proposal and submission form, both printed and online. Hearings where required under the special consultative procedure.

Promotion: Background documents and information posted to website. Guides, booklets, pamphlets, direct mail, email. News media, social media, video. Advertising campaign - radio, digital, print. Signage & Billboards.

Engaging with tangata whenua and Māori

Council has obligations to Māori in our District. Council provides opportunities and capacity for Māori to contribute to its decision-making processes. In some cases the different phases of engagement used by Council in its decision-making process will be used. In addition or instead of these phases Council may have a collaborative process or decision-making model with a defined iwi/hapū/whānau/group, or empower a defined iwi/hapū/whānau/group to make a decision/s under a clearly defined framework.

Existing general and project-specific relationship processes between Council and tangata whenua are the starting point for engagement. Any changes to legislation may require a review of our policies and processes for engaging with tangata whenua and Māori to ensure they are legally compliant and reflected in Council practice.

When we will not engage with our community

There are times where we won't normally engage with the community because the issue/opportunity is routine, or operational, or because there is an emergency. We want to concentrate on having the right conversations on the issues that are genuinely significant for our communities. Here are some of the things that we won't generally engage with our communities about:

- organisational decisions (e.g. staff changes and operational matters) that do not materially reduce a level of service
- decisions that are consistent with Council's Long-Term Plan or another policy or plan that have already been subject to consultation required by legislation or this policy
- emergency management activities during a state of emergency
- decisions taken to manage an urgent issue
- decisions to act where it is necessary to:
  - comply with the law
  - save or protect life, health or amenity
  - prevent serious damage to property
  - avoid, remedy or mitigate an adverse effect on the environment
  - protect the integrity of existing and future infrastructure and amenity.
- decisions that are commercially sensitive (e.g. awarding contracts)
- any officer decisions that are made under delegation/sub-delegation
- entry or exit from a development agreement (private contract) under section 207A Local Government Act 2002
- decisions in relation to regulatory and enforcement activities where consultation requirements are set out under the relevant legislation, i.e. the RMA 1991.

Revenue and financing policy

Introduction

This Revenue and Financing Policy summarises how Council intends to fund the activities and services it provides. This policy is a requirement of the Local Government Act 2002. It is one of the suite of policies that ensures Council:

- manages 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
- makes adequate and effective provision in its Long-Term plan and annual plan to meet the expenditure needs identified
- meet its funding needs from those sources that it determines to be appropriate.

Process

Council must follow a prescribed process when determining the most appropriate funding option for its activities and services.

Step 1

The first step is to determine the most appropriate source of funding for each activity. Section 101(3) of the Act requires Council consider for each activity:

- Community outcomes to which the activity primarily contributes
- Distribution of benefits between, the community as a whole, any identifiable part of the community, and individuals
- Intergenerational equity principle – the period in or over which those benefits are expected to occur. Generally, benefits derived from operating costs are received in the year the expenditure is incurred. In contrast, capital expenditures relate to investments in assets that generate benefits over their useful lives that extend beyond the current year.
- Exacerbator Pays Principle – the extent to which the action or inaction of particular individuals or a group contributes to the need to undertake the activity
- Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The outcome of this process is included as an Appendix to the Policy.

Step 2

Once the most appropriate funding methods for each activity is identified based on the considerations stated above, Council needs to consider the overall impact of its funding mix on the current and future wellbeing of the community. It can make modifications to its allocation of liability if it considers necessary in Step 2.

For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability.

As part of the 2023 review Council has particularly considered the following when looking at the overall impact of the liability of rates.

- Impacts of groups of ratepayers on other groups of the community – can be positive and negative
- Affordability - the ability for ratepayers and users to pay.
- The mix of funding sources being sustainable in the long-term
- Impacts of the current and projected future economic conditions
- The requirement for the Revenue and Financing Policy to support the principles set out in the preamble to Te Ture Whenua Māori Act 1993 which, in particular, includes promoting the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu.

The following adjustments were made as part of the review during step 2.

- An Economic Development targeted rate was introduced for Commercial/Industrial sector
- The General Rate differential was reduced to 1.8 from 2 for Commercial/Industrial sector
- The public funding for Water and Wastewater was changed from 10% to 0-10%

Selecting the appropriate funding source – Council funding principles

The general principles used in the process are:

- The public good theory:
  - The distribution of benefits between the community as a whole;
  - An activity should be collectively funded if those that benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service;
- The user/beneficiary pays principle:
  - An activity should be funded on a user pays basis if an individual or group of individuals directly receive benefits of the activity exclusively and that costs of the activity can easily be attributed to that individual or group of individuals;
  - The service "consumed" is excludable and creates rivalry (using this service reduces the availability for someone else);
- The merit goods theory:
  - The use of private goods and services can also result in benefits to third parties – people who don't directly use them. In these cases Council considers that the service should be provided on the basis of community need rather than willingness to pay, or identifiable benefits received (e.g. regional sporting facilities);
- The intergenerational equity principle:
  - The period in or over which those benefits are expected to accrue;
- The exacerbator/polluter pays principle:
  - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities:
  - This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services.

The differentiation of private and public goods and the identification of externalities are necessary for a strict apportionment of the costs between private users and the community as a whole. Sometimes such differentiation is not easy, because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

For each activity the following have been considered:

- Relationship to Council Outcomes.
- Council considerations (high to low) of:
  - the distribution of benefits from the activity between the community, any identifiable groups or individuals;
  - Intergenerational equity;
  - exacerbator pays; and
  - the costs and benefits of distinct funding.
- A percentage range of public versus private benefits providing a rationale for the allocation between rates and targeted recoveries through fees and charges.
- The overall impact of any allocation of liability for revenue needs on the current and future wellbeing of the community.

The following policy positions have been set by Council and are used with the principles above:

- Where the benefit accrues to the whole district, general rates will be used including UAGC.
- Where benefits accrue to certain groups within the district, user charges, general rate differentials or targeted rates will be used if efficient to do so.
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation. Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating principles within the policy.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this provided there are no legislative constraints on doing this.
- In some cases, targeted rates (e.g. water and wastewater) are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges.
- Rates are at least partly a tax. While effort is made to link payment of rates to benefits received or costs generated, it is not possible to do this on an individual ratepayer basis.
- Subsidy from central government recognises that some services, e.g. roading, form part of a national infrastructure and only central government can levy user charges.
- Uniform Annual General Charge (UAGC) recognizes that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the district.

In this policy, we use the words "public" or "private" to reflect who benefits from the services Council provides. When the word "public" is used it means the community at large will receive benefits and generally it is more efficient to charge for those through a rate. When the word "private" is used it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate.

Section 103 of the Act requires Council to state:

- the policies in respect of funding operating expenses,
- the policies in respect of funding capital expenditure,
- show how the decisions about the funding mechanisms comply with section 101(3) of the Act.

Funding of operating expenditure

The funding for operating expenditure will come from the following sources:

General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general district-wide benefit to providing the service. The general rate is to be based on the capital value of each rating unit in the District and will be set on a differential basis over three rating categories—residential, commercial, and rural.

Uniform Annual General Charge (UAGC)

A UAGC is a rate of a uniform amount assessed on each rating unity. The Council endeavours to use the UAGC for services that have a reasonably equal value of public benefit to each ratepayer. Under the Local Government (Rating) Act 2002 Council has the provision to collect up to 30% of its total revenue from UAGC and Targeted Rates set on a uniform basis.

Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service, e.g. water and wastewater services.

Fees and charges

Where the Council has deemed there is a direct or partial benefit to the end user, e.g. building control and resource consents. For activities where enforcement action is necessary the 'exacerbator pays' principle applies where practicable.

Other sources

There are other sources of funding for operating expenditure. These include grants and subsidies, the majority of which are from the Waka Kotahi NZ Transport Agency, as well as interest and dividends from investments, proceeds from the sale of assets, and donations.

Reserves and borrowings may be used to fund the major reviews of the District Plan that apply for multiple years. They may also be used in exceptional circumstances e.g. in a response to an emergency.

Section 100 of the Act requires that the Council set operating revenue at such a level as to meet the year's operating expenditure. The Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses from the immediately preceding year or subsequent years. An operating deficit will only be budgeted for when it is beneficial to avoid significant fluctuations in rates, fees or charges.

Funding of capital expenditure

Capital expenditure relates to the purchase of new assets, the replacement and renewal of existing assets, and the repayment of loan principal.

The funding for capital expenditure will generally come from depreciation reserves, subdivision financial contributions, borrowing, or a combination. General and targeted rates may also fund some of the loan principal repayments for community support, water supply, stormwater drainage, sewerage and the treatment and disposal of sewage, waste management, and regulatory and planning services.

One of the considerations in relation to the funding of activities is 'the period in or over which the benefits are expected to occur' [Section 101(3)(a)(iii)]. The principle is that if the Council provides a new asset or renews an existing asset (such as a new sewerage treatment system) the cost of providing that asset should be spread over its life, so that all who benefit from it pay for its cost. This is described as 'inter-generational equity'. This is achieved by borrowing for the cost of the asset and repaying the loan over the life of the asset, thus spreading the capital cost over the life of the asset.

Borrowing is managed within the framework specified in the liability management policy.

