



ANNUAL REPORT

2023/24

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Directory

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Auditors

Karen Young
Audit New Zealand
on behalf of the Auditor-General

Solicitors

WCM Legal

Bankers

Bank of New Zealand

Mayor and councillors:

His Worship the Mayor Mayor Hon. Ron Mark

Deputy Mayor Deputy Mayor Steve
Cretney (from 29 May
2024)

Councillors

Cr Grace Ayling	Cr Steve Laurence
Cr Robyn Cherry-Campbell	Cr Lou Newman
Cr Brian Deller	Cr Dale Williams
Cr Steve Gallon	

Senior executives:

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

Hurunui-o-rangi Marae representatives:

Mana whenua Representative on Council Marama Fox

Mana whenua Representatives on Committees Marty Sebire
Rāwiri Smith

Introduction from the Mayor

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

Hello and welcome to the 2023/24
Carterton District Council Annual Report.

The middle year of a Council triennium is
always when the rubber hits the road.
And this year was no exception.

Our first full year as a team saw Council
grasp some opportunities, tackle some
difficult issues, and continue living our
vision as a welcoming a vibrant
community where we all enjoy living.

We celebrated our community with a dazzling night at the Charles Rooking Carter Awards, acknowledging our local heroes at the Events Centre. Recognising supreme winner Cimone Grayson and all the winners and finalists was a great moment.

Carterton also came to life in Spring with our Daffodil Festival returning. It was so good to see Grant and Heather Smith acknowledged with honours for their long-standing work here, living examples of that vision.

When Wellington sneezes, Wairarapa gets a cold, and we were caught by both economic and political changes during our year. Central Government will always set direction for us in the local government sector. Significant changes to legislation were signalled after the general election and the shift was notable. We aim to be nimble enough to adjust with the prevailing current but strong enough to fight for our community when we need to.

I do not need to remind you of the economic pressures we are facing. Our Long-Term Plan consultation was focused on resilience.

We have taken an axe to “nice to haves” and done our best to focus strongly on infrastructure.

Despite taking a pragmatic approach to our 10-year planning, and cutting back some projects, we still encountered some issues through the process. It has taught everyone at Council a lot, and we will all take time when appropriate to review and learn from the year.



It was a year where investment in Carterton’s infrastructure came to fruition. We celebrated the opening of our water storage tanks at Dalefield. The enhanced storage these provide enhances Carterton’s ability to combat our climate extremes. We progressed the Waingawa water project with a goal of providing our business hub with a more efficient water source. On the back of celebrating our extended wastewater reservoirs last year, we expanded our land with the Matarawa farm purchase to continue to realise our vision of keeping our waterways clean.

Carterton is in a strong position when it comes to our three waters networks, but we are facing the increasing reality that we may not be able to progress on our own.

A Wairarapa-wide approach, and beyond, will also be a consideration for water services and I have called for greater co-operation at Council level, and for serious consideration of amalgamating our three Wairarapa Councils.

Wairarapa continued its recovery from Cyclone Gabrielle with a new team inaugurated to manage our areas, supported by Carterton District Council and our neighbours. Another example of working together for the wider Wairarapa.

The LTP consultation was just one of a plethora of request for public feedback. During 2023/24 we asked our community to guide our thoughts on speed management, rating review, different stages of representation review, property sales and proposed bylaws.

We sought feedback on cycle lanes, gambling policy, waste management and minimisation, and the District Plan review. This is a crucial part of local democracy. Our challenges and opportunities are best served by listening to our community voices. Not solely from the Council table, or from our Council staff. We want and need your thoughts on all these issues. And we need to know how we can reach out to you better.

A renewed, shared Mayors Taskforce for Jobs showed how we can help our young people and our community at large through a Wairarapa-wide approach. It was a pleasure to work with rangatahi to guide them through the early stages of their careers, especially at a time of economic uncertainty. No reward can be greater than helping people get started in life.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

A handwritten signature in blue ink, appearing to be 'Ron Mark'.

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

Chief Executive's report

Tēnā koutou

It gives me great pleasure to introduce our Annual Report for 2023/24.



The year has seen a significant amount of recovery work being undertaken on our roading network following Cyclones Hale and Gabrielle. The effort required by our roading joint venture Ruamāhanga Roads to complete these works, whilst also keeping on top of our usual roading maintenance has been challenging but satisfying to undertake. In addition to the maintenance and renewal program the roading team has also managed to complete the majority of recovery work. NZ Transport Agency (Waka Kotahi) provided Financial Assistance Rate for this emergency work, providing reduced costs to the ratepayer.

Our Waters team has also been busy with upgrading our networks as budgets and resources allow. It is very pleasing to report our water loss through leaks continues to improve and was just 13% for 2023/24 (2022/23 16%). A key part of our wastewater strategy is to expand our land-based discharge of treated wastewater. This year Council decided to acquire the 85ha property at 44 Matarawa Road adjoining the wastewater treatment site, to further expand our land-based discharge of treated wastewater. I am looking forward to discussing options for the development of this site with Council in the near future.

Our Waters work has been undertaken with a view to the future, as the Coalition Government introduces Local Water Done Well, the successor to Three Water Reforms. Local Water Done Well requires Council to ring-fence our drinking water, wastewater and stormwater revenues, assets, debts, staff and operations from all other Council services. Delivering water services in the future is likely (but doesn't have to be) outside of Council in a separate entity. It is also likely (but doesn't have to be) done jointly with other Councils. CDC has been progressing two possibilities as the legislation has progressed and enacted. The first is with the Wellington region councils covering the area from Horowhenua to Masterton and south to the Cook Strait. The second is just the Wairarapa and Tararua Councils, without

Wellington. We will whittle down the options to the most viable during 2024 and expect to hold public consultation in early 2025 on our options.

Our Community Services team proudly continued their visible work with well-maintained parks and walking tracks, a great library, amazing events centre, and our free outdoor swimming pool. Additionally, our team are supporting our rangatahi to thrive through the delivery of a regional approach to the Mayors Taskforce for Jobs (MTFJ) programme. This programme provides a conduit to help young people into sustainable employment, with 90 young people successfully placed in work, and 68 into sustainable long-term employment.

Celebrating our community and its achievements was a highlight this year with a return of the Charles Rooking Carter Awards. With 59 worthy applicants, the judging and decision-making process was incredibly difficult. The finalists reinforced the incredible talent, generosity, and tenacity of our people who make up the vibrant and strong fabric of our Carterton community.

Another key focus for 2023/24 has been the refresh of the Long-Term Plan (LTP) extending this out from 2024/25 for ten years to 2034/35. Like all Councils around the country the challenges we have faced have been compounded with significant cost increases in infrastructure renewals and construction, insurance, weather related damages and recoveries, and energy costs. Being a small Council it is difficult to manage such costs increases without this impacting rates. A key part of setting the rates is determining how costs should be apportioned and our Rating Review consulted on options in late 2023. Feedback was strong particularly from the rural community and Council determined only minor changes were introduced in this LTP.

This year saw us begin to report on Service Requests to Council, highlighting the amount of work that staff undertake on a regular basis that often goes unnoticed. Making a Service Request is a fast and easy way to point out something that needs attention, whether it be a wandering animal, a new pothole, a blocked drain or a request our Library adds a new title to the collection, our team will make sure your Service Request gets looked at. In the year to 30th June 2024 Council staff logged 1,400 Service Requests and completed or closed 1,298 of these (2022/23 Service Requests logged 956, with 942 closed). If you have seen something that needs our attention, you can lodge a Service Request [here](#).

It would be remiss of me however to not extend a huge and grateful thank you to our staff, Elected Representatives, mana whenua and amazing community groups for the dedication, commitment and support they have shown to Carterton and the Council during the past year. I am proud to be part of such an outstanding team here in the heart of Wairarapa.

Ngā manaakitanga / Kind regards



Geoff Hamilton
Chief Executive

Māori Participation in Decision Making

Our council recognises and respects the responsibility of the Crown to acknowledge and honour the principles of Te Tiriti o Waitangi, and Council's obligations set out under the Local Government Act 2002.

With permission from Wairarapa iwi - Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa, the mana whenua entities of Hurunui-o-Rangi Marae and hapū Ngāti Kahukuraawhitia continue to have representation in the meetings of the Council, the Policy and Projects Committee, the Risk & Assurance Committee, and Council's advisory groups and workshops. Iwi members also held representative positions in the review of the Wairarapa Combined District Plan which incorporates new Māori Purpose Zones, a Tāngata Whenua Chapter, and Wāhi Tapu inside of the Sites of Significance Chapter.

The Council has also developed meaningful relationships and worked with other hapū and hapori Māori as opportunities have arisen such as the restoration of Ngā Tāwhai Reserve.

Council's Māori Liaison Team continue to work in partnership with Māori by providing high quality cultural and strategic advice and support, facilitating Māori participation in decision-making, and leading Council wide guidance and training on Te Ao Māori, Tikanga Māori, Te Reo, and Te Tiriti o Waitangi. They are also responsible for the delivery of the Māori Responsiveness Action Plan which has four focus areas - relationships and participation, organisational knowledge and understanding, organisational capability and capacity, and community engagement and participation. Additionally, all reports presented to Council continue to include considerations made in relation to tāngata whenua.

During the 2023-2024 year, as well as following statutory obligations particularly in environmental areas, we engaged with mana whenua on activities including:

- Council's 2024-2034 Long Term Plan
- Te Tiriti o Waitangi training for staff and councillors
- Development of willow pole and manuka nurseries at Gallons Road
- Council's civic ceremonies including the Charles Rooking Carter Award nominations, Citizenship Ceremonies, Matariki celebration, Anzac Day remembrance, and pōwhiri and mihi whakatau ceremonies
- Proposal of a Māori Ward
- Infrastructure activities including Local Government Water Reforms, review of the Road Naming Policy, and the Waste Transfer Station signage upgrade.
- Community development activities and projects including Five Towns Trails project, Transport Choices cycle lanes project, and Over the Fence older persons' project.

Statement of compliance and responsibility

Compliance

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

Responsibility

2. The Council and management of the Carterton District Council accept responsibility for the preparation of the annual Financial Statements and Statement of Service Performance and the judgements used in them.
3. The Council and management of the Carterton District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance report.
4. In the opinion of the Council and management of the Carterton District Council, the annual Financial Statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Carterton District Council.



Hon. Ron Mark
Mayor
11 December 2024



Geoff Hamilton
Chief Executive
11 December 2024

Independent Auditor's Report

To the readers of Carterton District Council's annual report for the year ended 30 June 2024

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

We are also required to report on:

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

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

We completed our work on 11 December 2024. This is the date on which we give our report.

Opinion on the audited information

Qualified opinion on the financial statements and the statement of service performance

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion on the audited information* section of our report:

- the financial statements on pages 50 to 75 and 78:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2024;

- the results of its operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the statement of service performance on pages 13 to 48:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.

Unmodified opinion on the audited information, excluding the financial statements and the statement of service performance

In our opinion:

- the funding impact statement on page 52, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 18, 24, 28, 32, 35, 38, 41 and 47 presents fairly, in all material respects, actual

capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and

- the funding impact statement for each group of activities on pages 18, 24, 28, 32, 35, 38, 41 and 47 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 79 to 83, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Financial statements: our work was limited with respect to the carrying value of the investment in a limited partnership

As disclosed in note 7 to the financial statements, the District Council has an investment in a limited partnership recorded at a fair value of \$927,000 at 30 June 2024. The audit of the limited partnership's financial statements for the year ended 30 June 2024 (which include the limited partnership's underlying investments at fair value) was not complete at the date of our audit report. There were no alternative procedures we could perform to confirm that the carrying value of this investment is materially correctly stated. We were

therefore unable to obtain sufficient appropriate audit evidence to support the carrying value.

As a result, our work was limited, and we have been unable to determine whether any adjustments are needed to the value of the investment at 30 June 2024 included in the statement of financial position or the related movement in fair value for the period recognised in the statement of financial performance.

Statement of service performance: our work was limited because the Council did not complete its annual residents' satisfaction survey

Levels of residents' satisfaction are an important part of the District Council's performance information because they are indicative of the quality of the services provided to residents. The District Council set out in its 2021-31 Long term plan that it would conduct a residents' satisfaction survey on an annual basis.

As explained on page 48 of the annual report, the District Council has not carried out its residents' satisfaction survey since the year ended 30 June 2022. The results of this survey form the basis of reporting for several performance measures and are significant because other measures of performance in the framework are not able to compensate for the lack of data on residents' satisfaction. As a result, the District Council was unable to report against its residents' satisfaction survey measures this year.

Our audit opinion in respect of these measures was also qualified in the 2023 performance year.

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 83 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

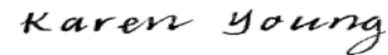
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have performed an audit of the District Council's 2024-34 Long-term plan and a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council.



Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Service Performance Information

Community wellbeing outcomes

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



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

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

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

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

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

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

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

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

Groups of activities

Governance

This group of activities...

includes the following services and programmes:

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

...contributes to the community outcomes

A strong and effective council providing trusted leadership.

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

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

Highlights for 2023/24

In early 2023 we began preparing for the Long-Term Plan (LTP) 2024-34 which was published after adoption on 18 September 2024. No significant changes to the Governance activities were made in the LTP.

A Representation Review was also carried out during this year and the Final Proposal was published after adoption on 18 September 2024.

Both of these significant legislative requirements required formal public consultation, submissions, and hearings and deliberations during the first part of 2024.

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

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

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

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

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

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

When making decisions, the Council must:

- take account of the diversity of its community and its communities' interests, now and into the future.
- consider the likely impact of any decision on those interests.
- provide opportunities for Māori to contribute.
- ensure prudent stewardship, and efficient and effective use of its resources.
- take a sustainable development approach, by taking into account the social, economic, environmental, and cultural interests of its community, now and in the future.

Examples of Council activities that contributed to achieving these outcomes

- Regular meetings of the Council, its committees, workshops and advisory groups were held to address governance and strategic policy matters. These meetings are open to the public, unless confidential or sensitive issues are being discussed.
- Consultation and Engagement with the community in a range of ways: informal consultation events, service groups, business forums and individually.

Some of the Council activities that contribute towards the council achievements include:

- Wellington Regional Water Services
- Local Water Done Well (LWDW) new legislation from 2024
- Regional Transport Committee
- Remutaka Transport Group
- Wellington Regional Emergency Management Office (WREMO)
- Ruamāhanga Strategy
- Various Wairarapa Groups

- Participation at the Wellington Region Mayoral Forum and
- Attendance at the Zone 4, and national Local Government New Zealand meetings.

A full list of Committees and external groups is on our website.

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

There were no significant asset acquisitions or replacements for governance activities during the year, or significant variations from the Annual Plan.

Governance Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
Open and transparent conduct of Council business	Agenda is available on website 3 working days before each scheduled Council or Committee meeting	90%	100%	Achieved. Agendas for scheduled meetings of Council and Committees were available at least three working days before the meeting for 100% of the scheduled meetings. All were available in terms of statutory requirements. [2023: Achieved – 100%.]
Representation of residents by elected members	Residents' satisfaction ¹ with the Council's overall governance and reputation	≥65% Rate 7-10	Not Measured	Annual Residents Survey not undertaken during 2024. [2023: Not achieved. 42% based on 2022 survey*.]
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unqualified audit opinion	On time and unmodified	On time, modified	Not achieved. The Annual Report was adopted on 11 December 2024 within statutory deadline (31 December 2024). The audit opinion includes a modification due to no resident's satisfaction survey undertaken in 2022/23 and 2023/24. The audit opinion also includes a modification in relation to an investment valuation. [2023: Not Achieved. Adopted by revised statutory deadline with a modified opinion.]
	Net cash flow from operations: actual-planned variance from budgeted	≤10%	1%	Achieved. Actual result was a 1% variance from budgeted. [2023: Achieved. Actual result was a negative 9% variance from budgeted.]
Māori Engagement	Council engagement plans include specific actions for engagement with Māori	100%	100%	Achieved. Council have engaged with Māori on the following activities during the 2023/2022 year: District Plan review, 2024-2034 Long Term Plan, Charles Rooking Carter Award nominations, Five Towns Trails network development, Road Naming Policy, Resource Management and Consenting, Māori Ward, Local Water Done Well. [2023: 100%.]

