



DRAFT Ten Year Plan

Te Māhere Ngahurutanga

2021–2031

FINAL VERSION FOR ADOPTION 17 MARCH



Carterton District

*A welcoming and vibrant community
where we all enjoy living*





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Message from the Mayor

Nāku te rourou *With our basket of resources*

Nāhau te rourou *Combined with yours*

Ka ora ai te iwi. *Together, we shall prosper.*

Tihei mauriora! *We breathe with life!*

We're preparing this Draft Ten Year Plan in the middle of a global pandemic. Ordinarily this would be expected to be difficult for the Council. However, COVID-19 has shown the strength of the Carterton community and our collective resilience in the face of big challenges. We're still experiencing significant population growth and development pressures. This has continued the trend of the past few years and reflects in part the attractiveness of our District to other Kiwis looking for lifestyles and opportunities Carterton district offers. I believe COVID-19 has also contributed to this growth. The option to "work from home" for many people with jobs in Wellington city has opened up opportunities for individuals and families to make the move to Wairarapa. While the pandemic has affected Wairarapa less than some other parts of the country I do need to acknowledge that for some of our residents and businesses there have been negative impacts.

COVID-19 has given me, and the other Council elected members the opportunity to reflect on our role within the Carterton community and how through our decision-making we can contribute to improving the wellbeing of all our residents and businesses. We've spent the last year reviewing our vision, thinking about our activities, projects, and programmes, and discussing how we fund them and how rates are allocated across properties in the District. The result of all that work is this Consultation Document on our Draft Ten Year Plan which we now present to the Carterton community for feedback.

This Draft Ten Year Plan sets out our vision for the future of Carterton and the outcomes we want to achieve. Managing population and business growth, responding to the impacts of climate change, continuing to renew our infrastructure, and rejuvenating the town centre are all captured in the activities, projects and programmes proposed in the plan.

For our core infrastructure we're proposing sticking with our previous plans – finalising the wastewater treatment plant upgrade, identifying, and constructing an additional water supply, and replacing our pipe infrastructure as it comes to the end of its useful life. We're also investing in new infrastructure to support the growth of the town. The plan is to open up land to the east of the town for new residential and light industrial development and this Draft Ten Year Plan sets out how that new infrastructure will be put in place to support that development.

We started talking to the Carterton community in June 2020 to find out what everyone wants the Council to focus on and any new projects the Council should be doing. We sought views from urban residents, rural residents, members of Hurunui-o-Rangi marae, community groups rangatahi, tamariki and our older residents. 715 ideas were given to us in Carterton's "Big Jar of Ideas".

People felt very strongly about needing to change the look and feel of the town centre and this was the main idea that came through. The requirement for more parking also came through strongly, both in the town centre and for the Events Centre. We also heard from many people they wanted more walking and cycling trails, for recreation, visitor attraction and safety. This feedback, and our own thinking, has meant we want to hear from you about three new projects we are proposing to progress over the next ten years:

- Town centre car parking
- Five Towns Trail Project
- Town Centre Redevelopment

Adding our preferred options for each of these activities to our business-as-usual activities results in an average rate increase of 5.65%, or \$160 in the 2021/2022 year. I look forward to hearing the feedback on these ideas. In our Consultation Document we've outlined the three projects, their costs and the alternatives we considered.

Worth noting is that local government in New Zealand is in a state of change, although exactly what that change looks like we don't currently know. There are three main "workstreams" currently underway: 3 waters reform, a reform of the Resource Management Act and a general review of local government.

The Government is reforming the delivery of wastewater services, drinking water supply and stormwater. The Government is considering establishing new waters entities to take over the ownership of Councils' waters assets and operate those services. Our Council



agreed to participate in the initial stage of this reform programme, and received funding for water infrastructure spending in 2020/21. This is likely to have a significant impact on councils; especially small councils like us. For the purposes of this Draft Ten Year Plan we have assumed none of these changes will happen. However we expect the Government to announce the new arrangements in the latter part of the 2021 calendar year and we will be engaging with Carterton community on whether or not our waters services should transfer. By that time we'll have plenty of information about the costs and other consequences of such a change. More information on these 'workstreams' can be found on the Department of Internal Affairs website.

The review of the Resource Management Act is expected to result in new planning and climate change legislation to replace the current Act. This is likely to have consequences for the District Plan and how we carry out our statutory planning functions. Again, we're likely to know more about these changes in the second half of the 2021 calendar year. We've not made any provisions in this Draft Ten Year Plan for changes as we don't know for certain what the changes will be.

The more general review of the purpose of local government partly reflects the waters and Resource Management Act reforms. Councils may be required to pick up new functions and responsibilities. We will be keeping a close watch on the Government's work, influencing when we can and bringing ideas back to Carterton residents as we can. Again, no provision in this Draft Ten Year Plan has been made for any possible future changes.

I and the other elected members will be out and about to talk with as many people as possible over the next month or so on the proposed new projects and the Draft Ten Year Plan more generally. I encourage everyone to read and think about the ideas in the Consultation Document and give us your thoughts.

Mayor Greg Lang



Introduction



Navigating the Ten Year Plan Te Māhere Ngahurutanga

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

Introduction

The introduction explains what a Ten Year Plan (or ‘the Plan’) is and why we produce one. It summarises what the Council wants to achieve over the life of the Plan.

Community outcomes

This section outlines what is important to the community by way of ‘community outcomes’. ‘Community outcomes’ are the outcomes, or results, that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region, in the present and for the future.

It explains how the Council will contribute to furthering these outcomes and who else may contribute.

Council activities and services

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

Financial Strategy and Infrastructure Strategy 2021-31

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

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

Forecast financial information

This section provides details of the overall financial picture over the ten years of the Draft Ten Year Plan, and assumptions used.

Audit opinion

Lastly, the Draft Ten Year Plan includes a copy of the audit report. It sets out the opinion of the auditor whether the plan provides a reasonable basis for long-term, integrated decision-making and co-ordination of the Council’s resources, and for accountability of the Council to the community, and whether the information and assumptions underlying the forecast information in the plan are reasonable.

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

Appendices

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

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



Appendix B provides a schedule of the 2021-22 fees and charges.
Appendix C includes the full Infrastructure Strategy for 2021-31



What is the Ten Year Plan?

The Local Government Act 2002 (the Act) requires each local authority to adopt a long-term plan.

The Ten Year Plan is the Council's key planning document and one of its purposes is to enhance transparency and accountability to the Carterton community. The plan sets out the Council's priorities, programmes and projects for the next ten years and shows how the activities will contribute to improving the community's well-being and achieve progress towards the community outcomes.

This document is also the annual plan for the 2021/22 financial year. This Plan replaces the 2018–2028 Long Term Plan, which was produced in 2018.

Understanding the community's needs and priorities

In mid 2020 councillors invited the community to tell them their ideas for Carterton – through a “Jar of Big Ideas” campaign. The community responded with more than 700 ideas submitted. Councillors considered each idea and that informed their plans for the Council over the next ten years. Councillors also considered the costs of delivering activities – core services, existing programmes and projects, and the new ideas, and the impact of these on ratepayers. The result of all that work is this draft Ten Year Plan.

Mostly the Council will be continuing with existing programmes and projects and maintaining current levels of service. While a number of the Big Ideas will be taken up through existing “business-as-usual” activities and through community partnerships, there are three new big projects being proposed. These projects are described in a Consultation Document that will be released in March for people in Carterton to consider and give Councillors feedback on. These are:

1. Town centre carparking -creating more parking for the Carterton Events Centre and relocation of the existing Operations Yard to Daleton Farm
2. Five Towns Trail Project – a partnership project with neighbouring councils to create more opportunities for walking and cycling

3. Town Centre Redevelopment- a revamp of the Carterton town centre.





Community outcomes



Community outcomes

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

Each group of activities carried out by the Council contributes in some way to one or more of the community outcomes and this Draft Ten Year Plan outlines specifically how the Council intends to contribute to the outcomes over the 2021–2031 period.

How the community outcomes were identified

As part of the development of the Consultation Document for the 2021–2031 Draft Ten Year Plan, the Council reviewed its existing vision and community outcomes to confirm whether they were still relevant to the community.

Councillors also spoke with, and listened to, the community about what was important to them, and what they would like to see the Council working towards.

The vision was refined and the community outcomes amended to better reflect the four well-beings, the impacts of the COVID-19 pandemic, and the effects of climate change.

The revised vision and community outcomes are shown on the next page.

How we will work with others to further outcomes

Currently many of the day-to-day activities of the Council, community organisations, and government agencies contribute to furthering the community outcomes.

Carterton is blessed with a large range of community and volunteer organisations working to enhance the District’s social, economic environmental, and cultural well-being. The Council will continue to work with these organisations towards the achievement of the community outcomes.

In particular, the Council has an important relationship with Hurunui o Rangi Marae, who are represented at meetings of the Council, and some committees, advisory groups, and workshops. They provide valuable input and perspective for Māori well-being and for the wider community. Council is looking to broaden their engagement with other mana whenua entities.

Community well-being

Council has responsibilities under the Local Government Act to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Council has grouped Community Outcomes to its relevant are of community wellbeing (table below).

How we will report on progress

The annual report will report on activities that have contributed to the achievement of community outcomes. Council intends to develop a new community outcomes and wellbeing reporting framework in 2021 and will use this to measure progress.



“A WELCOMING AND VIBRANT COMMUNITY
WHERE WE ALL ENJOY LIVING”



Vision

A welcoming and vibrant community where we all enjoy living

Community outcomes

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 park

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



How Council activities relate to the community outcomes and community wellbeing

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

Council group of activities	Community outcomes			
	Social Well-being	Environmental Well-being	Economic Well-being	Cultural Well-being
Governance	X	x	X	X
Community Support	X	X	X	X
Regulatory and Planning	x	X	X	X
Transportation	X	X	X	
Wastewater	x	X	X	
Stormwater Drainage		X	X	
Waste Management	x	X	X	
Water Supply	X	X	X	



Other key planning documents and commitments

Annual plan

The Council will produce an annual plan for each of the two years between revisions of the Ten Year Plan. The next annual plan will be produced for the 2022/23 year. Annual plans are less detailed than the Ten Year Plan and set out the proposed annual budget and funding requirements for the year. The annual plan identifies for that year any variations from the Ten Year Plan and provides an opportunity for the public to participate in decision-making processes about the costs and funding of activities to be undertaken by the Council.

Annual report

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

Wairarapa Combined District Plan

The District Plan provides the regulatory process for implementing the Resource Management Act. The policies in the District Plan are to ensure sustainable management of the natural and built environment, including appropriate use of the Council's infrastructure services.

The Carterton, Masterton, and South Wairarapa District Councils have a combined District Plan so that consistent policies and methods will be used to address significant resource management and cross-boundary issues. This plan is currently being reviewed.

Asset management plans

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

Infrastructure strategy 2021–2051

CARTERTON DISTRICT COUNCIL | Draft Ten Year Plan 2021–2031

Over half of the Council's operating expenditure and most of its capital expenditure is on its network infrastructure—roads and footpaths, wastewater, water supply, and stormwater—which are essential for the health, safety, and land transport needs of the district, and have a significant impact on the physical environment.

Getting the right infrastructure spending is important. This is why we have an infrastructure strategy that considers the significant issues for our infrastructure over the next 30 years, and how we will address them. The key issues are:

- demand for services with population growth
- the impact of climate change and more extreme weather events
- the risks to and resilience of our infrastructure assets
- the response to changing regulatory requirements.

Our Infrastructure Strategy is in Appendix C. This is our second infrastructure strategy. The first was three years ago, and much has happened since then.

We are drafting an Urban Growth Strategy to help us identify the key issues arising from population growth. Our water supply, sewerage, and stormwater infrastructure is predominantly located in the Carterton urban area with smaller reticulated utilities servicing the Waingawa industrial area. The forecast population increase will have implications for this infrastructure, with the urban growth strategy helping us to plan where and how to accommodate the anticipated growth, whether our infrastructure has sufficient capacity to cope with the forecast urban growth, and whether our community facilities can provide for all our needs. For example, it is likely that future expansion of the urban area will be to the north-east, and it will require new wastewater mains on the eastern side of town.

We have data about the location, age, type, materials, and size etc of the asset components, their replacement cost, and which are the most critical. But the majority of these services are underground, particularly the reticulation for wastewater and water, information about the condition of some these mains can be limited but data gathering is an ongoing process to improve our knowledge base. We have renewal strategies and policies, and we continue to improve our management systems and processes.

Specific considerations included in the Infrastructure strategy are summarised as follows:



Sewerage

There has been considerable progress around the treatment and disposal of sewage at our Daleton Farm facility. We now have a 35-year resource consent to further improve our treatment and disposal. The capital programme will significantly reduce the discharge of treated effluent to waterways. These developments are discussed further in the Sewerage section below. The long-term vision is to remove discharges into waterways completely.

Drinking water

The urban water supply will be the next significant challenge. An application has been lodged to renew the Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply. Under a new consent, it is likely that the water take allowed from this surface catchment source will be reduced, and we will need to supplement the supply from an alternative source and reduce demand for water.

At present we use bores from aquifers below Lincoln/Frederick Street, and these should be adequate for the next ten years. A water conservation strategy is being developed that will include incentives, education, regulation, demand management, and operational means to reduce consumption and reduce water loss. This strategy is also a response to the likely impacts of climate change and to the sustainable development and management requirements underpinning New Zealand's freshwater legislation and policy.

In this next ten-year period we will investigate an additional source for the urban water supply, and have it operational by 2028. We will also address key risks by increasing the storage capacity at the existing Kaipaitangata treatment plant and at the supplementary plant to provide four days of treated water reserves, and by duplicating critical, riskier sections of the sole mains pipe that goes from the Kaipaitangata treatment plant to the township.

Stormwater

Most of the Carterton township does not have and does not need a reticulated stormwater - network. Instead, most properties are adequately served by drainage to soak-pits. The reticulated network of pipes and open drains discharging to waterways are likely to require a new discharge consent, with higher environmental standards possible under the regional council's Proposed Natural Resources Plan. These standards are yet to be finalised but, in anticipation, modest funding has been set aside to improve the treatment of stormwater before discharge.

Roading

Roading is the biggest spend of our infrastructure networks. It is also vital for our economic and social well-being. Our roads are generally in good condition and compare well against the newly-introduced national standards.

However, some specific routes will require attention. Over the next ten years, a significant volume of forestry is expected to be harvested, and this will place extra demand on some rural roads, impacting on the required maintenance and renewal programme. Better information about when and where the harvest is planned, and the routes that will be used to transport the logs, will allow us to optimise our maintenance plans.

At the same time, vehicle loading limits have increased, with most new vehicles are being built to this higher '50Max' standard. To maintain current levels of services on the routes used by these larger vehicles will require more maintenance in the short-term, increased rehabilitation, and bridge strengthening.

Asset management

The infrastructure strategy also identifies areas of improvement for our asset management processes and systems, and the quality of the information we use to manage the assets. There are no significant issues. The strategy itself and the associated asset management plans are being continually improved.

A developing understanding of asset condition across our entire infrastructure will better inform the forecasting and timing of asset renewals. We have invested in enhanced asset management systems to record the asset condition information and the maintenance work, and to help forecast our maintenance and capital work requirements.

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

Climate change commitments

Local Government Leaders' Climate Change Declaration

Carterton District Council understands the risks related to climate change and has been taking actions to mitigate (reduce greenhouse gas emissions) and adapt to the impact of climate change:

- 2015 and 2017: CDC's mayor signed the New Zealand Local Government Leaders' Climate Change Declaration



- 2019: Appointment of a Climate Change Advisor
- 2020: Adoption of the Ruamāhanga (carbon reduction) Strategy

New Zealand Local Government Leaders' Climate Change Declaration

By signing this declaration, CDC committed to:

- develop and implement ambitious action plans to reduce greenhouse gas emissions and support resilience in the council and community by:
 - o promote walking, cycling, public transport and other low carbon transport options
 - o work to improve the resource efficiency and health of homes, businesses and infrastructure in our district
 - o support the use of renewable energy and uptake of electric vehicles
- work with our communities to understand, prepare for, and respond to the physical impacts of climate change
- work with central government to deliver on national emission reduction targets and support resilience in our communities.

Ruamāhanga (carbon reduction) Strategy

By adopting the Ruamāhanga Strategy, Carterton District Council committed into:

- reducing its gross emissions,
- increasing the amount of greenhouse gas sequestered,
- reducing its biogenic methane emissions by 10% below 2017 levels, in 2030.

To achieve these objectives, an action plan was developed. It mainly focuses on reducing the corporate emissions (Council's activities, transportation, energy, 3-waters, waste, carbon sequestration, communication) but also has actions to help the community reducing its emissions (transportation, housing, love local, carbon sequestration, communication). CDC works collaboratively with other Territorial Authorities to gain efficiency in its actions (e.g., representation in the Wellington Region Climate Change Working Group, formation of a Wairarapa Climate Caucus to have a stronger and united voice in Wellington Region).

All actions are monitored as well as our emissions to make sure the actions are efficient. The Ruamāhanga Strategy is a living document and is reviewed regularly to make sure the action plan is always relevant and efficient.

Carterton District Council is on track in its climate change mitigation journey. However, the Council will keep reducing its emissions and keep implementing the actions from the Ruamāhanga Strategy.

Climate Change Advisor

A permanent Advisor is on staff. The Advisor's main task is to support elected members and staff members in their climate change mitigation journey.

Local Government Leaders' Water Declaration

In 2017 our Mayor, along with most other Chairs and Mayors, signed a declaration on protecting our freshwater resources and the health of freshwater ecosystems. They committed to plentiful, clean, and safe water for generations to come by:

- continuing to make water a key priority
- working with the community to improve our freshwater
- providing information on the state of our freshwater
- being clear about the costs of improving our water
- calling on central government to work with local government on freshwater policies, standards, water quality, and water management.

We are addressing these commitments through the management of our water supply, wastewater and stormwater services.

Reserve management plan

A Reserve Management Plan provides a framework for the day-to-day management of reserves within the district and puts in place a process to develop reserve assets where appropriate. We have reviewed the current plan and have completed a draft Reserves



Management Plan in 2020 for Carterton, including completing consultation with the Community.

Wairarapa Economic Development Strategy and Action Plan

The Council adopted the Wairarapa Economic Development Strategy and Action Plan in 2018, alongside the other Wairarapa councils. The Strategy outlines three areas of focus for economic development in Wairarapa: sectors (tourism and visitors, value-added food, and beverage and knowledge intensive industries), people (housing, knowledge and skills and business development) and infrastructure (rail, air travel and water). Delivering the actions from the strategy is done in partnership with Central Government, WellingtonNZ and the private sector.

Tourism Strategy

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

The strategy includes plans for developing and marketing the region's tourism products, and goals for enhancing tourism infrastructure. Some of the national goals and strategies from the New Zealand Tourism Strategy have been adapted for Wairarapa. The Strategy will be further developed as a Destination Management Plan, under the Government's Strategic Tourism Assets Protection Programme in 2021.

Waste Management and Minimisation Plan 2017–2023

Under the Waste Minimisation Act 2008 councils must have in place a Waste Management and Minimisation Plan. The councils of the Wellington region have jointly prepared and adopted a Waste Management and Minimisation Plan. In doing so, the councils recognised that they do not control much of the waste stream in the region, since large volumes of waste are produced and managed by the commercial sector. The three Wairarapa Councils have also developed, alongside other councils in the Wellington Region, a waste bylaw to help manage waste.

The primary goal of the Waste Management and Minimisation Plan is to reduce the total quantity of waste sent to landfill by one-third by 2026, by undertaking joint regional actions and aligned individual council actions. These include communications and education to inspire households and communities, developing a resource recovery network, consistent by-laws, and research on various waste management issues.

Following consultation, through the Ten Year Plan Consultation Document, we have expanded kerbside recycling services to our urban residents and an introduced an e-waste service at the transfer station.

Other

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

- Building Act 2004
- Health Act 1956
- Local Government Acts 1974 and 2002
- Local Government Official Information and Meetings Act 1987
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Waste Minimisation Act 2008
- Climate Change Response Act 2002
- COVID-19 Response Act 2020
- Biodiversity Strategy
- National Land Transport Programme.

Risk management

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

In this context, Carterton's risk management process identifies the potential risk, the likelihood of that risk, the context, and the current levels of mitigation. These provide an



overall risk evaluation. Risk management is reviewed on a minimum quarterly basis throughout the organisation and reported to the Council's Audit and Risk Committee.

Assessment of water and sanitary services

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

The Carterton District Council last completed its water and sanitary services assessment in 2005. The assessment was included in the Council's 2009–2019 LTCCP and is available from the Council office or on its website.¹

The water and sanitary services assessment require review. The review should work alongside the outcomes of Central Governments three waters review. A scope of works has been prepared and the review will be completed in 2021. The reviewed water and sanitary services assessment will be used to inform the next Ten Year Plan in 2024-34.

Relationships with Māori

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

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

The mana whenua status of Hurunui o Rangi Marae with Carterton District Council has been acknowledged since the inception of the Council. The Council acknowledges Hurunui o Rangi

Marae as a mana whenua entity within its district and values the role of the Marae and associated hapū and whānau in the social and cultural fabric of our community. The Council also acknowledges there are other hapū in the District and Council will continue to develop meaningful relationships with these groups as the opportunity arises.

The Marae and the Council wish to build on this developing relationship for the good of our communities, through respectful engagement, and taking note of our respective aspirations and capacity. It is through this evolving relationship that the Council can give effect to its statutory responsibilities, to provide opportunities and build capacity for Māori to contribute to Council decision-making, and for Council to contribute to Māori well-being as part of the outcomes sought for the broader community, in the present and for the future.

We have begun working together on a range of initiatives. Hurunui o Rangi Marae is now represented at meetings of the Council, the Policy and Strategy Committee, the Infrastructure and Services Committee, the Audit and Risk Committee and Council's advisory groups and workshops. Members have full voting rights, except on the Council which is now allowed by law. Furthermore, the Council has undertaken to review the level of this representation in future, as it embarks on a journey to deepen its relationships with mana whenua.

In the near future, there will be post Treaty-settlement activity that will involve the Council and mana whenua, including new governance arrangement and bodies.

The Deed of Settlement between Rangitāne o Wairarapa and Rangitāne o Tamaki nui-ā-Rua and the Crown has been given legislative effect. The settlement between Ngāti Kahungunu ki Wairarapa Tāmaki Nui-ā-Rua and the Crown is expected to be finalised soon.

Both agreements include the establishment of the Wairarapa Moana Statutory Board. The Board will have a committee for natural resources, of which the Carterton District Council will be a member.

¹ www.cdc.govt.nz



The Council looks forward to establishing long-lasting and respectful relationships with these mana whenua, and to working together under the new governance arrangements.

Three Waters Review

In November 2018, Cabinet agreed the Government would embark on comprehensive reforms to the three waters system, prioritising regulatory reform before considering changes to service delivery arrangements. The water services regulator (Taumata Arowai) has already been established and the draft Water Services Bill is anticipated to be introduced in the second half of 2021. Government has signalled that the Water Service Bill will command a higher degree of monitoring and reporting requirements to be undertaken by local authorities along with greater penalties for those not meeting the regulated standards.

Although more monitoring and reporting may place a greater degree of costs to the Local Authority the greater potential impact on local government is the next steps in the reform programme. The favoured option is to introduce an aggregated system of dedicated, publicly-owned, drinking water and wastewater providers. Government has indicated that its starting intention is public, multi-regional models for water service delivery to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. The Minister has stated her desire to have no more than seven regional bodies that would undertake this work.

Local government ownership and management of three waters services has been a common historical approach to the delivery of three water services in New Zealand as well as many similar countries. However, as regulatory requirements have become tougher, and community expectations have increased, the capacity and capability shortcomings of a system that has many small local government providers has become apparent to other Governments. This has led to changes in countries like Scotland, England, Ireland and Australia to reform their service delivery arrangements for three waters.

It is the Minister's intent is to introduce one of those models, or similar, into New Zealand.

The potential outcome of centralising three water delivery may have a profound effect on Councils and what their core roles may be and may be the greatest change to local government since the 1989 local government reform. The outcome of this review is unknown however, Councils throughout New Zealand will have some major decisions to make in 2021. For the purposes of this plan we have assumed no changes to the delivery of waters services.