The Council's overall borrowing requirement is reduced to the extent that other funds are available to fund capital expenditure. Such other funds include:

- Council special fund reserves
- development contributions and financial contributions under the Resource Management Act 1991 (criteria are set out in the Wairarapa District Plan)
- annual revenue collected to cover depreciation charges
- proceeds from the sale of assets
- grants and subsidies
- donations.

Designing a funding system

Council has given much thought and consideration how to best fund the activities and services it provides. Principles include fairness, equity, affordability, and the ability to administer the funding system in a cost-effective way. Applying these principles across the various groups of ratepayers in the district requires multiple and complex judgements to be made. Council aims to strike a balance between providing good quality services and the ability to pay. The funding tools available to Local Authorities are limited. Through this policy Council has used the funding mechanisms available to distribute costs as appropriately as possible in a balanced method across different rate payer groups.

The Council proposes to set a general rate based on the capital value of each rating unit in the district. The general rate will be set on a differential basis over three rating categories as follows:

General rates—differential factor	
Residential	1.0
Rural	0.8
Commercial	1.8

Further information about the rating categories can be found in the Funding Impact Statement.

Council considers the total funding system provides adequate and effective provision to meet the expenditure needs identified and enables Council to deliver services and activities that promote the current and future social, economic, environmental and cultural well-being of the community.

Groups of activities

The following sections outline the Council's revenue and financing policy for each group of activities of the Council's operations:

- Governance
- Community Support
- Regulatory and Planning
- Transportation
- Wastewater
- Stormwater drainage
- Waste Management
- Water Supply.

GOVERNANCE GROUP

Analysis

- The Governance activity provides benefit to the whole community. Benefits are provided to all residents through the facilitation of democracy, effective leadership and decision- making, future planning and development, and advocacy. Benefits can occur now and in the future.
- Governance activities and associated costs include Local Body Elections, administration and operating costs of Elected Members and the Council, standing committees and advisory groups. The costs include the holding of regular meetings and the preparation and consideration of reports for policy development, resource allocation and performance monitoring. Also the costs of general services provided for the community benefit including records preservation and costs associated with representing the interests of residents and ratepayers.

Funding Mechanism and Source

100% public

Council has decided the most appropriate way to fund the Governance activity is through the Uniform Annual General Charge. This public funding mechanism comes closest to ensuring that all residents pay equally for the Governance activity.

COMMUNITY SUPPORT GROUP

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

Community Development

Analysis

- The Community Development activity aims to build social cohesion and enhance the social wellbeing of the Carterton community.
- Information, advice, and advocacy services are provided to a wide range of people and groups including volunteers, artists, and job seekers. Supporting community organisations, community development initiatives and providing community events are of significant public benefit to the whole community.
- Grants are provided to community organisations to support health, cultural and community development initiatives that help achieve Council's strategic objectives.
- Most benefits occur in the year that funding is provided but some benefits may occur over multiple years depending on the length of programme provided.

Funding Mechanism and Source

100% Public (of balance required)	Private

Funding for the Community Development activity is from both private and public sources of funds. Private funds are obtained via grants from Creative New Zealand and other sources, with the balance of public funding coming via the General Rate including the Uniform Annual General Charge.

Funding for capital expenditure will include the above funding sources as well as borrowing and reserves.

Economic Development

Analysis

- The Economic Development activity involves the provision of economic development initiatives that aim to support strong businesses, employment and tourism in the district and region. Of key focus over the coming years will be supporting the local economy to recover from economic shock caused by the COVID-19 pandemic.
- The Council will continue to partner with Masterton and South Wairarapa District Councils, Greater Wellington Regional Council and WellingtonNZ to implement the Wairarapa Economic Development Strategy.
- Council will continue to provide a wide range of services and activities that contribute towards economic development. These include plans for town centre redevelopment, ensuring the town centre is attractive and appealing to visitors and potential investors, providing sufficient suitably zoned land is available for development, and providing good quality infrastructure and services.
- A healthy district economy is also a benefit to the whole community now and in the future.

Funding Mechanism and Source

50% Public (of balance required)	50% Private

Funding for the Economic Development activity is from both private and public sources of funds. Private funds are obtained via grants from the Provincial Growth Fund (or its equivalent) including other sources, and from a targeted Economic Development rate on the Commercial/Industrial rating units. The balance of public funding is via the General Rate including the Uniform Annual General Charge.

There is expected to be no expenditure on capital expenditure in this group of activities.

Emergency Management

Analysis

- Emergency Management provides significant public benefit to the whole community. The activity involves educating and encouraging the community to increase their preparedness for natural disasters, responding and helping to minimise the effects of natural disaster on people and property, and providing a recovery system following natural disasters.

- The benefits of the Emergency Management activity occur now through preparedness and in the future through response and recovery. This activity makes a significant contribution towards all well-beings and the community outcomes sought regarding a caring community that is safe, healthy, connected, and resilient.

Funding Mechanism and Source

100% Public

In light of the public benefit to the whole community and contribution to wellbeing and community outcomes accrued through the Emergency Management activity, Council has decided the most appropriate means of funding is via the General Rate including the Uniform Annual General Charge. Funding for capital expenditure will include the above funding sources as well as borrowing and reserves.

Parks and Reserves

Analysis

- Parks and reserves make an important contribution to the well-being and lifestyle of the community. They provide areas for social connections, relaxation, sporting activities and green and attractive open spaces in built up areas. Council preserves and manages parks and reserves for the benefit and enjoyment of the whole community for recreation use.
- While benefits of this activity are provided to the entire community, specific individual benefit can also be provided to user groups and sports clubs. Exclusive use of parks and reserves may be necessary in order for sport clubs and recreational groups to successfully manage and run events.
- Benefits of the activity occur now through the provision of aesthetically pleasing open spaces and gardens, and in the future due to the Long-Term nature of associated parks and reserves assets. This activity also involves management of the Kaipaitangata forest, the principle purpose being the protection of the water supply catchment. The block contains a mix of production forestry and manuka crops. The manuka is leased for honey production. Proceeds from the manuka lease is reinvested back into the Parks and Reserves activity.
- Some individuals may experience negative effects from not having full and exclusive use of parks and reserves at all times. Misuse and vandalism can cause additional costs to Council.

Funding Mechanism and Source

100% Public (of balance required)	1-10% Private

Council has decided that a combination of public and private funding is appropriate for the Parks and Reserves activity. Private funds (1-10%) are obtained via fees and charges from exclusive users, and the manuka crop lease, and the balance is obtained via public funds through the General Rate including the Uniform Annual General Recovery of exacerbator costs due to vandalism will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Community Amenities

Analysis

- 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.
- The multi-purpose Events Centre is vibrant, welcoming, and the heart of the community for cultural, economic and social services. The uses are wide ranging including concerts and corporate functions to art displays and weddings.
- The library service aims to meet the recreational, educational and information needs of the residents of Carterton.
- The cemetery meets the needs of the people of the district and maintains the dignity of a last resting place.
- The outdoor swimming complex meets the recreational needs of the general public during the summer months.
- Public toilets are accessible, clean and tidy for use by the general public and visitors.
- The Holiday Park is well maintained to ensure a pleasant and attractive accommodation option to visitors to the district. The operation of the Holiday Park is via a lease.
- Community amenities provide numerous benefits to the district and wellbeing of

the district. The provision of shared public spaces enhances the community's sense of social connectedness, cultural wellbeing, and civic pride. Attracting visitors to the district also makes a positive contribution to the local economy. Benefits of the activity are immediate through the provision of well-appointed community amenities, and in the future due to the Long-Term nature of assets. Most benefits are to the whole community, however individuals may benefit from exclusive use of a facility.

- Council may incur additional costs from vandalism to facilities, and/or library resources that are not returned or damaged.

Funding mechanisms and sources

100% Public (of balance required)	4 – 14% Private

After taking into account the benefits and contribution towards community outcomes Council has decided to fund this activity through combination of public and private funds. Private funds (4-14%) are obtained via fees and charges and the income from the Holiday Park lease, and the balance is obtained via public funds through the General Rate including the Uniform Annual General Charge. Recovery of exacerbator costs due to vandalism and unreturned or damaged library resources will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

REGULATORY AND PLANNING GROUP

Includes Resource Management Planning, Consent Processing, and Regulatory Services.

Resource Management Planning

Analysis

- Resource Management Planning involves development of the District Plan in accordance with the Resource Management Act.
- There are both public and private benefits involved with Resource Management Planning activity. Public benefits include safe and orderly development of the district, and consistent standards for current and future generations. Private plan changes will provide immediate benefit to individual applicants through development and potential increases in property values.
- Council may incur additional costs from vexatious and frivolous submitters, however there is no practical way to recover costs.

Funding mechanisms and sources

100% Public

Council has decided that the most appropriate funding mechanism for Resource Management Planning is from public funds via Targeted Rates and fees (for private plan changes). Private Plan Change applications occur infrequently, and the Council cannot anticipate when applications may be lodged.

There is expected to be no expenditure on capital expenditure in this group of activities.

Consent Processing

Analysis

- The Consent Processing activity involves the processing of applications for resource consents and building consents. Council is required to provide these activities in compliance with the relevant legislation and regulations.
- The benefit of these services is provided immediately to the individual applying for a consent. The whole community also benefits from consenting services through the promotion of public safety and protection of the environment for future generations.
- Non-compliance (e.g. applicants prolonging consent processes and/or extra inspections) can cause additional costs to Council.