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

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
Partnerships with mana whenua	Compliance with provisions of Memoranda of Understanding in place with mana whenua	100%	N/A	<p>The MOU with Hurunui-o-Rangi Marae is still to be formally renewed however Council outcomes achieved include:</p> <ul style="list-style-type: none"> • representation at Council meetings • representation and voting rights at Committee and Advisory Group meetings • funding support representative attendance • invitation for stewardship and advice on tikanga and kawa for formal events and activities. <p>Carterton District Council holds a trilateral Memorandum of Understanding with Ngāti Kahukuraāwhitia and Greater Wellington Regional Council to develop a poplar and willow pole nursery of approximately 20 hectares on our Dalefield wastewater reservoir site.</p> <p>The following are yet to be achieved pending the MOU being agreed:</p> <ul style="list-style-type: none"> • Establishment of a Māori Forum • Support of the development of a Strategic Plan • Identification of taonga for protection • Development of a joint Māori Engagement Plan • Accountability process. <p>[2023: Not applicable, as MOU had not yet been formally renewed.]</p>
Risk Management	Appropriate risk management systems are in place	Yes	Yes	<p>Achieved. Risk management plans are in place with regular reporting to the Risk and Assurance Committee.</p> <p>[2023: Yes – in place.]</p>
Responsive to customers	Across all activities service requests are acknowledged within 1 working day	95%	41%	<p>Not achieved. There was varying performance across all activities with 41% of service requests being acknowledged within 1 working day. However, requests acknowledged within 24 hours is 60%. We are working on our system and processes to ensure we improve our performance against this measure.</p> <p>[2023: Not achieved. 46%.]</p>

* Council did not complete a residents' survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Councillor meeting attendance records for the year ended 30 June 2024

Councillor	Result 2023/24	
	Total Council meetings attended	Total Committee meetings attended
Mayor Ron Mark	13 of 13	21 of 24
Cr/Deputy Mayor Steve Cretney (Deputy Mayor from 29 May 2024)	13 of 13	18 of 18
Cr/Deputy Mayor Dale Williams	13 of 13	17 of 17
Cr Grace Ayling	12 of 13	13 of 14
Cr Robyn Cherry-Campbell	13 of 13	11 of 12
Cr Brian Deller	13 of 13	16 of 16
Cr Steve Gallon	11 of 13	10 of 13
Cr Steve Laurence	13 of 13	15 of 15
Cr Lou Newman	13 of 13	10 of 12

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Governance

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	994	929	951	936
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	3	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	34	18	14	1
Total sources of operating funding	1,028	950	965	937
Applications of operating funding				
Payments to staff and suppliers	832	598	757	557
Finance costs	6	-	6	-
Internal charges & overheads	193	243	201	266
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,031	842	964	824
Surplus/(deficit) of operating funding	(3)	108	1	112
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase / (decrease) in debt	(20)	-	(20)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(20)	-	(20)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve level of service	-	-	-	-
• to replace existing assets	-	-	21	-
Increase / (decrease) in other reserves	(23)	108	(40)	112
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	(23)	108	(19)	112
Surplus/(deficit) of Capital Funding	3	(108)	(1)	(112)
Funding balance	-	-	-	-

Community Support

This group of activities...

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

Community development

- Providing information, advice, and advocacy services to a wide range of people and community groups.
- providing grants to initiatives that support health, cultural and community development initiatives that help achieve Council's strategic objectives.
- supporting projects that encourage people to develop skills and increase employment opportunities.
- supporting community led events and projects that contribute towards Council's strategic objectives and wellbeings.
- supporting volunteer networks by providing volunteering opportunities.
- Supporting Mayor's Taskforce for Jobs

Library

- Providing print and digital collections to the public.
- Providing programmes which inspire, inform and connect people to reading and writing and information literacy skills.

Economic development

- Support the Wairarapa Economic Development Strategy and the Destination Management Plan.
- Council will also continue to provide a wide range of other services and activities that contribute towards economic development. These include:
 - o enabling the town centre to be more attractive and appealing to visitors and potential investors.
 - o providing sufficient suitably zoned land is available for development.
 - o providing good quality infrastructure and services.

Emergency management

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

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

Parks and reserves

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

Community amenities

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

...contributes to the community outcomes

A strong and effective council providing trusted leadership.

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

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

Awesome public facilities, spaces, and parks.

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

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

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

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

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

The continued focus for Wairarapa Library Service in 2023/24 has been ensuring a consistent and modern library service across all four branches.

Parks and reserves make an important contribution to the well-being and lifestyle of the community. They provide areas for relaxation, sporting activities, and green and attractive open spaces in built-up areas. The Council's continued involvement in parks and reserves

is contained in the Reserves Management Act 1977, which requires the Council to preserve and manage for the benefit and enjoyment of the public land for recreational use whether active or passive.

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

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

Examples of Council activities that contributed to achieving these outcomes

- Distribution of community grants to around 40 community organisations that benefit Carterton residents.
- Distribution of RSA, Rural Travel Fund and Creative Communities Scheme grants.
- Continued our partnership provision of funding to Hurunui-o-Rangi Marae Partnership, Rangatahi 2 Rangatira, Destination Wairarapa, Enviro-schools.
- Maintained and grew stakeholder relationships to further support delivery of social and community services for Carterton residents.
- Establishment of a region wide delivery of the Mayor's Taskforce for Jobs (MTFJ) on behalf of the three Wairarapa Councils.
- Through the MTFJ programme, have successfully placed 62 young people into employment through funding provided by the Community Education Programme between July 2023 and June 2024.
- Annual scholarships to Universal College of Learning (UCOL) and Outward Bound.
- Supported the Wairarapa Community Networks to facilitate community network meetings which encourage information sharing and collaboration to ensure comprehensive delivery of social and community services within Carterton.
- Continued to support the community garden in collaboration with Wairarapa Herb Society, R2R and Ka Pai Carterton.
- Continued implementation of Ruamāhanga Strategy – Climate Change Strategy.

- Continued implementation of the Waste Management Minimisation Plan and Waste Minimisation Grant.
- 150-year celebration of the library.
- Adoption and implementation of year one of the Te Rautaki Rangatahi O Wairarapa: Wairarapa Youth Strategy and implementation plan.
- Continued implementation of the combined councils Positive Ageing Strategy.
- Continued support of the Carterton Foodbank.
- Provision of 'in kind' support to a number of events and initiatives in the community.
- Provided civic ceremony funds to commemorate significant events and welcome new citizens.
- Provide support to community events such as Anzac Day, Christmas parade, A very Carterton Christmas.
- Host the annual Daffodil Festival in September with support from the Lions, Plunket and Wellington Free Ambulance.
- Held a number of free community events including Dogs in Togs, Colour Run, Community Planting Day.
- Opening event for the new Wastewater Treatment Plant.
- Supported community to deliver events to celebrate Matariki.
- Delivery of Coronation Events to commemorate the coronation of King Charles.
- Celebrated national events, volunteer week, parks week, bike month, Moving March.
- Provided a free venue for the delivery of social services.
- Provided community training for emergency preparedness.
- Enhanced neighbourhood connections through the provision of Neighbourhood Support.
- Provided affordable staging/lighting options for community events.
- Managed the Carterton Community Courthouse allowing more affordable meeting spaces for community groups.
- Supported fundraising events including Rotary Book fair, Big Wai Art Sale, Bride of the Year, Talent Wairarapa Holdsworth Restoration Trust Mountain Film Festival, Big Bike Film Night, Rotary Quiz night, and the Carterton Community Christmas Dinner.
- Continued to focus on providing a professional and seamless experience for Events Centre hirers and patrons.
- Attracted more quality events and performing arts companies to the region, including Laser Kiwi, Arts on Tour, Showtime Australia, The New Zealand Symphony Orchestra, Kavanah Productions, The Glow Show and Deano Yipadee.
- Supported the Charles Rooking Carter Awards as a standout event in the community calendar.
- The Event Centre was recognised as a 'Safe Space' for LGBTQI+ folks as part of the Safe Space Alliance initiative, a non-profit organisation that aims to help people identify, navigate, and create safe spaces for LGBTQI+ communities worldwide.
- Supporting local businesses through stocking events with products from local winemakers and brewers.
- Practical support of external organisations events and services which are offered in conjunction with the library including a continued partnership with WaiWord to provide writer workshops and events to public, continued partnership with Divine River to provide inter-generational creativity and connection workshops, and a partnership developed with Aratoi for pop-up museums at library sites.
- Weekly preschool story time sessions, hosting regular school visits, strengthening the relationship with the National Library Services to Schools unit, and the provision of school holiday programme activity packs and events.
- Hosting of external agencies in one off or regular on-site availability e.g., JPs, Digital Seniors.
- 119,274 library print items issued and returned; 809 new members signed up.
- 15,441 e-books, 13,292 audio books, and 11,248 e-magazines were issued through the Libby App.
- Collaboration with libraries in the wider region to develop and sustain library collection access. 14,944 items were borrowed by WLS members from SMART consortium partners.
- Library management system upgraded to provide an enhanced platform for both patrons and staff.
- Further development of Nga Tawhai reserve.
- Composting toilets installed at rural reserves; Gladstone, Kokotau and Nga Tawhai.
- New playing field commissioned at Howard Booth Park.
- Plotbox management tool introduced to Clareville Cemetery.
- Continued relationship and future works planned with Dalefield Horse Riding groups at Kaipatangata Forest.
- Supporting tangata whenua with added value to remote reserves with planting and signage.
- Brought on a new pool contractor to oversee the operation of the outdoor pool during the summer season.
- Assisted community groups with a number of initiatives such as the installation of the Kissing Gates at Sparks Park.

- Keep Carterton Beautiful Group (KCBG) continued to assist weeding and upkeep of reserves, painting assets and general maintenance.
- New suite of climate change sustainable plants purchased and planted throughout the CBD.
- New seating installed at Howard Booth Park.
- New path constructed at Carrington Park to replace heaved section.
- Oak tree removed from Carrington Park due to health and safety concerns.
- Solar lighting upgrades to Carrington and Howard Booth Park.
- Membership and funding support to the Wellington Region Emergency Management Group and to the Wairarapa Coordinated Emergency Management Group.
- Active training for roles in the Emergency Operation Centre.
- Resilience work across all three Councils under the WELA umbrella.

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

There were no significant asset acquisitions or replacements, or significant variations from the Annual Plan.

Community Support - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
A range of amenities of a standard satisfactory to residents	Residents' satisfaction with the swimming pool	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Achieved. 78% based on 2022 survey*.]
	Residents' satisfaction with public toilets	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not Achieved. 65% based on 2022 survey*.]
	Residents' satisfaction with services provided at the Library	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Achieved. 91% based on 2022 survey*.]
High quality sports fields, parks, and reserves	Residents' satisfaction with the provision of open space, amenities and gardens	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Achieved. 79% based on 2022 survey*.]
Events Centre usage	Events Centre hirers' satisfaction with service and experience	≥85% rate 7-10	92%	Achieved. In the survey of Events Centre hirers conducted during 2023/2024, 92% of event promoters and 100% of community organisations who responded to this question rated their satisfaction in the range of 7–10. The Events Centre received a Net Promoter Score from hirers for this period of 85. [2023: Achieved. 100%.]

* Council did not complete a residents' survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Community Support

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	4,347	4,903	4,514	5,547
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	24	556	24	702
Fees and charges	68	217	70	217
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	218	645	224	529
Total sources of operating funding	4,657	6,321	4,832	6,993
Applications of operating funding				
Payments to staff and suppliers	1,939	2,401	1,994	2,805
Finance costs	35	6	33	11
Internal charges & overheads	1,845	2,213	1,923	2,554
Other operating funding applications	266	630	266	862
Total applications of operating funding	4,085	5,250	4,216	6,232
Surplus/(deficit) of operating funding	572	1,071	616	761
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	194	400	196	295
Increase / (decrease) in debt	(74)	33	(177)	61
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	120	433	19	356
Applications of capital funding				
Capital expenditure				
• to meet additional demand	265	-	11	36
• to improve level of service	153	-	53	4
• to replace existing assets	253	408	236	249
Increase / (decrease) in other reserves	21	1,094	336	828
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	692	1,503	635	1,117
Surplus/(deficit) of Capital Funding	(572)	(1,071)	(616)	(761)
Funding balance	-	-	-	-

Regulatory and planning

This group of activities...

includes the following services:

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

...contributes to the community outcomes

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

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

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

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

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

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

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

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

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

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

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

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

Examples of Council activities that contributed to achieving these outcomes

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

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

There were no significant asset acquisitions or replacements.

Regulatory and Planning - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
Timely processing of applications	LIMs ² processed within 10 working days	100%	100%	Achieved. 133 of 133 LIMs processed were completed within the 10-day statutory timeframe. Average process time was 6 days. [2023: Not achieved. 121 of 122 LIMs processed were completed within the 10-day statutory timeframe. Average process time was 7 days.]
	Non-notified and notified resource consents processed within statutory timeframes	100%	98%	Not achieved. 90 of 92 resource consents were processed and completed within statutory timeframes. [2023: Not achieved, 98% 64 of 65 resource consents were processed and completed within statutory timeframes.]
	Project Information Memorandum (PIMs) and building consents processed within statutory timeframes	100%	100%	Achieved. 214 building consents and PIMs were processed during the year. 214 were processed within the statutory time frame. The average processing time was 10 days. [2023: Not achieved. 252 building consents and PIMs were processed during the year. 233 were processed within the statutory time frame (92%). Average processing time was 10 days.]
Safe and healthy food premises	Known food premises in the district have food control measures in place	100%	100%	Achieved. 56 food premises/organisations have been monitored, ensuring current licensing and registration under health legislation. [2023: Achieved 100%.]
Licensed liquor outlets	Known liquor outlets ³ in the district have appropriate licences and certificates	100%	100%	Achieved. Known outlets are the current licensed premises (36) plus any special licences issued. [2023: Achieved 100%.]

² Land Information Memorandums

³ This includes the venue for an event

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Regulatory and Planning

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	206	227	214	295
Targeted rates	224	313	228	476
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,024	1,022	1,053	987
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	1	587	1	390
Total sources of operating funding	1,455	2,149	1,497	2,148
Applications of operating funding				
Payments to staff and suppliers	827	1,836	848	1,324
Finance costs	16	22	16	7
Internal charges & overheads	474	545	492	606
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,317	2,402	1,356	1,936
Surplus/(deficit) of operating funding	138	(254)	141	212
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase / (decrease) in debt	(54)	188	(54)	46
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(54)	188	(54)	46
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve level of service	-	272	-	231
• to replace existing assets	3	5	4	2
Increase / (decrease) in other reserves	81	(343)	83	25
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	84	(65)	87	259
Surplus/(deficit) of Capital Funding	(138)	254	(141)	(212)
Funding balance	-	-	-	-

Transportation

This group of activities...

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

...contributes to the community outcomes

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

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

The roading network benefits road users in the district and are essential for the social, economic and cultural well-being of the district and region.

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

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

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

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

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

The district roading network is managed under the Ruamāhanga Roads Asset Management Plan 2023 that sets out the targets for asset condition, performance, and levels of service.

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

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

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

Examples of Council activities that contributed to achieving these outcomes

- The partnership of 'Ruamāhanga roads' between South Wairarapa District Council, Carterton District Council and Fulton Hogan continues.
- Completion of the approved maintenance programme for the financial year, being the third year in the 2022/24 three-year programme.
- Resurfaced 11.35km of the road network.
- Rehabilitated 2.25km of road pavement.
- Continued with recovery of the 5 emergency weather events experienced during the previous financial year.