This will be changed as necessary as decisions are made and the changes confirmed over coming years.

More information on these 'workstreams' can be found on the Department of Internal Affairs website.



Council activities and services



Groups of activities

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

- Governance
- Community Support
- Regulatory and Planning
- Transportation
- Wastewater
- Stormwater drainage
- Waste management
- Water supply

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

What the group includes and the related community outcomes

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

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

Strategic direction—future demand and sustainability

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

What we will deliver over the next ten years

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

Consultation projects

These are projects that Council is proposing to complete. They are included in the Consultation Document and the community are encouraged to make submission on **whether** or not they think these projects should proceed. No final decision has been on these projects. The funding for these projects has been included in the draft budget.

Key projects

Council intends to proceed with these projects. These decisions can be due to a number of reasons including already completed prior consultation, community safety, insignificant changes to levels of service. These projects are not subject to consultation but are included for information. The funding for these projects has been included in the draft budget.

How we will measure what we deliver

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

Assets and asset valuations

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

Renewal and capital plans

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

How the group of activities is funded

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

Key assumptions and uncertainties

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

Significant negative effects and risks

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



Prospective financial statements

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



Governance Group

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.

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.

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

The purpose of local government is—

(a)

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

(b)

to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

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.

Strategic direction—future demand and sustainability

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

Working with our neighbouring councils

Carterton District Council continues to look for opportunities for sharing services with Masterton and South Wairarapa district councils and with Greater Wellington Regional Council. We already have one combined district plan, and a common waste management contract. In roading, we have one contractor across the Carterton and South Wairarapa councils and we manage the roading networks as an integrated network. We are working towards integrated building consenting activity across the three Councils. We operate a single library service with South Wairarapa District Council. Many of our computer systems are common and we have several shared positions promoting environmental and social wellbeing outcomes. One example included in this Draft Ten Year Plan is the Five Towns Trail Project – a partnership project with neighbouring councils to create more opportunities for walking and cycling. The search for further opportunities will continue over the life of the ten year plan.

Mana whenua engagement

The Carterton District Council recognises the importance of the Treaty of Waitangi as the founding document of Aotearoa New Zealand, which created a partnership between iwi and the Crown. It has also acknowledged the mana whenua status of Hurunui o Rangi Marae within its district and values the role of the Marae and associated hapū and whānau in the social and cultural fabric of our community.



Hurunui o Rangi Marae is now represented at meetings of the Council, the Policy and Strategy Committee, the Infrastructure and Services Committee, and Council's advisory groups and workshops.

The Marae and the Council have begun working together on a range of initiatives. These include project funding to tell the stories of Māori of Taratahi. Councillors and the management team have also made a commitment to improve their understanding and use of te reo and tikanga in all Council activities.

Urban growth

The Council is taking a proactive approach to growth in order to retain the good things about the District and enable the economic benefits to be realised by planning ahead. We are participating in the development of a growth framework for the Wellington Region. The Wellington Regional Growth Framework is a spatial plan that has been developed by local government, central government and iwi partners in the Wellington-Wairarapa-Horowhenua region to provide an agreed regional direction for growth and investment and to deliver on the Urban Growth Agenda objectives of the Government.

The region is facing a number of housing and urban development, transport and resilience challenges for the future. These challenges are regional issues that are best dealt with together and not individually. Many of these challenges cross local council boundaries and the maximum benefits can be had from tackling these together. The Framework identifies how the region could accommodate a future population of 760,000 and an additional 100,000 jobs in the next 30 years. This represents an additional 200,000 people in the region. The scenario of 200,000 people has been developed to understand what would be required to accommodate this level of growth, and consider potential infrastructure needs beyond the 30-year growth scenario.

The proposed changes to urban form for the region are a mix of development in both Urban Renewal Areas (brownfield) and Future Urban Areas (greenfield). Both are expected to have higher density development than we see at present, throughout the region, and include improved access to bus and rail services, which are expected to increase in frequency, capacity and reach over time.

Our current understanding is that, regionally, 88% of housing growth in the Framework is expected to come from areas we have identified in the Framework and 12% is expected to be through 'business as usual' infill throughout the region, with just over half of this infill being in Wellington City. Of the 88% housing growth from areas identified in the Framework:

One-quarter is expected to be accommodated in Wellington City (excluding Tawa in the western corridor), including the Let's Get Wellington Moving corridor.

Nearly one-third is expected to be accommodated in the eastern corridor from Lower Hutt to Masterton, with just over one third of this corridor's growth occurring in the Wairarapa.

The remainder (just over 40%) is expected to be accommodated in the western corridor from Tawa to Levin.

The Framework identifies improving west-east connections as an opportunity to unlock growth, improve resilience and improve regional accessibility to economic and social opportunities. The potential housing and urban development capacity of any future west-east multi-modal corridor(s) has yet to be determined and will need consideration alongside potential transport interventions.

Currently, Carterton has existing capacity to accommodate urban growth. The Council has adopted a Draft Growth Plan that aligns with the Regional Growth Framework that provides for residential development to the east of the town. It is expected that an additional 1000 residential properties (of mixed sizes and values) will be created. The eastern growth area, and subsequent zone change, will be provided for as part of the current District Plan review. A large part of our thinking and planning is to address affordable housing issues. An Affordable Housing Action Plan will be prepared and will in part inform the District Plan review and set out other actions the Council may take to help address the affordability issues.

As well as residential growth, analysis on the demand and availability of industrial land suggests that there could be a shortfall in this type of land for businesses. Planning will be undertaken for both the eastern growth area and the Waingawa Industrial Estate to accommodate this growth.

Contribution to community outcomes

The Governance Group of activities contributes towards the following community outcomes:

- A strong and effective Council providing trusted leadership
- An empowered community that anticipates in Council and community-based decision making.
- Te Ao Māori aspirations and partnership are supported.



What we will deliver over the next ten years

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

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

When making decisions, the Council must:

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

The Council must also:

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

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

Key projects:

Council Administration Building Upgrade

The Council administration building is no longer fit for purpose. Ongoing repairs to the roof and costly maintenance are no longer financially prudent and a building that is inadequate in size and functionality. To protect the health and wellbeing of staff and enable the provision of services to the community, Council plans to build a new administration building. The following costs have been included in the budget \$1m in 2023/24, \$2.4m in 2024/25 and \$1m in 2025/26.

Telling Māori Stories

The Carterton District Council recognises the importance of the Treaty of Waitangi and the mana whenua status of Hurunui o Rangi Marae within its district. Council values the role of

the Marae and associated hapū and whānau in the social and cultural fabric of our community and has included \$40,000 funding in 2021/22 and \$10,000 per annum from 2022 onwards to capture and share with the community, stories of Māori of Taratahi.

Urban Growth Development

Council has included funding for the development of infrastructure to enable urban growth: the Eastern Growth Area. Planned expenditure is \$4.8m in 2023/24, \$5.2m in 2026/27 and \$5.7m in 2029/30. This is included in the relevant infrastructure budgets (3 waters and roads).

Water Wairarapa

Over the last twelve years Wairarapa has been exploring of ways of ensuring greater certainty of water supply for Wairarapa through the development of a major water storage project. A limited liability company, Wairarapa Water Limited, was established in 2017 to develop, through to construction, a water storage scheme in the Whakamoekau catchment, just north west of Masterton. With funding from the Provincial Growth Fund, Councils and the private sector the company has been completing its research and finalising consent documents, with the aim of lodging consent applications in the 2021 calendar year.

The proposed Wakamoekau scheme will provide off-river water storage that captures excess water during periods of high flows from the Waingawa River and Whakamoehau Stream. The water will be stored in a reservoir and released when needed for rivers, towns, industry, land-use change, and rural supply. The company is working with a wide range of groups including Wairarapa Iwi, landowners, businesses and Councils, and is aligning with Greater Wellington Regional Council's Ruamāhanga Whitua Implementation Plan.

The final ownership structure for the scheme is yet to be determined. Other similar schemes across New Zealand have been based on a cooperative model, where water users purchase shares and this determines how much water they are allocated. The Carterton District Council has no plans at this time to purchase shares in the company. However, there is an allocation in this Long Term Plan to provide up to \$400,000 as a commercial loan to the Wairarapa Water Limited to enable it to complete the consenting process, should it require this funding. The other Wairarapa Councils are also making provision in their Long Term Plans for loan funding.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Open and transparent conduct of Council business	Agenda is available on website 3 working days before each scheduled Council or Committee meeting	100%	90%	90%	90%	90%	Website log
Representation of residents by elected members	Residents' satisfaction ² with the Council's overall governance and reputation	47%	≥ 65% rate 7–10	≥ 65% rate 7–10	≥ 65% rate 7–10	≥ 65% rate 7–10	Annual survey of residents
Effective monitoring of the financial and non-financial performance of the Council	The annual report is adopted within statutory timeframes, with an unmodified audit opinion	On time	On time and unmodified	On time and unmodified	On time and unmodified	On time and unmodified	Annual report

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
	Net cash flow from operations: actual-planned variance from budgeted	12.7%	≤10%	≤10%	≤10%	≤10%	Annual report
Māori engagement	Council engagement plans include specific actions for engagement with Māori	100%	100%	100%	100%	100%	Assessment of engagement plans
Partnerships with mana whenua	Compliance with provisions of Memoranda of Understanding in place with mana whenua	New measure	100%	100%	100%	100%	Operational records
Risk management	Appropriate risk management systems are in place	Yes	"Yes"	"Yes"	"Yes"	"Yes"	Assessment by independent chair of Audit and Risk Committee

² Using a 1–10 scale where 1 means 'very poor' and 10 means 'excellent'



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Responsive to customers	Across all activities service requests are acknowledged within 1 working day	New measure	95%	95%	95%	95%	Operational records



How the group of activities is funded

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

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

Key assumptions and uncertainties

Reorganisation of local government in Wairarapa proposed by the Local Government Commission was rejected by a poll in December 2017. Further proposals for changes are not anticipated.

Carterton will continue to pursue opportunities for shared services with neighbouring councils for better and more efficient delivery.

Changes in other legislation affecting local government or devolution of central government functions to local government are likely to influence the capability and capacity of the Council. As described in the Mayor's Introduction, Introduction and Forecast Assumptions sections the details of the proposed changes are unknown and more information will become available in 2021. For now Council will continue to monitor:

- Three Waters Reform
- Resource Management Act Reform
- Climate Change Response
- COVID-19 Response

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

Significant negative effects and risks

The Council does not consider that there are significant negative effects or risks from undertaking the Governance group of activities.



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - GOVERNANCE
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	724,203	868,697	955,662	931,469	947,939	1,014,983	993,267	1,016,698	1,089,131	1,065,260	1,095,390
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	13,205	13,205	54,269	13,846	14,210	58,669	14,925	15,289	63,174	16,095	16,537
Total operating funding	737,408	881,902	1,009,931	945,315	962,149	1,073,652	1,008,192	1,031,988	1,152,305	1,081,355	1,111,927
Applications of Operating Funding											
Payments to staff and suppliers	674,055	724,552	822,683	757,717	772,434	877,790	804,408	822,374	938,827	863,484	886,162
Finance costs	1,243	1,853	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Internal charges and overheads applied	76,474	181,489	186,913	191,160	200,023	204,445	209,228	213,490	218,867	222,793	228,376
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	751,772	907,894	1,013,196	952,477	976,057	1,085,834	1,017,236	1,039,464	1,161,295	1,089,876	1,118,138
Surplus/(deficit) of operating funding	(14,363)	(25,991)	(3,265)	(7,162)	(13,908)	(12,182)	(9,044)	(7,476)	(8,989)	(8,522)	(6,211)
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	374,116	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	374,116	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Applications of Capital Funding											
Capital expenditure - meet additional demand	21,320	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	-	-	-	21,028	-	42,043	22,717	-	-	24,641	-
Increase/(decrease) in reserves	(35,683)	(51,875)	(23,265)	(48,190)	(33,908)	(74,225)	(51,761)	(27,476)	(28,989)	(53,163)	(26,211)
Increase/(decrease) of investments	-	400,000	-	-	-	-	-	-	-	-	-
Total application of capital funding	(14,363)	348,125	(23,265)	(27,162)	(33,908)	(32,182)	(29,044)	(27,476)	(28,989)	(28,522)	(26,211)
Surplus/(deficit) of capital funding	14,363	25,991	3,265	7,162	13,908	12,182	9,044	7,476	8,989	8,522	6,211
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Community Support Group

This group of activities includes Community Development, Economic Development, Emergency Management, Parks and Reserves, and Community Amenities.

Community Development

The Community Development activity aims to build social cohesion and enhance the social wellbeing of the Carterton community. Information, advice and advocacy services are provided to a wide range of people and groups including volunteers, artists, and job seekers. Supporting community organisations, community development initiatives and providing community events are of significant benefit to the whole community. Services and programmes include:

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

Economic Development

The Economic Development activity involves the provision of economic development initiatives that aim to support strong businesses, employment and tourism in the district and region.

Of key focus over the coming years will be:

- supporting the local economy to recover from economic shock caused by the COVID-19 pandemic

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

Council recognises that a healthy district economy is of benefit to the whole community now and in the future.

Emergency Management

Local authorities are responsible for Civil Defence Emergency Management (CDEM) in their area.

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

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

- providing suitable Emergency Operations Centres (EOC)—an EOC for the whole of Wairarapa is located at Masterton District Council offices
- maintaining the EOC and associated equipment to an acceptable operational standard
- providing the local communications network within their territory, including VHF radio and where appropriate satellite communications
- providing staff for an Incident Management Team
- providing a panel of Local Controllers



- co-ordinating the delivery of welfare within the community, including staff to operate the Community Emergency Hub situated in the Carterton Events Centre
- providing an Emergency Assist Centre as directed by the EOC during an emergency
- re-establishing life-lines of essential services such as water, sewerage, and roading.

Parks and Reserves

- Parks and Reserves involves the provision and maintenance of playgrounds, sports fields, open spaces and gardens.
- Parks and reserves make an important contribution to the well-being and lifestyle of the community. They provide areas for social connections, relaxation, sporting activities and green and attractive open spaces in built up areas. Council preserves and manages parks and reserves for the benefit and enjoyment of the whole community for recreation use.
- Benefits of this activity are provided to the entire community, specific individual benefit can also be provided to user groups and sports clubs. Exclusive use of parks and reserves may be necessary in order for sport clubs and recreational groups to successfully manage and run events.
- Benefits of the activity occur now through the provision of aesthetically pleasing open spaces and gardens, and in the future due to the long term nature of associated parks and reserves assets.

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.

- The multi-purpose Events Centre is vibrant, welcoming, and the heart of the community for cultural, economic and social services. The uses are wide ranging including concerts and corporate functions to art displays and weddings.
- The library service aims to meet the recreational, educational and information needs of the residents of Carterton.
- The cemetery meets the needs of the people of the district and maintains the dignity of a last resting place.

- The outdoor swimming complex meets the recreational needs of the general public during the summer months.
- Public toilets are accessible, clean and tidy for use by the general public and visitors.
- The Holiday Park is well maintained to ensure a pleasant and attractive accommodation option to visitors to the district. The operation of the Holiday Park is via a lease.

Community Amenities provide numerous benefits to the district and wellbeing of the district. The provision of shared public spaces enhances the community's sense of social connectedness, cultural wellbeing, and civic pride. Attracting visitors to the district also makes a positive contribution to the local economy.

Strategic direction—future demand and sustainability

Community Development

Councils' community development delivery is likely to increase in the next few years due to a change of focus for local government into more community development activities. Councils are well placed to play a central facilitation role in this delivery. The well-beings came back into the act in 2019 and as a result there will be more focus on the economic, environmental, social and cultural wellbeing's of our communities.

This will likely require a review of current resourcing as at present we have one community development coordinator for delivery at present. We have two part-time roles supporting this work in the areas of Neighbourhood support and positive ageing coordinators.

An area for development is in the youth development space. We will continue to review our delivery and respond to our community's needs.

Economic Development

Wairarapa Economic Development Strategy [WEDS] was developed to maintain momentum in the region's economy and plan for a future which allows for growth. Our region's three mayors are all on the WEDS Governance Group which aims to establish, extend, improve and upscale small businesses and the primary sector in the key focus areas, including added-value food and beverage, visitor and tourism and the knowledge economy.

Each mayor is responsible for one of those three key sectors in this region-wide approach. Greater Wellington Regional Council chair, along with business and Iwi leaders also help make



up the Governance Group. The implementation of the strategy and the administration of the Governance Group is done in partnership with Wellington NZ.

Council will continue to be involved in regional economic development initiatives as per the Wairarapa Economic Development Strategy. Of key focus over the coming years will be supporting the local economy to recover from economic shock caused by the COVID-19 pandemic.

Emergency Management

Carterton District Council will continue to provide CDEM services as per its arrangement with Wellington Region Emergency Management Office.

Parks and Reserves and Community Amenities

The existing recreational reserves/areas are sufficient to accommodate short-term population growth. Once the Eastern Growth Area is opened up further local reserve areas will be needed. These will be included in the structure plan for the area.

We continue to work with Mana Whenua around adding value to the experience of visiting our Parks and Reserves.

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

The Council continues to foster discussion about broader Wairarapa-wide needs, and how Councils, the sports organisations, and others can more effectively meet the demand.

The Kaipaitangata Forest block is currently used mainly as a pine plantation forest. The principle purpose being the protection of the water supply catchment. The block contains a mix of production forestry and manuka crops. The manuka is leased for honey production. Proceeds from the manuka lease is reinvested back into the Parks and Reserves activity

Contribution to community outcomes

The Community Support Group of activities contributes towards the following community outcomes:

- A caring community that is safe, healthy and connected.
- A community that is productively engaged in employment, education, and community service.
- A community that fosters and promotes our quirkiness and creativity
- A community that embraces and encourages our cultural diversity and heritage
- A community that has awesome public facilities and spaces
- A community that has quality, fit for purpose infrastructure and services, that are cost effective and meet future needs.

What we will deliver over the next ten years

Town Centre Redevelopment

Go Carterton, the local business network, initiated the 'Placemaking' project in 2014, a programme to improve the relationship between places and people. Council identified two sites to be incorporated in the project. The first, the public toilets at Carrington Park, has been completed. Further work on the entrance to the Park will take place over the next three years. A concept plan for the other site, Broadway, has been approved. It is not proposed to undertake this work at this stage.

A major marker for the town centre will be the timeline for remediation of those buildings that are below the current standard for earthquake safety. Council is working with property owners to revitalise the town centre and provide a 'place for us' and looking at ways development can occur along an east/west corridor in conjunction with the current north/south.

Community Development

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

Structured intervention gives communities greater control over the conditions that affect their lives. This does not solve all the problems faced by a local community, but it does build up



confidence to tackle such problems as effectively as any local action can. Community development works at the level of local groups and organisations rather than with individuals or families.

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

Parks and Reserves

The Parks and Reserves are managed under reserves management plans. Council is required under the Reserves Act 1977 for the reserves it manages and its purpose is:

- Provide a clear framework for the day to day management and decision making for Council reserves and open spaces
- Provide objectives and policies for the use, enjoyment, maintenance, protection, preservation, and appropriate development of reserves.

A review of these plans was completed and consultation on the draft plan completed in January 2021. Many of the submissions in relation to the review have already been implemented such as Dalefield Horse Park, Sparks Park, and the Carrington Park bike park. The Five Towns Trail Project is a consultation proposal included in this Draft Ten Year Plan (refer Transportation Activity and/or Consultation Document www.cdc.govt.nz for an opportunity to make a submission)

A best practice management regime ensures the facilities meet the standard required for each amenity.

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

Community Amenities

The Council aims to maintain the Events Centre in good condition and has made significant gains towards increasing the existing levels of room occupancy. The number of bookings has increased 65% over the past three years and has resulted in increased revenue for the centre.

This has come about from new initiatives such as obtaining an on-license, joint ventures with event promoters, hosting medium to large expos, and celebrating our own region with events like the Carterton Heart of Winter Festival, and Summer Street Party.

More local community groups are using the spaces, Carterton Scouts, The Friendship Club, Carter Society, Sunset Cinema and *Operatunity* are just a few of the regular weekly or monthly bookings.

The Council's continued involvement in the Cemetery is contained in the Burials and Cremations Act 1964 and Cremation Regulations 1973, which require the Council to make provision for and manage burials within the district, and the Historic Places Act 1993, as the cemetery contains burials that predate 1900 and it is deemed to be an archaeological site and subject to the provisions of the Act.

The public toilets are clean and useable during opening hours.

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

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

The public library will continue to provide excellent levels of service.

The council-owned open air swimming pools on Pembroke Street continues to be a highly valued facility in Carterton. The Council has provided free entry into the pools for the past few years and will continue to do so. Apart from some minor improvements, and refurbishing the changing rooms, the Council does not plan any significant operational changes over the next ten years. The outdoor pools are managed to comply with NZS 5826:2000 Pool Water Quality and the assets are kept in a condition to maintain the existing level of service.

Consultation projects

Town centre upgrade

We're proposing purchasing land in the town centre for new public spaces, accessways and laneways. Over the next few years, significant redevelopment will take place due to the age and earthquake-prone status of many of Carterton's town centre buildings. This may include a mix of renovations and new builds, with the look and feel of retail in the future being very different to that of the past. Most of this development will be undertaken by the private sector, but the community has expectations of what it wants from the town centre and wants



to actively share in the vision. An attractive town centre will have a positive impact on the wellbeing of the community. Well designed, appealing public spaces provide a sense of community pride, easy access for shoppers to support retailers, and an opportunity for social interaction. The cost is \$331,000 over ten years.

Town Centre Carparking

We're proposing to address the need, identified by the community, to improve access to carparking in Carterton's town centre and the Events Centre. Additional carparking will help with increased use of Holloway Street council facilities (library, Events Centre) , support the local economy and help maintain a vibrant town centre.

To do this we will relocate the council operations yard from 80 Holloway St to Daleton Farm and convert existing site to car parks. The cost for relocation and to establish the carpark is \$905,000. Initial work will begin in the 2021/22 year and the final work undertaken in 2022/23.

Key projects

Additional toilets

To cater for increasing demand and requests from the community, Council has included a total of \$54,000 for new toilets in 2022/23 and 2027/28 in Sparks Park and Howard Booth Park.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
A range of amenities of a standard satisfactory to residents	Residents' satisfaction ³ with the swimming pool	82%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
	Residents' satisfaction with public toilets	64%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
	Residents' satisfaction services provided at the library	92%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
High quality sports fields, parks, reserves, and playgrounds	Residents' satisfaction with the provision of open space, amenities, and gardens	77%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
Events Centre usage	Event Centre hirers' satisfaction with service and experience	New measure	≥ 85% rate 7-10	≥ 85% rate 7-10	≥ 85% rate 7-10	≥ 85% rate 7-10	Hirers' survey

Assets

Existing assets

- Library collection
- Carrington Park
- Howard Booth Park
- Memorial Square
- Millennium Park
- South End Park
- Bird's Park
- Several small reserves
- Clareville Cemetery
- Outdoor Swimming Complex
- Public Toilets
- Carterton Holiday Park
- Events Centre
- Halls
- Forestry.

Maintenance and operating

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

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



Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

New capital or renewal of existing capital items for community services will be generally funded by way of the annual depreciation provision or by loans. Parks and reserves, and other property may also be funded from recreation reserve levies or special funds. Where capital items are loan-funded, rates will fund the principal repayment and interest expense during the terms of the loan, after which rates will fully fund the annual depreciation expense.

Annual costs

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

The Community Support Group of activities is funded by a combination of Uniform Annual General Charge, general rates, grants, and fees and charges. Further details can be found in the Revenue and Financing Policy.

Key assumptions and uncertainties

- There will be an ongoing requirement for this group of activities.

Parks and Reserves and Community Amenities

- Increasing promotion of the need to be physically active and lead physically active lifestyles may result in increased demand and requests for different activities and facilities to be available in this group of activities.
- As the district becomes more built-up there may be an increasing demand for more recreational reserves/areas for active and passive recreation pursuits.
- This will require ongoing reviews of the resources required to meet expectations.