Funding mechanisms and sources

100% Public (of balance required)	85-95% Private

Funding for the Consent Processing activity is from both private and public sources of funds. Private funds (85-95%) are obtained via consent fees and charges, with the balance of public funding (up to 15%) coming via the Targeted Rate for resource consents and General Rate for building consents. Recovery of exacerbator costs due to non-compliance will be recovered in full where possible.

There is expected to be no expenditure on capital expenditure in this group of activities.

Regulatory Services

Analysis

- The Regulatory Services activity includes the provision of environmental health services, liquor licensing, animal and dog control. Council is required to provide these activities in compliance with the relevant legislation, regulations and bylaws. These services also contribute towards the community outcome: A caring community that is safe, healthy and connected.
- There are both public and private benefits associated with the provision of Regulatory Services.

- Benefits occur mainly in the short term to the individual applicant or receiver of the service. For example, Animal Control services where animals that are returned to their owners. There is also some benefit to the whole community provided over Long-Term from enhanced public safety.
- Council may incur significant addition cost through residents that fail to comply with regulations.

Funding mechanism and sources

Environmental health services

100% Public (of balance required)	1-10% Private

Liquor licensing

100% Public (of balance required)	60-70% Private

Animal and dog control

100% Public (of balance required)	70-80% Private

Council has decided that a combination of public and private funding is appropriate for the Regulatory Services activity. Private funds are obtained via fees and charges from applicants and the balance is obtained via public funds (up to 100%) through the General Rates.

Recovery of exacerbator costs due to non-compliance will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing and reserves.

<u>TRANSPORTATION GROUP</u>

Includes Roads, Footpaths, and Cycleways and Trails.

Roads

Analysis

- The Roading activity involves the development and maintenance of roads, streets, and associated infrastructure (including bridges and culverts, road signs and street lighting).
- There are many public benefits provided to the whole community relating to the general availability of the roading system. Working with Waka Kotahi NZ Transport Agency (NZTA), Council aims to achieve a safe efficient land transport system that maximises local safety, enhances economic and social wellbeing.
- Benefits are also provided to individual users, access for forestry operations, use of roads by heavy carriers, tankers and trucks.
- Council may incur additional repair and maintenance costs to roads from damage caused by excessive use of heavy machinery, motor vehicle accidents, livestock movements and vandalism.

Funding mechanisms and sources

100% Public (of balance required)	Private

Funding for the roading activity is sourced from both private and public sources. Private funds are obtained via a subsidy from Waka Kotahi NZ Transport Agency, and are budgeted according to the Financial Assistance Rate (FAR) with the balance of public funding (up to 100%) coming via General Rates.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Footpaths

Analysis

- Footpaths provide significant public benefit to the whole community. Footpaths provide connections to other transport networks, enable safe access by separating pedestrians from the main flow of traffic, provide opportunities for recreation and promote mobility.
- Benefits are immediate to footpath users and the wider community and Long-Term for future generations.
- Negative effects may arise through restricted access. Council may incur
- additional repair and maintenance costs to footpaths through motor vehicle accidents, vandalism and unapproved alterations.

Funding mechanisms and sources

100% Public (of balance required)	Private

Funding for the Footpath activity is sourced from both private and public sources. Private funds are obtained via a subsidy from Waka Kotahi NZ Transport Agency, with the balance of public funding (up to 100%) coming via General Rates.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Cycleways and Trails

Analysis

- Council recognises that walking and cycling provides many environmental, social and economic benefits for the community. Benefits occur now and in the future.
- Benefits are provided to all residents through the provision of cycleways and trails that provide opportunities for social interactions, alternative transport modes, recreation, economic activities, to enhance and protect the environment through reductions in vehicle emissions.
- Negative effects may arise through restricted access. Council may incur additional repair and maintenance costs to cycleways and trails by damage.

Funding mechanisms and sources

100% Public (of balance required)	Private

Funding for the Cycleways and Trails activity is sourced from both private and public sources. Private funds are obtained via a subsidy from Waka Kotahi NZ Transport Agency, with the balance of public funding (up to 100%) coming via General Rates.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

<u>WASTEWATER GROUP</u>

Analysis

- Significant benefits are provided by the wastewater system, including treatment and disposal. Ensuring that wastewater is treated and disposed of effectively promotes a clean healthy environment free from contaminants now and in the future, maintains public health standards and prevents disease.
- Wastewater services are provided to the residents of the Carterton urban area, limited adjacent rural areas where access is available, and Waingawa industrial area. While the majority of the benefits are to the scheme users, there are also public health benefits to the whole community associated with an effective wastewater system.
- Council can incur additional costs from an overloaded wastewater system caused by unusually high volumes of trade waste, disposal of toxic substances, or illegal stormwater connections that add volumes of unnecessary water to the sewerage system.

Funding mechanisms and sources

0-10% Public (of balance required)	90-100% Private (of balance required) 13-23% Private (Fees and charges)

Council has decided that a combination of public and private funding is appropriate for the wastewater activity. Private funds of 13-23% is obtained via user fees and charges and the balance of funding through private funds via Targeted Rates of 90%-100% and public funding via General Rates of up to 10%. Council uses powers provided in the Trade Waste Bylaw to recover exacerbator costs from trade waste users with large volumes of trade waste.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

STORMWATER DRAINAGE GROUP

Analysis

- Council provides the residents and ratepayers of the Carterton urban area with an efficient stormwater drainage system
- Benefits to the whole community are related to managing risks from flooding, the protection of people, property and infrastructural assets of the district,
- providing safe access to the public and maintaining public health. Benefits occur now and in the future due to the Long-Term nature of assets associated with this activity.
- Benefit to the individual property owner is that stormwater drainage is available to private properties. This activity is substantially a private benefit to users.
- Council can incur additional costs from pollutants added to the stormwater system.

Funding mechanisms and sources

10% Public	90% Private

Funding for the Stormwater activity is obtained from public and private sources. Due to the limited amount of public benefit associated with this activity 10% of funding is sourced via General Rates (public) while the remaining (90%) is sourced from scheme users through the Targeted Rates (private). Exacerbator costs are difficult to identify but will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

WASTE MANAGEMENT GROUP

Includes Refuse collection and Recycling, and the Transfer Station.

Refuse collection and Recycling Analysis

- This activity includes the provision of a contracted refuse and recycling collection and disposal service for urban households and some commercial properties, and a disposal service for delivered solid waste.
- Benefits to the whole community are related to the public health of the community. Benefits occur now through the provision and immediacy of the service, and over the medium term due to the assets associated with this activity.
- Benefits to the individual property owners is the availability of the service. This activity is. substantially a private benefit to users.
- Council can incur additional costs from vandalism and damage to recycling bins.

Funding mechanisms and funding sources

0-10% Public (of balance required)	90% Private (of balance required) 27-37% Private (Fees and charges)

A combination of public and private funding is appropriate for the Refuse collection and Recycling activity. Private funds (up to 90%) are obtained via Targeted Rates from households that are provided with the service, with a further 27-37% of private funding coming via fees and charges (bag sales, and bin replacements). The balance of funding is obtained via public funds (up to 10%) through the General Rates. Recovery of exacerbator costs due to non- compliance will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources.

Transfer Station Analysis

- Council provides a transfer station and facilities for disposal of refuse.
- The whole community benefits from the safe and efficient disposal of refuse. Maintaining a safe and healthy environment and sanitary conditions are essential to preventing health hazards and promotion of public health. Private benefit is afforded to those individuals that access the services as do those residents that have access to the service but may choose not to use it.
- Benefits are provided now and in the future through those that access the services and due to the Long-Term nature of the assets associated with this activity.
- Council may incur additional costs from dumped contaminants.

Funding mechanisms and sources

100% Public (of balance required)	31-41% Private

Council has decided that a combination of public and private funding is appropriate for the Transfer Station activity. Public funds (up to 100%) are obtained via General Rates. Private

funds (31-41%) are obtained via fees from those using the transfer station facility. Recovery of exacerbator costs due to deliberate contamination will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing and reserves.

<u>WATER SUPPLY GROUP</u>

Includes Drinking Water and Water Races.

Drinking Water

Analysis

- This activity involves the provision and maintenance of a safe and resilient quality drinking water supply to meet the needs of the Carterton urban ward, of approved rural users, and of commercial users in the Waingawa industrial zone.
- Benefits to the district are availability of quality potable water supply for public health. Water that complies with Drinking Water Standards provides the community with assurance that it is healthy and safe to drink. A reliable and plentiful water supply source also enables services (e.g. fire fighting) and recreational facilities e.g. private swimming pools.
- The water supply activity contributes towards the Community Outcome sought regarding quality fit for purpose infrastructure and services that are cost-effective and meet future needs.
- There are significant private benefits attached to the urban drinking water supply. Availability of potable water to property owners connected to the water supply system is a benefit to the individual properties that can be clearly identified.
- Benefits are immediate and ongoing to scheme users, and Long-Term for the wider district and future generations due to the assets associated with this activity.
- Exacerbator costs can occur through individuals who waste water, high and excessive users, unauthorised connections, and individuals that contaminate the supply.