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

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

Transportation - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network ⁴	Fatal: decrease or ≤1 increase, Serious injury: decrease or ≤3 increase	0 fatal, 3 serious injury crashes	Achieved. During 2023/24 there were no fatal crashes and three serious injury crashes. [2023: Not achieved. There were two fatal crashes and four serious injury crashes.]
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	90%	69%	Not Achieved. Based on data, Of the 330 requests to the contractors, 227 (69%) were responded to within the contract response time. We are aware that there has been a procedural issue with "completing" the service request in Magiq due to council staff shortage and transition. [2023: Achieved 93%.]
	Average quality of ride on the sealed local road network, measured by smooth travel exposure	≥90%	98%	Achieved. As per NZTA Smooth travel exposure report in RAMM. The Council have performed a limited survey of traffic counts, going forward, the Council has engaged GHD Engineering Consulting to develop a more robust traffic count and estimate process. [2023: Achieved 97%.]
	Percentage of sealed road network that is resurfaced	≥5%	3.06%	Not Achieved. (3.06%) 9.1km of the 297 km of sealed roads were resurfaced. The failure to meet the set KPI was due to the financial constraints. [2023 Not Achieved. 11.2 km (3.6%).]
	Percentage of footpaths compliant with condition standards	≥95%	99.7%	Achieved. Even though a condition survey were not completed in 23/24, a condition rating survey was undertaken in 22/23 financial year with results identifying 99.7% of footpaths scored a condition grading of 1-3 (good condition). Noting that in the 23/24 we completed 1,140 meter of footpath improvements. Therefore, improving overall network condition. [2023: achieved. 99.7% of footpaths scored a condition grading of 1-3 (good condition).]
	Residents' satisfaction with the district's roads	≥55% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 51% based on 2022 survey*.]
	Residents' satisfaction with the district's cycleways	≥55% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 35% based on 2022 survey*.]
	Residents' satisfaction with the district's footpaths and walkways	≥55% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 46% based on 2022 survey*.]
Easy-to-see and understood traffic signs and markings	Regulatory signs repaired or replaced within 2 days of advice of a fault	≥95%	100%	Achieved. 29 regulatory signs were repaired under routine maintenance. Only 2 service requests were logged and completed within 2 days. [2023: Achieved. A response rate of 100%.]

⁴ Source: NZTA's Crash Analysis System

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	≥70%	100%	Achieved. 314 non-regulatory sign faults repaired under routine maintenance, [2023: Achieved. 97%.]
	Road signs and markings found missing or not visible	≤5%	10%	Not Achieved. Of the 3,293 road signs within the district, 343 road signs or markings were found to be missing or not visible or bad condition in the network inspections/condition assessment. There has been a significant increase in sign vandalism and theft in the last year. [2023: Achieved 4.6%.]
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	≥80%	57%	Not Achieved. Of 26 fault reports and public complaints related to street lighting, 15 were responded to within 2 working weeks. Many of the faults are network related over which council has no control. [2023: Achieved 52%.]
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	≥70%	53%	Not Achieved. Of 330 service requests, 174 responded to within 10 days. Those not responded to within the time frame of ten days due to either resource scheduling (involving the contractors) or time necessary to assess the reported fault. All fault reports and public complaints are recorded as service requests. [2023: Achieved. A response rate of 93%.]

* Council did not complete a Residents' Satisfaction Survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Transportation

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	2,672	2,549	2,984	2,737
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	862	2,368	869	1,678
Fees and charges	-	11	-	51
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	149	64	153	265
Total sources of operating funding	3,683	4,993	4,006	4,732
Applications of operating funding				
Payments to staff and suppliers	2,164	3,637	2,171	3,670
Finance costs	14	20	13	14
Internal charges & overheads	370	447	385	425
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,548	4,104	2,569	4,108
Surplus/(deficit) of operating funding	1,135	889	1,437	624
Sources of capital funding				
Subsidies and grants for capital expenditure	1,285	771	1,237	1,332
Development and financial contributions	194	308	196	336
Increase / (decrease) in debt	(87)	-	(87)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,392	1,079	1,347	1,668
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	1	-	34
• to improve level of service	-	-	-	37
• to replace existing assets	2,471	1,596	2,425	2,390
Increase / (decrease) in other reserves	56	371	359	(169)
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	2,527	1,968	2,784	2,291
Surplus/(deficit) of Capital Funding	(1,135)	(889)	(1,437)	(624)
Funding balance	-	-	-	-

Wastewater

This group of activities...

includes the management, treatment and disposal of Wastewater. Services provided include the management of the urban reticulated wastewater system, pumping stations, wastewater treatment plant, wastewater disposal service for the Waingawa Industrial Zone, and the management of the impact of any discharge into the environment.

...contributes to the community outcomes

Safe and resilient water supply, wastewater, and stormwater systems

Healthy and sustained waterways

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

Effective collection and disposal of treated wastewater contributes to community health and minimises public health risk. Effective wastewater reticulation supports the urban and commercial communities. Wastewater reticulation and treatment infrastructure is capable of meeting Regional Council resource consent conditions and Taumata Arowai requirements, to minimise adverse impact on the environment.

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

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide wastewater and sanitary services and maintain its capacity to do so.
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works, the definition of which includes 'sanitary services'.
- Resource Management Act that sets out the principles under which the disposal of wastewater may take place.
- Taumata Arowai - Network Environmental Performance – Voluntary Reporting Measures and Definitions for Wastewater and Stormwater Networks.

In Waingawa, wastewater services are provided by Council through an agreement with Masterton District Council who receive, treat and dispose of the wastewater.

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

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

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

Examples of Council activities that contributed to achieving these outcomes

- Reporting to Greater Wellington Regional Council (GWRC) on resource consent conditions.
- Reporting to Taumata Arowai on performance measures.
- The continued upgrade and renewal of the wastewater reticulation network.
- Provision of networked wastewater services to the Waingawa Industrial Zone by agreement with Masterton District Council.
- Wastewater Treatment Plant upgrade – the construction of three new storage reservoirs and associated works.
- Wastewater Treatment Plant renewals – renewing old infrastructure as and when required.
- Wastewater Reticulation network renewals.

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

Construction of the wastewater storage reservoirs began in 2018, along with the realignment of the wetlands and associated ephemeral waterways that entailed the relocation of native fisheries. As of August 2023, the reservoirs are in full use, with the practical completion certificate received in September 2023.

Wastewater - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
System and adequacy	Number of dry weather wastewater overflows per 1,000 connections	≤5	1.07	Achieved. There were three dry weather wastewater overflows during the year, calculated per 1,000 connections. A dry weather wastewater overflow is an event that occurs after a period of 24 hours in which period rainfall accumulated during that period is less than 1mm. [2023: Achieved, 1 dry weather overflow, calculated as 0.36 per 1,000 connections.]
Management of environmental impacts (compliance with consents)	Number of abatement notices	≤1	0	Achieved. No abatement notices were issued by GWRC. [2023: Achieved, none.]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2023: Achieved, none.]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2023: Achieved, none.]
	Number of convictions	0	0	Achieved. No prosecution actions against the Council were taken by GWRC. [2023: Achieved, none.]
Response to wastewater system faults	Median attendance time	≤1 hour	1.37 hours	Not Achieved. There were 33 incidents recorded as service requests with a median time for attendance of 1hour 22 minutes [2023: Achieved, median time of 0.50 hours.]
	Median resolution time	≤4 hours	2.03 hour	Achieved. The median time to resolve an incident from when first reported was 2hours and 1 minute. 33 incidents occurred. [2023: Achieved. The median was 1 hours.]
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤20	11.3	Achieved. The 33 complaints received relating to sewage and sewerage was effectively a rate of 11.3 per 1000 connections. [2023: Achieved. A rate of 35 per 1000 connections.]
	Residents' satisfaction with the town's wastewater system	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 59% based on 2022 survey.]

* Council did not complete a Residents' Satisfaction Survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Wastewater

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	290	220	305	301
Targeted rates	2,612	2,762	2,747	2,710
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	459	550	472	444
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	13	4	13	23
Total sources of operating funding	3,374	3,536	3,537	3,478
Applications of operating funding				
Payments to staff and suppliers	925	894	950	1,035
Finance costs	194	275	189	683
Internal charges & overheads	808	1,081	843	1,237
Other operating funding applications	-	-	-	37
Total applications of operating funding	1,927	2,250	1,982	2,991
Surplus/(deficit) of operating funding	1,447	1,286	1,555	487
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	97	87	98	40
Increase / (decrease) in debt	(783)	1,225	(783)	4,775
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(686)	1,312	(685)	4,815
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve level of service	6	2,849	6	5,289
• to replace existing assets	1,773	521	2,018	2,516
Increase / (decrease) in other reserves	(1,018)	(772)	(1,154)	(2,503)
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	761	2,598	870	5,301
Surplus/(deficit) of Capital Funding	(1,447)	(1,286)	(1,555)	(487)
Funding balance	-	-	-	-

Stormwater drainage

This group of activities...

includes the management of the urban stormwater system (including street kerb collection, piped and open drains) and identifying-prone areas and overland flow paths and developing cost-effective solutions.

...contributes to the community outcomes

Safe and resilient water supply, wastewater, and stormwater systems

Healthy and sustained waterways

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

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

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

- Community expectations and the Council's response to customer feedback.
- Reporting to Greater Wellington Regional Council (GWRC) on resource consent conditions.
- Reporting to Taumata Arowai on performance measures.
- Sustainable health and environmental matters embodied in the community outcomes.
- Community affordability.

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

Examples of Council activities that contributed to achieving these outcomes

- Continued maintenance of the urban stormwater systems.
- Continued monitoring of Water Quality in the Stormwater discharge points.

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

There were no other significant asset acquisitions or replacements, or significant variations from the 2023/24 Annual Plan.

Stormwater - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
System and adequacy	Number of flooding events	≤1	0	Achieved. No flooding event was recorded where a residential or commercial floor-space is flooded. [2023: Not achieved, one habitable property was flooded.]
	For each flooding event, the number of habitable floors affected, per 1000 properties connected	≤1	0	Achieved. The majority of properties dispose of stormwater to onsite soakage pits. [2023: Not achieved. The one flooding event creates a high rating, due to only 109 properties connected to the network.]
Management of environmental impacts	Number of abatement notices	0	0	Achieved. No abatement notices were issued by GWRC. [2023: Achieved, none.]
	Number of infringement notices	0	0	Achieved. No infringement notices were issued by GWRC. [2023: Achieved, none.]
	Number of enforcement orders	0	0	Achieved. No enforcement notices were issued by GWRC. [2023: Achieved, none.]
	Number of convictions	0	0	Achieved. No prosecution action taken against the Council by GWRC. [2023: Achieved, none.]
Response to stormwater system issues	The median response time to attend a flooding event	≤3 hours	6	Not achieved. There were 15 recorded stormwater events, blockages or overflows (i.e., service faults) were reported and resolved. The majority were calls about blocked drains, but not urgent. Such incidents are upgraded to a flooding event where those blockages or overflows impact upon residential or commercial buildings. [2023: Achieved, none.]
Customer satisfaction	Total number of complaints received per 1000 properties connected	≤10	5.2	Achieved. The 15 complaints received relating to stormwater was effectively a rate of 5.2 per 1000 connections. Most service requests report a blockage or minor flooding. A blockage that keeps happening through lack of capacity or maintenance is considered an issue for complaint. [2023: Achieved. The rate is 27 per 1000 properties.]
	Residents' satisfaction with the town's stormwater system	≥60% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 44% based on 2022 survey.]

* Council did not complete a Residents' Satisfaction Survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Stormwater

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	31	21	32	31
Targeted rates	280	266	290	280
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	3	1	3	-
Total sources of operating funding	315	289	325	312
Applications of operating funding				
Payments to staff and suppliers	81	156	83	145
Finance costs	-	-	-	2
Internal charges & overheads	98	101	102	106
Other operating funding applications	-	-	-	-
Total applications of operating funding	179	257	186	253
Surplus/(deficit) of operating funding	135	32	140	58
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	19	42	20	22
Increase / (decrease) in debt	-	27	-	51
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	19	69	20	73
Applications of capital funding				
Capital expenditure				
• to meet additional demand	102	-	315	-
• to improve level of service	-	-	-	-
• to replace existing assets	102	-	105	101
Increase / (decrease) in other reserves	(49)	101	(261)	30
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	155	101	159	131
Surplus/(deficit) of Capital Funding	(135)	(32)	(140)	(58)
Funding balance	-	-	-	-

Waste Management

This group of activities...

includes the following services:

- Management of the Dalefield Road Transfer Station facilities.
- Provision of a weekly kerbside refuse and recycling collection.
- Daily collection of refuse from street refuse bins in the CBD and other public spaces.
- Promotion of waste minimisation and recycling.

...contributes to the community outcomes

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

A caring community that is safe, healthy, and connected

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

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

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

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

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

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

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

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

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

Reporting to the Ministry of the Environment as per the Waste Minimisation Act July 2021.

Examples of Council activities that contributed to achieving these outcomes

- Weekly kerbside refuse and recycling collection for residents in the urban area.
- Provision of a transfer station and recycling depot. Residual waste is transferred to a landfill at Marton.
- A joint Wellington Regional Waste Management and Minimisation Plan (WMMP) with both Regional and Local Action Plans.
- Coordinated and facilitated community workshops to inform the public regarding waste management.
- Promoted Marae/Iwi/Hapu based waste minimisation projects and initiatives such as Para Kore.

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

Upgrade of the Transfer Station information signage.

Waste Management - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
Refuse and recycling services of a satisfactory standard	Resident's satisfaction with waste disposal services	≥75% Rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 69% based on 2022 survey*.]
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	100%	non-compliant	Not Achieved. One non-compliant groundwater sampling adjacent to the closed landfill has shown to exceed some consent conditions. The source of this contamination may not be totally related to the closed landfill activity given the past use of approximately 1.5ha of unlined area of the landfill site for irrigation of wastewater until 2013 and adjoining agricultural and horticultural activities. [2023: Not Achieved. One non-compliant.]

* Council did not complete a Residents' Satisfaction Survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Waste Management

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	321	462	330	456
Targeted rates	468	257	488	290
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	351	425	456	559
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	80	17	82	50
Total source of operating funding	1,220	1,159	1,356	1,355
Applications of operating funding				
Payments to staff and suppliers	957	973	1,020	1,034
Finance costs	-	7	-	10
Internal charges & overheads	136	126	143	143
Other operating funding applications	89	34	151	14
Total applications of operating funding	1,182	1,139	1,313	1,201
Surplus/(deficit) of operating funding	38	20	43	153
Sources of capital funding				
Subsidies and grants for capital expenditure	-	100	-	-
Development and financial contributions	-	-	-	-
Increase / (decrease) in debt	-	60	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	160	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve level of service	-	-	-	-
• to replace existing assets	77	180	431	4
Increase / (decrease) in other reserves	(39)	-	(388)	149
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	38	180	43	153
Surplus/(deficit) of Capital Funding	(38)	(20)	(43)	(153)
Funding balance	-	-	-	-

Potable Water supply

This group of activities...

includes the following services:

- Management of the district's urban potable water reticulation and treatment facilities.
- Promotion and education of water conservation methods.
- Provision of water to the Waingawa Industrial Zone.

...contributes to the community outcomes

Safe and resilient water supply, wastewater and stormwater systems.

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

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

A reliable potable water supply is a requirement for the efficient operation of existing and new business infrastructure.

A public potable water supply networked system provides water suitable for drinking and for the general well-being and health of its community. A high-quality potable water supply is fundamental to community health. Water that complies with the Drinking Water Quality Assurance Rules 2022 provides the community with assurance it is safe and healthy to drink.