Economic Development

- The recovery from COVID- 19 was forecast to have significant negative impacts across the Wairarapa and this has been borne out for some in our community however, the generalised dire predictions have not materialised.
- Regional economies such as the Wairarapa have, and are, faring better than metropolitan economies that have high reliance upon international tourism. This is due in part to the resilience of primary industries, and its strong export market. The planning and building sectors likewise are experiencing a boom driven predominantly by internal migration from the metropolitan areas while the Wairarapa and New Zealand as a whole have been blessed by being able to provide mass gathering and social events, for the large part, without restrictions.
- Council had in its 2020/21 Annual Plan forecast decreased revenue that would have been otherwise generated from the likes of building, planning and community events. Thus far, this has not eventuated. Council will maintain its stance of forecasting pre-COVID-19 levels of income for the Community Support Groups of activities and respond to any changes as they arise.

Emergency Management

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

Significant negative effects and risks

- It is possible that some of the activities in this group could generate negative effects.

- Parks and reserves can be a congregating point for anti-social behaviour. Noise and increased traffic movements could affect residents next to community amenities when big events are on.
- Some individuals may experience negative effects from not having full and exclusive use of parks at all times.
- Misuse and vandalism, non-returns of library items may also cause additional costs to Council. The health and safety of the public could be at risk when using our community amenities, particularly playgrounds, swimming pools, Holiday Park. We regularly check

our equipment, have supervisors on site where appropriate (including trained lifeguards at the pools) and have other procedures in place to mitigate the risks.

- The Council considers that it can manage these risks.





CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—COMMUNITY SERVICES FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Library - equipment	75,000	-	10,514	-	11,064	-	11,663	-	12,321	-
Library - Collection renewal	78,884	80,462	82,940	85,108	87,277	89,600	92,000	94,479	97,189	99,977
Band Rotunda - earthquake strengthening	-	255,000	-	-	-	-	-	-	-	-
Urban Development - Town Centre	-	51,000	52,571	53,945	55,320	56,792	-	-	61,603	-
Carparking at former Ops Yard	-	102,000	-	-	-	-	-	-	-	-
Rural reserves - Toilet facilities (Kaip, Gladstone, Kokomau, Flat Point)	-	25,500	-	-	-	-	29,157	-	-	-
Toilets at Sparks & Howard Booth Parks	-	25,500	-	-	-	28,396	-	-	-	-
Carrington Park - Investigate and develop frontage	65,000	-	-	-	-	-	-	-	-	-
All Parks - Gas BBQ	-	-	21,028	-	-	-	23,326	-	-	-
All Parks - Other facilities	73,000	30,600	109,347	210,386	26,553	38,619	73,475	37,128	120,741	131,809
Cemetery - all facilities	-	10,200	-	19,420	110,639	11,358	-	7,186	-	12,674
Swimming pool - all facilities	-	19,380	12,617	-	-	-	97,967	14,372	-	-
Swimming pool - building strengthening	250,000	-	-	-	-	-	-	-	-	-
Holiday Park - Ablution/Kitchen Block	-	-	-	-	-	-	-	-	-	76,044
Civic - Christmas lighting	-	10,200	-	-	11,064	-	-	11,977	-	-
CBD Security CCTV	10,000	10,200	10,514	10,789	11,064	11,358	11,663	11,977	12,321	12,674



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	4,401,224	4,312,479	4,464,286	4,437,155	4,553,640	4,515,136	4,632,411	4,690,904	4,771,323	4,794,743	4,907,553
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900
Fees and charges	144,192	67,050	68,391	70,305	72,154	73,936	75,785	77,633	79,613	81,726	83,970
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	72,439	211,231	218,006	224,108	230,000	235,682	241,574	247,466	253,779	260,513	267,667
Total operating funding	4,641,755	4,614,660	4,774,582	4,755,468	4,879,694	4,848,654	4,973,669	5,039,903	5,128,615	5,160,881	5,283,091
Applications of Operating Funding											
Payments to staff and suppliers	2,050,775	1,959,942	1,937,941	1,992,818	2,044,044	2,058,536	2,102,844	2,150,344	2,202,605	2,258,563	2,318,217
Finance costs	136,637	22,104	20,817	19,768	18,273	16,790	15,319	13,600	11,626	9,928	8,231
Internal charges and overheads applied	1,578,515	1,742,292	1,782,776	1,823,464	1,935,156	1,956,201	2,000,090	2,032,552	2,083,380	2,119,729	2,170,455
Other operating funding applications	284,850	264,350	264,350	264,350	264,350	264,350	264,350	264,350	264,350	264,350	264,350
Total applications of operating funding	4,050,777	3,988,688	4,005,885	4,100,400	4,261,823	4,295,877	4,382,604	4,460,846	4,561,960	4,652,570	4,761,253
Surplus/(deficit) of operating funding	590,978	625,972	768,698	655,068	617,871	552,777	591,065	579,056	566,655	508,312	521,838
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	132,051	191,200	193,800	196,400	199,000	201,700	204,400	207,100	209,900	212,700	215,500
Increase/(decrease) in debt	(252,805)	(219,407)	(74,057)	(177,115)	(178,438)	(179,830)	(181,197)	(237,989)	(237,989)	(179,466)	(241,069)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(120,754)	(28,207)	119,743	19,285	20,562	21,870	23,203	(30,889)	(28,089)	33,234	(25,569)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	75,000	265,200	10,514	10,789	11,064	11,358	11,663	11,977	12,321	50,696
Capital expenditure - improve level of service	98,072	-	153,000	52,571	53,945	55,320	56,792	-	-	61,603	-
Capital expenditure - replace existing assets	308,667	476,884	201,842	236,446	314,914	246,597	167,973	327,588	165,142	230,250	282,481
Increase/(decrease) in reserves	63,486	45,880	268,398	374,822	258,784	261,667	378,145	208,917	361,447	237,372	163,092
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	470,225	597,764	888,440	674,353	638,433	574,647	614,269	548,168	538,566	541,545	496,269
Surplus/(deficit) of capital funding	(590,978)	(625,972)	(768,698)	(655,068)	(617,871)	(552,777)	(591,065)	(579,056)	(566,655)	(508,312)	(521,838)
Funding balance	-	0	-	(0)	-	-	-	-	-	(0)	(0)



Regulatory and Planning Group

This group of activities includes Resource Management Planning, Consent Processing, and Regulatory Services.

Resource Management Planning

The Resource Management Act places specific statutory functions on territorial authorities to promote the sustainable management of natural and physical resources through the development and administration of a District Plan. Appropriate policy is specified and rules adopted to ensure minimal adverse effects on the environment. This activity includes:

- Carrying out the responsibilities imposed on the Council under the Resource Management Act 1991, the primary focus being the preparation and reviews of the District Plan (the Wairarapa Combined District Plan) to manage the effects of activities on the environment
- 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 Council services, planning zones, natural hazard areas, and resource consents.

Consent Processing

The Resource Management Act and Building Act requires Council to manage the health and safety of the district's environment and people by:

- Considering and where appropriate issuing of resource consents (in accordance with the District Plan)
- Considering and where appropriate issuing of building consents

Regulatory Services

Council must ensure that legislative requirements that provide and manage the health and safety of the district's community are met. Regulatory Services include:

- Environmental Health Services including the inspection of public premises
- Licensing the sale and supply of alcohol
- Noise Control
- Animal Control, including dog registrations

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

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

Strategic direction—future demand and sustainability

Resource Management Planning

The RMA requires all operative provisions of a plan to be reviewed every 10 years. The current Wairarapa Combined District Plan was made operative in 2011. The Combined Wairarapa District Plan Review Committee have resolved to undertake a partial review as the most appropriate option as it enables the key issues to be addressed and would be efficient and effective use of Council and community resources in the context of pending reform.

Regulatory Services

Council's building control functions are mandated through the building consent authority accreditation scheme. Accreditation Regulations set out the minimum policies, procedures, and systems that a building consent authority must have, and consistently and effectively implement, to perform its building control functions. Ongoing accreditation (auditing) ensures that there are appropriate, documented, and implemented policies, procedures, and systems along with sufficient skills and resources to undertake Council's statutory functions. It also ensures that employees and contractors have appropriate building control competencies and qualifications.



Population trends

A 2021 base population figure of 9,987 has been used. There will be a total population increase of 13.7 percent over the ten years to 2031. More detail can be found in the 'Significant Forecasting Assumptions'.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service.

Resource Management Act Reform

Central government has signalled it will be reforming the RMA. The Labour Party manifesto for the 2020 general election included "repealing and replacing the RMA".

This reform commenced prior to the 2020 general election when a comprehensive review of the resource management system in New Zealand was commissioned. The government stated the New Directions for Resource Management in New Zealand report is the most significant, broad ranging and inclusive review to take place within the system since the RMA came into force in 1991. The Resource Management Review Panel reported their recommendations to the Government in June 2020. The recommendations in the report, if enacted, would have significant impacts on the process of resource management planning within the Wairarapa and across the Wellington region.

Industrial growth

It is difficult to accurately determine the likely need for future industrial development over the next 20–30 years. However, sufficient land needs to be available to have an industrial land bank available to immediately provide for development opportunities as they arise. The Waingawa industrial zone comprises approximately 196 hectares. Although development at Waingawa slowed over the last three years, this appears to be starting to pick up again.

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

Earthquake prone buildings

Earthquake prone building notices have been issued to several buildings mostly within the Central Business District. Building owners were notified in 2006 at the commencement of Council's Earthquake Prone Building Policy which is the 15-year timeline start point. The majority of building owners are aware of the situation and some are making plans for remediating or renewing their buildings.

Contribution to community outcomes

The Regulatory and Planning Group of activities contributes towards the following 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

What we will deliver over the next ten years

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

- Resource Management Act 1991 and subsequent amendments, which require the Council to sustain the potential of natural and physical resources to meet the reasonable and foreseeable needs of the next generation
- Health Act 1956 and amendments, which require the Council to improve, promote and protect public health
- Sale and Supply of Alcohol Act 2012, which requires the Council to enforce safe and responsible sale, supply, and consumption of alcohol in the Carterton district
- Civil Defence Emergency Management Act 2002, which requires the Council to plan adequately for emergencies and for response and recovery in the event of an emergency
- Dog Control Act 1996 and amendments, which require the Council to put measures in place to control dogs in public places, through registration, prevent nuisances and ensure public safety
- Animal Welfare Act 1999, which requires the Council to ensure owners of animals, and persons in charge of animals, attend properly to the welfare of those animals



- Building Act 2004 and amendments, which require the Council to ensure that there is strong decision-making at every stage of the building or renovating process, and includes inspecting the fencing of swimming pools to promote the safety of young children
- Local Government Act 1974, Local Government Act 2002, and subsequent amendments, which provides the Council with the power of general competence to undertake any business or activity given certain provisos, eg the making of bylaws.
- Changes in the level of service will impact on funding requirements, and vice versa.

Key Projects

District Plan Review

All Councils are required to have a relevant District Plan. The Combined Wairarapa District Plan Review Committee have resolved to undertake a partial review as the most appropriate option. Funding of \$200,000 to review the District Plan has been included in 2021/2022.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Timely processing of applications	LIMs ⁴ processed within 10 working days	100%	100%	100%	100%	100%	Operational records
	Non-notified and notified resource consents processed within statutory timeframes	100%	100%	100%	100%	100%	Operational records
	PIMs ⁵ and building consents processed within statutory timeframes	96.8%	100%	100%	100%	100%	Operational records
Safe and healthy food premises	Known food premises in the district have food control measures in place	100%	100%	100%	100%	100%	Operational records

⁴ Land Information Memorandums

⁵ Project Information Memorandums

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Licensed liquor outlets	Known liquor outlets ⁶ in the district have appropriate licences and certificates	100%	100%	100%	100%	100%	Operational records

Assets

Existing assets

- Wairarapa Combined District Plan
- Geographic Information System (GIS)
- Software and associated equipment
- Animal pound.

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

⁶ This includes the venue for an event



How the group of activities is funded

Capital

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

Annual costs

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

The cost of Resource Management Planning of activities after taking into account fees and charges received is funded by a targeted rate, calculated on the capital value of every rateable property in the district.

Fees and charges are made for Consent Processing and Regulatory Services. These activities are funded from Targeted Rates (Resource Consents) and General Rates. Recovery of

exacerbator costs due to no-compliance is recovered in full where possible. Further details can be found in the Revenue and Financing Policy.

Key assumptions and uncertainties

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

Significant negative effects and risks

- It is possible that negative effects of this group of activities could arise.
- Non-compliance can cause additional costs to Council.
- Poor decision-making through resource consent and building consent processes could result in unsafe buildings or inappropriate development.
- The Council has processes in place to mitigate these risks.

CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—REGULATORY FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Combined District Plan review	200,000	-	-	-	-	-	-	-	-	316,848
Software and equipment	19,602	3,412	3,599	22,722	3,976	4,191	26,514	4,006	4,217	26,691



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	515,610	130,527	177,991	171,044	158,671	161,967	160,072	159,713	163,817	163,505	180,732
Targeted rates	220,459	191,272	208,089	210,219	214,602	219,722	222,426	225,660	230,394	232,980	244,409
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	587,950	1,004,300	1,024,386	1,053,061	1,080,747	1,107,444	1,135,130	1,162,817	1,192,480	1,224,121	1,257,740
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	8,050	1,050	1,071	1,101	1,130	1,158	1,187	1,216	1,247	1,280	1,315
Total operating funding	1,332,069	1,327,149	1,411,537	1,435,425	1,455,149	1,490,291	1,518,815	1,549,405	1,587,938	1,621,887	1,684,196
Applications of Operating Funding											
Payments to staff and suppliers	984,120	801,820	817,856	838,632	855,206	872,461	890,988	910,981	933,029	956,645	981,828
Finance costs	7,875	9,450	9,923	9,495	9,068	8,640	8,213	7,785	7,358	6,930	7,928
Internal charges and overheads applied	436,743	445,700	458,765	467,520	484,607	502,831	514,308	526,471	541,743	552,909	566,645
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,428,738	1,256,969	1,286,543	1,315,647	1,348,881	1,383,932	1,413,509	1,445,237	1,482,130	1,516,484	1,556,402
Surplus/(deficit) of operating funding	(96,669)	70,180	124,994	119,778	106,268	106,359	105,306	104,168	105,808	105,402	127,794
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	347,424	142,500	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	243,506
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	347,424	142,500	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	(57,500)	243,506
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	350,000	200,000	-	-	-	-	-	-	-	-	316,848
Capital expenditure - replace existing assets	339,188	19,602	3,412	3,599	22,722	3,976	4,191	26,514	4,006	4,217	26,691
Increase/(decrease) in reserves	(438,433)	(6,922)	64,082	58,679	26,047	44,882	43,615	20,154	44,302	43,685	27,760
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	250,755	212,680	67,494	62,278	48,768	48,859	47,806	46,668	48,308	47,902	371,300
Surplus/(deficit) of capital funding	96,669	(70,180)	(124,994)	(119,778)	(106,268)	(106,359)	(105,306)	(104,168)	(105,808)	(105,402)	(127,794)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Transportation Group

This group of activities includes Roads, Footpaths, and Cycleways and Trails

Roads and Footpaths

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

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

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

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

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

Cycleways and Trails

The Council recognises that walking and cycling has many environmental and health benefits for the community including social and economic benefits that come from hosting tourists.

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

Strategic direction—future demands and sustainability

Forestry and agricultural development in the district will result in continuing use by heavy vehicles using district roads. The nature of forestry means heavy vehicle movement will move to the tree harvest and although there is a great deal of wood to be taken from the eastern hills within the District exactly where the sites are and for what periods they will be used is not

set. There is a potential for disruption to the unsealed roads and as well as requirements for regular assessments of the District's bridges. Bridge assessment is being planned for with the aim to signal bridge replacement in the next LTP infrastructure Strategy.

As part of our three-yearly roading activity planning, we will respond to any maintenance issues that may arise from changing weather patterns as a consequence of climate change.

Carterton Walking and Cycling Strategy

The Council recognises that walking and cycling has many environmental and health benefits for the community and had developed a Walking and Cycling Strategy for the district. This strategy is now due for review. Through the strategy policy implementation has meant that subdivisions will be required to include footpaths in conjunction with new roading. Demand on existing roads will be monitored to determine the need for any extensions to the existing footpaths. Most of the work will be covered by the existing work programme.

Contribution to community outcomes

The Transportation Group of activities contributes towards the following 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

What we will deliver over the next ten years

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

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

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



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

Consultation project

Five Towns Trails

The Five Town Trails Project is an off-road recreational trail project that aims to connect the five townships in Wairarapa. The three Wairarapa councils have co-developed this project, with a goal of having a series of off-road recreational trails that increases outdoor recreation opportunities, improves public health, well-being and lifestyles, and attracts more visitors to Wairarapa. This project aims to get more people more active more often, by providing safe, affordable, accessible year-round off-road recreation trail provision. Early concept plans have been developed and four priority trails have been identified including:

- Trail 1- Greytown to Carterton
- Trail 2- Carterton to Masterton
- Trail 3- Gladstone loop (including Dakins Road)
- Trail 4- Carterton urban loop.

We are proposing to begin work on Trail 1 (Greytown to Carterton) and include further trails development in the 2024-28 Long Term Plan on the remaining trails. Detailed planning, route identification, costing, timing and consultation with landowners and the community would be completed before construction begins. The cost of the project would be \$295,000 plus interest and undertaken in 2021/22.

Key Projects

Council's most significant project is the eastern growth development and the inclusion of roads, footpaths and cycleways in planning for this. \$8.4m has been set aside in three tranches of expenditure in the years 2023/24, 2026/27 and 2029/30.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Safe roads	Change from previous year in number of fatal and serious injury crashes on local road network	1 fatal and 8 serious injury crashes	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	Fatal: decr or ≤1 incr, Serious injury: decr or ≤3 incr	NZTA CAS ⁷ reports
Up-to date, 'fit for purpose' network and facilities	Compliance with maintenance contract response times	85%	90%	90%	90%	90%	Monthly contract reports
	Average quality of ride on the sealed local road network, measured by smooth travel exposure	98%	≥90%	≥90%	≥90%	≥90%	% VKT ⁸ smooth per NZTA report

⁷ NZTA's Crash Analysis System

⁸ Vehicle-kilometres travelled



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
	Percentage of the sealed local road network that is resurfaced	4%	≥5% ⁹	≥5%	≥5%	≥5%	NZTA annual achievement report
	Percentage of footpaths compliant with condition standards	99.1%	≥95%	≥95%	≥95%	≥95%	Footpath survey
	Residents' satisfaction with the district's roads	42%	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	Annual survey of residents
	Residents' satisfaction with the district's cycleways	42%	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	Annual survey of residents
	Residents' satisfaction with the district's footpaths and walkways	42%	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	≥ 55% rate 7–10	Annual survey of residents
Easy-to-see and understood	Regulatory signs repaired or replaced within 2 days of advice of a fault	50%	≥95%	≥95%	≥95%	≥95%	Contract reports

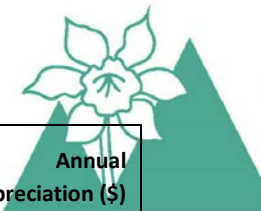
The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
traffic signs and markings	Non-regulatory signs repaired or replaced within 21 days of advice of a fault	63%	≥70%	≥70%	≥70%	≥70%	Contract reports
	Road signs and markings found missing or not visible	5%	≤5%	≤5%	≤5%	≤5%	Contract reports (sixmonthly safety inspections)
Response to service requests	Service requests relating to roads and footpaths responded to within 10 days	80%	≥70%	≥70%	≥70%	≥70%	Operational records
Lighting for safety, navigation, and security	Street lighting faults are repaired within 2 weeks	75%	≥80%	≥80%	≥80%	≥80%	Contract reports (monthly audits)

Assets

Existing Assets

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

⁹ This activity is hard to control and is very weather dependent. Council is satisfied that a lower target of 5% is a more appropriate benchmark



Road component	Quantity	Units	Comment
Pavement ¹⁰ —sealed	Urban 37.5 Rural 273.5	km km	Urban sealed Pavement area 367,534 m ² Rural sealed pavement area 1,601,310 m ²
Pavement—unsealed	Urban 0.15 Rural 158.3	km	Urban area 636 m ² Unsealed pavement area 613,762 m ²
Bridges	49	number	
Culverts > 3.4m ²	95	number	Total clear opening (waterway area) greater than 3.4m ²
Culverts < 3.4m ²	1,810	number	Total clear opening (waterway area) less than 3.4m ²
Kerb and channel	49.5	km	Includes ditched and mountable
Catchpits	431	number	
Stormwater channel	194.8	km	
Guard rails	601	metres	
Sight rails	240	metres	
Footpaths	48.1	km	Pavement area 99,561 m ²
Street lighting	1,114	number	377 managed for NZTA
Signs	1,937	number	

Asset valuations

Valuation of the road infrastructural assets was undertaken by WSP Opus International Consultants Ltd as 30 June 2020. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Formation	66,173,627	66,173,627	-
Pavement	65,551,252	49,655,861	1,227,485
Drainage	21,357,730	12,075,209	356,102
Footpaths	8,887,898	4,443,949	145,698
Signs and markings	756,072	378,036	83,496
Traffic facilities	1,096,463	548,232	44,157
Bridges and culverts	50,367,842	20,680,203	412,698
Retaining walls	125,317	117,076	1,566
Street lighting	1,388,558	749,468	42,798
Total	215,704,759	154,821,660	2,314,001

Maintenance and operating

Routine and programmed maintenance is the regular ongoing day-to-day work necessary to keep assets operating, including instances where portions of the assets fail and need immediate repair to make the asset operational again. The combined roading maintenance contract is between the South Wairarapa, Carterton District Council and Fulton Hogan named Ruamāhanga Roads. The collaborative approach to maintenance of the roading network was formed in May 2019 after a review showed a collaborative approach would deliver a more efficient and cost-effective service.

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

¹⁰ 'Pavement' is the road surface, not the footpath.



Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs. The assessment of future demand indicates that the demand for new works or upgrades to the roading infrastructure are likely to be for safety and network resilience works resulting from network inspections, safety audits and public feedback.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

New capital expenditure and renewal of existing capital items for the Transportation Group of activities will be funded by depreciation, loans, or NZTA subsidy. Over the latter part of this draft Ten Year Plan, the depreciation reserve for roads and footpaths may be inadequate to fully fund renewals expenditure. We will monitor this annually and if necessary, will consider funding options other than loans to fund the activities.

Annual costs

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

Net funding for this group of activities is by way of General Rates and NZTA subsidy. The programme for subsidised work is agreed with the NZTA, who administers the government roading subsidy programme. The current subsidy rate is 53%. This will decrease to 52% in 2022/23, reduce to 51% in 2023/24, and continue at that rate for the remaining period to 2030/31.

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- The demand for this activity will remain. However there is some uncertainty about how the service will be affected by changing government requirements, e.g. changes in NZTA directives/policies, changes in legislation, further changes in subsidies/funding criteria.
- Any further reductions in the NZTA subsidy rate are unlikely but possible. If the rate or dollar level of the subsidy decreases roading projects may be reprioritised or scaled down, or they be funded through a different source such as increased borrowing or rates.