Funding mechanisms and sources

0-10% Public (of balance required)	90-100% Private (of balance required) 1-10%% Private (Fees and charges)

After considering the public and private benefits and contribution towards community outcomes, Council has decided the most appropriate sources of funding for the Drinking Water activity are User Charges (1-10%) and the balance of funding through private funds via Targeted Rates of 90%-100% and public funding via General Rates of up to 10%. Recovery of exacerbator costs will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Water Races

Analysis

Water races provide water for agricultural and horticultural and ecological purposes, non-potable domestic users, and other rural users. Council provides and maintains the open water race system.

Access to the water race system by property owners is a direct benefit to the individual properties that can be clearly identified. There is also benefit offered to those property owners that have access to the water race system but choose not to use it. Some public benefit is also provided to the whole community as the water races provide a discharge point for stormwater, assisting with the management and prevention of risk from flooding. Economic development prospects are enhanced by an affordable and reliable water supply.

Council may incur additional costs through use individuals that use excessive amounts water or contaminate the supply.

Funding mechanisms and sources

0-10% Public (of balance required)	90% Private (of balance required) 1-10% Private (Fees and charges)

After considering the public and private benefits and contribution towards community outcomes Council has decided the most appropriate sources of public funds for the Drinking Water activity are via General Rates up to (10%) and private funds via Targeted Rates (up to 90%) and User Charges (1-10%). Recovery of exacerbator costs will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Private funds via Targeted Rates (up to 90%) and User Charges (1-10%). Recovery of exacerbator costs will be recovered in full where possible.

Funding for capital expenditure will include the above funding sources as well as borrowing, reserves and financial contributions.

Operating expenditure

The following table summarises the funding mix for each activity.

	Public Funds	Private Funds		
Activities	**General rates including UAGC**	**Targeted rates**	**User fees and charges**	**Subsidies**
Governance	100% UAGC			
Community Support				
Community development	100% of balance required			Yes
Economic development	50% of balance required	50% of balance required		Yes
Emergency management	100%			
Parks and reserves	90-100% of balance required		1-10%	
Community amenities	100% of balance required		4-14%	
Regulatory and Planning				
Resource management planning		100% of balance required		
Consent processing		100% of balance required	85-95%	
Regulatory services				
Environmental health services	100% of balance required		3-13%	
Liquor licencing	100% of balance required		60-70%	
Animal and dog control	100% of balance required		70-80%	
Transportation				
Roads	100% of balance required			Yes
Footpaths	100% of balance required			Yes
Cycleways and Trails	100% of balance required			Yes
Wastewater	0-10% of balance required	90-100% of balance required	13-23%	
Stormwater drainage	10%	90%		
Waste Management				
Refuse collection and recycling	10% of balance required	90% of balance required	27-37%	Yes
Transfer station	100% of balance required		31-41%	
Water Supply				
Drinking water	0-10% of balance required	90-100% of balance required	1-10%	
Water races	10% of balance required	90% of balance required	1-10%	

Appendix 1. Outcomes of the first step to determine the most appropriate source of funding for each activity

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or ction create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Funding Sources Capital
Governance								
	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	All members of the community benefit from the provision of good governance	Ongoing	Central Government and other agencies that create a requirement of Council	There is no need for separate funding	All members of the community benefit from the provision of good governance	General Rates including the UAGC Grants	Nil expenditure so not considered
Community support								
Community development	A caring community that is safe, healthy and connected A community that is productively engaged in employment, education and community service A community that fosters and promotes our quirkiness and creativity A community that embraces and encourages our cultural diversity and heritage	Community development benefits the whole of the community now and into the future.	Ongoing	Changes in demographics and socio-economic state of the community. Climate change creating changes to the well beings of the community	There is no need for separate funding	The whole community benefit from the delivery of community development activities, because of the enhanced community wellbeing.	General Rates including the UAGC Grants	General Rates Grants Borrowing Reserves

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or action create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Funding Sources Capital
Economic Development	A community that is productively engaged in employment, education and community service A community that embraces and encourages our cultural diversity and heritage A vibrant and prosperous business and primary sector investing in, and supported by, the community.	A healthy district economy is of benefit to the whole community now and into the future with specific benefit to the business community	Ongoing	Changes in demographics and socio-economic state of the community. Central government and agencies that create a requirement of Council.	There is no need for separate funding	Private funds are obtained via grants from the Provincial Growth Fund (or its equivalent) including other sources. The balance of public funding is via the General Rate including the Uniform Annual General Charge. Measuring benefit to the specific business communities and the community as a whole.	General Rates including the UAGC Targeted Rates Grants	Nil expenditure so not considered
Civil Defence/ Emergency Management	A caring community that is safe, healthy and connected A resilient community capable of responding and recovering from environmental shocks. A community that has quality, fit for purpose infrastructure and services, that are cost effective and meet future needs	The whole community benefit from the provision of Civil Defence and Emergency Management	Ongoing	Central Government and other agencies that create a requirement of Council. Climate change creating increases in natural disasters	There is no need for separate funding	The whole community benefit from the provision of the service	General Rates including the UAGC Grants	General Rates Grants Borrowing Reserves

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or ction create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Capital
Parks and reserves	A caring community that is safe, healthy and connected A community that is productively engaged in employment, education and community service A community that embraces and encourages our cultural diversity and heritage A community that has awesome public facilities and spaces A community that has quality, fit for purpose infrastructure and services, that are cost effective and meet future needs	Available for the whole community Certain groups at certain times of year have exclusive use of those facilities	Assets have a high intergeneration al component.	Vandalism Climate change impacting weather patterns	There is no need for separate funding	Parks & Reserves form an integral part of the social fabric of the community. Therefore, Council recognise that the whole community should contribute to the cost of providing this activity.	General Rates including the UAGC Fees and charges Donations Grants	General Rates Reserves Borrowing Financial Contributions Donations
Community Amenities	A caring community that is safe, healthy and connected A community that is productively engaged in employment, education and community service A community that fosters and promotes our quirkiness and creativity A community that embraces and encourages our cultural diversity and heritage A community that has awesome public facilities and spaces A community that has quality, fit for purpose infrastructure and services, that are cost effective and meet future needs	Whole community. Community Groups Corporate groups Retailers in town Individual users Visitors	Assets have long- term value Books have a limited useful life. Ongoing benefit to the community in providing the amenities	Vandalism and damage by public. Ineffective social and government services that create a requirement on services like the libraries. Visitors to the district.	There is no need for separate funding other than those received from Fees and Charges.	The whole community and sub-region benefit from the availability of the facilities including visitors and retailers, and groups and individuals benefit from the use of the facility. The facilities adds benefit to the local economy.	Fees and charges General Rates including the UAGC Grants Donations	General Rates Reserves Borrowing Development/ Financial contributions Grants Donations

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or ction create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	 Capital
Regulatory and planning								
Resource management Planning (incl District Plan)	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 whole community benefits from a robust District Plan	While it is an operational cost the benefit of a District Plan is consumed over a period of time	Vexatious and frivolous submitters. Central governments through legislation such as the Resource Management Act and National Policy Statements	There is no need for separate funding	A well-constructed District Plan benefits the whole community over the life of the plan. Private plan changes will provide direct benefits to the applicant.	General Rates Fees and Charges Reserves (District Plan review only) Borrowing (District Plan review only) Grants	Nil
Consent processing (incl Resource & Building)	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 investing in and supported by the community.	Applicants are the primary beneficiaries. Community benefits from having this activity available.	Ongoing	Non-complying activities	There is no need for separate funding	The applicant receives a benefit because they receive a consent that is compliant and therefore reduces future risk. Public receive benefit through ability to make general enquiries.	General Rates Fees and Charges	Nil

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or action create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Funding Sources Capital
Regulatory services (incl liquor, enviro health, animal control and compliance and monitoring)	A caring community that is safe, health and connected 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	Those who use the services and their customers. Compliance and monitoring services benefit the community as a whole	Ongoing	Individuals and entities who do not comply with regulations	There is no need for separate funding	Those who use the service receive a direct benefit from provision of the service, and the wider community benefits from enhanced safety.	General Rates Fees and Charges	General Rates Borrowing Reserves
Roads	Quality, fit for purpose infrastructure and services that are cost- effective and meet future needs A caring community that is safe, healthy and connected	Whole community benefits Visitors Commercial businesses	Asset has long-term value	Vandalism, heavy vehicles, with high usage such as forestry. Climate change impact. Central Government legislation and requirements.	No further benefit	Community benefits include an attractive urban environment and streetscape, tidy roadsides, the ability to transport people, goods and services throughout the district, connections to other transport networks and location. Individual benefits are for people and businesses	General Rates Targeted Rates Subsidies	General Rates Targeted Rates Subsidies Development/ Financial contributions Reserves Borrowing

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or action create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Funding Sources Capital
						using roads and footpaths to carry out their day-to-day business.		
Footpaths	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 whole community	Asset has long-term value	People who restrict access Damage Climate Change impact	No further benefit	Whole community benefits from its existence and its use.	General Rates Targeted Rates Subsidies	General Rates Targeted Rates Subsidies Development / Financial contributions Reserves Borrowing
Cycleways and trails	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 whole community. Flow on effect to retail/hospitality industry (tourism related and adjacent businesses).	Asset has long-term value	Damage Restricted access	No further benefit	Everyone benefits from the availability of cycleways and trails. Their use will improve health outcomes and provides a benefit across all of the four wellbeings	General Rates Grants	General Rates Subsidies Financial contributions Reserves Borrowing