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

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

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

- Local Government Act 2002 (Section 130), which requires the Council to continue to provide water services and maintain its capacity to do so.
- Health Act 1956 and subsequent amendments, which require the Council to provide adequate sanitary works; the definition of which includes 'water works'.
- The Water Services Act 2021 requires any potable water supplier to register and comply with the Water Services Regulator, Taumata Arowai.

The urban reticulated water network is managed under the Water Asset Management Plan 2023, which sets out the targets for asset condition, performance, and levels of service.

The network is managed and reported against performance measures guided by Taumata Arowai's Network Environmental Performance Measures for Drinking water.

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

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

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

- Community expectations and the Council's response to customer feedback.

- Legislative requirements, e.g. Taumata Arowai rules, regulations and reporting requirements.
- Sustainable health and environmental matters embodied in the community outcomes.
- Community affordability.

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

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

Examples of Council activities that contributed to achieving these outcomes

- Water supply reticulation network renewals.
- Water supply compliance testing and reporting.
- Responding to and repair of water leaks.
- Maintenance of Water treatment plants.
- Management of resource consents related to water supply.

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

- Construction of new “rider main” on High Street North supporting NZTA’s pavement renewals.
- Construction of new pumpstation for water supply storage tanks.

Water Supply - Performance results

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
<p>Safety of drinking water</p> <p><i>Note:</i> <i>Drinking Water Quality Assurance Rules (DWQAR) has reported compliance against the DWQAR (T3 Bacterial Rules and T3 Protozoal Rules) a)-g) relate to small networks</i> <i>(h) 4.10.1 T3 Bacterial Rules;</i> <i>(i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule.</i></p> <p><i>The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005.</i></p> <p><i>These standards have been superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the</i></p>	<p>Compliance with T3 Bacterial Rules, of the Drinking Water Quality Assurance Rules</p> <p>Compliance with T3 Protozoal Rules, of the Drinking Water Quality Assurance Rules</p>	Full compliance	non-compliance	<p>Non-compliant for Kaipaitangata UV disinfection rules applied to T3 Bacterial and Protozoal are used to demonstrate compliance, and Frederick St Plant was used the majority of the time, Kaipaitangata operation was affected due to issues with the gas chlorine system Frederick Street Treatment Plant –non-compliant 2 days, compliant 310 days:</p> <ul style="list-style-type: none"> The water was compliant, however an instrument failure meant compliance was not able to be demonstrated for 2 days <p>Kaipaitangata Treatment Plant – non-compliant 12 days, compliant 160 days:</p> <ul style="list-style-type: none"> Issues with the gas chlorine system meant the Kaipaitangata was operated periodically to supply the 5 connections on the main and there were issues during the start/stop of the UVs and chlorine levels were maintained manually. The plant is also waiting on the availability of a specialist to upgrade the control system <p>[2022: Not measured, as new measure, 2023: Non-compliant, due to missing data which meant that full compliance could not be demonstrated.]</p>
	<p>Compliance with D3.29 Microbiological Monitoring Rule</p>	Full compliance	Compliant	<p>Achieved. All microbiological samples were collected and no ecoli was detected. Free available chlorine (FAC) samples were completed on time showing compliance of a minimum of 0.2mg/L residual in the network.</p> <p>[2022: Not measured, as new measure, 2023: Non-compliant, due to missing data which meant that full compliance could not be demonstrated.]</p>

The service broken down into measurable components	Performance measure	Target 2024	Result 2024	Comment
<i>regulations) and therefore the council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.</i>				
Maintenance of the reticulation network	Real water loss from networked reticulation system	≤45%	13.0%	Achieved. The water losses were calculated by the recommended methodology is 13.0%, Improvement of the reticulation system through replacement and refurbishment is expected to reduce real water losses over time. Monitoring of the network condition will identify where that work will occur. [2023: Achieved. 16.2%.]
Fault response times	Median time to attend urgent callouts	≤2 hours	3.83 hours	Not Achieved. There were 5 urgent callouts where there was a complaint of no water. An urgent call-out is where there is a complete loss of water supply, though most were little flow after water shut-downs. [2023: Not achieved, 3.33 hours.]
	Median time to resolve urgent callouts	≤4 hours	12.17 hours	Not Achieved. There were 5 callouts for no water. [2023: Achieved, 3.33 hour.]
	Median time to attend non-urgent callouts	≤12 hours	3.97 hours	Achieved. There were 212 non-urgent callouts during the period. The median time to attend the callouts was 3 hours and 58 minutes. [2023: Achieved. 1.0 hours.]
	Median time to resolve non-urgent callouts	≤24 hours	35.98 hours	Not Achieved. The median time to resolve a non-urgent call out from when first reported was 35 hours and 59 minutes. [2023: Not achieved. The median was 8.0 hours.]
Customer satisfaction	Number of complaints received per 1000 connections	≤15	0	Achieved. We had no complaints during the period that related to water quality (clarity, taste, odour, pressure or flow, continuity of supply), for a result of 0 per 1,000 connections. [2023: Achieved. Effective complaint/service request rate relating to water quality is 1.05 complaints per 1,000 connections.]
Customer satisfaction – water races	Water is continuously supplied through the water races	≥90%	85%	Not Achieved. Of 52 service requests received, 8 reported no water flow. The remaining requests were for weed clearance, blockages and/or overflows and potential land use impacts. 46 requests had been resolved by year-end. [2023: Achieved 96%, of 55 service requests received, 2 reported no water flow. The remaining requests were for weed clearance, blockages and/or overflows and potential land use impacts.]
Demand management	Average consumption of drinking water per day per resident within the district	≤400 litres	326 litres	Achieved. 326 litres per resident serviced by urban water supply, inclusive of water losses [2023: Not Achieved. 435.9 litres per resident.]
Urban water system of a satisfactory standard	Resident's satisfaction with their household water supply	≥75% rate 7-10	Not Measured	*Annual Residents' Satisfaction Survey not undertaken during 2024. [2023: Not achieved. 65% based on 2022 survey*.]

Adverse effects on the environment are minimised	Compliance with water resource consent conditions	100%	non-compliance	<p>Not achieved.</p> <p>Non-compliant Frederick St - Compliance with water resource consent conditions for the water taken through the artesian bores located at Frederick Street.</p> <p>Kaipaitangata - Compliance was not achieved due to the weir measuring the stream flow being damaged, so accurate recordings were not possible.</p> <p>[2023: Not achieved, one non-compliance.]</p>
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* Council did not complete a residents' survey in 2023/24, or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

Carterton District Council

Funding Impact Statement

For the year ended 30 June 2024

Water Supply

	LTP 30 June 2023 \$000	Annual Report 30 June 2023 \$000	LTP 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	338	238	363	328
Targeted rates	3,321	3,302	3,547	3,399
Subsidies and grants	-	-	-	-
Fees and charges	37	12	38	21
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	6	2	6	13
Total sources of operating funding	3,702	3,555	3,953	3,761
Applications of operating funding				
Payments to staff and suppliers	1,574	1,293	1,722	1,679
Finance costs	16	32	15	148
Internal charges & overheads	1,150	1,211	1,200	1,274
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,740	2,536	2,937	3,100
Surplus/(deficit) of operating funding	963	1,018	1,016	661
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	97	98	98	40
Increase / (decrease) in debt	(64)	623	(64)	2,272
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	33	721	35	2,312
Applications of capital funding				
Capital expenditure				
• to meet additional demand	36	1,546	-	77
• to improve level of service	-	25	-	357
• to replace existing assets	1,748	1,087	574	1,764
Increase / (decrease) in other reserves	(787)	(920)	476	775
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding	996	1,739	1,051	2,973
Surplus/(deficit) of Capital Funding	(963)	(1,018)	(1,016)	(661)
Funding balance	-	-	-	-

Notes to Service Performance Reporting

For the year ended 30 June 2024

1. Reporting Service Performance Information

The New Zealand Accounting Standards Board (XRB) issued a Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). This was issued in November 2017, with amendments made in January 2019.

The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2022. Carterton District Council adopted this Standard commencing with the year-end 30 June 2023 Annual Report.

The Statement of Service Performance of the Council has been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The statement of Service Performance has been prepared in accordance with Tier 2 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

2. Scope of Service Performance Reporting

The Council's Service Performance Information is contained within the Service Performance Reporting section of the Annual Report.

PBE FRS 48 states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents. As such, Council has drawn this information from the 2021-31 Long-Term Plan, and the 2023 Annual Plan.

PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period and also how much information to provide about progress towards the long-term objectives. Council has balanced the information available with the need to report in an understandable and concise manner for the users.

As acknowledged within PBE FRS 48 and as applicable to Council, entities are subject to a range of reporting requirements from different standard bodies, as such the presentation of Service Performance Information by Council allows for the different reporting requirements.

3. Service Performance Judgements and Assumptions

In the preparation of the forecast Statement of Service Performance in the Long-Term Plan, and Annual Plan, Council has made the following judgments in the selection of our service performance measures:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Consideration has been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in the Long-Term Plan and Annual Plan.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, and the provision of roads and footpaths. We are also required to demonstrate regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within 20 statutory days).

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information.

Material judgements have been applied as follows:

Surveys

Council uses an external company to undertake a Residents' Satisfaction Survey. The results are used to inform reporting on satisfaction performance measures set as part of the Long-Term Plan and reported on in the annual report. Results also provide insights into what the Carterton community values and where it feels the Council can improve. To ensure continuity of results, consistent methodology is used from year to year, including a sample being drawn from the Electoral Roll.

Council did not complete a resident's survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result. During 2022/23 and 2023/24 Council decided not to carry out the survey due to the following reasons:

- Low and declining response rate.
- The large number of specific areas Council was consulting on/engaging with the community.
- The cost of the survey vs the benefits.

Council has reviewed the Performance Framework as part of the 2024-34 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community.

For the 2022 survey, the total sample (surveys sent out) was 2,400. 484 replies were received.

The sample has an expected margin of error of +/- 4.5% at a 95% confidence interval.

FINANCIAL STATEMENTS



Statement of Financial Performance

Carterton District Council Statement Of Financial Performance For the year ended 30 June 2024

	Annual Report 30 June 2023	Annual Report 30 June 2024	Annual Plan 30 June 2024
Note	\$000	\$000	\$000
Operating Revenue			
Rates	16,316	17,676	17,546
Rates penalties	76	79	60
Finance revenue	321	472	197
Fees and charges	2,072	2,092	2,189
Waka Kotahi (NZTA) subsidy	3,140	3,010	3,864
Grants and subsidies	956	1,062	435
Petrol tax	61	60	112
Recoveries	906	837	789
Rental revenue	156	187	139
Event revenue	285	276	376
Forestry revenue	-	7	5
Commissions	73	78	73
Miscellaneous revenue	246	395	68
Development and financial contributions	934	733	663
Profit on sale of assets	-	7	-
Assets vested	946	-	-
Total operating income	2 26,488	26,969	26,516
Operating Expenditure			
Governance	843	825	954
Transportation	6,813	6,888	7,142
Water Supply	3,557	4,527	4,190
Wastewater	2,887	3,891	3,445
Stormwater	447	402	394
Waste management	1,197	1,271	1,350
Community support	5,973	6,988	6,416
Regulatory And Planning	2,417	1,953	2,372
Bad Debt write off/(recovered)	(2)	1	5
Loss on sale of assets	-	133	-
Total operating expenditure	24,132	26,881	26,267
Operating Surplus/(deficit)	2,356	88	249
Fair value gains/(losses)	2 (148)	107	-
Surplus/(deficit) before tax	2,208	195	249
Taxation expense	-	-	-
Surplus/(deficit) after tax	2,208	195	249
Note: Total expenditure includes -			
Depreciation	10 5,877	6,803	6,954
Finance	422	943	792
Personnel	3 6,272	6,983	7,151

The accompanying notes form an integrated part of these financial statements

Statement of Other Comprehensive Revenue and Expense

Carterton District Council Statement of Other Comprehensive Revenue and Expense For the year ended 30 June 2024

	Annual Report 30 June 2023	Annual Report 30 June 2024	Annual Plan 30 June 2024
	\$000	\$000	\$000
Surplus/(deficit) after tax			
Gain/(loss) on property, plant & equipment revaluation	-	(352)	(2)
Impairment gain/(loss) on revalued property, plant & equipment	(4,470)	1,198	-
Financial assets at fair value through other comprehensive revenue and expense	(2)	(1)	-
Total other comprehensive revenue and expense	(4,472)	846	(2)
Total comprehensive revenue and expense	(2,265)	1,041	247

The accompanying notes form an integrated part of these financial statements

Statement of Changes in Equity

Carterton District Council

Statement of Changes in Equity

For the year ended 30 June 2024

	Annual Report 30 June 2023	Annual Report 30 June 2024	Annual Plan 30 June 2024
Note	\$000	\$000	\$000
Equity at start of year	271,216	268,951	238,897
Total comprehensive revenue and expense	(2,265)	1,041	247
Equity at end of year	268,951	269,991	239,144
Components of equity			
Retained earnings at start of year	124,382	126,309	116,741
Surplus/(deficit) after tax	2,207	195	249
Transfers (to)/from equity for other reserves created reserves	(280)	(1,855)	(674)
Retained earnings at end of year	126,309	124,914	115,466
Revaluation reserves at start of year	134,974	130,501	105,788
Financial asset revaluation gains/(losses)	(2)	1	-
Asset Revaluation gains/(losses)	(4,470)	579	16
Revaluation reserves at end of year	130,501	131,081	105,804
Restricted/council created reserves at start of year	6,367	6,186	7,302
Transfers (to)/from restricted reserves	(181)	32	849
Restricted reserves at end of year	6,186	6,218	8,151
Other (Council created) reserves at start of year	5,493	5,954	9,059
Transfers (to)/from other reserves	461	1,823	664
Other (Council created) reserves at end of year	5,954	7,777	9,723
Equity at end of year	268,951	269,991	239,144

The accompanying notes form an integrated part of these financial statements

Statement of Financial Position

Carterton District Council

Statement of Financial Position

As at 30 June 2024

	Annual Report 30 June 2023	Annual Report 30 June 2024	Annual Plan 30 June 2024
Note	\$000	\$000	\$000
Assets			
Current assets			
Cash and cash equivalent	5 13,454	13,162	3,862
Debtors and other receivables	6 2,887	2,320	3,289
Investments	7 118	150	10,648
Inventory	13	20	-
Non-current assets held for sale	10 -	326	-
Total current assets	16,472	15,977	17,798
Non-current assets			
Property, plant and equipment	10 269,326	276,241	246,569
Forestry asset	8 893	1,036	1,107
Intangible assets	9 817	802	1,278
Investments	7 4,051	5,792	318
Other financial assets:			
Investment in CCOs and section 6(4) entities	7 21	22	23
Investment in other entities	7 1	1	1
Total non-current assets	275,110	283,892	249,296
Total assets	291,582	299,869	267,094
Liabilities			
Current liabilities			
Creditors and other payables	11 4,484	4,461	3,858
Employee entitlements	12 726	806	525
Borrowings	13 4,700	2,000	3,703
Leases	13 7	8	7
Total current liabilities	9,917	7,274	8,093
Non-current liabilities			
Employee entitlements	12 -	-	50
Borrowings	13 12,700	22,600	19,783
Leases	13 14	6	21
Total non-current liabilities	12,714	22,606	19,854
Equity			
Public equity	126,309	124,913	115,467
Restricted reserves	6,186	6,218	8,152
Revaluation reserves	130,501	131,081	105,804
Other reserves	5,954	7,777	9,723
Total equity	268,951	269,989	239,146
Total liabilities and equity	291,582	299,869	267,094