Significant negative effects and risks

- It is possible that significant negative effects of this group of activities could arise.
- Council may incur additional repair and maintenance costs to roads, footpaths and/or trails caused by excessive use of heavy machinery, motor vehicle accidents, livestock movements and vandalism.
- While roads and footpaths are being constructed, maintained or repaired, there is the possibility of reduced access to private property and commercial premises.
- The Council has procedures in place to manage the risks, including the use of traffic management plans for all works undertaken on roads.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—ROADING FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Unsealed road metalling	440,000	448,800	462,623	474,717	486,812	499,771	513,161	526,984	542,102	557,652
Sealed road reseals	448,200	457,164	471,244	483,564	495,884	509,084	522,725	536,805	552,205	568,045
Kerb and channel replacement	165,000	168,300	173,483	178,019	182,554	187,414	192,435	197,619	203,288	209,120
Pavement rehabilitation	340,596	347,408	358,108	367,470	376,832	386,863	397,229	407,928	419,631	431,669
Components structures	70,892	72,310	74,537	76,486	78,434	80,522	82,680	84,907	87,342	89,848
Traffic services	72,406	73,854	76,129	78,119	80,109	82,242	84,445	86,720	89,208	91,767
Footpath resurfacing	140,000	142,800	147,198	151,046	154,895	159,018	163,279	167,677	172,487	177,435
Minor improvements	750,000	647,700	720,219	739,048	757,878	778,052	798,899	820,418	843,954	868,163
Urban Growth Strategy	-	-	2,589,698	-	-	2,797,648	-	-	3,034,614	-
5 Towns Trail	295,000	-	-	-	-	-	-	-	-	-



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - ROADS AND FOOTPATHS
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	2,133,835	2,632,205	2,936,661	3,067,438	3,116,931	3,171,844	3,465,166	3,585,061	3,662,501	3,998,701	4,136,398
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	903,003	927,611	927,949	953,894	978,980	1,003,167	1,028,287	1,053,326	1,080,181	1,108,889	1,139,314
Fees and charges	23,800	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	77,000	134,000	148,920	153,089	157,113	160,995	165,019	169,044	173,357	177,957	182,844
Total operating funding	3,137,638	3,693,816	4,013,530	4,174,421	4,253,025	4,336,005	4,658,473	4,807,431	4,916,039	5,285,546	5,458,555
Applications of Operating Funding											
Payments to staff and suppliers	2,131,443	2,193,999	2,288,879	2,299,918	2,358,823	2,415,988	2,475,450	2,535,331	2,599,667	2,668,321	2,741,292
Finance costs	33,184	7,791	8,472	19,479	30,486	29,840	41,783	53,726	53,080	66,089	79,099
Internal charges and overheads applied	339,938	349,780	361,332	370,171	382,008	392,116	401,516	410,821	420,641	428,670	439,962
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	2,504,565	2,551,570	2,658,682	2,689,568	2,771,317	2,837,943	2,918,750	2,999,877	3,073,388	3,163,081	3,260,353
Surplus/(deficit) of operating funding	633,073	1,142,247	1,354,848	1,484,853	1,481,708	1,498,062	1,739,723	1,807,554	1,842,651	2,122,465	2,198,202
Sources of Capital Funding											
Subsidies and grants for capital expenditure	946,997	1,262,089	1,202,751	1,266,606	1,299,720	1,332,833	1,368,313	1,404,974	1,442,819	1,484,211	1,526,786
Development and financial contributions	132,051	191,200	193,800	196,400	199,000	201,700	204,400	207,100	209,900	212,700	215,500
Increase/(decrease) in debt	(101,883)	208,438	(86,562)	2,373,652	(216,047)	(216,047)	2,441,719	(355,929)	(355,929)	2,526,954	(507,660)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	977,165	1,661,727	1,309,990	3,836,657	1,282,673	1,318,487	4,014,431	1,256,145	1,296,790	4,223,865	1,234,627
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	295,000	-	2,589,698	-	-	2,797,648	-	-	3,034,614	-
Capital expenditure - replace existing assets	2,021,500	2,427,094	2,358,336	2,483,541	2,548,470	2,613,399	2,682,966	2,754,852	2,829,057	2,910,218	2,993,698
Increase/(decrease) in reserves	(411,263)	81,880	306,501	248,271	215,911	203,150	273,541	308,847	310,384	401,498	439,131
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	1,610,237	2,803,974	2,664,837	5,321,510	2,764,381	2,816,549	5,754,155	3,063,699	3,139,440	6,346,330	3,432,829
Surplus/(deficit) of capital funding	(633,073)	(1,142,247)	(1,354,848)	(1,484,853)	(1,481,708)	(1,498,062)	(1,739,723)	(1,807,554)	(1,842,651)	(2,122,465)	(2,198,202)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Wastewater Group

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

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

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

Strategic direction—future demand and sustainability

Sewage treatment and disposal

A resource consent for the discharge of treated sewage from the Daleton Farm treatment plant was granted in 2017 for 35 years. Within the conditions of the consent was construction of holding ponds to store wastewater. This will allow an increase in the holding capacity of storage of treated sewage, irrigation to land as much as possible, and the discharge of treated wastewater to Mangatāre Stream in times of high flow only. The long-term vision is to remove discharges into waterways completely.

Infiltration into the reticulation system

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

Waingawa

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

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

Population trends

A 2021 base population figure of 9,987 has been used. There will a total population increase of 13.7. percent over the ten years to 2031. More detail can be found in the 'Significant Forecasting Assumptions.

Industrial growth

Significant heavy industrial growth is not anticipated to occur within Carterton township as provision for such growth and land use is provided in the Waingawa Industrial Zone. Future growth in light industrial activities will be provided for as part of the Eastern Growth Area.

Legislative change

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

The outcome of Greater Wellington Regional Council's Natural Resources Plan and Whitua processes may result in regulations and environmental standards that may require higher quality discharge. The development underway in accordance with the 35-year resource consent provides for meeting any foreseeable changes to standards.

Contribution to community outcomes

The Wastewater Group of activities contributes towards the following community outcomes:



- Safe and resilient water supply, wastewater and stormwater systems
- Healthy and sustained waterways

What we will deliver

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

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

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

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

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

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

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

Key projects

Council's most significant project is the eastern growth development and the inclusion of reticulated wastewater in planning for this. \$2.37m has been set aside in three tranches of expenditure in the years 2023/24, 2026/27 and 2029/30.

We are not planning any other major projects over the next ten years but will continue with our renewals programme.

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
System and adequacy	Number of dry weather sewerage overflows per 1000 connections	0	≤5	≤5	≤5	≤5	Operational records
Management of environmental impacts (compliance with resource consent conditions)	Number of abatement notices	0	≤ 1	≤ 1	≤ 1	≤ 1	Operational records
	Number of infringement notices	0	0	0	0	0	Operational records
	Number of enforcement orders	0	0	0	0	0	Operational records
	Number of convictions	0	0	0	0	0	Operational records



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Response to sewerage system faults ¹¹	Median attendance time ¹²	0.5 hours	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	Operational records
	Median resolution time ¹³	3.25 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	Operational records
Customer satisfaction	Total number of complaints received per 1000 connections ¹⁴	7	≤20	≤20	≤20	≤20	Operational records
	Residents' satisfaction with the town's sewerage system	80%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents

Assets

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

Existing assets

The urban reticulation system consists of:

- Domestic pipes on private land—2,666 connections with a total of 21.2km identified lateral pipe connections to wastewater mains

- Pipes and manholes of the municipal system— 44.9 km of underground pipes ranging in size from 50 mm to 380 mm diameter, and 551 manholes
- 17 pump stations located throughout the urban area to lift sewage from low-lying areas up into the gravity network.

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

Asset valuations

Valuation of the sewerage and treatment infrastructural assets was undertaken by WSP Opus International Consultants as at 30 June 2019. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practices.

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

¹¹ sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system

¹² from the time that the Council receives notification to the time that service personnel reach the site.

¹³ from the time that the territorial authority receives notification to the time that service personnel confirm resolution

¹⁴ total number of complaints received about: sewage odour; sewerage system faults; sewerage system blockages; and the Council's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.



Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	10,677,021	4,429,884	132,614
Sewer fittings	2,375,927	1,107,996	29,699
Pump stations	678,953	386,256	19,710
Sewage treatment plant	3,433,988	1,390,724	82,436
Sewerage upgrade	1,154,763	429,977	48,319
Total	18,931,073	7,849,765	337,099

Maintenance and operating

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

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

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

During the ten years of the Plan, loans will be sought for the design and construction of the storage reservoirs, and some of the reticulation renewals. During the terms of these loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense.

Annual costs

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

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

- Owners of residential properties that are connected to the public sewerage system pay a set targeted rate for sewage disposal.
- All other properties that can be connected directly or through a private drain to the public sewerage system pay a set targeted rate on the basis that they can be connected
- User fees and charges (trade waste users).

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

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

Key assumptions and uncertainties

- Sewerage assets will remain in Council ownership and that there will be an ongoing requirement for this activity.
- The demand for this activity will gradually increase over time.



- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.
- That in the short to medium term the supply of services to Waingawa from Masterton District Council will be adequate.

Significant negative effects and risks

- It is possible that significant negative effects of this group of activities could arise.
- Council can incur additional costs from an overloaded wastewater system caused by unusually high volumes of trade waste, disposal of toxic substances, or illegal stormwater connections.

- There are health and safety risks associated with the sewerage network, the treatment and disposal of sewage, and overflow incidents. Infrastructure failure could result in loss of income and business. The Council has procedures in place to manage these risks, and has qualified people operating the network.
- The disposal of treated wastewater to ground or river may impact on the groundwater and river water values. There may be community concerns about waterway health and associated values arising from the disposal of treated waste. The Council is satisfied that these risks have been adequately addressed in the resource consent, through the consent conditions. This includes the requirement for ongoing monitoring and reporting.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—SEWERAGE & TREATMENT OF SEWAGE FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Reticulation network	539,652	1,651,689	2,001,867	879,966	46,468	245,910	132,987	283,706	101,028	53,230
Urban Growth Strategy	-	-	727,244	-	-	785,641	-	-	852,186	-
Treatment Plant	106,000	121,380	15,771	86,312	98,469	56,792	23,326	59,885	24,641	25,348
Treatment Plant - wetlands	6,000	6,120	6,308	17,262	6,638	6,815	6,998	7,186	7,392	7,604



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - SEWERAGE AND THE DISPOSAL OF SEWAGE FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	227,185	241,066	263,621	275,549	290,472	267,667	268,819	276,579	271,363	275,742	283,969
Targeted rates	2,044,664	2,169,598	2,372,592	2,479,941	2,614,248	2,409,004	2,419,369	2,489,209	2,442,271	2,481,675	2,555,719
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	427,852	450,000	459,000	471,848	484,254	496,216	508,622	521,027	534,319	548,496	563,560
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	16,474	16,909	17,537	18,194	18,869	19,970	21,057	22,196	23,317	24,437
Total operating funding	2,699,701	2,877,139	3,112,122	3,244,875	3,407,168	3,191,757	3,216,780	3,307,872	3,270,150	3,329,229	3,427,685
Applications of Operating Funding											
Payments to staff and suppliers	886,578	886,827	904,564	928,998	951,129	973,004	995,953	1,019,517	1,045,026	1,072,277	1,101,269
Finance costs	406,399	122,658	114,657	109,858	105,109	97,168	92,716	88,186	80,122	75,950	71,780
Internal charges and overheads applied	551,988	755,181	783,251	802,242	830,232	853,494	874,628	895,132	916,405	932,307	956,910
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,844,965	1,764,666	1,802,471	1,841,098	1,886,470	1,923,666	1,963,297	2,002,835	2,041,553	2,080,534	2,129,959
Surplus/(deficit) of operating funding	854,736	1,112,473	1,309,651	1,403,777	1,520,698	1,268,091	1,253,482	1,305,037	1,228,596	1,248,696	1,297,726
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	66,026	95,600	96,900	98,200	99,500	100,800	102,100	103,500	104,900	106,300	107,700
Increase/(decrease) in debt	2,152,424	(882,178)	(898,364)	(207,610)	(924,763)	(918,901)	(190,409)	(976,217)	(976,388)	(155,270)	(1,019,945)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	2,218,450	(786,578)	(801,464)	(109,410)	(825,263)	(818,101)	(88,309)	(872,717)	(871,488)	(48,970)	(912,245)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	1,849,625	22,000	6,120	733,552	17,262	24,341	792,456	6,998	7,186	871,899	7,604
Capital expenditure - replace existing assets	375,232	629,652	1,773,069	2,017,638	966,278	127,235	302,702	156,312	343,591	113,349	78,578
Increase/(decrease) in reserves	848,329	(325,757)	(1,271,003)	(1,456,822)	(288,106)	298,414	70,016	269,010	6,332	214,478	299,298
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	3,073,186	325,895	508,187	1,294,368	695,435	449,990	1,165,173	432,320	357,109	1,199,725	385,481
Surplus/(deficit) of capital funding	(854,736)	(1,112,473)	(1,309,651)	(1,403,777)	(1,520,698)	(1,268,091)	(1,253,482)	(1,305,037)	(1,228,596)	(1,248,696)	(1,297,726)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Stormwater Drainage Group

This group activity includes Stormwater Drainage. The services include managing the urban stormwater system (including street kerb collection, and piped or open drains) and identifying flood prone areas, reviewing known trouble areas and developing cost-effective solutions.

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

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

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

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

Development is managed to ensure appropriate provision for stormwater drainage.

Strategic direction—future demand and sustainability

Climate change

Modelling of climate change predicts that we will experience an increase in weather extremes. Increases in the frequency of high intensity rainfall events may result in significant inundation from flooding.

Wherever there is reticulated stormwater infrastructure replacement the opportunity is taken to increase the carrying capacity of the pipework to account for potential climate changes. New planned works are also designed with greater expectation of additional capacity requirements.

Population trends

A 2021 base population figure of 9,987 has been used. There will be a total population increase of 13.7 percent over the ten years to 2031. More detail can be found in the 'Significant Forecasting Assumptions'.

Industrial growth

Significant heavy industrial growth is not anticipated to occur within Carterton township as provision for such growth and land use is provided in the Waingawa Industrial Zone. Future growth in light industrial activities will be provided for as part of the Eastern Growth Area.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service with change likely to require improvements to infrastructure. The outcome of Greater Wellington Regional Council's Natural Resources Plan and Waitūātea processes may result in regulations and environmental standards that may require higher quality discharge.

Water race network

The Carrington and Taratahi water race systems play an important role in the rural areas near Carterton township in carrying excess water during a high rainfall event.

Contribution to community outcomes

The Stormwater Group activity contributes towards the following community outcomes:

- Safe and resilient water supply, wastewater and stormwater systems
- Healthy and sustained waterways

What we will deliver over the next ten years

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

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

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



- consent requirements
- sustainable health and environmental matters embodied in the community outcomes
- impacts of climate change over time
- community affordability.

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

It is likely that resource consents will be required for the discharge at multiple points from the stormwater network to natural water courses. The work to obtain resource consents will be undertaken over the next three years.

It is also planned to replace the drain on the town's east boundary over a period of ten years starting in 2022/23.

Key Projects

Council's most significant project is the eastern growth development and the inclusion of reticulated stormwater in planning for this. \$2.63m has been set aside in three tranches of expenditure in the years 2023/24, 2026/27 and 2029/30.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
System and adequacy	Number of flooding events ¹⁵	None	≤1	≤1	≤1	≤1	Operational records
	For each flooding event, the number of habitable floors affected, per 1000 properties connected.	None	≤1	≤1	≤1	≤1	Operational records
Management of environmental impacts (compliance with resource consent conditions)	Number of abatement notices	0	0	0	0	0	Operational records
	Number of infringement notices	0	0	0	0	0	Operational records
	Number of enforcement orders	0	0	0	0	0	Operational records
	Number of convictions	0	0	0	0	0	Operational records
Response to stormwater system issues	The median response time ¹⁶ to attend a flooding event	None	≤ 3 hours	≤ 3 hours	≤ 3 hours	≤ 3 hours	Operational records

¹⁵ an overflow of stormwater from the Council's stormwater system that enters a habitable floor

¹⁶ measured from the time that the Council receives notification to the time that service personnel reach the site

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Customer satisfaction	Total number of complaints ¹⁷ received per 1000 properties connected	2	≤10	≤10	≤10	≤10	Operational records
	Residents' satisfaction with the district's stormwater systems	60%	≥ 60% rate 7–10	≥ 60% rate 7–10	≥ 60% rate 7–10	≥ 60% rate 7–10	Annual survey of residents

Assets

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

Existing assets

- 19 km of piped stormwater reticulation in the urban area ranging in diameter from 100 mm up to 1200 mm
- 487 catch pits or 'sumps' and 217 manholes
- 10 km of open drain in the urban area
- about 20 km of open drain in the rural area, some of which also forms part of the rural water race network.

¹⁷ total number of complaints received about faults or blockages, expressed per 1000 customers charged in their rates for council stormwater services.



Asset valuations

Valuation of the infrastructural assets for stormwater was undertaken by WSP Opus International Consultants Ltd as at 30 June 2019. The valuation basis is optimised depreciated replacement cost, which is in accordance with generally accepted accounting practice.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	8,410,511	5,641,109	86,985
Open drains	447,433	324,798	2,237
Manholes	1,039,942	794,871	10,399
Sumps	564,612	394,542	5,646
Soak pit chambers	314,519	284,488	3,145
Total	10,777,017	7,439,808	108,413

Maintenance and operating

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

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

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

Annual costs

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

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

The balance of the funds required (90%) come from Targeted Rates applied to owners of property in the urban area calculated on land value.

Key assumptions and uncertainties

- Stormwater assets will remain in Council ownership and that there will be an ongoing requirement for this activity.
- Demand for this activity will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations Department. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.

Significant negative effects and risks

- It is possible that significant negative effects of this group of activities could arise.
- Council can incur additional costs from pollutants added to the stormwater system.
- There are health and safety risks associated with operating the stormwater network and flooding incidents. Infrastructure failure could result in loss of income and business. Ongoing capacity risks will be addressed through a review of the stormwater system. The system will continue to be maintained, including ensuring blockages are cleared, on a regular basis.



- The effects of contaminated stormwater could impact on the groundwater and riverwater values. There may be community concerns about waterway health and associated values arising from the disposal of stormwater containing contaminants. These risks will be addressed by the resource consent.



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PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—STORMWATER
FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Reticulation network	-	102,000	105,141	-	110,639	-	116,628	-	123,205	-
Urban Growth Strategy	-	-	809,175	-	-	874,150	-	-	948,193	-
Treatment	-	102,000	315,424	-	-	-	-	-	-	-
Resource Consent	-	-	-	-	-	283,961	-	-	-	-



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - STORMWATER FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	25,945	29,202	30,736	34,961	36,952	38,030	42,969	46,572	47,753	52,336	54,525
Targeted rates	233,504	262,818	276,624	314,648	332,572	342,269	386,717	419,148	429,774	471,022	490,724
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	4,961	5,113	5,333	5,572	5,822	6,282	6,735	7,208	7,665	8,116
Total operating funding	259,449	296,981	312,473	354,942	375,096	386,121	435,967	472,456	484,735	531,023	553,364
Applications of Operating Funding											
Payments to staff and suppliers	75,237	79,590	81,182	83,347	85,261	87,172	89,185	91,272	93,540	95,964	98,545
Finance costs	18,472	-	-	3,641	7,283	7,283	11,216	15,150	15,150	19,417	23,684
Internal charges and overheads applied	66,379	91,783	95,185	97,494	100,911	103,746	106,317	108,809	111,398	113,333	116,324
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	160,088	171,373	176,367	184,483	193,455	198,200	206,718	215,231	220,088	228,714	238,552
Surplus/(deficit) of operating funding	99,361	125,608	136,106	170,460	181,641	187,921	229,249	257,225	264,647	302,308	314,812
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	13,205	19,100	19,400	19,700	20,000	20,300	20,600	20,900	21,200	21,500	21,800
Increase/(decrease) in debt	(42,799)	-	-	768,716	(40,459)	(40,459)	789,984	(84,166)	(84,166)	816,617	(131,576)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(29,594)	19,100	19,400	788,416	(20,459)	(20,159)	810,584	(63,266)	(62,966)	838,117	(109,776)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	102,000	315,424	-	-	-	-	-	-	-
Capital expenditure - improve level of service	186,425	-	-	809,175	-	-	874,150	-	-	948,193	-
Capital expenditure - replace existing assets	133,375	-	102,000	105,141	-	110,639	283,961	116,628	-	123,205	-
Increase/(decrease) in reserves	(250,033)	144,708	(48,494)	(270,865)	161,182	57,123	(118,277)	77,331	201,680	69,027	205,036
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	69,767	144,708	155,506	958,876	161,182	167,762	1,039,834	193,958	201,680	1,140,425	205,036
Surplus/(deficit) of capital funding	(99,361)	(125,608)	(136,106)	(170,460)	(181,641)	(187,921)	(229,249)	(257,225)	(264,647)	(302,308)	(314,812)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Waste Management Group

This group of activities includes Refuse Collection and Recycling, and the Transfer Station. Services include:

Refuse and Recycling Collection

- 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.

Transfer Station

- management of the Dalefield Road Transfer Station facilities

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

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

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

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

Strategic direction—future demand and sustainability

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

The city and district councils of the Wellington region jointly prepared and adopted the *Waste Management and Minimisation Plan 2017–2023*. In doing so, the councils recognised that they

CARTERTON DISTRICT COUNCIL | Draft Ten Year Plan 2021-2031

do not control much of the waste stream in the region, since large volumes of waste are produced and managed by the private sector.

The primary goal of the Waste Management and Minimisation Plan is to reduce the total quantity of waste sent to landfill by one-third by 2026, by undertaking joint regional actions and aligned individual council actions. These include communications and education to inspire households and communities, developing a resource recovery network, consistent by-laws, and research on various waste management issues.

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

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

The Council on-charges the waste levy payable through the entry fees at the transfer station. It is also included in the costs covered by the urban refuse collection rate.

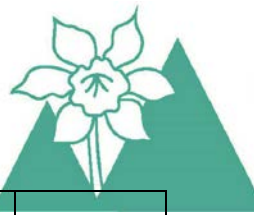
Carterton, Masterton, and South Wairarapa district councils share Wairarapa-wide waste management services and waste minimisation actions, including kerbside collection of waste and recycling and waste minimisation education programmes. This is co-ordinated through the shared role of Zero Waste Co-ordinator.

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

What we will deliver over the next ten years

There is a legislative requirement under the Local Government Act 2002, for the Council to:

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



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

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

Contractors provide management and operational services for the Transfer Station, recycling depot and the weekly kerbside collection. We plan to increase the opening hours of the transfer station starting in year one.

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.

Key projects

To cater for increased demand and community requests Council has decided to extend the opening hours at the Transfer Station on Saturdays. Council has included an additional \$10,000 per annum from 2021/22 onwards to cover costs.

Contribution to community outcomes

The Waste Management Group of activities contributes towards the following 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

How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2021	2022	2023	2024 to 2031	
Refuse and recycling services of a satisfactory standard	Residents' satisfaction with waste disposal services	69%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
Adverse effects of waste on the environment are minimised	Compliance with resource consent conditions including compliance monitoring	1 non-compliance	100%	100%	100%	100%	Resource consent

Assets

Existing Assets

The transfer station site comprises the following:

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

Maintenance and operating

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



Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.

How the group of activities is funded

Capital

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

Annual costs

Recycling and refuse collection

The Council has deemed that the provision of recycling and refuse collection provides a public benefit and up to 10 percent of the cost of delivering the service is charged by way of General Rates across all property owners in the district.

The balance of funds required for the urban refuse and recycling collection comes from a targeted rate on all property owners in the urban area or where the Council has a collection service (up to 90%). In addition, there are fees and charges from the sale of refuse bags and recycling bins (27-37%).

Transfer Station

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

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

Key assumptions and uncertainties

- There will be an ongoing requirement for the provision of this activity.
- Demand for this activity will gradually increase, and not reduce.
- Increasing demand for environmentally-friendly and sustainable approaches to managing the district's waste may result in a change in the current level of service.
- Additional or changing legislative requirements may result in a change in the current level of service.
- Residual waste will continue to be freighted to the Bonny Glen landfill site in Marton.

Significant negative effects and risks

- It is possible that significant negative effects of this group of activities could arise.
- Council can incur additional costs from vandalism and damage to recycling bins and dumped contaminants.
- There are health and safety risks associated with the operations at the transfer station. Dumping of waste along roadside and other public places has a detrimental effect on the environment and could pose health and safety risks.
- The Council has procedures in place to mitigate these risks, including responding to complaints about fly-tipping.