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or ction create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	 Capital
Wastewater								
	Safe and resilient water supply, wastewater and stormwater systems. Healthy, sustainable waterways. Quality, fit for purpose infrastructure and services that are cost- effective and meet future needs	Urban community benefits directly from the provision of service, whole community receive indirect benefit because we have an environmentally sustainable system.	Asset has long-term value	Users with a high loading (volume or composition) create an additional burden on the system. Central Government. Climate change. I&I from private properties. Community expectation s of disposal Polluters (illegal discharge).	As the benefits of this activity are predominantly individuals, it is considered appropriate to fund the activity separately	The urban community benefits directly from the provision of the service, and the whole community benefits from the environmental effects of the system. Additional costs resulting from high use for trade waste is recovered directly through the Trade Waste Bylaw.	General Rates Targeted Rates Fees and Charges Grants	General Rates Borrowing Reserves Grants Financial / Development Contributions
Stormwater drainage								
	Quality, fit-for-purpose infrastructure and services that are cost- effective and meet future needs Safe and resilient water supply, wastewater and stormwater systems Healthy and sustained waterways	Built-up urban areas including commercial properties receive direct benefit from the availability of the service, while the remainder of the district receive an indirect benefit.	Asset has long-term value	Polluters (people who discharge anything other than rainwater to the system). Central Government. Climate change. Change in land use. Property owners not maintaining streams.	As the benefits of this activity are predominantly individuals, it is considered appropriate to fund the activity separately	The whole community benefit from the provision of stormwater, either directly or indirectly.	Targeted Rates General Rates Grants	Targeted Rates General Rates Reserves Borrowing Financial/ Development Contributions Grants

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or action create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Funding Sources Capital
Waste management								
Recycling and refuse collection	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	People who use the service predominantly benefit, however those people who have access also receive a benefit from the availability of the service. The whole community benefit Indirectly	Assets have a medium-term value	People who damage bins. People not or incorrectly recycling.	As the benefits of this activity are predominantly individuals, it is considered appropriate to fund the activity separately	The whole community benefits indirectly from the availability of the service through recycling and reduced waste. Individuals who access the service receive a direct benefit as do those who have the service available and choose not to use it.	Fees and charges Targeted Rates General Rates Subsidies & levies	Fees and charges (bin replacements)
Transfer station	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.	People who use the facility receive a direct benefit and people who have access also receive a benefit from the availability of the facility The whole community benefit indirectly	Assets have a long-term value	People who dump contaminants.	There is no need for separate funding	The whole community benefits indirectly from the availability of the facility. Individuals who access the facility receive a direct benefit as do those who have the facility available and choose not to use it.	General Rates Fees and Charges	General Rates Reserves Borrowing

Activity	Community Outcomes	User or beneficiary principle Who benefits	Intergenerational equity principle Period of benefit	Negative Effect/Exacerbator Whose action or ction create a need	Costs and benefits Separate funding	Rationale	Funding Sources Operational	Capital
Water supply								
Potable Water Supply	Safe and resilient water supply, wastewater and stormwater systems Quality, fit for purpose infrastructure and services that are cost- effective and meet future needs	People who use the service predominantly benefit, however those people who have access also receive a benefit from the availability of the service. The whole community benefit indirectly.	Assets have a long-term value	Individuals who waste water. High and excessive users, including leaks. Unauthorised connections. Individuals who contaminate the supply.	As the benefits of this activity are predominantly individuals, it is considered appropriate to fund the activity separately	The whole community benefits indirectly from the availability of safe water supply. Individuals who access the supply receive direct benefit as do those who have the supply available and choose not to use it.	Targeted Rates General Rates Fees and Charges Grants	General Rates Targeted Rates Borrowing Reserves Development /Financial Contributions Grants
Water Races	Safe and resilient water supply, wastewater and stormwater systems 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	People who use the service predominantly benefit, however those people who have access also receive a benefit from the availability of the service.	Assets have a long-term value	Excessive users Individuals who contaminate the supply.	As the benefits of this activity are predominantly individuals, it is considered appropriate to fund the activity separately	Properties who have access to water races receive a direct benefit. There is a marginal benefit to the whole community through stormwater discharge.	Targeted Rates General Rates Fees and charges Grants	Targeted Rates General Rates Borrowing Reserves Grants

Development contributions or financial contributions policy

Introduction

This policy is prepared under section 106 of the Local Government Act 2002 (The Act) and it outlines in which circumstances the Council intends to require development or financial contributions.

Legislative requirements

The Act requires the Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991.

Once adopted, this policy may be amended as a Long-Term Plan amendment.

Financial contributions provision in the Wairarapa Combined District Plan
The Council has adopted the Wairarapa Combined District Plan. Section 23 specifies in detail the provisions relating to financial contributions:

23. Financial Contributions

23.1 Introduction

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works and services and may include the provision of roads and services, the protection of important historic or natural features, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents may include the cost of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewerage and stormwater.

This section deals with the requirements for financial contributions, with as a standard of a permitted activity, or a land use or subdivision consent.

Where a financial contribution is required as a condition of a permitted activity or resource consent, the purpose, circumstances in which a contribution may be required, and the amount of that contribution are stated. For some types of contributions, a maximum contribution is specified to ensure such contributions are equitable and not unreasonably onerous for some forms of development.

Contributions for land use development through the resource consent process will be sought in full, unless a previous contribution has been received in the subdivision of the site. Conversely, if a contribution was paid at the time of land use development, then no contribution may be required at the time of any subsequent subdivision consent in recognition of the previous contributions.

23.2 Reserves Contributions Standard

23.2.1 Circumstances when a general reserve contribution is required as a condition of a permitted activity or a resource consent.

(a) As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long-Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long-Term Council Community Plan.

(c) As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of Code of

Compliance Certificate for the building consent, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long-Term Council Community Plan.

23.2.2 Amount of Contribution Required as a Condition of a Permitted Activity or Resource Consent

(a) For subdivision, 3 percent of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum of the total combined contribution for reserves and roading contributions shall be $7,500 (plus GST) per allotment created by a subdivision, or

(b) For land use development for residential purposes, 0.25 percent of the value of each additional residential unit (plus GST).

23.2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution

In determining whether to grant a remission or waiver of any reserves contribution, regard shall be had, but not limited to, the following criteria:

(a) The activity's impacts on the reserves network and the cost to the relevant Council to avoid, remedy or mitigate these impacts.

(b) Measures proposed by the developer to enhance an existing reserve or the open space of the locality.

(c) Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.

(d) Whether any site of natural and cultural heritage can and should be enhanced or protected.

23.2.4 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

If a reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as a reserve shall be established on the basis of a registered valuer's report. Registered valuer's reports shall be produced at the consent holders cost and be no older than three months at the time the contribution is paid.

23.2.5 Purpose

(a) To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.

(b) To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.

(c) To provide opportunities for public access to and along water bodies including the coast.

(d) To provide recreational opportunities near water bodies.

23.2.6 Contributions

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.3 Infrastructure Contributions Standard

23.3.1 Circumstances when an infrastructure contribution is required as a condition of a permitted activity or resource consent

(a) As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes, provided that any infrastructure contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long-Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that an infrastructure contribution has not already been made under the relevant Council's Long-Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that an infrastructure contribution has not already been made at the time of subdivision creating that lot under the relevant Council's Long-Term Council Community Plan.

23.3.1 Amount of Contribution as a condition of a permitted activity or a resource consent

(a) The actual cost of water supply, wastewater or stormwater disposal systems to the development, and

(b) The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building, and

(c) The actual cost of connecting between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system, and

(d) The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development, and

(e) A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to service the development, and

(f) A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development—the share will be calculated on the proportion of the additional capacity required by the development, and

(g) For subdivisions, $5000 (plus GST) per allotment that connects with public infrastructure and services, or

(h) For land use development for residential, administrative, commercial and industrial purposes, $5,000 (plus GST) per new unit for linking with public infrastructure and services, plus 0.5 percent of the assessed value of any building development in excess of $1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or

(i) For land use development for additions and alternations for administrative, commercial or industrial purposes that connects with public infrastructure and services 0.5 percent of the assessed value of any building development in excess of $50,000 (plus GST). The assessed value of the development will be based on the estimated value (excluding GST) of the building as stipulated on the building consent application.

23.3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution

In determining whether to grant a remission of any infrastructure contribution, regard shall be had, but not limited to, the following criteria:

(a) Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.

(b) The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.

(c) Measures proposed by the developer to upgrade any existing infrastructure.

(d) Whether any contribution has been previously made towards the establishment or upgrade of the infrastructure.

23.3.4 Form of Contribution

(a) The contribution may be required in the form of money or works or any combination thereof.

23.3.5 Purpose

(a) To provide a potable water supply.

(b) To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.

(c) To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.

(d) To ensure sufficient water is available for fire fighting purposes.

23.3.6 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.4 Roads, Access Parking and Loading Contributions Standard

23.4.1 Circumstances when a roads, access parking and loading contribution is required as a condition of a permitted activity or resource consent

(a) As a condition of a land use resource consent for any residential, commercial or industrial activity, provided that a roads, access parking and loading contributions has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long-Term Council Community Plan.

(b) As a condition of a subdivision resource consent for nay new allotment, provided that a roads, access parking and loading contribution has not already been made under the relevant Council's Long-Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a roads, access, parking and loading contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long-Term Council Community Plan.