The accompanying notes form an integrated part of these financial statements

Statement of Cashflows

Carterton District Council

Statement of Cash Flows

For the year ended 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Cash flows from Operating Activities			
Cash was received from:			
Receipts from rates revenue	16,447	17,862	17,606
Grants, subsidies and donations	3,435	4,449	4,299
Petrol tax	64	60	112
Receipts from other revenue	4,895	4,748	4,271
Finance revenue	312	484	197
	25,154	27,603	26,486
Cash was applied to:			
Payments to suppliers and employees	17,240	19,135	18,522
Finance expenditure	362	827	792
	17,603	19,962	19,313
Net cash flow from operating activities	7,551	7,641	7,173
Cash flows from Investing Activities			
Cash was received from:			
Sale of property, plant and equipment	-	41	-
Term investments, shares & advances	4,061	168	3,163
	4,061	209	3,163
Cash was applied to:			
Purchase of property, plant and equipment	9,062	14,160	8,380
Purchase of term deposits, shares and advances	3,683	1,182	4,071
	12,745	15,342	12,451
Net cash flow from investing activities	(8,685)	(15,134)	(9,288)
Cash flows from Financing Activities			
Cash was received from:			
Proceeds from borrowings	5,400	11,900	4,152
	5,400	11,900	4,152
Cash was applied to:			
Repayment of borrowings	2,700	4,700	1,512
	2,700	4,700	1,512
Net cash flow from financing activities	2,700	7,200	2,640
Net increase/(decrease) in cash held	1,566	(293)	525
Add cash at start of year (1 July)	11,888	13,454	3,337
Balance at end of year (30 June)	13,454	13,162	3,862
Represented by:			
Cash, cash equivalents and overdrafts	13,454	13,162	3,862

The accompanying notes form an integrated part of these financial statements

Whole of Council Funding Impact Statement

Carterton District Council

Whole of Council Funding Impact Statement

For the year ended 30 June 2024

	Annual Plan 30 June 2023 \$000	Annual Report 30 June 2023 \$000	Annual plan 30 June 2024 \$000	Annual Report 30 June 2024 \$000
Sources of operating funding				
General rates, UAGC, rates penalties	9,028	9,491	9,995	10,599
Targeted rates	7,203	6,900	7,611	7,156
Subsidies and grants for operating purposes	2,649	3,225	3,011	2,739
Fees and charges	2,287	2,243	2,365	2,279
Interest and dividends from investments	212	321	197	472
Local authorities fuel tax, fines, infringement fees and other receipts	894	1,409	1,356	1,356
Total sources operating funding	22,272	23,589	24,534	24,599
Applications of operating funding				
Payments to staff and suppliers	14,500	17,141	18,247	18,025
Finance costs	418	422	792	943
Other operating funding applications	370	663	275	914
Total applications of operating funding	15,287	18,226	19,314	19,882
Surplus/(deficit) of operating funding	6,986	5,363	5,221	4,719
Sources of capital funding				
Subsidies and grants for capital expenditure	1,164	871	1,287	1,332
Development and financial contributions	663	934	663	733
Increase / (decrease) in debt	3,995	2,707	2,640	7,214
Gross proceeds from sale of assets	-	-	-	7
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources capital funding	5,822	4,514	4,591	9,286
Applications of capital funding				
Capital expenditure				
• to meet additional demand	1,048	1,547	432	147
• to improve level of service	1,585	3,146	1,598	5,939
• to replace existing assets	6,454	4,207	6,351	7,265
Increase / (decrease) in reserves	3,721	(2,707)	1,432	523
Increase / (decrease) of investments	-	3,683	-	130
Total applications of capital funding	12,807	9,878	9,813	14,005
Surplus/(deficit) of Capital Funding	(6,986)	(5,363)	(5,221)	(4,719)
Funding balance	-	-	-	-

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1

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

Reporting Entity

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

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

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

The financial statements of the Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 11 December 2024.

Basis of Preparation

Statement of compliance

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

These financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (RDR). The Council is eligible and has elected to apply PBE RDR as it has expenditure less than \$33 million and does not have public accountability as defined by the External Reporting Board (XRB).

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

Measurement base

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There are no changes in accounting policies.

Summary of Significant Accounting Policies

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

Borrowing costs

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council for the 2023/24 Annual Plan. The budget figures have been prepared in accordance with PBE IPSAS, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

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

Statement of cash flows

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

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

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

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

Critical accounting estimates and assumptions

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

Forestry Assets

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

Property, Plant and Equipment

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

Note 2 Revenue

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

Revenue from exchange and non-exchange transactions

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

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

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

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

Rates revenue

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

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

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

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

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

	30-Jun	30-Jun
	2024	2023
	\$000	\$000
General rates	10,527	9,416
Targeted rates attributable to activities		
Water	3,028	2,952
Metered water charges	366	351
Wastewater	2,708	2,762
Stormwater	289	266
Waste management	289	257
Regulatory and planning	479	313
Total targeted rates	7,149	6,900
Total rates	17,676	16,316
Rates penalties	79	76
Total revenue from rates and penalties	17,755	16,391

Rates remission

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

	30-Jun	30-Jun
	2024	2023
	\$000	\$000
Rates revenue before remissions	17,768	16,401
<i>Council policy remissions:</i>		
Sports bodies	3	2
Other	10	7
Total remissions	13	10
Rates revenue after remissions	17,755	16,391

Non-rateable land

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

Government grants

Government grants are received from the Waka Kotahi (NZTA), which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Grants have also been received from the Government for the waters transitional and better off funding.

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

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

	30-Jun	30-Jun
	2024	2023
	\$000	\$000
DIA 3 Waters Stimulus Funding	-	92
Grant to Mayoral Trust Fund Mayors taskforce for Jobs - Youth	600	450
Grant to support Freedom Camping facilities	-	24
Employment subsidy	40	47
Ministry for the Environment Waste Infrastructure	-	100
DIA 3 waters transitional funding	196	154
DIA 3 waters better off funding	163	7
Creative New Zealand	29	21
Sports NZ rural travel fund	15	13
War Graves - through NZDF and Internal Affairs	1	1
World War II memorial trust	1	1
Other donations, grants	18	48
Total grants and subsidies	1,062	956

Provision of services

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

Vested assets

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

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

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

Sale of goods

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

Agency arrangements

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Fines and penalties

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

Other gains and losses

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Gain/(loss) in fair value of forestry assets	143	19
Gain/(loss) in fair value of Managed funds *	77	(13)
Gain/(loss) in fair value of Equity Instruments *	(114)	(154)
Total gains/(losses)	107	(148)

* These line items in 2023 are restated due to the error described in note 20

Financial contributions

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Roading Contributions	336	308
Infrastructural Contributions	62	227
Recreation Reserve Contribution	336	400
Total Contributions	733	934

Recoveries

Recoveries are recognised as revenue in the period in which the Council becomes entitled to the compensation or reimbursement. Recoveries may include amounts received from Shared services with the neighbouring councils, insurance claims, contributions for specific projects or events, and reimbursements for services provided.

Operating Leases as lessor

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Revenue Commitments: Non-cancellable leases as Lessor		
- not Later than 1 year	11	11
- later than 1 year but not later than 5 years	42	43
- later than 5 years	-	9
Total lease commitments	52	63

Note 3 Personnel

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Salaries and wages	6,653	5,934
Defined contribution plan employer contributions	275	244
Increase/(decrease) in employee entitlements/liabilities	54	94
Total personnel costs	6,983	6,272

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

Chief Executive and staff

The total remuneration (including any non- financial benefits) paid or payable for the year to the Chief Executive was \$229,138 (2023: \$228,800). The Chief Executive of the Council is appointed under section 42 of the Local Government Act 2002.

At balance date, the Council employed 56 (2023: 63) full-time employees, with the balance of staff representing 16.13 (2023: 13.77) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week. Included are four employees whose cost is shared with Masterton and/or South Wairarapa District Councils.

For the year ended 30 June 2024 the Council made one severance payment of \$6,000 (2023: Nil).

<i>Council employees remuneration by band</i>	30-Jun 2024	30-Jun 2023
< \$60,000	28	25
\$60,000 - \$79,999	23	26
\$80,000 - \$99,999	14	16
\$100,000 - 139,999	9	12
\$140,000 - 239,999	6	3
Total employees	80	82

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

The table above is based on headcount as at 30 June not FTE, so this counts all employees no matter how many hours they may do.

Elected representatives

Council membership comprises the Mayor and eight councillors, being elected for three-year terms. Their remuneration over the past 12 months is shown below.

Elected representatives

	30-Jun 2024 \$000	30-Jun 2023 \$000
R Mark (Mayor)	104	68
S Cretney (Deputy Mayor)**	28	27
<i>D Williams (Deputy Mayor)*</i>	49	42
B Deller	28	27
R Cherry-Campbell	27	27
G Ayling	26	17
L Newman	26	17
S Laurance	26	17
S Gallon	26	17
R Keys***	-	9
J Greathead***	-	9
R Vergunst***	-	16
G Lang***	-	27
Total elected members remuneration	341	321

* for the period from 1 July 2023 to 28 May 2024

** from the period 29 May

*** from the period 1 July to 13 October 2022

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

Cr R Cherry – Campbell is also a Hearings Committee Chair during the year.

Note 4 Other expenses

Grant expenditure

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

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

Finance leases

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

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

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

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

Operating leases

An operating lease is a lease that does not transfer substantially all risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. 2024: Nil (2023: Nil)

Audit fees

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

	2024	2023
	\$000	\$000
Fees to auditors		
Audit fees to Audit NZ for audit of the:		
Financial statements and performance information	154	144
Debenture Trust Deed	6	5
Long Term Plan	74	-
	234	149

Note 5 Cash and cash equivalents

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

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

	30-Jun 2024	30-Jun 2023
	\$000	\$000
Cash at bank and on hand	1,089	1,452
Short-term deposits with maturities 3 months or less at acquisition	12,072	12,002
Total cash and cash equivalents	13,162	13,454
<i>Weighted average effective interest rate cash and cash equivalents</i>	3.02%	3.60%

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

Total value of cash and cash equivalents that can be used for a specific purpose, as outlined in a trust deed or Council Resolution is \$Nil (2024: Nil).

Note 6 Receivables

Debtors and other receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL's for receivables.

In measuring ECL's, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Short-term receivables are written off when there is no reasonable expectation of recovery.

In practice Council currently has very low write-offs due to a history of a high recovery of receivables.

The Council does not provide for ECL on rates receivables, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

	30-Jun 2024 \$000	30-Jun 2023 \$000
<i>Receivables under exchange transactions</i>		
Prepayments	117	8
	<hr/> 117	<hr/> 8
<i>Receivables under non-exchange transactions</i>		
Rates receivables	466	335
Other receivables	789	1,029
Goods and services tax	350	562
Sundry debtors	598	964
	<hr/> 2,321	<hr/> 2,898
Less allowance for credit losses	(1)	(11)
Total debtors and other receivables	<hr/> 2,320	<hr/> 2,887
Movements in the allowance for credit losses in receivables are as follows:		
	30-Jun 2024 \$000	30-Jun 2023 \$000
At 1 July	11	12
Receivables written off during the period	(12)	(1)
	<hr/> (1)	<hr/> 11

Note 7 Other financial assets

Derivative financial instruments and hedge accounting

The Council use derivative financial instruments such as interest rates swaps to mitigate risks associated with interest rate fluctuations, The council do not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value of the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

Other financial assets

The council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

For the purpose of measurement, the council's financial assets are classified into categories according to the purpose for which the financial assets are held. Management determines the classification of financial assets and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Fair value through other comprehensive revenue and expenditure	Fair value	Other comprehensive revenue and expenditure
Financial assets at amortised cost	Amortised cost less provision for impairment	Surplus or deficit

Valuation of Investment of managed funds

These are valued based on quoted active market prices on the valuation date.

The carrying amounts and fair values of the council’s financial assets by category are as follows:

	30-Jun 2024 \$000	30-Jun 2023 \$000
Financial assets at amortised cost		
Cash and cash equivalents		
- Cash at bank and on hand	1,089	1,452
- Short term funds & Special funds	12,072	12,002
Short term investments	150	118
Borrower notes	565	435
Debtors and other receivables	2,320	2,887
Total financial assets at amortised cost	16,196	16,894
Financial assets at fair value through surplus or deficit		
Investments in Managed Funds	4,865	3,126
Investment in Limited Partnership	927	924
Total financial assets at fair value through surplus or deficit	5,792	4,051

The investment in Limited Partnership was included in managed funds in the prior year financial statements. This year this has been split out, to provide better information, as the Limited Partnership is not a registered managed fund and so differs from our other investments included in managed funds. Comparative information has been presented on the same basis for consistency.

Valuation of the Council’s investment in a limited partnership

The limited partnership (LP) invests in several New Zealand entities (commercial businesses), which are measured at fair value in the LP’s financial statements.

The valuation methodology used for each entity is a capitalisation of earning approach, which is an accepted valuation methodology under standard industry practices. In each of the LP’s investments, the approach is a multiple of EBITDA, with the EBITDA figure used being an average of either two or three years of earnings.

The valuation of the LP is calculated as the sum of the value of the investments, plus cash, less debt, management fees owed, and other relevant provisions.

The council’s investment in the LP reflects its share of the LP based on the quarterly statement for the quarter ended 30 June 2024 provided by the LP.

Fair value through other comprehensive revenue and expense

Other financial assets:

- Investment in CCOs and section 6(4) entities

- Investment in other entities

Total Fair value through other comprehensive revenue and expense

	30-Jun 2024 \$000	30-Jun 2023 \$000
- Investment in CCOs and section 6(4) entities	22	21
- Investment in other entities	1	1
Total Fair value through other comprehensive revenue and expense	23	22

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

Term and other cash deposits with maturities greater than 3 Months

Bank deposits & Special funds with maturities greater than 3 months and remaining maturities less than 12 months

Total Term Deposits

	30-Jun 2024 \$000	30-Jun 2023 \$000
Bank deposits & Special funds with maturities greater than 3 months and remaining maturities less than 12 months	100	118
Total Term Deposits	100	118

Impairment of financial assets

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

Note 8 Forestry

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

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

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Balance at 1 July	893	874
Increases due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	143	19
Balance at 30 June	1,036	893

Through its investment in Kaipaitangata Forest, the Council owns 213 hectares of pinus radiata forest, which are at varying stages of maturity with prospective harvest dates ranging from 2023-2042. There is a further 24.8 hectares of pinus radiata ranging from 41 to 49 years maturity that are deemed to have a near zero net stumpage (i.e. no value).

Valuation assumptions

Independent registered valuer, Forest Enterprises Group Limited, has valued forestry assets as at 30 June 2024. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

The forestry assets have been valued using industry standard forest estate modelling. The method applied is the same as applied in the previous three years. A discount rate of 8% was used to discount the present value of expected pre-tax cash flows to value the forestry assets for the year ended 30 June 2024 [2023: 8%].

The 212 hectares of plantation tree crops, have been valued on the basis that they will be managed as an integrated forest estate, as opposed to separate and individual stands. The impact of this is that the harvesting of the various aged stands will most likely occur in groups, to provide a reasonable level of annual harvesting volume, and not harvested at a fixed age.