CARTERTON DISTRICT COUNCIL

**PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—WASTE MANAGEMENT
FOR THE TEN YEARS ENDING 30 JUNE**

	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Transfer station refurbish and improvement	-	76,500	431,080	53,945	-	-	-	71,861	-	-



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WASTE MANAGEMENT
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	509,233	315,000	321,300	330,294	338,978	347,351	356,035	364,719	374,023	383,947	394,492
Targeted rates	299,025	518,333	538,817	554,995	578,877	591,119	603,491	615,056	624,347	631,615	636,867
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	154,500	204,500	208,590	214,429	220,066	225,503	231,140	236,778	242,818	249,261	256,107
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	78,000	78,000	79,560	81,787	83,937	86,011	88,161	90,311	92,615	95,073	97,684
Total operating funding	1,040,758	1,115,833	1,148,267	1,181,504	1,221,859	1,249,984	1,278,828	1,306,864	1,333,804	1,359,896	1,385,149
Applications of Operating Funding											
Payments to staff and suppliers	911,634	902,808	920,864	946,246	970,101	993,342	1,017,563	1,042,056	1,068,417	1,096,553	1,126,465
Finance costs	2,214	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	148,291	127,197	131,563	134,780	140,109	144,189	147,817	151,246	154,929	157,697	161,843
Other operating funding applications	36,100	36,100	36,822	37,853	38,848	39,808	40,803	41,798	42,864	44,002	45,210
Total applications of operating funding	1,098,239	1,066,105	1,089,249	1,118,879	1,149,058	1,177,339	1,206,183	1,235,101	1,266,211	1,298,252	1,333,519
Surplus/(deficit) of operating funding	(57,481)	49,729	59,018	62,625	72,801	72,645	72,645	71,763	67,593	61,644	51,631
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - replace existing assets	21,320	-	76,500	431,080	53,945	-	-	-	71,861	-	-
Increase/(decrease) in reserves	(78,801)	49,729	(17,482)	(368,455)	18,856	72,645	72,645	71,763	(4,268)	61,644	51,631
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	(57,481)	49,729	59,018	62,625	72,801	72,645	72,645	71,763	67,593	61,644	51,631
Surplus/(deficit) of capital funding	57,481	(49,729)	(59,018)	(62,625)	(72,801)	(72,645)	(72,645)	(71,763)	(67,593)	(61,644)	(51,631)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Water Supply Group

This group of activities includes Drinking Water and Water Races activities.

Drinking Water

The following services are included:

- management of the district's urban water reticulation and treatment facilities
- promotion and education of water conservation methods
- delivery of potable water to the Waingawa Industrial Zone

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

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

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

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

Water Races

The following services are included:

- management of the Carrington and Taratahi Water Races for stock use, non-potable domestic and industrial use, and stormwater control.

The water races provide vital stock drinking water to rural properties to support farming operations.

Strategic direction—future demand and sustainability

Consent renewal

The Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply expired in 2013. An application was lodged to renew the consent. Progress has been delayed while Greater Wellington finalises its Natural Resources Plan and detailed data is collected on the ecological impacts of the abstraction. In addition to the work underway, it is possible that the Council may need to complete further work to comply with any new resource consent conditions. It is expected the minimum limit to which water can be taken from the Kaipaitangata stream will rise effectively placing a greater reliance on the towns bore field in Lincoln Road.

Water conservation strategy

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

Actions to be implemented include:

- reduction in indoor household water use through the use/promotion of water saving fixtures
- promoting on-site rainwater collection
- regular review of water meter pricing mechanisms
- xeriscaping—matching private and public garden space and species to the climate and landscape conditions so that less water is needed for irrigation during summer periods.



The existing water meters have been replaced with smart meters that can be read remotely. This makes the reading more accurate and efficient and provides the opportunity to consider a range of pricing and billing options to influence demand.

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

Population trends

A 2021 base population figure of 9,987 has been used. A population increase of 13.7 percent is forecast over the ten years to 2031. More detail can be found in the 'Significant Forecasting Assumptions'.

Legislative change

Legislative change can significantly affect the Council's ability to meet minimum levels of service with change likely to require improvements to infrastructure. Major changes to legislation are expected in the upcoming years with the Department of Internal Affairs Three Waters Review and Greater Wellington Regional Council's Proposed Natural Resources Plan.

Taumata Arowai – Water Services Regulator Act (Three Waters Reform)

The Taumata Arowai – Water Services Regulator Act passed in July 2020, establishes Taumata Arowai as a Crown Agent and provides for its objectives, functions, operating principles, and governance arrangements, including the appointment of an independent Board and a Māori Advisory Group. A complementary Bill, The Water Services Bill, is anticipated to be introduced in the second half of 2021. At that time, Taumata Arowai will become Aotearoa's dedicated regulator of the three waters: Drinking water, wastewater and stormwater. When Taumata Arowai is fully functioning, its role will be to oversee and administer an expanded and strengthened drinking-water regulatory system, to ensure all New Zealand communities have access to safe drinking water. In addition, to oversee, from a national perspective, the environmental performance of wastewater and storm water networks. (Regional councils will remain the primary regulators of wastewater and stormwater).

Industrial growth

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

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

Waingawa

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

Water races

The water races, overseen by the Water Race Committee, will continue to provide water to numerous rural properties to support their farming operations. Greater Wellington Regional Council's Proposed Natural Resources Plan will effect the operational cleaning of the water races expected to be in place during the life of the current Long-Term Plan

Contribution to community outcomes

The Water Supply Group of activities contributes towards the following 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.

What we will deliver over the next ten years

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 urban reticulated water network is managed under the *Asset Management Plan—Water 2017*, which sets out the targets for asset condition, performance, and levels of service.

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

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

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

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

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

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

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

The Inquiry set up in response to the Havelock North water supply contamination released a report in 2017, signalling possible future changes to the treatment and supply of drinking

water in New Zealand. We will be actively following the Government's response to the Inquiry's recommendations, including working with other Councils in the Wellington Region to engage directly on the options the Government may consider for future water entities. The Minister has indicated the Government is considering, amongst other matters, the establishment of large-scale water entities to replace Council delivery of water services. In the meantime, we will continue to be vigilant in how we manage our town water supply.

Wairarapa is vulnerable to a range of natural hazards. Therefore, we need to make sure our water supply infrastructure can withstand a major emergency.

There is a single mains pipe transporting water to Carterton from the Kaipaitangata treatment plant, which could be compromised during a disaster event. Council will be installing flexible valving at key points along the pipe. These joints have been developed post the Christchurch earthquakes and designed to limit water loss in the event of an emergency.

Key Projects

- Investigating an additional source for the urban water supply. Funding of \$581,000 has been included in 2024/2025 and 2025/2026.
- Design and construction of a yet to be identified additional source. Funding of \$8.75 million has been included in 2027/2028.
- Increasing the potable storage capacity for a 48hours storage reserve. Funding of \$525,000 has been included in 2021/2022.
- Council's most significant project is the eastern growth development and the inclusion of reticulated water supply in planning for this. \$2.25 million has been set aside in three tranches of expenditure in the years 2023/24, 2026/27 and 2029/30.



How we will measure what we deliver

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Safety of drinking water	Compliance with part 4 of DW Standards ¹⁸ (bacteriological requirements)	Not met (see Annual Report 2019/2020)	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database
	Compliance with part 5 of DW Standards (protozoal requirements)	Not met (see Annual Report 2019/2020)	Full compliance	Full compliance	Full compliance	Full compliance	National Water Information NZ database
Maintenance of the drinking water reticulation network	Real water loss from networked reticulation system	30%	≤45% ¹⁹	≤45%	≤45%	≤45%	Treatment system and water meter data ²⁰
	Median time to attend ²¹	0.25 hours	≤2 hours	≤2 hours	≤2 hours	≤2 hours	Operational records

¹⁸ New Zealand Drinking Water Standards

¹⁹ the target for this measure has been eased; after two years of measurement Council is satisfied that 45% is an appropriate benchmark

²⁰ total water outlet from Kaipaitangata and Supplementary reservoirs less sum of water meter usage

²¹ from the time that the Council receives notification to the time that service personnel reach the site

The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Fault response times	urgent ²² call-outs						
	Median time to resolve ²³ urgent call-outs	1.6 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours	Operational records
	Median time to attend non-urgent call-outs	1.6 hours	≤12 hours	≤12 hours	≤12 hours	≤12 hours	Operational records
	Median time to resolve non-urgent call-outs	5 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours	Operational records
Customer satisfaction	Number of complaints ²⁴ received per 1000 connections	1	≤15	≤15	≤15	≤15	Operational records
Customer satisfaction – water races	Water is continuously supplied through the water races	New measure	≥90%	≥90%	≥90%	≥90%	Service requests

²² an urgent call-out is one that leads to a complete loss of supply of drinking water

²³ from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption

²⁴ complaints received about any of the following: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; or the Council's response to any of these issues



The service broken down into measurable components	Performance measure	Target for year ending June					How it will be measured
		2020 Actual	2022	2023	2024	2025 to 2031	
Demand management	Average consumption of drinking water per day per resident within the district	357 litres	≤400 litres	≤400 litres	≤400 litres	≤400 litres	Operational records
Urban water system of a satisfactory standard	Residents' satisfaction with their household water supply	74%	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	≥ 75% rate 7–10	Annual survey of residents
Adverse effects on the environment are minimised	Compliance with water resource consent conditions	100%	100%	100%	100%	100%	Resource consent

Assets

Further information can be found in the *Asset Management Plan—Water 2017*.

Existing assets

- Kaipaitangata raw water impoundment dam approximately 4,546 m³
- Kaipaitangata reservoirs totalling 1500 m³
- Kaipaitangata 8.0 km trunk main
- Frederick Street Supplementary Supply -4 bores at approximately 40 litres per second
- Frederick Street Reservoirs 750 m³
- 66.7 km of reticulated water mains
- 2900 water connections
- 330 fire hydrants

Asset valuations

Valuation of the urban water infrastructural assets was undertaken by WSP Opus International Consultants Ltd as at 30 June 2019. The valuation basis is optimised depreciated replacement costs, which is in accordance with generally accepted accounting practices.

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

Network component	Optimised replacement cost (\$)	Optimised depreciated replacement cost (\$)	Annual depreciation (\$)
Reticulation	14,937,097	6,186,396	200,513
Reticulation fittings	4,585,174	1,733,821	179,960
Kaipaitangata headworks	650,814	150,013	8,014
Treatment plant	3,126,680	1,413,635	87,022
Supplementary supply	1,138,529	382,013	37,998
Total	24,438,474	9,865,879	513,506

Maintenance and operating

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

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in this group of activities in the next ten years are shown in the table on the following page.



How the group of activities is funded

Capital

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

Annual costs

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

The Council has deemed that provision of the Water Supply Group of activities provides a degree of public benefit to the whole district, 10 percent (of the balance required) of the cost of delivering the service is charged by way of General Rate across all property owners in the district. The balance of the funds required will come from targeted rates (up to 90%) and user charges (1-10%).

Urban water

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

Waingawa

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

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

Water Races

Water Races are funded by up to 10 percent of the cost of delivering the service is charged by way of general rate across all property owners in the district. The balance of the funds required will come from targeted rates (up to 90%) and user charges (1-10%).

Key assumptions and uncertainties

- Water supply assets will remain in Council ownership and that there will be an ongoing requirement for this activity.
- Demand for urban water will gradually increase over time.
- Maintenance works will continue to be delivered by the Council's Operations staff for work required in Carterton district. Renewal, upgrade, and new works will normally be completed by contractors selected by competitive tender or day work rates.
- That GWRC will approve the Council's application for resource consent to take adequate water from the Kaipaitangata Stream for the urban water supply. If this is unacceptable to GWRC then the Council will have to review its proposed improvement plan to meet requirements.
- Masterton District Council will be able to supply services to Waingawa.
- The operational and maintenance requirements for this activity could change depending on conditions imposed by any new resource consents.
- No significant changes are made to the national water supply standards.

Significant negative effects and risks

- It is possible that significant negative effects of this group of activities could arise.
- There are health and safety risks associated with operating and managing the water supply network, including the risk of contamination. In response to the recent water supply contamination experience in Havelock North, we reviewed our own supply to identify any risks. We have made some small changes, but we are very satisfied that our treatment and reticulation systems mean we are delivering safe drinking water. We currently filter, chlorinate, and UV treat the water.
- Excessive water extraction from the Kaipaitangata Stream and its associated aquifers could have adverse impacts on the environment or on community perceptions of waterway health and associated values. Compliance with the resource consent will mitigate these risks.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—WATER SUPPLY FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Reticulation network	243,000	78,540	-	19,420	44,256	-	90,969	-	86,244	22,813
Urban Growth Strategy	-	-	692,614	-	-	748,230	-	-	811,607	-
Treatment plants	290,000	1,449,706	574,196	107,890	128,341	240,799	186,273	174,863	123,205	900,697
Increase storage capacity at existing treatment plants	525,000	-	-	-	-	-	-	-	-	-
Investigate new water supply	-	-	-	286,988	294,300	-	-	-	-	-
Establish new water supply	-	-	-	-	-	-	8,747,064	-	-	-
Resource Consents for rural water supply	-	255,000	-	-	-	-	291,569	-	-	-
Improvements to rural water supply	20,000	-	-	-	-	22,717	-	-	-	76,044



CARTERTON DISTRICT COUNCIL
PROSPECTIVE FUNDING IMPACT STATEMENT - WATER SUPPLY
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	763,398	313,774	332,657	354,210	362,374	367,133	377,626	403,235	440,281	432,981	448,602
Targeted rates	1,979,889	3,094,968	3,270,330	3,472,047	3,552,998	3,603,028	3,704,937	3,942,893	4,284,312	4,227,146	4,376,806
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	25,200	36,000	36,720	37,748	38,740	39,697	40,690	41,682	42,745	43,880	45,085
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other	-	9,922	10,226	10,667	11,143	11,644	12,565	13,471	14,417	15,331	16,231
Total operating funding	2,768,487	3,454,664	3,649,933	3,874,671	3,965,257	4,021,502	4,135,817	4,401,282	4,781,755	4,719,338	4,886,724
Applications of Operating Funding											
Payments to staff and suppliers	1,481,953	1,543,476	1,574,346	1,722,114	1,764,399	1,805,871	1,849,223	1,893,377	1,941,026	1,991,906	2,046,016
Finance costs	52,312	4,810	7,626	10,561	13,497	13,395	16,660	59,208	98,529	102,140	105,611
Internal charges and overheads applied	642,308	1,074,801	1,114,502	1,141,553	1,181,800	1,215,107	1,245,253	1,274,445	1,304,800	1,327,506	1,362,536
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	2,176,573	2,623,087	2,696,473	2,874,228	2,959,696	3,034,373	3,111,136	3,227,029	3,344,355	3,421,552	3,514,163
Surplus/(deficit) of operating funding	591,914	831,577	953,459	1,000,443	1,005,560	987,129	1,024,681	1,174,253	1,437,400	1,297,786	1,372,561
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	66,026	95,600	96,900	98,200	99,500	100,800	102,100	103,500	104,900	106,300	107,700
Increase/(decrease) in debt	805,448	612,555	(53,445)	604,538	(88,076)	(71,259)	621,858	8,183,339	(534,143)	205,743	(605,863)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	871,474	708,155	43,455	702,738	11,424	29,541	723,958	8,286,839	(429,243)	312,043	(498,163)
Applications of Capital Funding											
Capital expenditure - meet additional demand	266,500	123,000	35,700	-	306,408	305,364	-	20,993	-	36,962	22,813
Capital expenditure - improve level of service	852,800	666,000	-	692,614	-	17,702	748,230	8,747,064	31,140	811,607	-
Capital expenditure - replace existing assets	469,573	289,000	1,747,546	574,196	107,890	143,831	263,515	547,818	143,723	172,487	976,740
Increase/(decrease) in reserves	(125,485)	461,732	(786,332)	436,372	602,686	549,774	736,893	145,215	833,295	588,774	(125,155)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	1,463,388	1,539,732	996,914	1,703,181	1,016,984	1,016,670	1,748,638	9,461,091	1,008,158	1,609,829	874,398
Surplus/(deficit) of capital funding	(591,914)	(831,577)	(953,459)	(1,000,443)	(1,005,560)	(987,129)	(1,024,681)	(1,174,253)	(1,437,400)	(1,297,786)	(1,372,561)
Funding balance	-	-	-	-	-	0	-	-	-	-	-



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - ADMINISTRATION AND SUPPORT SERVICES FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	(8,417)	64,670	80,776	108,368	119,936	118,607	117,229	115,850	114,373	112,798	111,124
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	3,840,635	4,768,222	4,914,286	5,028,386	5,254,847	5,372,129	5,499,158	5,612,966	5,752,163	5,854,944	6,003,051
Local authorities fuel tax, fines, infringement fees and other	207,500	75,617	77,401	79,968	82,577	85,199	88,953	92,672	96,590	100,526	104,525
Total operating funding	4,039,718	4,908,509	5,072,463	5,216,721	5,457,360	5,575,935	5,705,340	5,821,488	5,963,127	6,068,268	6,218,701
Applications of Operating Funding											
Payments to staff and suppliers	3,292,110	4,084,570	4,166,262	4,272,211	4,356,936	4,445,053	4,539,624	4,641,581	4,753,985	4,874,375	5,002,751
Finance costs	947	1,789	9,992	27,289	43,026	47,882	47,882	47,882	47,882	47,882	47,882
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total applications of operating funding	3,333,057	4,126,359	4,216,254	4,339,501	4,439,962	4,532,934	4,627,506	4,729,462	4,841,866	4,962,256	5,090,632
Surplus/(deficit) of operating funding	706,662	782,150	856,209	877,220	1,017,398	1,043,000	1,077,834	1,092,025	1,121,261	1,106,012	1,128,068
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(19,399)	377,656	1,334,333	2,206,191	812,894	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(19,399)	377,656	1,334,333	2,206,191	812,894	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	397,533	1,425,484	2,418,254	1,078,903	-	-	-	-	-	-
Capital expenditure - replace existing assets	503,747	505,566	459,456	345,835	473,542	392,916	407,446	482,387	138,034	218,997	289,536
Increase/(decrease) in reserves	183,515	256,707	305,602	319,322	277,847	384,076	404,380	343,630	717,218	621,006	572,524
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	687,263	1,159,806	2,190,542	3,083,411	1,830,292	776,992	811,825	826,017	855,252	840,003	862,059
Surplus/(deficit) of capital funding	(706,662)	(782,150)	(856,209)	(877,220)	(1,017,398)	(1,043,000)	(1,077,834)	(1,092,025)	(1,121,261)	(1,106,012)	(1,128,068)
Funding balance	-	-	-	(0)	-	0	-	-	-	-	-



Administration and Support Services Group

Administration and support services provide support and overheads for the groups of activities above. The expenditure related to these services is allocated by way of internal charges and overheads to the groups of activities based on a range of usage factors.

Capital expenditure plan

Renewal expenditure is work that does not increase an asset's design capacity but restores, rehabilitates or renews an existing asset to its original capacity. Capital works are those that create new assets, or works that upgrade or improve an existing capacity. They may result from growth, social, or environmental needs.

Capital expenditure in the next ten years in the administration and support services are as follows:

CARTERTON DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CAPITAL EXPENDITURE—ADMINISTRATION FOR THE TEN YEARS ENDING 30 JUNE

Item	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Replacement of the main administration offices	-	1,020,000	2,418,254	1,078,903	-	-	-	-	-	-
Relocation of the Operations Yard to Dalefield Road	397,533	405,484	-	-	-	-	-	-	-	-
Event Centre - building services	4,000	15,300	-	20,499	11,064	52,249	-	-	6,160	-
Event Centre - equipment and other facility requirements	36,452	35,700	66,239	21,578	27,660	31,804	23,326	5,988	-	31,685
ICT, including GIS imagery	227,164	118,943	167,147	245,948	233,762	203,278	200,556	116,176	187,272	122,937
Vehicles and plant, including portable equipment	237,950	289,513	133,477	142,361	140,346	142,832	258,505	15,869	50,206	109,566
Other property	-	-	-	43,156	22,128	-	-	-	-	25,348

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



CARTERTON DISTRICT COUNCIL

PROSPECTIVE FUNDING IMPACT STATEMENT - ADMINISTRATION AND SUPPORT SERVICES

FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sources of Operating Funding											
General rates, UAGC, rates penalties	(8,417)	64,670	80,776	108,368	119,936	118,607	117,229	115,850	114,373	112,798	111,124
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operational purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	3,840,635	4,768,222	4,914,286	5,028,386	5,254,847	5,372,129	5,499,158	5,612,966	5,752,163	5,854,944	6,003,051
Local authorities fuel tax, fines, infringement fees and other	207,500	75,617	77,401	79,968	82,577	85,199	88,953	92,672	96,590	100,526	104,525
Total operating funding	4,039,718	4,908,509	5,072,463	5,216,721	5,457,360	5,575,935	5,705,340	5,821,488	5,963,127	6,068,268	6,218,701
Applications of Operating Funding											
Payments to staff and suppliers	3,292,110	4,084,570	4,166,262	4,272,211	4,356,936	4,445,053	4,539,624	4,641,581	4,753,985	4,874,375	5,002,751
Finance costs	947	1,789	9,992	27,289	43,026	47,882	47,882	47,882	47,882	47,882	47,882
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total applications of operating funding	3,333,057	4,126,359	4,216,254	4,339,501	4,439,962	4,532,934	4,627,506	4,729,462	4,841,866	4,962,256	5,090,632
Surplus/(deficit) of operating funding	706,662	782,150	856,209	877,220	1,017,398	1,043,000	1,077,834	1,092,025	1,121,261	1,106,012	1,128,068
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(19,399)	377,656	1,334,333	2,206,191	812,894	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(19,399)	377,656	1,334,333	2,206,191	812,894	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)	(266,009)
Applications of Capital Funding											
Capital expenditure - meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - improve level of service	-	397,533	1,425,484	2,418,254	1,078,903	-	-	-	-	-	-
Capital expenditure - replace existing assets	503,747	505,566	459,456	345,835	473,542	392,916	407,446	482,387	138,034	218,997	289,536
Increase/(decrease) in reserves	183,515	256,707	305,602	319,322	277,847	384,076	404,380	343,630	717,218	621,006	572,524
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	687,263	1,159,806	2,190,542	3,083,411	1,830,292	776,992	811,825	826,017	855,252	840,003	862,059
Surplus/(deficit) of capital funding	(706,662)	(782,150)	(856,209)	(877,220)	(1,017,398)	(1,043,000)	(1,077,834)	(1,092,025)	(1,121,261)	(1,106,012)	(1,128,068)
Funding balance	-	-	-	(0)	-	0	-	-	-	-	-



Financial strategy



Financial strategy

The short story

We expect average rates to increase by 5.7% in Year One (2021/22), and debt to increase to a peak of \$31 million in 2029/30 (within our set limits). We anticipate that an operating surplus will be made each year during the planning period, reflecting our need to service that debt.

We are conscious of the post-COVID 19 economic environment and aim to keep rates at affordable levels. A key part of this is keeping our levels of services and activities generally to the same level as at present.

We do face two key projects that need funding in the term of this 10yr plan:

- 1) Increasing capacity and mitigating risks associated with town water supply (\$9.33 million), and
- 2) Investing in infrastructure to support the growth of Carterton township to the east (\$15.67 million).

The demand we are facing

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

Carterton township's population is anticipated to increase, although the Council is not actively promoting growth. In response to the growth pressures the Eastern Growth Area is being planned. It is a priority to retain the 'character' of Carterton—friendly, caring, vibrant, connected, and engaged—which unmanaged growth could put at risk.

The economic climate is steady, but global financial and geopolitical issues continue. Consequently, the Council has allowed for growth in the rating base to be lower in the next decade than it has in the past, falling from 1.5 percent to 1.2 percent per annum increases and staying at that level for the ten-year period.

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

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

- Increasing capacity and mitigating risks associated with the town water supply.
- Servicing growth in residential properties in line with expected growth rates.

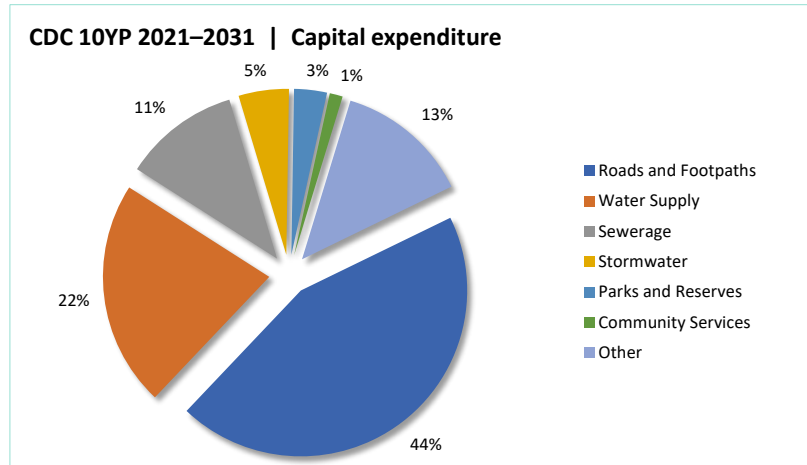
Costs of meeting demand

Capital expenditure

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

The assets managed by the Council are forecast to grow from \$234 million to \$301 million over the ten years of this plan.