(d) AS a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

23.4.2 Amount of contribution for roads, access, parking and loading as a condition of a permitted activity or resource consent

(a) The actual cost of providing a road or access to the development, and

(b) The actual cost of all necessary roads and accesses within the development area for each allotment or building, and

(c) The actual cost of road or access crossings between allotments, or buildings in the development, and

(d) A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development, and

(e) A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of the additional capacity necessary to serve the development, and

(f) The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of $5,000 (plus GST) per space, and

(g) For subdivision, 2 percent of the land value of each allotment to be created in the Residential. Commercial, Industrial Zones (plus GST), and 3 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the total combined contribution for reserves and roading contributions shall be $7,500 (plus GST) per allotment created by a subdivision.

23.4.3 Form of Contribution

(a) The contribution may be required in the form of money or land or any combination thereof.

23.4.4 Purpose

(a) To provide for the safe and convenient movement on roads of motor vehicles, bicycles and pedestrians within and through the Wairarapa.

23.4.5 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

Treasury Management Policy

Comprising the Liability Management Policy and Investment Policy

Introduction

This policy has been prepared to fulfil the Council's obligations under Section 102(2)(b) and Section 104 of the Local Government Act 2002.

Section 102 of Part 6 of the Local Government Act 2002 (LGA) requires local authorities to adopt a Liability Management Policy and an Investment Policy.

The requirements for each Policy are detailed in Sections 104 and 105 of the LGA:

- The Liability Management Policy must state the Council's policies on how it will manage its borrowings and other liabilities, including interest rate exposure, liquidity, credit exposure, borrowing limits, giving of security and debt repayment.
- The Investment Policy must set out the Council's policies on investments including the mix of investments, acquiring new investments, management and reporting procedures, and risk assessment and management.

Together these policies make up the framework for the Council's treasury management activities and define the parameters within which all investment and borrowing activities are carried out. All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging instruments) will meet the requirements of the Local Government Act 2002 This policy should be read in the context of Council's Financial Strategy.

All projected borrowings are to be approved by Council as part of the Long-Term Plan or Annual Plan process or by resolution of Council before the borrowing is affected. Council will not enter into any borrowings denominated in a foreign currency.

A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:

- the period of indebtedness is less than 91 days (including rollovers); or
- the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

Under the Local Government Rating Act 2002, Council has the powers to set, access and collect rates to fund local government activities. This allows the Council to provide its rating powers as security for borrowing and risk management purposes in the form of a Debenture Trust Deed.

Council is risk averse and wishes to minimise risk from its treasury management activities.

Recommended delegated authorities are included in Appendix 1. Refer to the Council's Delegation Manual for approved delegations.

2 Liability Management Policy

2.1 Objectives

The Council's liability management objectives in relation to borrowings are to:

- Minimise the Council's costs and risks in the management of its borrowings.
- Minimise Council's exposure to adverse interest rate movements.
- Ensure sufficient levels of liquidity to meet both planned and unforeseen cash requirements, and to assist borrowing decisions.
- Borrow funds and transact risk management instruments within an environment of control and compliance so as to protect the Council's financial assets and costs.
- Arrange and structure Long-Term funding for Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturities within the funding risk limits established by this Policy.
- Develop and maintain relationships with financial institutions, the LGFA, the trustee and advisers.
- Ensure compliance with all risk control limits, financial ratios, and external lender requirements.
- Monitor and report on treasury performance, financial ratios, covenants, and security arrangements within the Policy.

2.2 Borrowing Mechanisms

Council is able to borrow external funds in local currency through bank borrowing and the Local Government Funding Agency (LGFA). Council considers and approves its forecast borrowing requirements by approving financial projections in its Long -Term Plan and each Annual Plan, and reports on debt levels in the Annual Report. Council's finance function manages its borrowing activities in accordance with this policy.

In evaluating strategies for new and refinanced borrowing the following is taken into account:

- Available terms from banks and the LGFA.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and credit margins relative to term for LGFA and bank borrowing.
- The market's outlook on future interest rate and credit margin movements as well as its own.
- Legal documentation and financial covenants.
- For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing.

Approved borrowing instruments are included in the Appendix 2.

2.3 Internal Borrowing of Special and General Reserve Funds

Council may authorise the funding of capital expenditure and new assets with existing special and general reserve funds. Accordingly, Council does not need to match cash investments to special and general reserves and can use reserve funds for internal borrowing purposes.

Internal loans are repaid over up to 20 years on a table mortgage basis.

Any internal borrowing of special and general reserve funds must be reimbursed for interest revenue lost. Interest on internal loans is charged annually in arrears, on year-end balances.

The internal loan rate is set annually in advance as part of the annual financial budget process.

The internal borrowing rate is set based on Council's actual borrowing rate for the previous financial year or as agreed by Council.

2.4 Borrowing Limits

Council must comply with all relevant financial covenants/ratios. In managing debt, Council will adhere to the following limits:

Limit	Council Limit	LGFA Lending Policy Limit
Net external interest expense as a percentage of annual rates income	<15%	<25%
Net interest expense as a percentage of total revenue	<15%	<20%
Net external debt as a percentage of total revenue	<150%	<175%
External debt plus unutilised committed facilities plus liquid assets over existing external debt	Are maintained at or above 110%	Are maintained at or above 110%

2.5 Security

The objective of the security policy is to ensure that the Council can provide suitable security to lenders whilst retaining maximum flexibility and control over assets.

Council will offer as a security for borrowing a charge over the Council's rates and rates revenue offered through a Debenture Trust Deed. The Council will not offer security over assets of the Council, except for borrowing by way of financial lease or some other form of trade credit under which it is normal practice to provide security over the asset concerned. Any security offered must be approved by Council.

2.6 Debt Repayment

The objective of the debt repayment policy is to ensure that the Council is able to repay or refinance debt on maturity with minimum impact on Council cash flows and borrowing costs.

2.7 Local Government Funding Agency Limited (LGFA)

Despite anything earlier in the Liability Management Policy, Council may borrow from the New Zealand Local Government Funding Agency (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA in the form of Borrower Notes
- Provide guarantees of indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required:
    - Subscribe for shares and uncalled capital in the LGFA; and
    - Secure its borrowing from the LGFA, and the performance of the other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Council is a guaranteeing member borrower of the LGFA.

2.8 Liquidity Risk

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs.

Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall.

Council maintains at least $2m in bank, call and term deposits with a maturity date of no greater than 30 days.

Short-term liquidity management is monitored and controlled through daily cash management activities with long-term liquidity management being monitored and controlled through the Annual Plan and Long-Term Plan.

As part of its overall liquidity policy, Council seeks to avoid a concentration of debt maturity dates and may maintain an overdraft facility to meet cash requirements if it is necessary.

Council will only enter into borrowing arrangements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their Standards and Poor's rating (or equivalent ratings agency), which must be A- or better (or other equivalent rating).

Term deposits linked to debt prefunding activity are excluded from the liquidity calculations. Uncommitted bank facilities are included in liquidity and current ratio calculations.

Liquid assets are outlined in the Appendix 2.

2.9 Debt Funding Risk

The maturity profile of the total committed funding in respect to all external debt and committed bank facilities, is to be controlled by the following system.

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

A funding maturity profile that is outside the above limits, but self corrects within 90 days is not in breach of this Policy. However, maintaining a maturity profile beyond 90 days requires specific approval from Council.

Council can pre-fund up to 18 months forecast debt requirements including new and re-financed debt. Re-financing that has been pre-funded, will remain included within the funding maturity profile until their maturity date.

To minimise concentration risk, the LGFA requires that no more than the greater of NZD 100 million or 33% of Council's LGFA borrowings will mature in a 12-month period.

2.9.1 Interest Rate Risk

Borrowings issued at floating interest rates expose the Council to interest rate exposure. Interest rate exposure refers to the impact that movements in market wholesale interest rates have on the Council's financial performance (when compared to projections included in the LTP and Annual Plan).

Factors that influence interest rates over the long and short-term are beyond the control of the Council. Accordingly, it is prudent to be aware of what the interest rate outlook is and where interest rate cycles are when making decisions as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest cost on borrowing.

Council's objective in managing interest rate risk is to minimise and maintain stability of debt servicing costs.

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's gross forecast external debt (approved by the Corporate Services Manager) should be within the following fixed/floating interest rate risk control limits.

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	**Minimum Fixed Rate**	**Maximum Fixed Rate**
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11+	0%	25%

Gross forecast external debt is the amount of total external debt for a given period. When approved forecasts are changed (signed off by the Corporate Services Manager), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the policy minimum and maximum limits.

The Corporate Services Manager can consider alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme when designing the interest rate strategy.

Approved interest rate instruments are included in the Appendix 2.

"Fixed Rate" is defined as all known interest rate obligations on gross forecast external debt, including where hedging instruments have fixed movements in the applicable reset rate.

"Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.

Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average gross forecast external debt amounts for the given period (as defined in the table above).

A fixed rate maturity profile that is outside the above limits, but self corrects within 90 days is not in breach of this Policy. However, maintaining a maturity profile that is outside the above limits greater than 90 days requires specific approval by Council.

Interest rate swap maturities beyond the maximum LGFA bond maturity must be approved by Council through a specific approval.

Hedging outside the above risk parameters must be approved by Council.