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

Financial risk management strategies

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

Note 9 Intangible Assets

Software acquisition and development

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

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

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

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

Resource consents

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

Carbon credits

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

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

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

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

Amortisation

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

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

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

Impairment of intangible assets

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

	Carbon	GIS	Other	Resource		Total
	Credits	Software	Software	Consents	Other	
Balance 30 June 2023	\$000	\$000	\$000	\$000	\$000	\$000
Cost	115	50	342	862	16	1,385
Accumulated amortisation and impairment	-	(41)	(205)	(322)	-	(568)
Closing carrying amount	115	9	138	540	16	817
Year ended 30 June 2024	\$000	\$000	\$000	\$000	\$000	\$000
Additions	-	2	16	44	15	77
Disposals	-	-	-	-	-	-
Amortisation charge	-	(5)	(55)	(33)	-	(93)
Movement within period	-	(3)	(39)	11	15	(15)
Balance 30 June 2024	\$000	\$000	\$000	\$000	\$000	\$000
Cost	115	52	359	906	31	1,462
Accumulated amortisation and impairment	-	(47)	(260)	(355)	-	(661)
Closing carrying amount	115	6	98	552	31	801

	Carbon	GIS	Other	Resource		Total
	Credits	Software	Software	Consents	Other	
Balance 30 June 2022	\$000	\$000	\$000	\$000	\$000	\$000
Cost	115	50	270	862	-	1,298
Accumulated amortisation and impairment	-	(34)	(148)	(269)	-	(451)
Closing carrying amount	115	16	123	593	-	847
Year ended 30 June 2023	\$000	\$000	\$000	\$000	\$000	\$000
Additions	-	-	72	-	16	88
Disposals	-	-	-	-	-	-
Amortisation charge	-	(7)	(57)	(53)	-	(117)
Movement within period	-	(7)	15	(53)	16	(29)
Balance 30 June 2023	\$000	\$000	\$000	\$000	\$000	\$000
Cost	115	50	342	862	16	1,385
Accumulated amortisation and impairment	-	(41)	(205)	(322)	-	(568)
Closing carrying amount	115	9	137	540	16	817

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

Note 10 Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Non-current assets held for sale

Non-current assets held for sale (Properties Intended for Sale) are classified as held for sale if their carrying amount will be recovered through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive revenue and expenses. Any increase in fair value (less cost to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Assets held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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

Additions

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

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

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

Subsequent costs

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

Disposals

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

Depreciation

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

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

Buildings	5 to 100 years	1 - 20%
Plant and equipment	2 to 50 years	2 - 70%
Motor vehicles	10 years	10 - 21%
Fixtures and fittings	10 to 50 years	2 - 45%
Office equipment	5 to 10 years	10 - 70%
Library collections	5 to 6 years	16 - 20%
Roads, bridges & footpaths*	4 to 100 years	1 - 22%
Water systems*	5 to 100 years	1 - 20%
Stormwater systems*	50 to 100 years	1 - 2%
Wastewater systems*	5 to 80 years	1.5 - 10%
Heritage assets*	15 to 25 years	4 - 6%

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

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

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

Impairment of property, plant and equipment

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

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

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

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

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Governance	3	3
Transportation	2,780	2,708
Water supply	1,427	975
Wastewater	900	591
Stormwater	149	144
Waste management	70	58
Community support	756	966
Regulatory and planning	17	23
Administration and support services	701	409
Total depreciation *	6,803	5,877

**This is total depreciation including intangible assets of \$93k.*

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

Capital Commitments

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Capital commitments	\$000	\$000
Transportation	17,580	1,323
Water Wastewater and Stormwater Systems	260	3,276
Total capital commitment	17,839	4,600

Note 10 Property, plant and equipment

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year additions	Current year transfers/adjustments	Current year disposals/impairments	Accumulated depreciation on disposals	Current year depreciation	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	30-Jun	30-Jun	30-Jun							30-Jun	30-Jun	30-Jun
	2023	2023	2023							2024	2024	2024
30-Jun-24	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Infrastructural assets</i>												
Roads, streets & footpaths – land	6,085	-	6,085	-	-	-	-	-	-	6,085	-	6,085
Roads, streets & footpaths	164,566	(2,705)	161,861	2,074	-	1,198	-	(2,775)	-	167,838	(5,479)	162,358
Water systems - Land	5,076	-	5,076	79	(859)	-	-	-	-	4,296	-	4,296
Water systems - treatment plant & facilities	2,096	(153)	1,943	4,493	-	-	-	(541)	-	6,589	(694)	5,895
Water systems - other	16,537	(731)	15,805	879	-	-	-	(803)	-	17,416	(1,534)	15,882
Wastewater systems - Land	-	-	-	4,456	859	-	-	-	-	5,315	-	5,315
Wastewater systems - treatment plant & facilities	1,711	(129)	1,582	-	-	-	-	(129)	-	1,711	(258)	1,453
Wastewater systems - other	13,746	(362)	13,384	15,320	-	-	-	(649)	-	29,067	(1,011)	28,056
Stormwater systems	9,398	(144)	9,254	101	-	-	-	(149)	-	9,499	(293)	9,206
Total Infrastructural Assets	219,215	(4,224)	214,991	27,403	-	1,198	-	(5,045)	-	247,815	(9,269)	238,546
<i>Operational assets</i>												
Land	16,243	-	16,243	93	(331)	-	-	(7)	-	16,005	(7)	15,998
Buildings	16,151	(760)	15,391	156	(392)	(229)	113	(787)	-	15,686	(1,434)	14,252
Fixtures & fittings	4,087	(2,580)	1,507	297	(10)	(38)	38	(294)	-	4,335	(2,834)	1,501
Office equipment	845	(580)	265	97	-	-	-	(114)	-	942	(694)	248
Library collections	725	(334)	391	67	-	-	-	(145)	-	792	(479)	313
Motor vehicles	1,468	(883)	585	117	-	(66)	66	(100)	-	1,518	(917)	601
Plant & equipment	2,673	(1,667)	1,006	304	-	(33)	33	(185)	-	2,944	(1,819)	1,126
Transfer station	214	-	214	-	-	-	-	-	-	214	-	214
Water races	572	(111)	461	-	-	-	-	(29)	-	572	(140)	432
Total Operational Assets	42,977	(6,915)	36,063	1,130	(733)	(366)	250	(1,660)	-	43,008	(8,324)	34,685
Heritage assets	85	(4)	81	-	-	-	-	(4)	-	85	(8)	77
Work in progress	18,192	-	18,192	3,926	(19,186)	-	-	-	-	2,933	-	2,933
Total assets	280,469	(11,143)	269,326	32,459	(19,918)	832	250	(6,710)	-	293,842	(17,601)	276,240

Note 10 Property, plant and equipment – cont'd

Note 10 Property, plant and equipment - cont'd

	Cost/revaluation	Accumulated depreciation	Carrying amount	Current year	Current year	Current year	Accumulated depreciation	Current year	Revaluation	Cost/revaluation	Accumulated depreciation	Carrying amount
	30-Jun	30-Jun	30-Jun	additions	transfers/adjustments	disposals/impairments*	on disposals	depreciation		30-Jun	30-Jun	30-Jun
	2022	2022	2022							2023	2023	2023
30-Jun-23	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>Infrastructural assets</i>												
Roads, streets & footpaths – land	6,085	-	6,085	-	-	-	-	-	-	6,085	-	6,085
Roads, streets & footpaths	166,837	-	166,837	2,086	112	(4,470)	-	(2,705)	-	164,566	(2,705)	161,861
Water systems - Land	5,076	-	5,076	-	-	-	-	-	-	5,076	-	5,076
Water systems - treatment plant & facilities	2,079	-	2,079	17	-	-	-	(153)	-	2,096	(153)	1,943
Water systems - other	15,651	-	15,651	3	883	-	-	(731)	-	16,537	(731)	15,805
Wastewater systems - treatment plant & facilities	1,711	-	1,711	-	-	-	-	(129)	-	1,711	(129)	1,582
Wastewater systems - other	11,985	-	11,985	236	1,526	-	-	(362)	-	13,746	(362)	13,384
Stormwater systems	9,193	-	9,193	205	-	-	-	(144)	-	9,398	(144)	9,254
Total Infrastructural Assets	218,617	-	218,617	2,547	2,521	(4,470)	-	(4,224)	-	219,215	(4,224)	214,991
<i>Operational assets</i>												
Land	16,202	-	16,202	-	41	-	-	-	-	16,243	-	16,243
Buildings	16,097	-	16,097	-	54	-	-	(760)	-	16,151	(760)	15,391
Fixtures & fittings	3,741	(2,317)	1,424	308	45	(8)	-	(263)	-	4,087	(2,580)	1,507
Office equipment	749	(483)	266	96	-	-	-	(97)	-	845	(580)	265
Library collections	631	(206)	425	94	-	-	-	(129)	-	725	(334)	391
Motor vehicles	1,250	(783)	467	217	-	-	-	(100)	-	1,468	(883)	585
Plant & equipment	2,338	(1,510)	827	313	22	-	-	(157)	-	2,673	(1,667)	1,006
Transfer station	214	-	214	-	-	-	-	-	-	214	-	214
Water races	572	(84)	488	-	-	-	-	(27)	-	572	(111)	461
Total Operational Assets	41,794	(5,383)	36,411	1,028	163	(8)	-	(1,532)	-	42,977	(6,915)	36,063
Heritage assets	85	-	85	-	-	-	-	(4)	-	85	(4)	81
Work in progress	14,698	-	14,698	6,202	(2,708)	-	-	-	-	18,192	-	18,192
Total assets	275,194	(5,383)	269,811	9,777	(24)	(4,478)	-	(5,761)	-	280,469	(11,143)	269,326

*Current year disposals/impairments include \$4,470,464 of Roading network impairments due to flood events during 2022-23 year still impaired at 30 June 2023

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

Valuation—general

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

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

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

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

Valuation—specific

Land (operational)

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

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

Buildings (operational and heritage)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Land under roads

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

Library collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released by the National Library of New Zealand in May 2002. The library valuation was performed by The valuation was undertaken by Brian Sharman (CMEngNZ, CPEng) and reviewed by Mark Gordon (CMEngNZ, CPEng, IntPE), both being Directors of IAMC Limited, and having relevant experience for carrying out the valuation. The valuation is effective as of 30 June 2020. Library collections are no longer revalued.

Vest assets

Assets vested in Council by asset class are:

	30-Jun 2024 \$000	30-Jun 2023 \$000
Transportation	-	490
Water	-	83
Stormwater	-	155
Wastewater	-	216
	-	944

Impairment

Impairment losses of \$3,272,229 (2023 \$4,470,464). have been recognised for plant and equipment damaged due to flooding that occurred in the 2022-23 year. The recoverable amount of the plant and equipment was based on value using the restoration cost approach, which was determined by reference to the depreciated replacement cost of the asset less the costs to repair the damage. The impairment loss has been recognised in the statement of comprehensive revenue and expense, in the Impairment losses on revalued property, plant & equipment. And in above note 10 in the current year disposals/impairments column.

Finance leases

The net carrying amount of plant and equipment held under finance leases is \$13,921 (2023: \$21,914).

Note 11 Creditors and other payables

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
<i>Payables under exchange transactions</i>		
Trade payables	2,552	2,981
Deposits and bonds	140	162
Accrued expenses	785	432
	3,477	3,576
<i>Payables under non-exchange transactions</i>		
Revenue in advance	672	623
Government contributions not fully applied	-	-
Rates in advance	312	286
	984	908
Total creditors and other payables	4,461	4,484

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

Therefore, the carrying value of creditors and other payables approximates their fair value.

Note 12 Employee Entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Superannuation schemes

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
Accrued pay	275	266
Annual leave	494	431
Long service leave	18	16
Time off in lieu	18	13
Total employee entitlements	806	726
Comprising:		
Current	806	726
Non-current	-	-
Total employee entitlements	806	726

Note 13 Borrowings

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are not expected to be settled within 12 months of balance date.

Current

Secured loans

Lease liabilities

Total current borrowings

Non-Current

Secured loans

Lease liabilities

Total non-current borrowings

	30-Jun 2024 \$000	30-Jun 2023 \$000
Secured loans	2,000	4,700
Lease liabilities	8	7
Total current borrowings	2,008	4,707
Secured loans	22,600	12,700
Lease liabilities	6	14
Total non-current borrowings	22,606	12,714

The range of interest rates applying to the above loans is 1.91% to 6.61% with a weighted average of 5.43% (2023: 3.78%). Loans are secured by way of rates.

Fixed-rate debt

The Council's secured debt of \$24,600,000 (2023: \$17,400,000) is issued at fixed and floating rates of interest.

	30-Jun 2024 \$000	30-Jun 2023 \$000
Secured loans	2,000	4,700
Lease liabilities	8	7
Total current borrowings	2,008	4,707
Secured loans	22,600	12,700
Lease liabilities	6	14
Total non-current borrowings	22,606	12,714

Security

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

	2024	2023
	\$000	\$000
Less than one year	2,000	4,700
<i>weighted average effective interest rate</i>	6.20%	2.17%
Later than one year but not more than five years	21,600	9,700
<i>weighted average effective interest rate</i>	5.46%	4.94%
Later than five years	1,000	3,000
<i>weighted average effective interest rate</i>	3.08%	2.57%

Internal borrowings

	2024	2023
	\$000	\$000
Internal loans		
As at 1 July	6,385	6,153
Loans advanced	-	-
interest payable	346	233
Repayments	-	-
As at 30 June	6,732	6,385
These loans applied to the following activities:		
Wastewater	6,732	6,385
	6,732	6,385
Interest charged	346	233

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

Fair values of non-current borrowing

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

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

Financial Liabilities	30-Jun	30-Jun
	2024	2023
	\$000	\$000
Financial liabilities at amortised cost		
Creditors and other payables	4,461	4,484
Borrowings:		
- finance leases	14	21
- secured loans	24,600	17,400
<i>Total financial liabilities at amortised cost</i>	<u>29,075</u>	<u>21,905</u>

Note 14 Equity

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

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

	2024	2023
	\$000	\$000
As at 1 July	126,309	124,382
<i>Transfers to:</i>		
Restricted and other reserves:		
Special Reserves	(32)	181
<i>Transfers from:</i>		
Restricted and other reserves		
Depreciation reserves	(1,823)	(461)
Transfers from revaluations reserve	265	-
Surplus / (deficit) for the year	195	2,207
As at 30 June	<u>124,914</u>	<u>126,309</u>

Restricted reserves

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

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

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

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

Restricted reserves	2024	2023
	\$000	\$000
As at 1 July	6,186	6,367
<i>Transfers to:</i>		
Public equity to Special Reserves	1,105	
<i>Transfers from:</i>		
Public equity from Special Reserves	(1,073)	(181)
As at 30 June	6,218	6,186
Restricted reserves consist of:		
Restricted reserves	6,128	6,100
Trusts	88	83
Other trusts	3	4
Total restricted reserves	6,218	6,186

Other reserves

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

As at 1 July	5,954	5,493
<i>Transfers to:</i>		
Public equity from		
Depreciation reserves	1,823	461
As at 30 June	7,777	5,954

Revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

	2024	2023
	\$000	\$000
As at 1 July	130,501	134,974
Revaluation gains / (losses) in Statement of Comprehensive Income	(355)	-
Transfer from revaluation gains/(losses) from other reserves in Changes in Equity	(264)	-
Transfer from public equity for Revaluation gains / (losses) in Statement of Financial Performance	1	(2)
Impairment losses on revalued property, plant & equipment	1,198	(4,470)
As at 30 June	131,081	130,501

	2024 \$000	2023 \$000
Asset revaluation reserves consist of:		
<i>Infrastructure assets</i>		
Roads, streets and footpaths	77,480	76,282
Water systems	15,922	15,922
Wastewater systems	7,191	7,191
Stormwater systems	7,314	7,314
<i>Operational assets</i>		
Land	14,851	14,851
Buildings	8,206	8,471
Library collections	432	432
<i>Restricted assets</i>		
Heritage assets	36	36
Property intended for sale	(355)	-
Total asset revaluation reserves	131,078	130,499
Fair value revaluation reserves consist of:		
As at 1 July	2	4
Net revaluation gains / (losses) in shares held (note 7)	1	(2)
Total fair value revaluation reserve	3	2
Total revaluation reserves	131,081	130,501

Note 15 Contingent liabilities and contingent assets

Local Government Funding Agency (LGFA)

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

As at 30 June 2024, the Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$23 billion (2023: \$18.5 billion), of which the Council have borrowed \$0.025 billion (2023: \$0.017 billion). As a result, the Council's cross guarantee on LGFA's loans to other local authorities is \$23 billion (2023: \$18.5 billion).

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

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

Wastewater treatment plant contract

CDC have an ongoing dispute with the main contractor of the Wastewater Treatment Plant Reservoir Project, Central Hawkes Bay Earthmovers LTD (CHBE). This includes contractual performance challenges, damage to the three reservoir liners, completion of unfinished works and late delivery of the contracted works.