The Council will spend in nearly \$79.7 million on capital expenditure over the next ten years (\$6.1 million in 2021/22). The chart below provides a breakdown by major group of activities. The largest share of the capital spend is on transportation (\$35.3 million or 44%) followed by water supply (\$17.5 million or 22%).

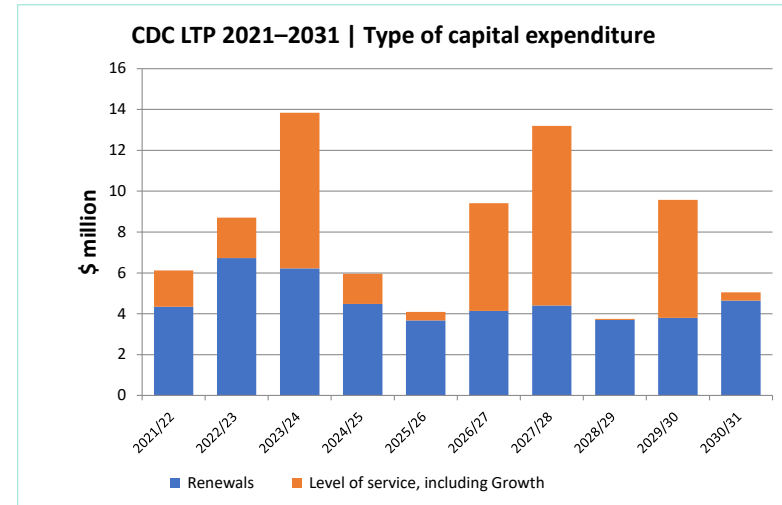


The key capital projects over the ten-year plan are as follows:

- Increasing capacity and mitigating risks associated with town water supply (\$9.3 million), and
- Investing in infrastructure (roads, footpaths, services) to support the growth of Carterton township to the east (\$15.7 million).

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

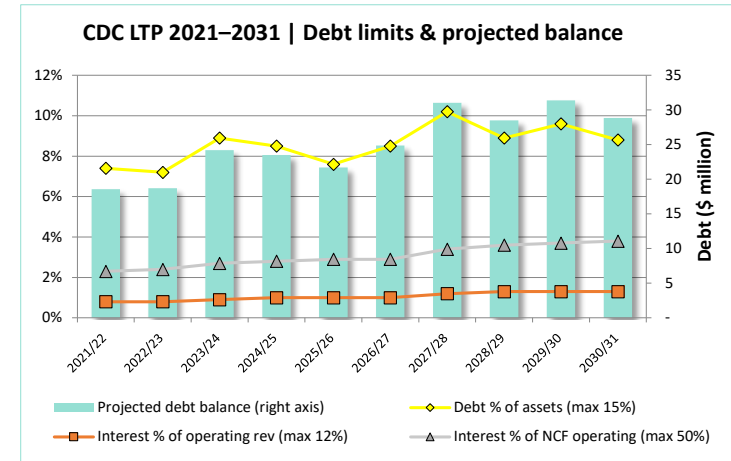
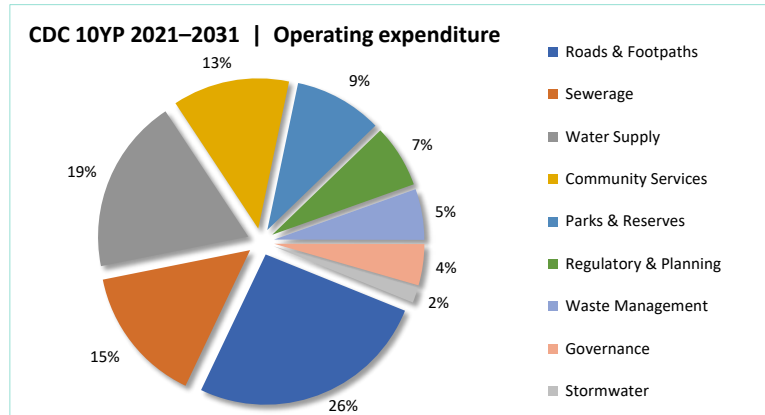
As shown in the chart, there are three peaks in capital expenditure over the ten years. In 2027/28 there is growth expenditure for the additional water supply. In 2023/24, 2026/27 and 2029/30 there is expenditure relating to servicing new residential land in the eastern growth area. In the intermediate years, there is a mix of levels of renewals, service and growth expenditure relating to wastewater developments, smart water meters, water supply resilience, and the additional water supply.



Operating expenditure

Operating expenditure is forecast to increase from \$20.1 million (2021/22) to \$25.3 million (2030/31) over the next ten years, an increase of 26%, compared with the 31% BERL forecast for local government inflation over the same time period. The following chart shows the split between groups of activities.

The greatest operating expenditure over the next ten years is on transportation (\$58.5 million or 26%), followed by water supply (\$42.5 million or 19%) and wastewater (\$33.2 million or 15%).



How we intend to finance our future

Borrowing

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

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

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

Rates

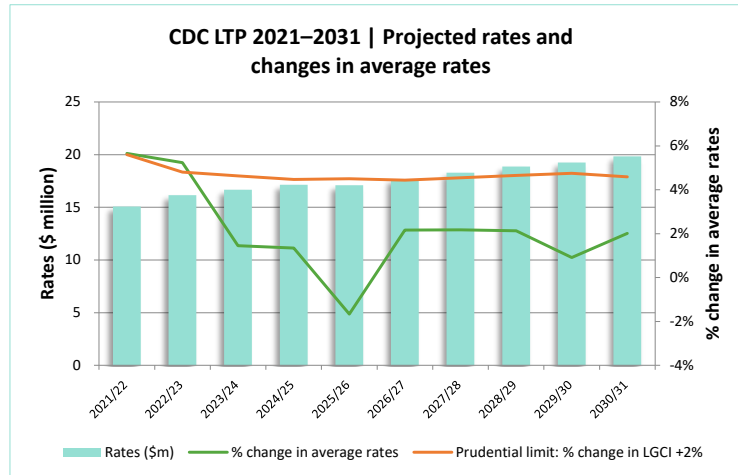
The purpose of local government is to enable democratic local decision-making and to meet its communities' needs for services—now and in the future. These responsibilities often create conflicting views from the community and organisations on what the Council's priorities should be and how much money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

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

Rates limit

The Council has a prudential policy to limit the increase in average rates in any one year to the increase in the BERL local government cost index plus 2 percent.

The following chart shows the projected rates during the Draft Ten Year Plan (the blue bars) and the percentage increase (the orange line) compared with the limit in rates increases (the grey line).



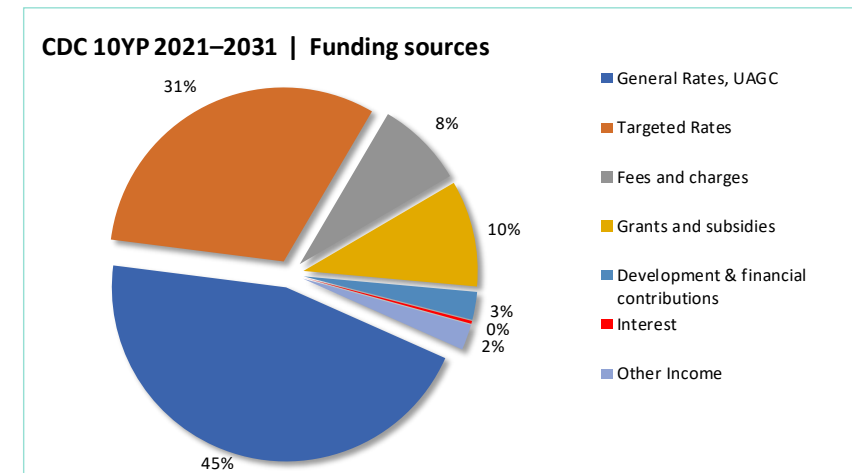
In the 2021/22 financial year, the Council proposes to collect \$15.1 million in rate revenue. This is an increase of \$1.0 million on the current financial year and equates to an increase of 5.7% in the average rates, after taking into account growth in the rating base.²⁵

Actual rates each year for individual properties will vary depending upon the targeted rates that are applicable, the differential rating category, and the valuation of each property. In 2021/22, most of the increased expenditure will impact on urban rates.

Other funding sources

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

investments in corporate enterprises, and has taken a fairly low risk approach to borrowing.



Some of the detail

Inflation

The numbers in this Draft Ten Year Plan incorporate inflation as forecast by economics consulting company BERL.²⁶ Over the ten years of the Plan, BERL forecasts local government faces inflation increase of 31% in their operating and capital costs.

Depreciation

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

²⁵ The average rates is the total forecast rates divided by the total number of forecast rateable properties.

²⁶ Business and Economic Research Limited, September 2017. Forecasts of Price Level Change Adjustors–2017 Update: Note to Society of Local Government Managers



Charging depreciation each year spreads the cost of an asset over its useful life.

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

In this Draft Ten Year Plan, the Council will fully fund the depreciation expense, except for the following:

- roads and footpaths
- Events Centre building and fitout
- all loan-funded capital and renewals expenditure.

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

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

We need to borrow to fund other capital expenditure, including the expansion of the planned sewage treatment capacity and for the additional water supply. This is because insufficient funds have built up in the past in depreciation reserves. Either it is a new asset, or rates have not covered the cost of depreciation over the full life of the asset.

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

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

Reserve funds

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

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

Security on borrowing

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

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

Balancing the budget

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

The rates are set to cover:

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



In every year of this Draft Ten Year Plan Council will run a surplus, the revenue including rates will be more than the expenses.

Financial investments and equity securities

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

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



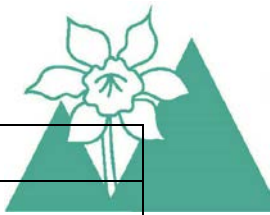
Financial information



Significant forecasting assumptions

A forecasting assumption is defined as something the Council accepts as being true for the purposes of future decisions and actions. The Local Government Act 2002 requires disclosure of the significant forecasting assumptions used to develop the Ten Year Plan and the risks underlying the financial estimates. In cases where the level of uncertainty is assessed as being high risk, this has to be disclosed as well as an estimate of the potential effects on the financial estimates. Council has assessed each assumption using its Risk Assessment Framework to determine the level of risk on a four-point risk scale (Low, Moderate, Significant, Extreme).

General forecasting assumptions		Level of Risk
1	External factors	Moderate
2	District population trends	Moderate
3	Number of rateable properties	Moderate
4	Climate Change	Low
5	Asset condition	Low
6	NZTA subsidies	Low
7	Resource consents	Low
8	Insurance	Moderate
9	Economic shocks	Significant
10	Natural Disasters	Moderate
Financial forecasting assumptions		
11	Interest rates	Moderate
12	Revaluation of non-current assets	Low
13	Depreciation	Low
14	Development and financial contributions	Low
15	Asset lives	Low

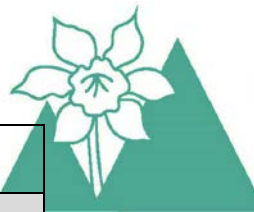


16	Sources of funds for future replacement of assets	Low
17	Inflation	Moderate
18	Investments and return on investments	Low
19	Delivery of Capital Works Programme	Moderate



General forecasting assumptions

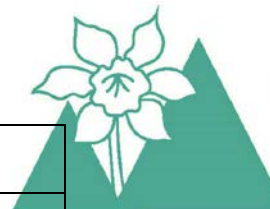
	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
1	External factors			
	There will be no unexpected changes to legislation or other external factors that alter the nature or levels of service provided by the Council.	There is unexpected change to legislation that alters the nature or levels of service provided by Council.	Moderate	There is a high likelihood that the Resource Management Act will be reformed at some time during the next ten years. The scope and impact on the Council at this time is unknown. The Government is also reviewing the delivery of the three waters services (drinking, waste and storm) and drinking water standards and regulations. Again, the outcomes of those pieces of work are unknown. Finally, the Government has a current workstream that is reviewing the scope of services and activities provided by Councils, within the context of the four well-beings and the water services review. Again the outcome of that work is unknown.
2	District population trends			
	A district population growth assumption of an average 1.2% per annum from the 2018 Census. In 2021 the population will be 9,987 increasing to 11,358 in 2031. This is a total increase of 1,371 people or 13.7. percent over the ten years.	<p>Population growth across the District is at a significantly different rate (much faster or much slower) than assumed.</p> <p>The projections are highly sensitive to migration in and out of the District, and responses to external factors such as the neighbouring housing market and international migration, all of which is difficult to forecast.</p> <p>The age distribution of the population is significantly different from that assumed, e. g if there were a lesser increase in the younger age groups and an even greater increase in the older age groups. (and vice versa).</p>	Moderate	<p>The population growth assumption is based on a fairly low population growth. If population growth is higher than predicted then demand for services and facilities would increase and could mean that they might need to be replaced or introduced earlier than planned, and expenditure will be higher than forecast.</p> <p>Different age distributions place different demands on the kinds of services, and their quality and location. This is unlikely to be significant and would be managed by the Council reprioritising their spending.</p>



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
3.	Number of rateable properties			
	<p>The growth in rateable properties continues to be positive. The number of rateable properties is assumed to reach 5,666 by 2031, which is a growth of 14.3 percent over the ten years of the Plan.</p> <ul style="list-style-type: none"> • 2021: 4,955 properties • 2022: 5,025 properties • 2023: 5,119 properties • 2024: 5,205 properties • 2025: 5,283 properties • 2026: 5,356 properties • 2027: 5,422 properties • 2028: 5,487 properties • 2029: 5,547 properties • 2030: 5,607 properties • 2031: 5,666 properties 	Growth does not meet this assumption.	Moderate	The growth estimate reflects recent changes in rateable properties and takes into account ongoing development in the district. Should such growth not continue as forecast then some projects responding to demand will be deferred or not go ahead, and expenditure will be lower than forecast. If growth is greater than predicted, then some projects will go ahead earlier than forecast, and expenditure will be higher than forecast.
4	Climate change			
	The intensity and frequency of weather events will increase as a result of climate change, in line with projections made by NIWA based on the Internal Panel on Climate Change (IPCC) Fifth Assessment Report.	The effect of climate change occurs more rapidly than anticipated.	Low	There is uncertainty about how quickly the effects will be felt and where. Predictions are that weather extremes will be more common and of a greater scale. ²⁸ , ²⁹ In Carterton that will include hotter temperatures, more severe drought, wind, and storm events, and changing weather patterns.. Internationally, successive IPCC reports have underestimated the rate and severity of change.

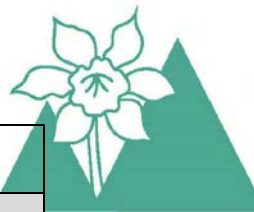
²⁸ NIWA's scenarios report, www.niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios

²⁹ NIWA, 2017. Climate change and variability—Wellington Region.

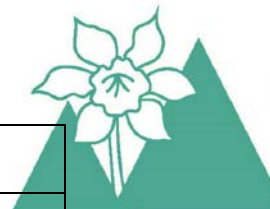


	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
	<p>The Greater Wellington Regional Council has adopted a Climate Change Strategy ²⁷ for mitigation and adaptation in Wellington and Wairarapa.</p> <p>Carterton District Council in partnership with South Wairarapa District Council has also prepared a localised climate change response strategy – Ruamāhanga Strategy.</p> <p>Carterton District Council is prepared to respond to climate change effects over the life of the plan but impacts of climate change on Council activities will be more significant long term.</p>			<p>The impacts of climate change have been considered in each of the infrastructure asset management plans and in the infrastructure strategy. The Council will keep this subject under review as it will continue to be relevant for future ten year plans. Council plans to continually reassess its risk and capability to deal with significant adverse weather events.</p>
5	Asset condition			
	<p>Asset management plans have been prepared for major infrastructural assets, and include renewal and capital programmes. These plans include assessments of asset condition, lifecycle, and demand management. The Council considers that this planning information is reasonable and supportable. There are no unstated asset disposals that will impact significantly on the plan. There are no unstated asset acquisitions that will impact significantly on the plan.</p>	<p>Asset management plans are materially incomplete. Assumptions about condition and lifecycle are materially incorrect.</p>	Low	<p>Asset management plans are updated regularly following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. The asset inventories and condition ratings for roading infrastructure, which are the Council's most significant assets by a considerable margin, are stored and maintained in the RAMM database. It was audited by NZTA in 2016 and found to be adequately maintained.</p>

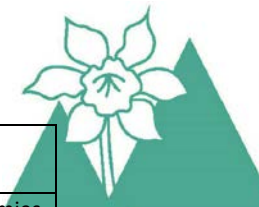
²⁷ Greater Wellington Regional Council, 2015. Climate Change Strategy: A strategy to guide the Wellington Regional Council's climate change response.



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
6	NZTA subsidies			
	<p>Subsidies from the NZTA for maintaining and development of roads will be at the approved rates as follows:</p> <p>53% in 2020/21</p> <p>53% in 2021/22</p> <p>52% in 2022/23 and</p> <p>51% in 2024 - 2031.</p>	<p>Changes in subsidy rate, total subsidy dollars, and variation in criteria for inclusion in subsidised works programmes. The total subsidy dollars may not increase as assumed.</p>	<p>Low</p>	<p>In 2020, the Agency reviewed its subsidy and funding policies. As a result of this review the subsidy rate has been reduced from 53% in 2022 to 51% in 2024. Any further reductions are unlikely but possible. If the rate or dollar level of subsidy decreases, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.</p>
7	Resource consents			
	<p>The Council operates its infrastructure under a number of resource consents. It has been assumed that applications for renewal of those expiring over the next ten years will be approved:</p> <ul style="list-style-type: none"> The Council's resource consent to take water from the Kaipaitangata Stream for the urban water supply expired in 2013. An application has been lodged to renew the consent. The consent for the supplementary bores expires in 2034. The consent for the discharge to air, land, and water in relation to the sewage treatment plant expires in 2053. Consents to take water for the water race network and to discharge back into a range of natural water courses expire in 2023. The district-wide comprehensive consent for discharges from the stormwater system expired in 2016. In agreement with Greater Wellington 	<p>Greater Wellington Regional Council will not approve the Council's application for new or renewed consents. Alternatively, it may place more restrictions on the activity sought, or require substantial monitoring or mitigation work. Consent conditions may be affected by the current review of the Regional Council's Natural Resources Plan.</p>	<p>Low</p>	<p>Some increased costs for securing a resource consent for stormwater and subsequent monitoring have already been included in the Plan. The total final costs of these may be insufficient.</p> <p>The future consent will likely place greater restrictions on water take from the Kaipaitangata Stream during low flow/high demand periods, placing increased demand on bore water source and storage. During this Draft Ten Year Plan, storage capacity will be increased at the main water treatment plant and at the supplementary facility. Council is also planning to locate and construct an alternative water source before the end of the ten year period.</p> <p>The Council has worked closely with the Greater Wellington Regional Council to concurrently seek the renewal of resource consent and plan the development work at the sewage treatment facility and its associated irrigation. This has led to a strong, respectful relationship between the two councils. As a result, there is unlikely to any significant surprises.</p>



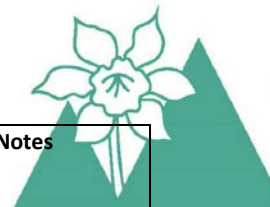
	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
	Regional Council there are no expectations in the short term that this consent will be renewed until the Natural Resources Plan is finalised. Once the plan is finalised Carterton District Council will include funding in budgets to cover the costs of consent renewal			
8	Insurance			
	Insurance costs have varied significantly over recent years. The Council's broker has advised that the underlying adjustment by reinsurers to risk has levelled off, and increases are likely continue through the ten years of the Ten Year Plan in line with asset price level adjustments. Currently the Council has full cover for above ground assets, while infrastructural assets have limited cover provided by the Local Authority Protection Programme Disaster Fund (LAPP).	Reinsurance costs escalate beyond forecast budgets. Cover may not be available for certain assets or risks. LAPP may not be able to secure cover for the 40% balance not assured by central government. The central government has been considering removing the 40% it now covers.	Moderate	Any further significant earthquake events in New Zealand in the next ten years would impact on renewal costs. The cost of insurance may be greater than forecast leading to unbudgeted expenditure. The cost of reinstating LAPP cover would be significant, funded by additional rates. The Council will need to consider the trade-off between self-insurance or paying higher insurance premiums, funded by additional rates.
9	Economic Shocks			
	The economy will recover from the impacts of the Covid-19 pandemic at a mid-scenario rate (i.e. a prolonged but healthy recovery) during the life of this Long-Term Plan.	Economic recovery does not occur at the mid-scenario rate that Council has planned for.	Significant	<p>The full implications of the impact of Covid-19 are still unclear. Advice to Local Government from Business and Economic Research Limited (BERL) in line with economic forecasts published by the Reserve Bank of New Zealand, New Zealand Treasury and BERL suggests that recovery will most likely be a mid-scenario. Which includes:</p> <ul style="list-style-type: none"> • Avoiding a widespread outbreak and remains at Alert Level 1 throughout 2021 • Stringent border restrictions remain in places until the end of 2021 • From the September quarter of 2020, New Zealand economy gradually recovers.



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
				Demand from trading partners economies also recover only gradually.
10	Natural Disasters			
	Council is prepared to respond to any natural hazards, including floods, storms and earthquakes that occur during the life of this Long Term Plan.	A natural disaster event occurs that is beyond the Council's ability to respond.	Moderate	A major natural disaster would impact n Council by requiring immediate funding. This would reduce Council's financial capacity to be able to meet other unforeseen costs. Council could borrow additional funds but this could potentially impact on rates.

Financial forecasting assumptions

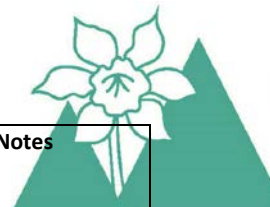
	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
11	Interest rates				
	<p>The range of interest rates on term debt is assumed to be 0.9 percent, in line with existing loan facilities and current long-term rates on offer and allowing a slight increase in long-term interest rates. To allow for anticipated timing of capital expenditure, only half a year's interest expenditure is provided for on new loans.</p> <p>The interest rate on investments is calculated at 0.75 percent.</p>	Interest rates differ from those used in the calculations.	Moderate	<p>Higher interest rates than anticipated would increase the cost of borrowing and therefore the cost of loan-funded projects. This may make those capital projects and services less affordable. Overall, if the interest rates were 1% more than assumed this would add about \$175,000 to total expenditure in year 1 of the Plan, and would remain at that amount per year if the rate was sustained over the 10 years and the level of debt also remained at the near-same levels over the period</p> <p>Borrowing limits (expressed in terms of debt-to-assets and gross interest costs) are set out in the Liability Management Policy.</p>	



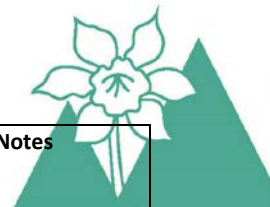
	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
12	Revaluation of non-current assets				
	<p>Revaluation assumptions have been included in the Ten Year Plan. These have been done following the Business and Economic Research Limited (BERL) forecasts of price level change adjusters.</p> <p>Revaluation movements will be shown in the prospective financial statements in accordance with the revaluation policies of the 'Property, plant, and equipment', 'Revaluation', and 'Impairment' sections of the accounting policies.</p>	Actual revaluation results differ from those in the forecast.	Low	<p>Where the actual inflation rate is different from that forecast, the actual revaluation will be different from that forecast.</p> <p>The Ten Year Plan for each subsequent year is reviewed by way of the annual plan round and a new ten year plan is produced every three years.</p>	
13	Depreciation				
	<p>Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost thereafter. The rates applied are listed in the 'Depreciation' section of the accounting policies. It is assumed that:</p> <ul style="list-style-type: none"> existing depreciation will continue replacement assets (renewals) affect depreciation as follows: <ul style="list-style-type: none"> asset renewal will equal that of the assets being replaced new assets' depreciation will be the result of their estimated lives and values depreciation on new and renewal programmes will impact in the year following the capital programme. 	That more detailed analysis of planned capital works once complete may alter the depreciation expense. That asset lives may alter due to new technology improving asset lives.	Low	The Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.	