3 Investment Policy

3.1 Scope and Objectives

The Council seeks to minimise the risks associated with its investments to avoid placing the capital value of individual investments at risk. The Council is risk averse and wishes to minimise risks from its investment activities so it does not undertake unnecessary or speculative investment activity across any asset types.

The Council's investment policy objectives are to:

- Manage short term cash flows in an efficient and prudent manner.
- Support the Council's liquidity requirements.
- Invest only in approved financial instruments.
- Within its liquidity objectives, manage investments to optimise returns whilst balancing risk and return considerations.
- Minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.

3.2 Investment Mix

At any time, Council's mix of investments could include:

- Cash and term deposits held with banks for general and specific purposes.
- Property, intended for sale.
- Land and buildings for strategic purposes and to further achieve community outcomes.
- Forestry.
- Direct equity investments.
- Internal loans.
- Externally managed funds that could include growth assets like equities.
- Loan and advances to community organisations.
- The Council acknowledges that there are various financial risks arising from its investment activities. The Council recognises its fiduciary responsibility as a public authority and any investments that it does hold should be at an appropriate level of risk, giving preference to conservative investment policies and avoiding speculative investments. The Council accepts that lower risk generally means lower returns on investments.
- The mix of Council's investments will be determined by the individual investment decisions made in furtherance of the Council's goals and objectives as set out in the Long-Term Plan and Annual Plan. Investments are only made to achieve a particular goal or objective.
- Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.
- As Council is risk adverse the Investment Committee will pay particular attention to any direct equity or property investment that does not enable the Council to access and use specific services or achieve strategic and/or community outcomes. The purpose of Council's equity and property investments will be assessed every three years, including whether these investments should continue to be held.
- When approving investment in external managed funds, Council must considers matters such as;
- Council's risk tolerance and capacity for risk including risk and return objectives
- Current and future generations of ratepayer objectives
- Maintaining, protecting and increasing the capital value of monies invested
- Diversifying Council's general and special reserves
- Maintaining liquidity and access to funds
- Annual contributions to subsidising rates revenue
- Environmental, social and governance investment objectives
- Appropriate mix of income and growth assets

An externally managed fund may be through purchasing units in an existing NZD fund(s) or designing a specific investment portfolio. Council approves the initial investment in the external managed fund, and the investment manager(s). The Chief Executive has delegated authority to then manage these funds appropriately as noted in the delegations to the Chief Executive.

Surplus funds are invested in a way that maintains the liquidity of the Council's investments so that cash is available when needed. New investments are acquired when surplus funds are available for investing. The Chief Executive has delegated authority to acquire these investments.

Investment funds that are held in special or general reserves and may be used to fund capital expenditure and new assets and are considered under internal borrowing.

Council may provide loans and advances to community organisations with terms and conditions attached. Council regularly reviews the performance of loans to these terms along with the community objectives for which the loan was provided.

Approved investment instruments are set out in Appendix 2.

3.3 Application of Revenue from Investment and Proceeds from Sale

Revenue from special funds and general reserves is retained in that fund, unless the Council approves otherwise in the Long-Term Plan or Annual Plan.

Revenue from the sale of investment property is retained in the Council's Major Projects Fund.

Revenue from the realisation of the forestry investment is retained in the Council's Major Projects Fund.

Revenue from sales of assets is either reserved or off-set for further asset acquisition.

3.4 Managing and Reporting on Investments

The Chief Executive has delegated authority to invest funds within the criteria outlined in this Investment Policy. The Chief Executive is authorised to sub-delegate this authority to the Corporate Services Manager.

Regular financial reports are to be presented to the Investment Committee, Risk & Assurance Committee and Council.

The Council's forestry consultants provide annual reports to the Council on the forest valuation and calculations of the anticipated cash flows from harvest. These are included in the Annual Report.

3.5 Risk Management

The Council's exposure to risk in relation to its investment activities is relatively minimal. The greatest risk exposure arises in relation to its liquidity investments and property investments.

In managing its investments, the Council always seeks to minimise its risk by investing only in institutions and banks with a strong credit rating.

The Council has a statutory obligation to promote prudent, effective, and efficient financial management. In considering investments, the Council may consider the following:

- Managing risk by having a diversified investment portfolio.
- Identifying all or any risks.
- The estimated return on investment.
- The term of the investment.
- The liquidity and negotiability of the proposed investment during its term and on completion.

4 Counterparty Credit Risk

Credit risk is the risk that a party to a transaction will default on its contractual obligation. Council is exposed to credit risk when there is a deterioration of the credit rating:

- Of an entity with which the Council places its investments;
- Of a counterparty with whom the Council may transact financial derivative contracts
- A contractual counterparty with whom the Council may have concluded major supply, construction or service contracts.

This policy covers treasury activity and financial instruments only.

All legal master documentation in respect to borrowing and financial instruments will be approved by Council's solicitors prior to the transaction being executed.

Approved financial instruments are included in the Appendix 2.

The following matrix determines limits for investment and derivative activity instrument activity:

Counterparty / Issuer	Minimum S&P Long-Term / short term credit rating	Total maximum per counterparty ($m)
NZ Government	N/A	Unlimited
Local Government Funding Agency (LGFA)	AA- / A-1	20.0
NZ Registered Bank	A- / A-1	20.0

It is anticipated that Council does not transact foreign exchange contracts such as, spot foreign exchange and forward foreign exchange contracts.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) - Transaction Principal x Weighting 100% (unless a legal right of set-off exists).
- Interest Rate Risk Management (e.g. swaps) - Transaction Notional x Maturity (years) x 3%.

Each transaction should be entered into a treasury spreadsheet and a quarterly report prepared to show assessed counterparty actual exposure versus limits.

Credit ratings should be reviewed on an ongoing basis and in the event of material credit downgrades should be immediately reported to the Corporate Services Manager and assessed against exposure limits. Counterparties exceeding limits should be reported to Council.

5 Cash Management

Cash management is the process used for managing cash effectively and efficiently, using Council's short-term cash and liquidity resources to sustain its ongoing activities, mobilise funds and optimise liquidity. The most important elements are:

- The systematic planning, monitoring, and management of Council's cash receipts, payments and bank accounts.
- The gathering and management of information to use available funds effectively and identify funding gaps.
- Optimal usage of transactional banking services to streamline efficiencies of cash payments and receipts.

6 Reporting

Council, Risk and Assurance Committee and Investment Committee reporting on treasury activities is based on comprehensive and regular communication of the following areas to ensure high standards of governance and control:

- Policy compliance.
- Risk/exposure position.
- Performance.

The Corporate Services Manager has the responsibility to provide regular and accurate treasury reporting to the Chief Executive, the Investment Committee, the Risk and Assurance Committee and Council.

7 Policy Review

The Policy is to be formally reviewed on a triennial basis, and annually for internal purposes (if required).

The Corporate Services Manager has the responsibility to prepare the review report that is presented to Council.

The Council, or the Committee with delegation to adopt policies, receives the report, approves Policy changes and/or rejects recommendations for Policy changes.

Policy owner:	Corporate Services Manager (CSM)
Original date:	1 June 2022
Approved by:	Chief Executive (CE)
Effective date:	6 December 2023
Next revision date:	1 June 2025
Last revision date:	

Appendix 1: Recommended delegation of Authority

The following procedures must be complied with:

- All delegated authorities and signatories must be reviewed at least annually to ensure that they are still appropriate and current.
- confirm details of all relevant current delegated authorities empowered to bind Council and standard settlement instructions.

Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.

Council has the following responsibilities, either directly itself, or via the following stated recommended delegated authorities which are confirmed in the Delegations Manual:

Activity	Recommended Delegated Authority	Limit
Approving and changing Policy	Council	Unlimited
Approving borrowing programme for the year	Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments including externally managed funds, other than liquidity investments	Council	Unlimited
Approval for charging assets as security over borrowing	Council	Unlimited (subject to legislative and other regulatory limitations)
Approve new and re-financed bank facilities and new debt programmes	Council	Unlimited
Approving transactions outside Policy	Council	Unlimited
Overall day-to-day treasury management	CEO (delegated by Council) CSM (delegated by CEO)	Subject to Policy
Re-financing existing debt	CEO (delegated by Council) CSM (delegated by CEO)	Subject to Policy
Approve new borrowing in accordance with Council resolution	CEO	Per Council approved borrowing programme
Negotiate bank facilities	CSM	N/A
Manage treasury requirements	CSM	Per risk control limits
Authorising list of signatories	CEO	Unlimited
Opening/closing bank accounts	CEO	Unlimited
Ensuring compliance with Policy	CSM	N/A

Appendix 2: Approved Financial Instruments

Approved financial instruments for treasury management purposes are as follows:

Category	Instrument
Cash management and borrowing	• Bank overdraft • Committed or uncommitted cash advance facilities • Committed stand-by facilities offered by the LGFA • Fixed and floating rate bonds/loans • Commercial paper (CP)/Promissory notes
Liquidity and investment management	• Call and term bank deposits • Bank registered certificates of deposit (RCDs) • LGFA borrower notes (not for liquidity)
Interest rate risk management	• Forward rate agreements ("FRAs") on: • Bank bills • Interest rate swaps/collars including: • Forward start swaps/collars (start date <36 months, unless linked to existing maturing swaps/collars) • Swap extensions and shortenings • Interest rate options on: • Bank bills (purchased caps and one-for-one collars) • Interest rate swaptions (purchased swaptions and one-for-one collars only)

Any other financial instrument must be specifically approved by the Council on a case-by-case basis.