A Court ruling in November 2023 clarified the bond is not able to be released at this time. Following this ruling Council has sought decisions from the Engineer to the Contract on three areas of dispute to progress contract claims. These include the certification by the Engineer that CHBE was neglecting its obligations under the contract, confirmation of the process by which Council took possession of site on 31st August 2021, and the cost incurred by Council to complete the contract works.

The wastewater reservoirs were brought into service in June 2023. Council has capitalised all costs incurred including the additional cost to repair damage and complete the contract works. These costs are being depreciated in line with our existing policies. While CDC expects to be able to recover some costs relating to the contract, there are uncertainties around the amount, and the timing. As such, no contingent asset has been recognised. Any recoveries received will be used to offset the cost capitalised.

Mortgage listed on 29 Holloway Street

The record of title on 29 Holloway Street indicates a mortgage owing to Trynko Koers. CDC has reviewed historic financial records and confirmed that this mortgage was repaid in full during 2010. CDC has supplied confirmation of payment to the mortgagee's estate and requested the discharge of the mortgage. This mortgage was still listed on the title at year end.

Note 16 Capital management

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

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

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

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

The Council has the following Council-created reserves:

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

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

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

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

Note 17 Related party transactions

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

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

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

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2023: \$nil).

Key management personnel

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

	30-Jun 2024 \$000	30-Jun 2023 \$000
<i>Mayor & Councillors</i>		
Remuneration	341	321
Full-time equivalent members	9	9
<i>Chief Executive and Leadership Team</i>		
Remuneration	933	882
Full-time equivalent members	6	6
Total key management personnel remuneration	1,274	1,203
Total full-time equivalent personnel	15	15

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

Note 18 Events after balance date

Riskpool

Carterton District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has potential liabilities for members' claims in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects).

Riskpool has advised that it is still working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Norman Avenue Road Upgrade

Norman Avenue project bisects the Waingawa Industrial Area and responds to growth while collaboratively working with the relevant landowners responsible for developing the Waingawa Industrial Park. This project ensures that adequate downstream roading infrastructure is provided for the expected traffic volumes, commensurate with the current and predicted future growth. A thorough site investigation and predictive model of future traffic volumes concluded that the existing road geometry and the underlying road foundation is inadequate to meet the likely long-term needs of the industrial area in this part of Waingawa.

At the 31 July 2024 Ordinary Council Meeting, council received the report and endorsed the Norman Avenue Road Upgrade with approval of funding from the Roading contribution fund.

Note 19 Local Waters Done Well (LWDW)

In October 2023, a new Government was elected, resulting in the Water Services Acts Repeal Act 2024 in February 2024, which removed the previous Government's legislation and reform programme. Since February 2024 legislative changes have been made to New Zealand's water management framework under the "Local Water Done Well" legislation which will have implications for how local councils manage and finance water services in future years. In August 2024, the Local Government (Water Services Preliminary Arrangements) Bill was passed to enable councils to develop their Water Services Delivery Plans during the 2024-25 year.

Key aspects of the new legislative model are:

- Councils are required to adopt a Water Services Delivery Plan (WSDP) by 3 September 2025 to set out how water services will be delivered, financed, and implemented. The WSDP will also outline when new arrangements will take effect.
- The legislative framework encourages councils to establish Water Council-Controlled Organisations (CCOs) to manage water services. These CCOs are permitted to borrow up to 500% of their operating revenues, subject to prudent credit criteria, from the New Zealand Local Government Funding Agency (LGFA), facilitating significant infrastructure investments. Subject to the form of any CCO, and delivery arrangement selected by Council, SWDC may be required to provide a debt guarantee.

- Implementation of a new economic regulation regime, overseen by the Commerce Commission. This regime ensures that revenues collected for water services are ring-fenced and used solely for water-related projects, preventing use for other council priorities.
- Increased regulatory flexibility for Taumata Arowai, providing greater flexibility in water quality compliance, allowing exemptions for smaller water supplies, and introducing a single national standard for wastewater performance.

As part of the preparation for Local Waters Done Well reform, CDC officers and elected members had been evaluating two joint delivery options—one involving the Wairarapa region and Tararua District (Wai+T), and another with a Wellington regional working group. On the 30th of October 2024 Council voted unanimously to exit the Wellington regional WSDP and focus on developing the Wai+T model. The collaborative Wairarapa and Tararua multi-council water services council-controlled organisation (CCO) model will be presented to the community for formal consultation in 2025.

Whilst these changes do not impact the financial or service performance information in this report, there will be potential impacts in future years. None of these impacts directly challenge the viability of Council, or its assumption of maintaining going concern status.

- **Financial Management:** The increased borrowing capacity through LGFA loans allows Councils and Water CCOs to invest in critical water infrastructure without immediate price increases.
- **Regulatory Compliance:** Councils and their CCOs will need to adhere to new economic regulations, ensuring that all water service revenues are transparently managed and invested solely in water services. This may require adjustments to existing financial and operational practices.
- **Strategic Planning:** The council must develop and submit Water Services Delivery Plans that outline how water services will be managed and financed under the new framework. This includes exploring partnerships with other councils via CCOs to leverage resources and reduce costs.

Note 20 Explanation of major variances against budget

Explanations for major variations from the Council's estimated figures in the 2023/24 Annual Plan are as follows:

Statement of Financial Performance

The overall decrease in the operating surplus compared to the Annual Plan is primarily attributed to ongoing emergency works on the roading network the net impact of this work has resulted in a shortfall of approximately \$557k against the budget. These emergency works are ongoing.

Operating Revenue

Interest rates have also exceeded budgeted expectations, due to higher interest rates contributing to an increase in interest income of \$275k.

Grants received from central government for the Mayors Taskforce for Jobs (MTFJ) and Three Waters Better Off funding were not included in the budget, resulting in approximately \$600k.

Miscellaneous revenue was higher than budgeted, primarily due to rebates reinvested in managed funds \$297k, which were challenging to forecast at the time of budgeting.

Operating Expenditure

The annual survey was again not commissioned for this year. Personnel costs under budget is partly due to underspent training costs and vacancy lag in a few positions.

Water supply & wastewater expenditure was higher than budget due to expenditure for transitional funding from DIA of approximately \$160k was unbudgeted.

Depreciation was \$307k higher than budgeted due to timing of projects completion.

Legal fees of \$58k for the Waste Water Treatment Plant (WWTP) was included in a previous year's budget but spent in the current year.

Finally, Community support expenditure was higher than budget due to MTFJ grant expenditure not being included in budget \$617k.

These variances reflect both challenges and opportunities in managing our financial performance effectively.

Statement of Other Comprehensive Revenue and Expense

The impairment to roads of \$4.4m last financial year and was charged against the revaluation reserve and we have completed work of \$1.1m this financial year.

Statement of Financial Position

Property, plant, and equipment reflects assets that exceed budgeted amounts. This is mainly due unbudgeted purchase of land of \$4.5m for the WWTP.

Other movements in budgeted property, plant and equipment was due to the opening balances being underestimated by approximately \$23.0m from actual balances.

Statement of Cashflows

Council has higher than budgeted net movement in debt, mainly due to the loan funding of land purchase that was not included in the budget. And also reflected a higher than budgeted cash balance at 1 July 2023.

Other legislative disclosures

Local Government Act 2002 – Financial disclosures

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

Internal Borrowings

The Local Government Act requirements of Schedule 10, section 27 LGA Internal Borrowings is disclosed in Note 13.

Insurance of assets

The Local Government Act 2002 requires that from 2014 the annual report include information about the insurance of assets.

Insurance contracts

Material damage

Subject to range of deductibles- \$5,000 for most claims, and 5% of site value for earthquakes.

Forestry

Maximum cover of \$20,000 for hail, no cover for windstorm, volcanic activity, earthquake, or landslip. Deductible of 1.5% of Property Declared Value subject to minimum \$10,000 per loss occurrence.

Motor vehicle

Insured for market value. Carrying amount has been used for this disclosure.

Risk sharing arrangements

Infrastructural assets as member of LAPP

This is 40 percent of the estimated replacement cost of the scheduled assets. A deductible of \$60,000 applied.

Central government assistance

Under the 'Guide to the National Civil Defence Emergency Management Plan', the government may fund 60 percent of the cost of repair or recovery of essential infrastructure assets. A deductible of .0075 percent applied.

Self-insured

To cover deductibles and uninsured assets

Total assets insured

	Carrying amount at 30 June 2024 \$000	Carrying amount at 30 June 2023 \$000
Material damage	38,493	29,639
Forestry	893	1,107
Motor vehicle	585	467
Infrastructural assets as member of LAPP	38,425	33,416
Self-insured	57,637	50,119
Total assets insured	136,032	123,601

Rating base information

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

Rating base	30-Jun 2024	30-Jun 2023
These values represent the opening values and number of rating units at the beginning of each financial year ending:		
Capital value	3,970,433,900	3,897,320,400
Land value	2,115,575,700	2,093,531,700
All rating units	5,422	5,331

Statement of special funds reserves

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

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

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

Waste Disposal Fund—Under the Waste Minimisation Act, a waste levy is charged on all waste disposed of in a landfill. Half the levy money goes to territorial authorities, on a population basis, so that they can improve waste minimisation in their areas.

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

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

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

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

Roading Contributions Fund—Funds from Roothing Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding the district’s roading network.

Infrastructure Contributions Fund—Funds from Infrastructure Contribution levies as provided for in the District Plan. Funds to be used for upgrading and expanding public water supplies, and the disposal of wastewater and stormwater.

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

Statement of special funds reserves

As at 30 June 2024

	Opening balance	Deposits	Withdrawals	Closing balance
	\$000	\$000	\$000	\$000
Recreation and reserve account	1,977	364		2,341
Roothing emergency fund	46	1	47	-
Waste disposal fund	60	152	115	97
Creative New Zealand fund	1	-	1	-
Clareville grave maintenance trust	2			3
Memorial Square fund	9	1	-	9
WWII Memorial trust	83	7	2	88
Election contingency fund	8	31	-	39
Roothing contribution fund	2,166	400		2,566
Infrastructure contributions fund	1,577	141	901	817
Waingawa infrastructure contributions fund	256	9	7	258
Special funds reserves Totals	6,186	1,105	1,073	6,218

Statement of special funds reserves

As at 30 June 2023

	Opening balance	Deposits	Withdrawals	Closing balance
	\$000	\$000	\$000	\$000
Equipment purchase and renewal fund	2		2	-
Recreation and reserve account	1,530	460	13	1,977
Roothing emergency fund	447	8	409	46
Rural water contingency fund	65		65	-
Waste disposal fund	90	94	123	60
Creative New Zealand fund	1			1
Clareville grave maintenance trust	2			2
Memorial Square fund	8			9
WWII Memorial trust	79	3		83
Longbush Domain fund	5		5	-
West Taratahi Hall fund	35		35	-
Election contingency fund	41	74	107	8
Workshop depot upgrade fund	26	1	27	-
Combined district plan reserve	83		83	-
Roothing contribution fund	1,793	374	1	2,166
Infrastructure contributions fund	1,873	274	570	1,577
Waingawa infrastructure contributions fund	241	15		256
Belvedere Hall fund	3		3	-
Waingawa industrial zone services deficit fund	42		42	-
Special funds reserves Totals	6,367	1,304	1,485	6,186

Sensitivity Analysis 2024

The sensitivity analysis relating to Carterton District Council's (Council's) borrowing portfolio as at 30 June 2024 is as follows:

Sensitivity Analysis 30 June 2024

Details	Currency	Amount	Potential impact on surplus and deficit	
			Plus 100bps	Minus 100bps
Variable Rate Borrowings	NZD	\$16,600	-155	155
Interest Rate Derivatives	NZD	\$5,000	167	-179

Contractual Maturity Analysis

The undiscounted cash flows relating to Council's borrowing portfolio as at 30 June 2024 is as follows:

Debt - Contractual Maturity Analysis

Period	Carrying amount	Contractual cash flows*	Bank standby facility	LGFA
Less than 1 year	\$2,000	\$3,187	-	\$3,187
1 to 2 years	\$2,300	\$3,334	-	\$3,334
2 to 5 years	\$19,300	\$21,038	-	\$21,038
More than 5 years	\$1,000	\$1,062	-	\$1,062
Grand Total	\$24,600	\$28,620	-	\$28,620

*calculated on an undiscounted cash flow basis

Interest rate swaps - Contractual Maturity Analysis

Period	Carrying amount	Contractual cash flows*	Bank standby facility	LGFA
Less than 1 year	-	-	-	-
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
More than 5 years	\$5,000	-	-	\$16
Grand Total	\$5,000	-	-	\$16

*calculated on an undiscounted cash flow basis

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

Note that the above table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2024, through to the contracted maturity date. This analysis includes the cash flows associated with interest payment amounts and the terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

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

IPSAS 30 does not prescribe time periods for reporting and as such, we have used prior year time bands for consistency in reporting. As there were no outstanding derivative instruments at 30 June 2024, no analysis has been completed.

Fair Value Hierarchy of Liabilities

Debt instrument	Level 1	Level 2	Level 3
Floating rate loans (amortised cost)	\$16,600	-	-
Fixed rate loans (fair value)	-	\$7,461	-

Sensitivity Analysis 30 June 2023

Details	Currency	Amount	Potential impact on surplus and deficit	
			Plus 100bps	Minus 100bps
Variable Rate Borrowings	NZD	\$4,700	\$(45)	\$45

Contractual Maturity Analysis

The undiscounted cash flows relating to Council's borrowing portfolio as at 30 June 2023 is as follows:

Debt - Contractual Maturity Analysis

Period	Carrying amount	Contractual cash flows*	Bank standby facility	LGFA
Less than 1 year	\$4,700	\$5,363	-	\$5,363
1 to 2 years	\$2,000	\$2,441	-	\$2,441
2 to 5 years	\$7,700	\$8,646	-	\$8,646
More than 5 years	\$3,000	\$3,139	-	\$3,139
Grand Total	\$17,400	\$19,589	-	\$19,589

*calculated on an undiscounted cash flow basis

Fair Value Hierarchy of Liabilities

Debt instrument	Level 1	Level 2	Level 3
Floating rate loans (amortised cost)	\$4,700	-	-
Fixed rate loans (fair value)	-	\$11,789	-

Financial prudence benchmarks

Annual report disclosure statement for year ended 30 June 2024

What is the purpose of this statement?

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

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

Rates affordability benchmark

The council meets the rates affordability benchmark if—

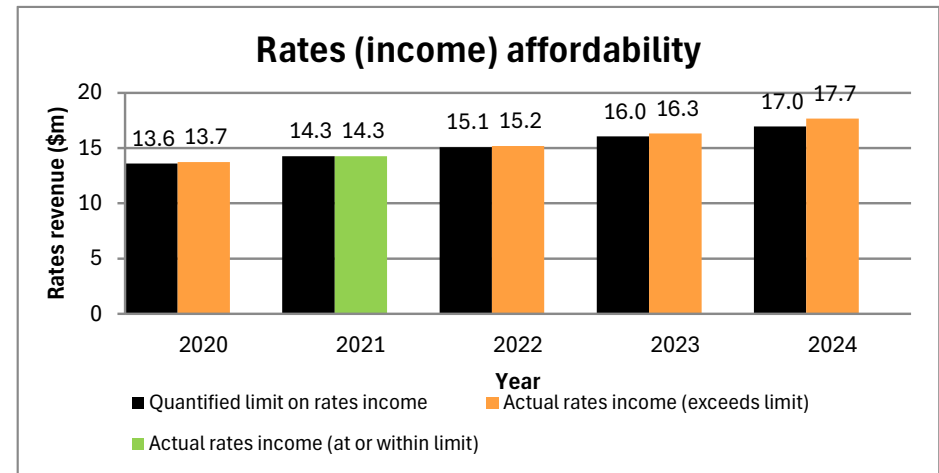
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increase equals or is less than each quantified limit on rates increases.