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
14	Financial contributions				
	<p>The Council assesses financial contributions under the Resource Management Act 1991. These contributions are used to help fund new capital infrastructure, particularly in response to growth.</p> <p>This Ten Year Plan assumes that financial contributions will continue, at a similar level of revenue.</p>	The amount of revenue from financial contributions is significantly different from Council projections.	Low	<p>Financial contributions provisions will be reviewed as part of the District Plan review in years 1-3 of this 10 Year Plan.</p> <p>Note: The Council has the option to develop a Development Contributions Policy under the Local Government Act. Such a policy would replace financial contributions under the RMA. Given the uncertainties with the three waters reform and the RMA reform the Council will not be developing a Development Contributions Policy at this time and will continue to rely on financial contributions to address growth impacts on infrastructure</p>	
15	Asset lives				
	Useful lives of assets are based on professional advice and experience captured in the asset management system. These are summarised in the depreciation note within the accounting policies.	Assets wear out earlier than estimated.	Low	Asset life is based on estimates of engineers, valuers, inspections, and asset managers. Capital projects can be brought forward in event of early expiration of assets (this would affect depreciation and interest, of which the amounts are unknown). Conversely, other assets may not need to be replaced until after the estimated useful life.	
16	Sources of funds for future replacement of assets				
	<p>The funding of the replacement of future assets is based on the following assumptions:</p> <ul style="list-style-type: none"> In accordance with the revenue and financing policy and financial strategy, the Council has, over the term of the Ten Year Plan, set revenue levels 	A planned funding source is unavailable.	Low	As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available. Local authorities have the power to rate, and that makes them attractive borrowers to private bankers and investors. The Council has the further ability to	



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
	<p>sufficient to fully fund depreciation of its assets and loan repayments, with the exception of roading (partially funded by NZTA through subsidy on cap expenditure)</p> <ul style="list-style-type: none"> The funding for the replacement of any individual asset will be funded from the following sources: <ul style="list-style-type: none"> from prior year credit depreciation reserve balances from the current year's cash arising from revenue funding of depreciation infrastructure contributions under the development contributions or financial contributions policy loan funding with a loan being the shorter of either a 20-year loan term or the life of the asset special funds set aside for specific purposes identified by the Council. <p>Existing loan facilities are based on 20-year terms and mature every five years. It is assumed that these loans will be rolled by the bank on maturity for a further five years.</p>			<p>indirectly borrow through the Local Government Funding Agency. It is likely that alternative sources of borrowing than that planned would be at similar interest expense.</p>	

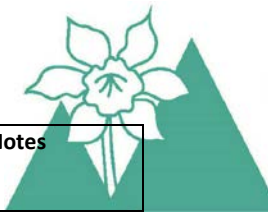


	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
17	Inflation				
	<p>Expenditure for 2021/22 has been estimated based on 2020/21 estimated out-turn; personnel costs were increased by 2% and other operating costs (excluding interest, depreciation, and some other minor costs) were adjusted by the BERL³⁰ forecasts of price level change adjusters. Beyond this, inflation has been factored into the Plan using the mid-scenario BERL forecast changes in Annex One.</p> <p>Revenue has been estimated using the BERL adjuster for operating costs where an inflationary effect is anticipated. This excludes development and financial contributions (see separate assumption above), grants received for distribution, interest, and rates penalties.</p> <p>Capital expenditure has been estimated using the BERL adjuster for capital costs.</p>	That actual inflation differs to that predicted, on which decisions are made.	Medium	<p>Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast. Higher than forecast inflation would likely mean higher operating and capital costs and higher revenue; higher capital expenditure could mean greater borrowing; and there would be pressure on rates to increase to cover these costs.</p> <p>Each subsequent year of the ten-year plan is reviewed by way of the Annual Plan round and a new ten-year plan is produced every three years.</p>	
18	Investments and return on investments				
	The Council's Special Funds Reserves will be retained in their present form throughout the term of the Plan. Additions and withdrawals from the Funds have been accounted for each year through the Plan where identified and required. A return on	That the actual return on investment differs to that budgeted.	Low	Movement in the investment fund is difficult to predict but best efforts have been used, using past results. The financial effect is unknown but unlikely to be significant.	

³⁰ recasts of Price Level Change Adjustors— 2020Update: Note to Society of Local Government Managers, Business and Economic Research Limited, October 2020



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
	the Special Funds Reserves investment of 0.75 percent has been assumed.				
19	Delivery of Capital Works Programme				
	Council can successfully deliver the planned capital works programme as outlined in this Draft Ten Year Plan.	Council is unable to successfully deliver the planned capital works programme as outlined in this Draft Ten Year Plan. Non-delivery could impact on Council's ability to deliver levels of service and result in financial management challenges.	Moderate	<p>Historically, Council has been able to successfully deliver the majority of its capital programme. However there is always the possibility that external contractors may become unavailable and this could significantly impact on Council's ability to deliver on its planned works. Lack of contractor personnel would create delays in the programme, unmet expectations and a backload of work. Another possible impact on delivery of the capital programme may arise from the Wairarapa Combined District Plan review. If the review is delayed and suitable land for development is not available when assumed, or if demand for new sections is not as strong as forecasted, then the planned capital works programme will occur in later years.</p> <p>Any significant and continued delays in the delivery of renewals and upgrades, may impact on the Council's ability to deliver levels of service, potential increased costs from and long term risks of assets failing before they can be replaced. Financial risk could also be possible as Council rates, borrows, and charges Financial Contributions to fund a programme of works it may not be able to deliver in the budgeted timeframe.</p> <p>The risk is mitigated by Council's ability to revise the speed of its capital works programme in Annual Plans and Long Term Plan, and alter rating, financial contributions,</p>	



	Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty	Data Notes
				and borrowing assumptions at that time. Any funding already collected can be carried forward to a later year to be used at the point of construction.	



ANNEX ONE

BERL Inflation adjusters

Expenditure for 2021/22 has been estimated based on 2020/21 estimated out-turn; personnel costs were increased by 2% and other operating costs (excluding interest, depreciation, and some other minor costs) were not adjusted. BERL³¹ advised that the 2021/22 year and 2022/23 forecasts of price level change would be unsettled by the pandemic and there was some discretion to the PLC applied during those years. CDC has considered that there would be no change in 2021/22 apart from the adjustment to personnel costs; and that for the subsequent year a flat change of 2% would be applied. Beyond this, inflation has been factored into the Plan using the BERL forecast changes as follows:

Year	Operating excluding Personnel	Capital	Personnel
2020/21	0.00%	0.00%	0.00%
2021/22	0.00%	0.00%	2.00%
2022/23	2.00%	2.00%	2.00%
2023/24	2.80%	3.08%	2.39%
2024/25	2.63%	2.61%	1.58%
2025/26	2.47%	2.55%	1.74%
2026/27	2.50%	2.66%	1.89%
2027/28	2.44%	2.68%	2.12%
2028/29	2.55%	2.69%	2.34%
2029/30	2.65%	2.87%	2.46%
2030/31	2.75%	2.87%	2.56%

³¹ *Forecasts of Price Level Change Adjusters—2017 Update*: Note to Society of Local Government Managers, Business and Economic Research Limited, September 2017



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 forecasts of the Council comply with PBE standards.

The financial forecasts of the CDC are for the ten financial years from 1 July 2021 to 30 June 2031. The financial forecasts were authorised for issue by Council on ?? June 2021. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of Preparation

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

These prospective financial statements have been prepared in accordance with PBE standards for a Tier 2 entity as the Council does not have public accountability and is not large.

Statement of prospective financial information

The financial information contained in this document is a forecast for the purposes of PBE Financial Reporting Standard (FRS) 42. It has been prepared on the basis of assumptions as to

future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecasts were prepared. The purpose for which it has been prepared is to enable the public to participate in the decision making process as to the services to be provided by the Council to the community.

Council does not intend to update the prospective financial statements subsequent to the final presentation of the Ten Year Plan. It will however update the prospective financial statements relating to the financial year being considered within each subsequent Annual Plan to this Ten Year Plan.

The Ten Year Plan is in full compliance with PBE FRS 42.

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

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

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

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

Changes in accounting policies

There have been no changes in accounting policies in the financial forecasts for the ten years from 2018/19 to 2027/28.



Significant Accounting Policies

Revenue

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

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

Revenue from exchange and non-exchange transactions

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

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

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

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

Rates revenue

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 (GWRC) are not recognised in the financial statements as CDC is acting as an agent for the GWRC.

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.

Other revenue

Government Grants

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

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

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

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 income is exchange revenue and is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue. Dividends are recorded net of imputation credits.

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.

Development and financial contributions

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

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

Borrowing costs

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

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been 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 a successful applicant has been notified of the Council’s decision.

Income tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

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

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



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

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

Leases

Finance leases

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

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

Derivative financial instruments and hedge accounting

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

Other financial assets

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

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

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



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

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

Loans and receivables

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

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

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

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

Impairment of financial assets

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

Loans and other receivables

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

Property, plant, and equipment

Property, plant and equipment consists of:

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

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

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

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

Revaluation

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



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

Revaluations of property, plant, and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

Additions

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

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

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Disposals

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

Depreciation

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



Buildings	3 to 100 years	1.00–35.00%
Plant and equipment	10 to 50 years	2.00–10.00%
Motor vehicles	10 years	10.00%
Fixtures and fittings	10 to 50 years	2.00–10.00%
Office equipment	5 to 10 years	10.00–20.00%
Library collections	5 to 6 years	18.90%
Roads, bridges & footpaths*	8 to 65 years	1.60–12.00%
Water systems*	4 to 80 years	1.60–23.00%
Stormwater systems*	20 to 100 years	1.00–5.00%
Sewerage systems*	10 to 80 years	1.5–10.0%
Heritage assets	20 to 50 years	2.00–5.00%

In relation to infrastructure 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.

Intangible assets

Software acquisition

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

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

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

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

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

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 3–10 years, and are stated at cost less accumulated amortisation and impairment losses.

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.

Amortisation

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

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

Computer software	5 years	20.00%
Resource consents	3–10 years	10.00–33.33%



Impairment of property, plant and equipment and intangible assets

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the 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 revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

Forestry assets

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

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

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

Creditors and other payables

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

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

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

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

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



Long-term employee entitlements

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

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

A discount rate of 4.63% and an inflation factor of 3.00% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

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

Superannuation schemes

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss

incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

Equity

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

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

Restricted reserves

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

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

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

Council's objectives, policies, and processes for managing capital are described in note 29 of the 2017 Annual Report.



Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each 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.

Prospective statement of cash flows

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

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

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

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

Critical accounting estimates and assumptions

In preparing these prospective financial statements, the Council has made estimates and assumptions concerning the future. These are disclosed in the significant forecasting assumptions section on page 84.

Critical judgments in applying Council's accounting policies

There are no notable critical judgements exercised by management in applying the Council's accounting policies for the ten financial years ending 30 June 2019 to 30 June 2028.

Prospective total surplus/(deficit)

Council is projecting a surplus for the ten financial years ending 30 June 2021 to 30 June 2031.



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Operating Revenue											
Rates	14,069,756	15,074,711	16,160,243	16,672,436	17,149,290	17,097,960	17,680,633	18,281,398	18,875,764	19,254,549	19,847,409
Rates penalties	-	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900	69,900
Finance revenue	157,500	50,422	51,965	54,207	56,630	59,174	63,851	68,457	73,263	77,909	82,486
Fees and charges	1,235,700	1,761,850	1,797,087	1,847,392	1,895,961	1,942,797	1,991,367	2,039,937	2,091,976	2,147,484	2,206,462
NZTA subsidy	1,850,000	2,189,700	2,130,700	2,220,500	2,278,700	2,336,000	2,396,600	2,458,300	2,523,000	2,593,100	2,666,100
Grants and subsidies	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900
Petrol tax	77,000	98,000	112,200	115,341	118,373	121,297	124,330	127,362	130,611	134,077	137,759
Recoveries	172,644	184,844	229,341	193,819	198,914	247,936	208,924	214,019	266,974	225,303	231,490
Rentals	96,994	128,994	131,574	135,257	138,813	142,242	145,798	149,354	153,164	157,228	161,546
Forestry harvest	-	8,500	10,200	10,486	10,761	11,027	11,303	11,578	11,874	12,189	12,524
Commissions	51,050	51,050	52,071	53,529	54,936	56,293	57,700	59,108	60,615	62,224	63,933
Miscellaneous revenue	28,800	22,650	24,123	24,798	25,450	26,731	27,383	28,081	28,827	29,618	30,418
Contributions	409,359	592,700	600,800	608,900	617,000	625,300	633,600	642,100	650,800	659,500	668,200
Profit on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Assets vested in council	-	-	-	-	-	-	-	-	-	-	-
Share revaluation	-	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-	-
Total operating income	18,172,703	20,257,221	21,394,104	22,030,463	22,638,629	22,759,906	23,434,636	24,172,796	24,959,923	25,446,189	26,201,327
Operating Expenditure											
Governance	754,283	913,070	1,018,372	958,311	983,795	1,094,314	1,028,854	1,052,650	1,172,967	1,102,017	1,132,589
Roads & footpaths	4,240,303	5,027,505	5,206,296	5,355,814	5,529,861	5,618,584	5,908,398	6,127,958	6,273,095	6,607,285	6,859,123
Water Supply	2,845,004	3,580,290	3,666,985	3,904,741	4,030,118	4,081,850	4,195,993	4,469,298	4,848,857	4,786,337	4,928,234
Sewerage	2,720,569	3,007,590	3,150,575	3,305,982	3,498,020	3,279,000	3,315,782	3,406,080	3,367,527	3,439,643	3,537,319
Stormwater	281,272	297,357	303,716	318,738	341,545	351,978	370,769	406,804	418,610	431,254	453,145
Waste management	1,133,551	1,125,939	1,141,419	1,176,797	1,222,470	1,249,984	1,278,828	1,306,864	1,333,804	1,359,896	1,385,149
Community support	4,706,469	4,731,569	4,747,751	4,747,003	4,913,471	4,876,854	5,001,187	5,067,421	5,156,133	5,187,660	5,309,870
Regulatory & planning	1,470,112	1,371,213	1,414,019	1,443,328	1,476,075	1,509,741	1,538,265	1,568,855	1,607,388	1,641,337	1,687,803
Bad debts	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	18,191,564	20,094,534	20,689,133	21,250,715	22,035,355	22,102,305	22,678,076	23,445,930	24,218,382	24,595,428	25,333,233
Operating Surplus/(deficit)	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Revaluation gains	-	-	-	-	-	-	-	-	-	-	-
Fair value gain/(losses)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) before tax	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Taxation expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Note: Total expenditure includes -											
Depreciation	4,683,427	6,406,046	6,658,298	6,862,820	7,303,482	7,004,335	7,330,295	7,703,813	7,977,700	8,037,053	8,333,313
Finance costs	659,282	170,454	175,087	203,691	230,341	224,597	237,389	289,137	317,345	331,936	347,814
Personnel	4,550,137	4,713,769	4,808,044	4,922,740	5,000,733	5,087,902	5,184,246	5,294,354	5,418,226	5,551,273	5,693,495



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Surplus/(deficit) after tax	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Increase/(decrease) in revaluation reserves	1,331,430	1,975,649	9,481,603	2,913,808	3,695,342	13,545,129	2,553,197	4,392,821	15,428,840	2,798,976	4,742,431
Financial assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive revenue and expense	1,331,430	1,975,649	9,481,603	2,913,808	3,695,342	13,545,129	2,553,197	4,392,821	15,428,840	2,798,976	4,742,431
Total comprehensive revenue and expense	1,312,569	2,138,336	10,186,574	3,693,557	4,298,616	14,202,729	3,309,757	5,119,687	16,170,381	3,649,738	5,610,524



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025	LTP 30 June 2026	LTP 30 June 2027	LTP 30 June 2028	LTP 30 June 2029	LTP 30 June 2030	LTP 30 June 2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equity at start of year	223,515,862	227,244,077	229,382,413	239,568,987	243,262,544	247,561,160	261,763,889	265,073,646	270,193,333	286,363,715	290,013,452
Total comprehensive revenue and expense	1,312,569	2,138,336	10,186,574	3,693,557	4,298,616	14,202,729	3,309,757	5,119,687	16,170,381	3,649,738	5,610,524
Equity at end of year	224,828,431	229,382,413	239,568,987	243,262,544	247,561,160	261,763,889	265,073,646	270,193,333	286,363,715	290,013,452	295,623,977
Components of equity											
Retained earnings at start of year	125,541,146	122,499,394	122,988,215	126,408,850	129,397,000	130,109,235	130,372,060	130,757,607	131,541,898	131,354,671	131,575,102
Surplus/(deficit) after tax	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Transfers (to)/from revaluation reserves											
Transfers (to)/from restricted/council created reserves	(1,472,543)	326,134	2,715,664	2,208,402	108,961	(394,775)	(371,014)	57,425	(928,769)	(630,330)	(10,571)
Retained earnings at end of year	124,049,742	122,988,215	126,408,850	129,397,000	130,109,235	130,372,060	130,757,607	131,541,898	131,354,671	131,575,102	132,432,624
Revaluation reserves at start of year	90,559,553	93,581,997	95,557,645	105,039,248	107,953,057	111,648,399	125,193,528	127,746,725	132,139,546	147,568,386	150,367,363
Transfers (to)/from Equity											
Financial asset revaluation gains	-	-	-	-	-	-	-	-	-	-	-
Revaluation gains	1,331,430	1,975,649	9,481,603	2,913,808	3,695,342	13,545,129	2,553,197	4,392,821	15,428,840	2,798,976	4,742,431
Revaluation reserves at end of year	91,890,983	95,557,645	105,039,248	107,953,057	111,648,399	125,193,528	127,746,725	132,139,546	147,568,386	150,367,363	155,109,793
Restricted/council created reserves at start of year	3,612,678	6,328,200	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083
Transfers (to)/from reserves	1,206,043	445,022	249,785	337,117	356,408	368,049	686,123	677,959	712,173	688,246	677,329
Transfers (to)/from other reserves	-										
Restricted reserves at end of year	4,818,721	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083	11,526,413
Other (Council created) reserves at start of year	3,802,485	4,834,486	4,063,331	1,097,882	(1,447,637)	(1,913,006)	(1,886,281)	(2,201,390)	(2,936,775)	(2,720,179)	(2,778,095)
Transfers (to)/from restricted/council created reserves	266,500	(771,156)	(2,965,449)	(2,545,519)	(465,369)	26,725	(315,109)	(735,384)	216,595	(57,916)	(666,758)
Other (Council created) reserves at end of year	4,068,985	4,063,331	1,097,882	(1,447,637)	(1,913,006)	(1,886,281)	(2,201,390)	(2,936,775)	(2,720,179)	(2,778,095)	(3,444,854)
Equity at end of year	224,828,431	229,382,413	239,568,987	243,262,544	247,561,160	261,763,889	265,073,646	270,193,333	286,363,715	290,013,452	295,623,977



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Assets											
Current assets											
Cash and cash equivalents	1,071,088	6,953,811	5,521,496	4,502,806	5,406,019	6,856,569	8,002,261	8,766,035	10,522,081	12,046,878	13,007,278
Debtors and other receivables	5,171,104	2,330,527	2,378,793	2,447,697	2,514,226	2,578,378	2,644,907	2,711,435	2,782,715	2,858,748	2,939,532
Investments	4,818,722	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083	11,526,413
Inventory	-	-	-	-	-	-	-	-	-	-	-
Total current assets	11,060,914	16,057,561	14,923,296	14,310,627	15,636,777	17,519,529	19,417,872	20,926,134	23,465,633	25,754,710	27,473,223
Non-current assets											
Property, plant and equipment	231,857,946	232,665,200	244,293,075	254,264,265	256,310,109	266,747,870	271,174,029	281,154,958	292,483,084	296,928,395	298,200,101
Forestry assets	973,000	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800	1,013,800
Intangible assets	993,570	1,232,264	1,137,358	1,057,463	1,358,548	1,556,006	1,768,855	1,675,750	1,544,483	1,435,655	1,618,753
Investments	20,795	423,021	423,021	423,021	423,021	423,021	423,021	423,021	423,021	423,021	423,021
Investment property	-	-	0	-	-	-	-	-	-	-	-
Total non-current assets	233,845,311	235,334,285	246,867,254	256,758,548	259,105,478	269,740,697	274,379,705	284,267,529	295,464,387	299,800,871	301,255,675
Total assets	244,906,225	251,391,845	261,790,550	271,069,176	274,742,255	287,260,226	293,797,577	305,193,663	318,930,020	325,555,580	328,728,898
Liabilities											
Current liabilities											
Creditors and other payables	2,886,158	2,796,420	2,852,348	2,932,192	3,009,283	3,083,620	3,160,710	3,237,801	3,320,398	3,408,501	3,502,111
Employee entitlements	432,827	589,916	601,714	616,068	625,828	636,737	648,795	662,574	678,076	694,727	712,526
Borrowings	-	845,864	845,864	845,864	845,864	845,864	845,864	845,864	845,864	845,864	845,864
Provisions	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	3,318,985	4,232,199	4,299,926	4,394,123	4,480,975	4,566,221	4,655,369	4,746,239	4,844,338	4,949,092	5,060,500
Non-current liabilities											
Provisions	-	-	-	-	-	-	-	-	-	-	-
Employee entitlements	61,447	60,340	60,340	60,340	60,340	60,340	60,340	60,340	60,340	60,340	60,340
Borrowings	16,697,362	17,716,893	17,861,297	23,352,168	22,639,780	20,869,776	24,008,222	30,193,751	27,661,628	30,532,696	27,984,081
Total non-current liabilities	16,758,809	17,777,233	17,921,637	23,412,508	22,700,120	20,930,116	24,068,562	30,254,091	27,721,968	30,593,036	28,044,421
Equity											
Public equity	124,049,742	122,988,215	126,408,850	129,397,000	130,109,235	130,372,060	130,757,607	131,541,898	131,354,671	131,575,102	132,432,624
Restricted reserves	4,818,721	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083	11,526,413
Revaluation reserves	91,890,983	95,557,645	105,039,248	107,953,057	111,648,399	125,193,528	127,746,725	132,139,546	147,568,386	150,367,363	155,109,793
Other reserves	4,068,985	4,063,331	1,097,882	(1,447,637)	(1,913,006)	(1,886,281)	(2,201,390)	(2,936,775)	(2,720,179)	(2,778,095)	(3,444,854)
Total equity	224,828,431	229,382,413	239,568,987	243,262,544	247,561,160	261,763,889	265,073,646	270,193,333	286,363,715	290,013,452	295,623,977
Total liabilities and equity	244,906,225	251,391,845	261,790,550	271,069,176	274,742,255	287,260,226	293,797,577	305,193,663	318,930,020	325,555,580	328,728,898