Interest rate swaps and fixed rate maturity terms are limited by the maximum offered LGFA bond maturity. Beyond this, approval is required by Council.

The forward start period on swaps and collar strategies to be no more than 36 months unless linked to the expiry date of an existing instrument and has a notional amount which is no greater than that of the existing instrument.

Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity, to the simultaneously purchased option.

- During the term of the option, the sold option can be closed out by itself (i.e. repurchased). The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 12 months.

Remission of Rates Policy

Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council may adopt policies specifying the circumstances under which rates will be considered for remission.

There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

Legislative requirement

Section 109 Local Government Act 2002 requires the Council to adopt a Rates Remission Policy that includes:

- the objectives sought to be achieved by the remission of rates
- the conditions and criteria to be met in order for rates to be remitted
- support of the principles set out in the Preamble to Te Ture Whenua Māori Act 1993

Remission of penalty rates

Objectives

- To enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

Criteria and Conditions

The Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- Remission of penalty incurred on instalment one will be considered where the rate payer pays the total amount due for the year on or before the due date of the second instalment.
- Remission of penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.
- Remission of penalty may be granted if the ratepayer is able to establish that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criterion will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
- Remission of penalty will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with the Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.
- Remission of penalty will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one instalment. Future instalments do not qualify under this criterion.

Conditions

- Application for remission of penalty rates must be in writing using the prescribed form.
- Penalty rates will not be considered for remission if the penalty rates were incurred more than twelve months before the date of application, whether or not the application otherwise meets the criteria.

Delegation

The Council delegates the authority to remit penalty rates to the Chief Executive and the Corporate Services Manager.

Remission of rates for land used by sporting, recreational and community organisations

Objectives

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of Carterton.
- To provide indirect financial assistance to community organisations.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

This policy will apply to land owned by the Council, or owned and occupied by a charitable organisation, that is used exclusively or principally for sporting, recreation or community purposes.

The Council will remit 50 percent of rates, with the exception of non-services rates, for organisations that qualify under this policy. Sporting organisations will qualify for 50 percent remission regardless of whether they hold a current license under the Sale and Supply of Alcohol Act 2012.

The Council will remit 100 percent of all rates for Rural Halls, to be reviewed annually to ensure that the use still remains the same.

The policy does not apply to organisations that operate for pecuniary profit or charge tuition fees.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

Applications for remission are requested to be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be back dated.

Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives

Delegation

The Council delegates the authority to remit 50 percent of rates for sporting, recreational and community organisations, and 100 percent of all rates for Rural Halls, to the Chief Executive and the Corporate Services Manager.

Remission of rates on land protected for natural, historical, or cultural conservation purposes

Objectives

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

- Ratepayers who own rating units that have some feature of cultural, natural or historic heritage that is voluntarily protected may qualify for remission of rates under this part of the policy. For example,
    - Land protected by a covenant similar to the effect of a QEII covenant
- Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.
- Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism.
- In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
    - the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
    - - the degree to which features of natural, cultural or historic heritage are present on the land
    - the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land

- In granting remissions under this part of the policy, the Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

The Council will remit non-services rates by the percentage of the total hectares of the land protected as a portion of the hectares of the rating unit.

Delegation

The Council delegates the authority to remit rates on land protected for natural, historical, or cultural conservation purposes to the Chief Executive and the Corporate Services Manager.

Remission of rates on new subdivisions

Objective

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple rating units.

Conditions and Criteria

Where:

- land under one rating unit has been subdivided into three lots or more, and
- title has been issued, and
- is owned by the original developer who is holding the individual titles

the following rates will be remitted on all unsold lots in the subdivision except one:

- UAGC
- urban sewerage rate
- refuse collection and kerbside recycling rate
- urban water rate.

Applications for remission are requested to be made to the Council prior to the commencement of the rating year.

Delegation

The Council delegates the authority to remit rates on multiple rating units to the Chief Executive and the Corporate Services Manager.

Remission of rates for natural disasters

Objectives

- To help ratepayers experiencing extreme financial hardship due to natural calamity which affects their ability to pay rates.

Conditions and criteria

- The Council will, at its discretion, resolve when an event is a recognised major event for the purposes of this Policy.
- The Council may, at its discretion, remit all or part of any rate assessed on any rating unit so affected by natural calamity.
- Only applicable where erosion, subsidence, submersion, or other natural calamity as a result of a recognised major event has affected the use or occupation of any rating unit. This does not apply to erosion, subsidence, submersion etc, that may have occurred without a recognised major event.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Council may require financial or other records to be provided as part of the remission approval process.
- Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

Delegation

The Council will delegate authority as part of the resolution when an event is a recognised major event for the purposes of this Policy.

Remission of rates for Council land and facilities that would otherwise be rateable

Objectives

- To reduce the cost of services and administration for Council land and facilities that would otherwise be rateable.

Conditions and criteria

This policy will apply to land and facilities owned by the Council that would be otherwise rateable under the Local Government Act 2002 and the Local Government (Rating) Act 2002 unless the Council property is leased for income or generates income for Council.

The Council will remit all rates including targeted rates for all other rating units, all rates including targeted rates will be remitted

Delegation

The Council delegates the authority to remit rates on rating units to the Chief Executive and the Corporate Services Manager.

Postponement of Rates Policy

Introduction

This policy is prepared under Section 110 Local Government Act 2002.

Legislative requirements

The Local Government Act 2002 requires that the Postponement of Rates Policy must state:

- the objectives sought to be achieved by a postponement of the requirement to pay rates.
- the conditions and criteria to be met in order for the requirement to pay rates to be postponed.

Objective

To assist ratepayers experiencing extreme financial circumstances that affects their ability to pay rates.

Criteria and conditions

The Council will consider, on a case-by-case basis, all applications received that meet all the criteria and conditions listed below. Such applications for postponement can include short- term deferred or reduced payment arrangements or longer-term deferred payment arrangements. Postponement does not diminish liability for rates.

Criteria

- The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The ratepayers(s) must be the current owner of the rating unit.
- Where the ratepayer seeks a longer-term postponement, additionally:
    - The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
    - The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

Conditions

- Application must be in writing by the ratepayer(s) or by any authorised agent.
- Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.
- Application must identify the period of postponement sought.
- Application must identify the nature of the payment arrangement sought.

- The ratepayer(s) is required to disclose to the Council, all personal circumstances, including the following factors: age, physical or mental disability, injury, illness and family circumstances so that the Council can consider these factors to establish whether extreme financial hardship exists.

- If the Council decides to postpone rates the ratepayer(s) must first enter into an agreement with the Council to make regular payments for future rates.

- The Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.

- Any postponed rates will be postponed until:

  1. The death of the ratepayer(s), or
  2. the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
  3. the ratepayer(s) ceases to use the property as their residence, or
  4. a date specified by the Council as determined by council in any particular case.

- Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

- Under any longer-term postponement, postponed rates will be registered as a statutory land charge on the rating unit under the Land Transfer Act 2017 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of the Council.

Delegation

The Council delegates the authority to approve applications for rate postponement to the Chief Executive and the Corporate Services Manager.

Remission and Postponement of Rates on Māori Freehold Land Policy

Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

This policy does not provide for the postponement of rates as the Council considers that postponing the requirement to pay rates would not support the objectives set out below. The Council has specific policies for the postponement of rates in certain circumstances.

Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by
  recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
- Meeting the requirement of sections 102 and 108 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.
- Supporting the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.
- In determining the policy, the Council has considered the matters set out in Schedule 11 of the Act.

Objectives

- To recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakāinga housing
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where only part of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate the desire of the owners to develop the land for economic use
- To support the use of land by the owners for traditional purposes
- To recognise and support the relationship of Māori culture and traditions relating to ancestral land
- To avoid of further alienation of Māori freehold land
- To recognise and take account of the importance of the land for community goals relating to:
  - the preservation of the natural character of the coastal environment
  - the protection of outstanding natural features
  - the protection of significant indigenous natural vegetation and fauna
- To recognise the level of community services provided to the land and its occupiers

Conditions and criteria

The Council will give a remission of up to 100 percent of all rates, except targeted rates set for water supply or wastewater disposal, based on any of the following criteria:

- Part of the land is used for papakāinga and is subject to an occupation licence or other arrangement for the purposes of providing residential housing.
- The land is unoccupied, and no income is derived from the use or occupation of that land.
- The land is better set aside for non-use (whenua rāhui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

Application for a remission under this policy must be made by the person(s) liable for rates for the land (such as owners or trustees), or a person appointed by the Māori Land Court, or other authorised agent of the owners of the land.

The application is to be made in writing at least 14 days before the due date of payment. Applications made after this cut-off date will apply from the beginning of the following rating year unless extenuating circumstances can be demonstrated, where the Chief Executive may grant an exemption for late application.

The applicant must include the following information in their applications:

- details of the rating unit or units involved
- documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
- details showing how a remission of rates is consistent with the objectives of this policy.

No application under this policy will be backdated. However, where a new lessee/occupier takes over a block with existing rate arrears that would not be recoverable based on previous use, the arrears of rates may be written off where the new lessee assumes payment of current and future rates from the commencement of use or occupation.