Rates (income) affordability

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

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

In the graph above, the limits and actuals for 2020 to 2024 include the additional water-by-meter rates.



Council has not met the rates (income) affordability benchmark in the 2024 year. This was in line with the 2024 Annual Plan. As explained when Council adopted the 2024 Annual Plan, the main reason for this is that the inflation Council has been experiencing has been significantly higher than the BERL local government cost index of 2.63%, which is used to calculate the limit. As a result, costs, and therefore required rates revenue, were higher than the quantified limit.

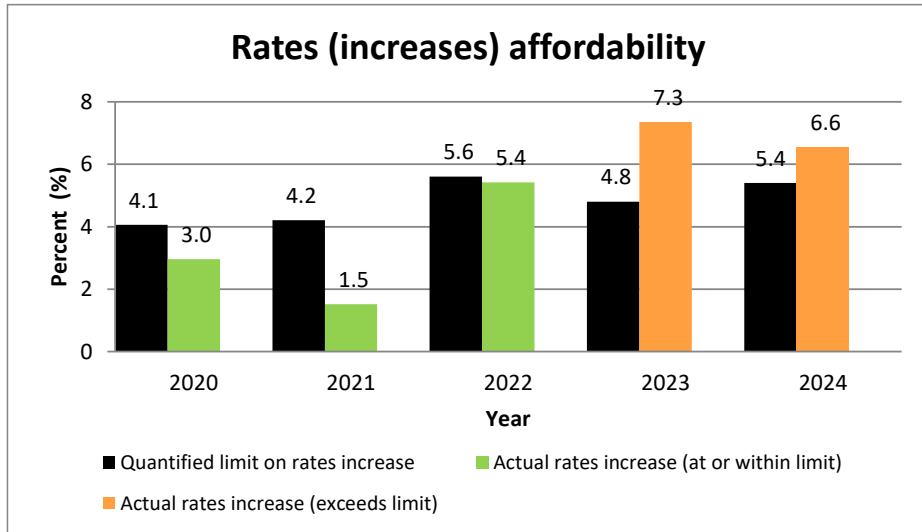
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's ten-year plan. The quantified limit is budgeted rates revenue in the long-term plan.

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

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is the percentage change in average rates⁵ must not exceed the increase in the opening BERL local government cost index plus 2 percent.

⁵ The average rates is the total rates income divided by the total number of rates assessments.

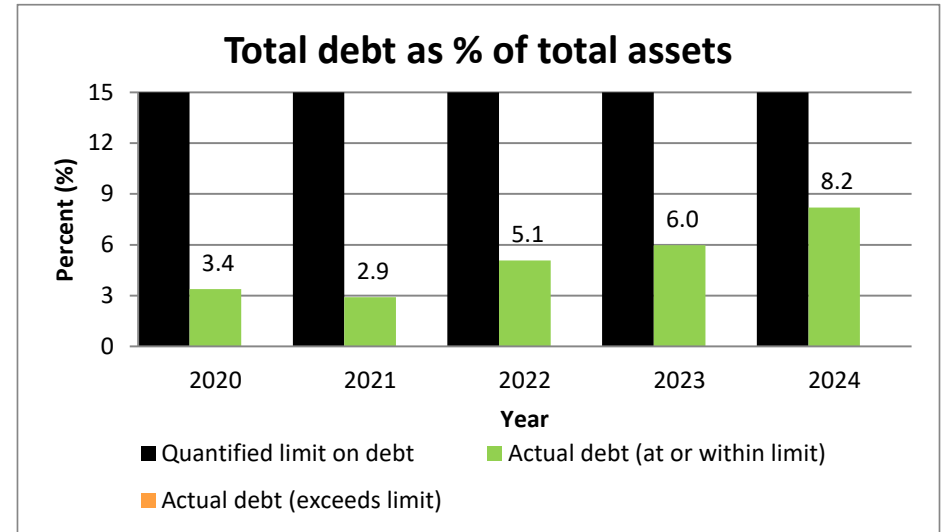


Council has not met the rates (increases) affordability benchmark in the 2023 and 2024 year. Exceeding the limit was forecast in the 2023 and 2024 Annual Plans. The main reason for this is that the inflation Council has been experiencing has been significantly higher than the BERL local government cost index of 3.4%, which is used to calculate the limit. As a result, costs, and therefore required rates revenue, were higher than the quantified limit.

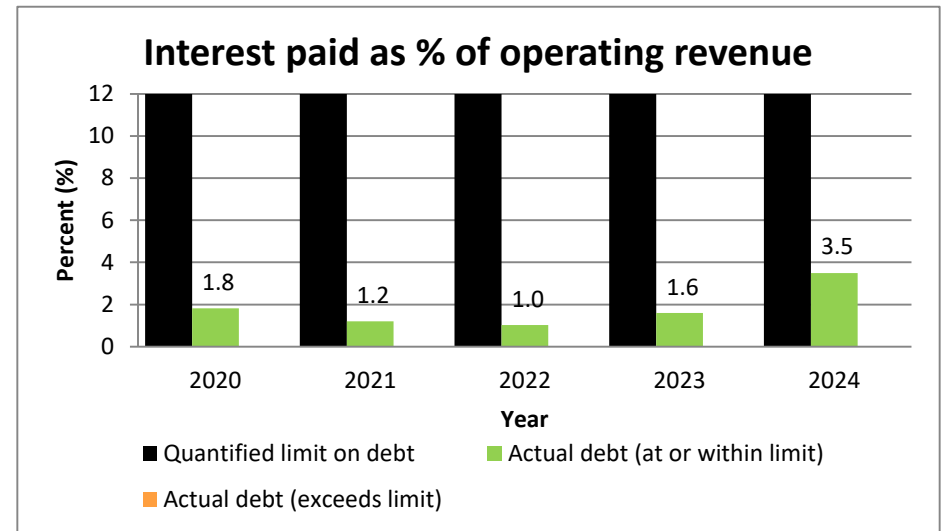
Debt affordability benchmark

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

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

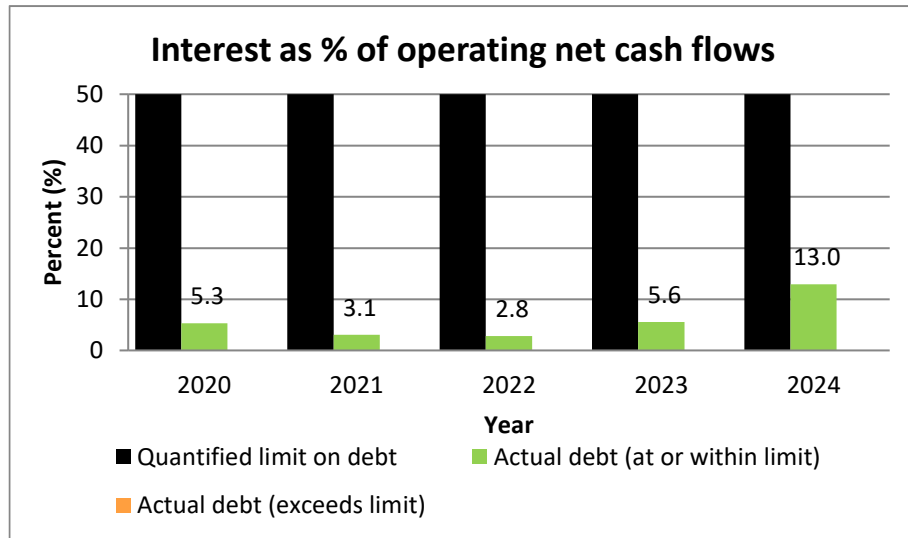


The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that gross interest paid on term debt must not exceed 12 percent of gross operating revenue.



The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The

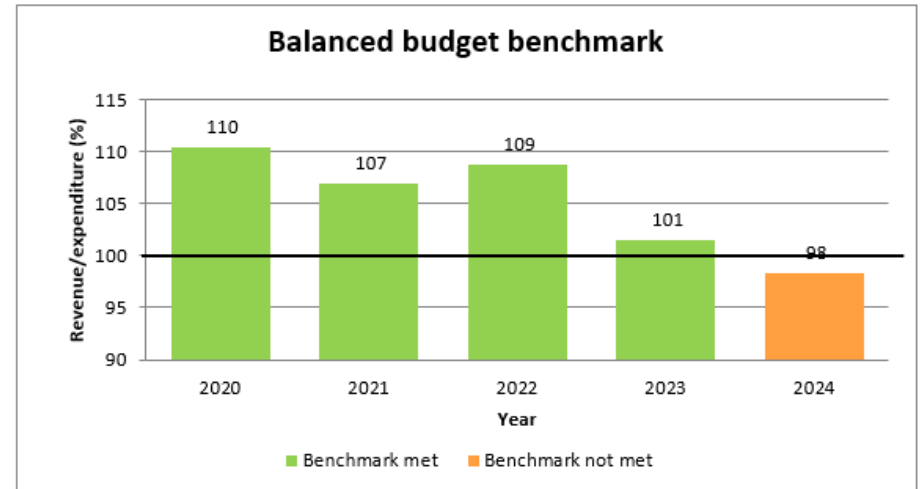
quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



Balanced budget benchmark

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

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

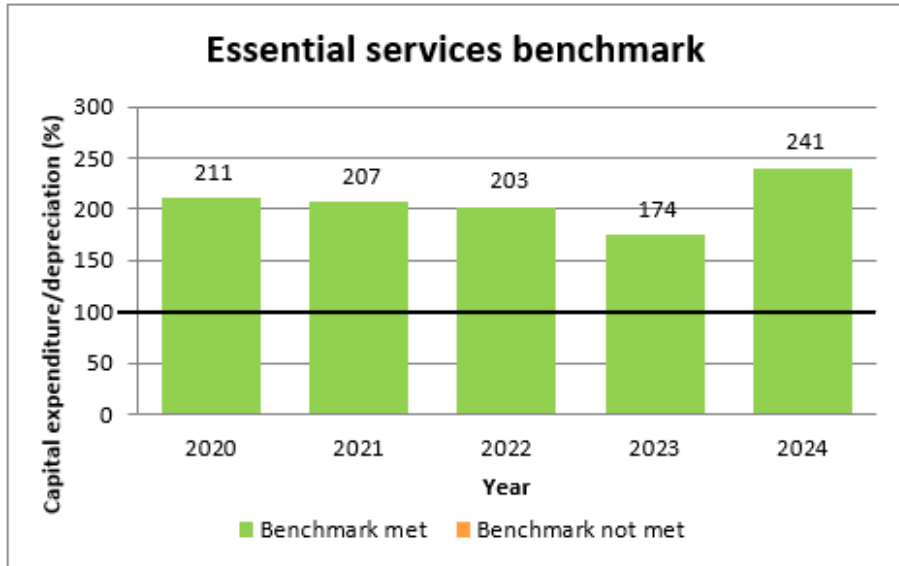


Council did not meet the balanced budget benchmark in 2023-24. This is a result of our proposal to reduce the level of general rates increases over the first three years of our LTP, with a small impact on the balanced budget benchmark. Doing this helped to lessen the impact of average rate increases due to asset revaluations and the completion of large wastewater capital works.

Essential services benchmark

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

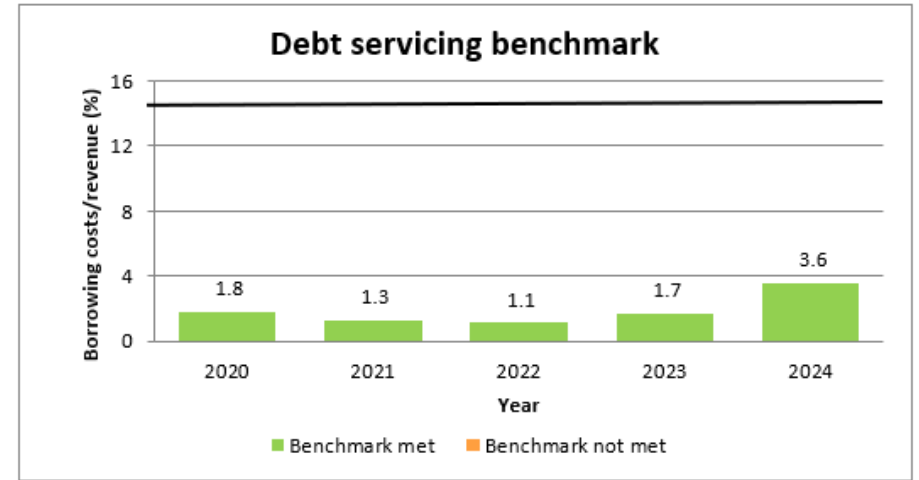
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

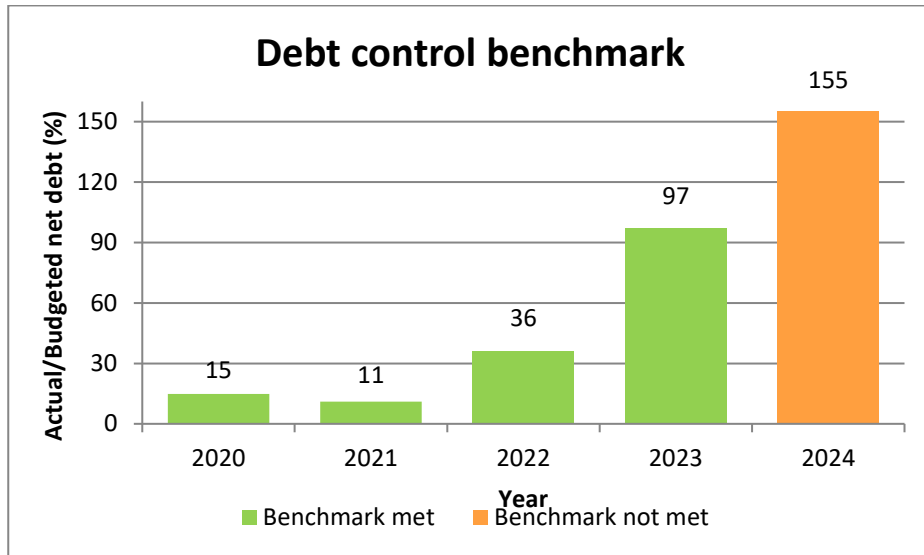
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

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

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

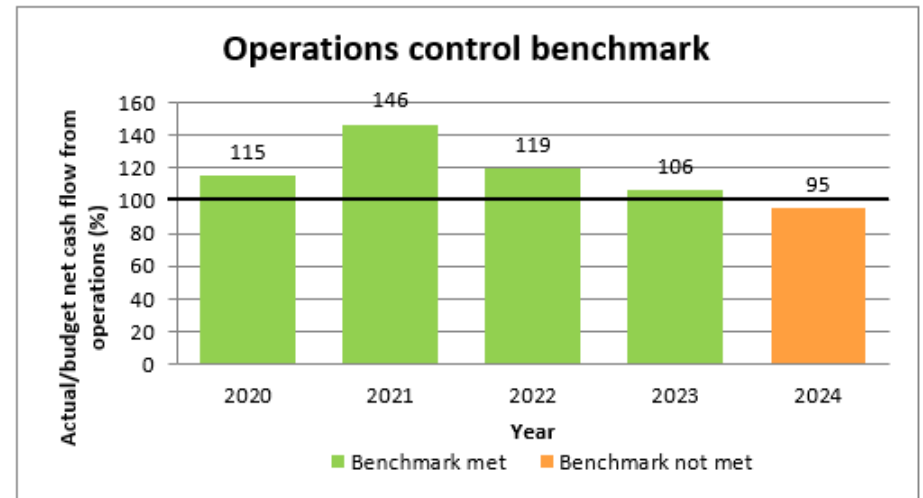


This benchmark was not met mostly due to the unplanned purchase of the land adjacent to the wastewater treatment plant and unplanned renewals work which is capital funded.

Operations control benchmark

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

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



The delays in actual capital expenditure, in particular wastewater, means that planned borrowings were delayed.