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASH FLOWS
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Cash flows from Operating Activities											
Cash was received from:											
Receipts from rates revenue	11,638,166	15,544,611	16,204,078	16,705,126	17,183,262	17,133,216	17,714,605	18,315,370	18,907,170	19,283,389	19,873,683
Grants, subsidies and donations	1,873,900	2,213,600	2,154,600	2,244,400	2,302,600	2,359,900	2,420,500	2,482,200	2,546,900	2,617,000	2,690,000
Petrol tax	77,000	98,000	112,200	115,341	118,373	121,297	124,330	127,362	130,611	134,077	137,759
Other revenue	1,994,547	3,150,588	2,822,995	2,842,486	2,911,235	3,022,166	3,044,822	3,112,878	3,230,698	3,257,782	3,336,615
Finance revenue	157,500	50,422	51,965	54,207	56,630	59,174	63,851	68,457	73,263	77,909	82,486
	15,741,113	21,057,221	21,345,838	21,961,559	22,572,100	22,695,753	23,368,108	24,106,267	24,888,643	25,370,157	26,120,543
Cash was applied to:											
Payments to suppliers & employees	13,213,593	13,517,805	13,788,021	14,090,006	14,414,681	14,788,127	15,021,244	15,362,110	15,825,238	16,121,686	16,540,697
Finance expenditure	659,282	170,454	175,087	203,691	230,341	224,597	237,389	289,137	317,345	331,936	347,814
	13,872,875	13,688,259	13,963,108	14,293,697	14,645,021	15,012,724	15,258,633	15,651,247	16,142,583	16,453,622	16,888,511
Net cash flow from operating activities	1,868,238	7,368,961	7,382,730	7,667,862	7,927,079	7,683,029	8,109,474	8,455,021	8,746,059	8,916,535	9,232,031
Cash flows from Investing Activities											
Cash was received from:											
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Term investments, shares & advances	8,297,654	6,328,200	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083
Forestry investment	-	-	-	-	-	-	-	-	-	-	-
	8,297,654	6,328,200	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083
Cash was applied to:											
Purchase of property, plant and equipment	9,125,543	6,126,331	8,709,664	13,840,306	5,955,070	4,094,426	9,416,105	13,198,816	3,745,717	9,574,560	5,045,686
Term investments, shares & advances	4,818,722	7,173,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083	11,526,413
Forestry investment	-	-	-	-	-	-	-	-	-	-	-
	13,944,265	13,299,553	15,732,672	21,200,431	13,671,602	12,179,007	18,186,810	22,647,480	13,906,554	20,423,644	16,572,099
Net cash flow from investing activities	(5,646,611)	(6,971,353)	(8,959,450)	(14,177,423)	(6,311,478)	(4,462,475)	(10,102,228)	(13,876,776)	(4,457,890)	(10,262,806)	(5,723,016)
Cash flows from Financing Activities											
Cash was received from:											
Proceeds from borrowings	2,225,117	1,980,533	1,584,604	7,295,864	1,150,110	97,362	5,269,276	8,754,062	38,326	5,727,914	324,452
	2,225,117	1,980,533	1,584,604	7,295,864	1,150,110	97,362	5,269,276	8,754,062	38,326	5,727,914	324,452
Cash was applied to:											
Repayment of borrowings	(663,293)	1,366,853	1,440,200	1,804,993	1,862,498	1,867,366	2,130,830	2,568,533	2,570,450	2,856,845	2,873,068
	(663,293)	1,366,853	1,440,200	1,804,993	1,862,498	1,867,366	2,130,830	2,568,533	2,570,450	2,856,845	2,873,068
Net cash flow from financing activities	2,888,410	613,680	144,404	5,490,871	(712,388)	(1,770,004)	3,138,446	6,185,529	(2,532,123)	2,871,069	(2,548,616)
Net increase/(decrease) in cash held	(889,963)	1,011,289	(1,432,315)	(1,018,690)	903,213	1,450,550	1,145,692	763,774	1,756,045	1,524,798	960,400
Add cash at start of year (1 July)	1,961,051	5,942,523	6,953,811	5,521,496	4,502,806	5,406,019	6,856,569	8,002,261	8,766,035	10,522,081	12,046,878
Balance at end of year (30 June)	1,071,088	6,953,811	5,521,496	4,502,806	5,406,019	6,856,569	8,002,261	8,766,035	10,522,081	12,046,878	13,007,278
Represented by:											
Cash and cash equivalents and bank overdrafts	1,071,088	6,953,811	5,521,496	4,502,806	5,406,019	6,856,569	8,002,261	8,766,035	10,522,081	12,046,878	13,007,278

Cash and cash equivalents and bank overdrafts 2021-2031



CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Surplus/(deficit) after tax	221,146	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
Add/(Less) non cash expenses											
Revaluation (gains)/losses	-	-	-	-	-	-	-	-	-	-	-
Depreciation & amortisation funded	4,081,638	3,576,642	3,828,895	4,033,417	4,474,079	4,174,932	4,500,892	4,874,410	5,148,296	5,207,650	5,503,910
Bad debts	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Share revaluation	-	-	-	-	-	-	-	-	-	-	-
Gifted assets	-	-	-	-	-	-	-	-	-	-	-
Assets vesting in council	-	-	-	-	-	-	-	-	-	-	-
	4,121,638	3,616,642	3,868,895	4,073,417	4,514,079	4,214,932	4,540,892	4,914,410	5,188,296	5,247,650	5,543,910
Add/(Less) items classified as investing or financing activities											
(Gains)/losses on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses in fair value of forestry assets	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses in fair value of investment properties	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Plus/(less) movements in working capital											
(Increase)/decrease in inventories	-	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in debtors and other receivables	(118,358)	13,356,886	484,852	(5,354,446)	6,215,364	1,071,836	(4,916,585)	(3,053,512)	8,708,952	(5,411,892)	5,410,984
Increase/(decrease) in creditors and other payables	167,605	(9,767,254)	2,324,012	8,169,143	(3,405,638)	1,738,661	7,728,608	5,867,257	(5,892,731)	8,230,017	(2,590,957)
Increase/(decrease) in employee entitlements	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in provisions	-	-	-	-	-	-	-	-	-	-	-
	49,247	3,589,632	2,808,864	2,814,696	2,809,726	2,810,497	2,812,022	2,813,745	2,816,222	2,818,125	2,820,027
Net cashflow from operating activities	4,392,031	7,368,961	7,382,730	7,667,862	7,927,079	7,683,029	8,109,474	8,455,021	8,746,059	8,916,535	9,232,031



CARTERTON DISTRICT COUNCIL

FUNDING IMPACT STATEMENT FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Operating Funding											
Sources of operating funding											
General rates, UAGC and rates penalties	9,292,215	8,907,622	9,563,690	9,710,487	9,925,893	10,002,718	10,413,593	10,659,332	10,934,566	11,280,012	11,612,784
Targeted rates	4,777,541	6,236,990	6,666,453	7,031,849	7,293,297	7,165,143	7,336,940	7,691,966	8,011,098	8,044,437	8,304,524
Subsidies and grants for operational purposes	926,903	951,511	951,849	977,794	1,002,880	1,027,067	1,052,187	1,077,226	1,104,081	1,132,789	1,163,214
Fees and charges	1,363,494	1,761,850	1,797,087	1,847,392	1,895,961	1,942,797	1,991,367	2,039,937	2,091,976	2,147,484	2,206,462
Local authorities fuel tax, fines, infringement fees and other	456,194	544,460	611,474	587,436	603,877	664,049	638,637	657,262	724,583	697,756	719,356
Total operating funding	16,816,347	18,402,432	19,590,553	20,154,958	20,721,909	20,801,772	21,432,724	22,125,721	22,866,304	23,302,478	24,006,341
Applications of operating funding											
Payments to staff and suppliers	12,487,905	13,177,584	13,514,576	13,842,001	14,158,334	14,529,216	14,765,239	15,106,832	15,576,123	15,878,088	16,302,546
Finance costs	659,282	170,454	175,087	203,691	230,341	224,597	237,389	289,137	317,345	331,936	347,814
Other operating funding applications	360,950	340,450	341,172	342,203	343,198	344,158	345,153	346,148	347,214	348,352	349,560
Total applications of operating funding	13,508,137	13,688,488	14,030,835	14,387,895	14,731,873	15,097,970	15,347,781	15,742,117	16,240,682	16,558,375	16,999,920
Surplus/(deficit) of operating funding	3,308,210	4,713,944	5,559,718	5,767,063	5,990,037	5,703,802	6,084,942	6,383,604	6,625,622	6,744,103	7,006,421
Capital Funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	946,997	1,262,089	1,202,751	1,266,606	1,299,720	1,332,833	1,368,313	1,404,974	1,442,819	1,484,211	1,526,786
Development and financial contributions	409,359	592,700	600,800	608,900	617,000	625,300	633,600	642,100	650,800	659,500	668,200
Increase/(decrease) in debt	2,888,410	613,680	144,404	5,490,871	(712,388)	(1,770,004)	3,138,446	6,185,529	(2,532,123)	2,871,069	(2,548,616)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total capital funding	4,244,766	2,468,469	1,947,955	7,366,377	1,204,332	188,130	5,140,359	8,232,603	(438,505)	5,014,780	(353,629)
Applications of capital funding											
Capital expenditure - meet additional demand	287,820	198,000	402,900	325,939	317,197	316,428	11,358	32,656	11,977	49,282	73,509
Capital expenditure - improve level of service	3,336,922	1,580,533	1,584,604	7,295,864	1,150,110	97,362	5,269,276	8,754,062	38,326	5,727,914	324,452
Capital expenditure - replace existing assets	4,172,602	4,347,798	6,722,161	6,218,504	4,487,762	3,680,636	4,135,471	4,412,099	3,695,414	3,797,364	4,647,725
Increase/(decrease) in reserves	(244,368)	656,081	(1,201,991)	(706,866)	1,239,299	1,797,505	1,809,196	1,417,391	2,441,400	2,184,322	1,607,105
Increase/(decrease) of investments	-	400,000	-	-	-	-	-	-	-	-	-
Total applications of capital funding	7,552,976	7,182,413	7,507,673	13,133,440	7,194,368	5,891,931	11,225,301	14,616,208	6,187,117	11,758,883	6,652,791
Surplus/(deficit) of Capital Funding	(3,308,210)	(4,713,944)	(5,559,718)	(5,767,063)	(5,990,037)	(5,703,802)	(6,084,942)	(6,383,604)	(6,625,622)	(6,744,103)	(7,006,421)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



CARTERTON DISTRICT COUNCIL

PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Surplus/(deficit) after tax per Statement of Financial Performance	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
add Proceeds from sale of assets not included in the FIS	-										
less Vested assets and interest on internal borrowing not included in the FIS	-										
Surplus/(deficit) before vested assets and internal interest	(18,861)	162,687	704,971	779,748	603,274	657,600	756,560	726,866	741,541	850,761	868,094
less Capital grants, subsidies and donations	(946,997)	(1,262,089)	(1,202,751)	(1,266,606)	(1,299,720)	(1,332,833)	(1,368,313)	(1,404,974)	(1,442,819)	(1,484,211)	(1,526,786)
less Development and financial contributions	(409,359)	(592,700)	(600,800)	(608,900)	(617,000)	(625,300)	(633,600)	(642,100)	(650,800)	(659,500)	(668,200)
less Gross proceeds from sale of assets	-										
Less Gain in asset revaluations	-	-	-	-	-	-	-	-	-	-	-
less Gain in fair value	-										
add loss on sale/gifting of assets	-										
add Depreciation not included in the FIS	4,683,427	6,406,046	6,658,298	6,862,820	7,303,482	7,004,335	7,330,295	7,703,813	7,977,700	8,037,053	8,333,313
add imbalance		-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) of operating funding	3,308,210	4,713,944	5,559,718	5,767,063	5,990,037	5,703,802	6,084,942	6,383,604	6,625,622	6,744,103	7,006,421
Balance as per Council FIS surplus/(deficit) of funding	3,308,210	4,713,944	5,559,718	5,767,063	5,990,037	5,703,802	6,084,942	6,383,604	6,625,622	6,744,103	7,006,421



CARTERTON DISTRICT COUNCIL

DEPRECIATION PER GROUP OF ACTIVITIES

This table shows the depreciation expense charged to each group of activities.

ANNUAL DEPRECIATION EXPENSE	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Governance	2,511	5,176	5,176	5,834	7,738	8,480	11,618	13,186	11,673	12,140	14,451
Roads and footpaths	1,735,738	2,475,936	2,547,614	2,666,246	2,758,543	2,780,641	2,989,648	3,128,081	3,199,707	3,444,204	3,598,770
Water supply	668,431	957,203	970,512	1,030,513	1,070,421	1,047,477	1,084,856	1,242,269	1,504,502	1,364,785	1,414,071
Sewerage	875,605	1,242,925	1,348,104	1,464,885	1,611,550	1,355,335	1,352,485	1,403,245	1,325,974	1,359,109	1,407,360
Stormwater	121,184	125,984	127,349	134,255	148,090	153,778	164,051	191,573	198,522	202,540	214,593
Waste management	35,312	59,834	52,170	57,918	73,412	72,645	72,645	71,763	67,593	61,644	51,631
Community support	655,692	742,881	741,866	646,603	651,648	580,977	618,583	606,575	594,173	535,091	548,617
Regulatory and planning	41,374	114,243	127,475	127,681	127,195	125,809	124,756	123,618	125,258	124,852	131,402
Administration and support services	547,579	681,862	738,032	728,885	854,885	879,195	911,652	923,504	950,297	932,688	952,419
Total depreciation	4,683,427	6,406,046	6,658,298	6,862,820	7,303,482	7,004,335	7,330,295	7,703,813	7,977,700	8,037,053	8,333,313



Statement of special funds reserves

The Council maintains special funds reserves as a sub-part of its equity. Schedule 10, clause 16 of the Local Government Act 2002 requires certain information to be included in the Ten Year Plan about these reserves. The Act defines reserve funds as 'money set aside by a local authority for a specific purpose'. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity.

The following statement presents movements over the ten years of the Plan for each of the reserves. An explanation of the purpose and activities of each reserve is included in the Council's investment policy (see appendix A).



CARTERTON DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Plant Purchase & Renewal Fund											
Opening Balance	1,757	1,833	1,848	1,862	1,876	1,891	1,905	1,920	1,935	1,950	1,965
Deposits	-	15	14	14	14	14	15	15	15	15	15
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,757	1,848	1,862	1,876	1,891	1,905	1,920	1,935	1,950	1,965	1,980
Recreation Reserve Levy Fund											
Opening Balance	883,544	596,603	717,556	651,662	842,577	1,037,271	1,235,862	1,438,664	1,645,330	1,856,011	2,070,621
Deposits	132,051	195,954	199,305	201,430	205,483	209,654	214,161	218,329	222,658	226,931	231,243
Withdrawals	-	(75,000)	(265,200)	(10,514)	(10,789)	(11,064)	(11,358)	(11,663)	(11,977)	(12,321)	(50,696)
Closing Balance	1,015,595	717,556	651,662	842,577	1,037,271	1,235,862	1,438,664	1,645,330	1,856,011	2,070,621	2,251,169
Roading Emergency Works Fund											
Opening Balance	435,496	453,477	457,091	460,598	464,153	467,724	471,311	475,033	478,741	482,453	486,152
Deposits	-	3,613	3,507	3,555	3,571	3,587	3,722	3,708	3,712	3,699	3,696
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	435,496	457,091	460,598	464,153	467,724	471,311	475,033	478,741	482,453	486,152	489,848
Rural Water Contingency Fund											
Opening Balance	63,462	65,910	66,435	66,945	67,462	67,981	68,502	69,043	69,582	70,122	70,659
Deposits	-	525	510	517	519	521	541	539	540	538	537
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	63,462	66,435	66,945	67,462	67,981	68,502	69,043	69,582	70,122	70,659	71,196
Waste Disposal Fund											
Opening Balance	153,250	143,895	146,042	148,182	150,374	152,607	154,880	157,234	159,619	162,044	164,505
Deposits	28,000	33,647	34,270	35,222	36,131	37,008	37,957	38,857	39,827	40,856	41,952
Withdrawals	(33,100)	(31,500)	(32,130)	(33,029)	(33,898)	(34,735)	(35,604)	(36,472)	(37,402)	(38,395)	(39,449)
Closing Balance	150,150	146,042	148,182	150,374	152,607	154,880	157,234	159,619	162,044	164,505	167,009
Creative NZ Fund											
Opening Balance	1,218	1,265	1,275	1,285	1,295	1,305	1,315	1,325	1,336	1,346	1,356
Deposits	11,500	11,510	11,510	11,510	11,510	11,510	11,510	11,510	11,510	11,510	11,510
Withdrawals	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)	(11,500)
Closing Balance	1,218	1,275	1,285	1,295	1,305	1,315	1,325	1,336	1,346	1,356	1,367



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Sport New Zealand Rural Travel Fund											
Opening Balance	-	-	-	-	-	-	-	-	-	-	-
Deposits	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Withdrawals	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)
Closing Balance	-	-	-	-	-	-	-	-	-	-	-
Keep Carterton Beautiful Fund											
Opening Balance	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-	-
Water Race Resource Consent Fund											
Opening Balance	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-	-
Clareville Grave Maintenance Fund											
Opening Balance	2,447	2,451	2,471	2,490	2,509	2,528	2,548	2,568	2,588	2,608	2,628
Deposits	-	20	19	19	19	19	20	20	20	20	20
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,447	2,471	2,490	2,509	2,528	2,548	2,568	2,588	2,608	2,628	2,648
Memorial Square Trust Fund											
Opening Balance	8,198	8,552	8,621	8,687	8,754	8,821	8,889	8,959	9,029	9,099	9,169
Deposits	-	68	66	67	67	68	70	70	70	70	70
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	8,198	8,621	8,687	8,754	8,821	8,889	8,959	9,029	9,099	9,169	9,238
WWII Memorial Trust Fund											
Opening Balance	77,143	78,613	78,139	77,638	77,138	76,631	76,119	75,620	75,110	74,593	74,065
Deposits	1,500	2,126	2,099	2,099	2,094	2,088	2,101	2,090	2,082	2,072	2,063
Withdrawals	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
Closing Balance	76,043	78,139	77,638	77,138	76,631	76,119	75,620	75,110	74,593	74,065	73,528



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Longbush Domain Board Fund											
Opening Balance	4,340	4,721	4,758	4,795	4,832	4,869	4,906	4,945	4,984	5,022	5,061
Deposits	-	38	37	37	37	37	39	39	39	39	38
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	4,340	4,758	4,795	4,832	4,869	4,906	4,945	4,984	5,022	5,061	5,099
West Taratahi Hall Board											
Opening Balance	24,583	22,431	22,610	22,783	22,959	23,136	23,313	23,497	23,681	23,864	24,047
Deposits	-	179	173	176	177	177	184	183	184	183	183
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	24,583	22,610	22,783	22,959	23,136	23,313	23,497	23,681	23,864	24,047	24,230
Election Contingency Fund											
Opening Balance	40,144	41,692	42,025	42,347	42,674	43,002	43,332	43,674	44,015	44,356	44,696
Deposits	-	332	322	327	328	330	342	341	341	340	340
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	40,144	42,025	42,347	42,674	43,002	43,332	43,674	44,015	44,356	44,696	45,036
Workshop Depot Upgrade Fund											
Opening Balance	25,374	26,475	26,686	26,890	27,098	27,306	27,516	27,733	27,950	28,166	28,382
Deposits	-	211	205	208	208	209	217	216	217	216	216
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	25,374	26,686	26,890	27,098	27,306	27,516	27,733	27,950	28,166	28,382	28,598
Combined District Plan Fund											
Opening Balance	81,712	84,863	85,539	86,196	86,861	87,529	88,201	88,897	89,591	90,286	90,978
Deposits	-	676	656	665	668	671	697	694	695	692	692
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	81,712	85,539	86,196	86,861	87,529	88,201	88,897	89,591	90,286	90,978	91,670
Roading Contribution Fund											
Opening Balance	1,175,729	1,267,010	1,468,305	1,673,370	1,882,686	2,096,171	2,313,946	2,536,621	2,763,520	2,994,848	3,230,511
Deposits	132,051	201,295	205,065	209,316	213,486	217,774	222,675	226,899	231,328	235,663	240,062
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,307,780	1,468,305	1,673,370	1,882,686	2,096,171	2,313,946	2,536,621	2,763,520	2,994,848	3,230,511	3,470,573



CARTERTON DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF SPECIAL FUNDS RESERVES
FOR THE TEN YEARS ENDING 30 JUNE

	Annual Plan 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$	LTP 30 June 2029 \$	LTP 30 June 2030 \$	LTP 30 June 2031 \$
Infrastructure Contributions Reserve Fund											
Opening Balance	1,495,192	3,285,214	3,398,689	3,500,265	3,427,957	3,366,924	3,309,279	3,560,215	3,794,911	4,055,336	4,283,569
Deposits	145,257	236,476	239,275	243,117	245,375	247,719	250,936	255,688	260,425	265,195	269,768
Withdrawals	(266,500)	(123,000)	(137,700)	(315,424)	(306,408)	(305,364)	-	(20,993)	-	(36,962)	(22,813)
Closing Balance	1,373,950	3,398,689	3,500,265	3,427,957	3,366,924	3,309,279	3,560,215	3,794,911	4,055,336	4,283,569	4,530,524
Waingawa Infrastructure Contributions Reserve Fund											
Opening Balance	163,913	197,985	199,562	201,093	202,645	204,205	205,770	207,396	209,014	210,635	212,250
Deposits	-	1,577	1,531	1,552	1,559	1,566	1,625	1,619	1,621	1,615	1,614
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	163,913	199,562	201,093	202,645	204,205	205,770	207,396	209,014	210,635	212,250	213,864
Belvedere Hall Fund											
Opening Balance	2,093	3,183	3,209	3,233	3,258	3,283	3,308	3,335	3,361	3,387	3,413
Deposits	-	25	25	25	25	25	26	26	26	26	26
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,093	3,209	3,233	3,258	3,283	3,308	3,335	3,361	3,387	3,413	3,439
Waingawa Industrial Zone Services Deficit Fund											
Opening Balance	40,466	42,027	42,362	42,687	43,016	43,347	43,680	44,025	44,368	44,712	45,055
Deposits	-	335	325	329	331	332	345	344	344	343	343
Withdrawals	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	40,466	42,362	42,687	43,016	43,347	43,680	44,025	44,368	44,712	45,055	45,398
Special Funds Reserves - Summary											
Opening Balance	4,682,062	6,328,200	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083
Deposits	437,259	698,122	708,415	719,685	731,103	742,812	756,685	770,687	785,153	799,523	813,887
Withdrawals	(300,600)	(253,100)	(458,630)	(382,568)	(374,695)	(374,763)	(70,562)	(92,728)	(72,979)	(111,277)	(136,558)
Closing Balance	4,818,721	6,773,222	7,023,007	7,360,124	7,716,532	8,084,582	8,770,705	9,448,664	10,160,837	10,849,083	11,526,413



Funding impact statement

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the Revenue and Financing Policy.

The method and impact of both general and targeted rates is covered in the 'Rating System' section that follows.

Definition of 'separately used or inhabited part of a rating unit'

Any part of a rating unit separately used or inhabited by the owner or any other who has the right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

Rating system

Introduction

Clause 20 of Schedule 10 of the Local Government Act 2002 requires a funding impact statement for the year to which the annual plan relates.

A funding impact statement table is presented on page 118, which identifies:

- the sources of funding to be used by the Council
- the amount of funds expected to be produced from each source
- how the funds are to be applied.

If the sources of funding include a general rate, the funding impact statement must:

- include particulars of the valuation system on which the general rate is to be assessed, eg land, annual, or capital value
- state whether a uniform annual general charge is to be included and, if so, how the charge is to be calculated and the Council's definition of a separately used or inhabited part of a rating unit if the charge is to be calculated on that basis

- state whether the general rate is to be set differentially and, if so, state the category or categories that will be used for differentiating the general rate within the meaning of Section 14 of the Local Government (Rating) Act 2002 and the objectives of the differential rate in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category.

If the sources of funding include a targeted rate, the funding impact statement must:

- specify the activity or groups of activities for which a targeted rate will be set
- specify any category or categories of rateable land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate
- state any factor or factors that will be used to calculate liability for a targeted rate
- state the Council's definition of a separately used or inhabited part of a rating unit if the rate is to be calculated on that basis
- state the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category if the targeted rate is to be set differentially
- state whether lump sum contributions will be invited in respect of the targeted rate
- state the basis for setting charges for water supply if it is to be by volume of water consumed, eg as a fixed charge per unit of water consumed or supplied or according to a scale of charges.

General rates

The Council proposes to set a general rate based on the capital value of each rating unit in the District.

The general rate will be set on a differential basis over three rating categories as follows:

General rates—differential factor	
Residential	1.0
Commercial	2.0
Rural	0.8

where—



- Residential means
 - all rating units used primarily for residential purposes within the residential zone of the Carterton District as depicted in the District Plan
 - all rating units located in the commercial and industrial zones of Carterton District, as depicted in the District Plan, that are used primarily for residential purposes
 - all rating units associated with utility services (water, telecommunications, etc) that are located in the urban area.
- Commercial means
 - all rating units in the commercial zone of Carterton District, including the Carterton Character Area, as depicted in the District Plan, and all rating units outside the said commercial zone that have existing use rights or resource consent to undertake commercial land use activities under the Resource Management Act 2001
 - all rating units in the industrial zone of Carterton District, as depicted in the District Plan, and all rating units outside the said industrial zone that have existing use rights or resource consent to carry out industrial land use activities under the Resource Management Act 1991.
- Rural means
 - all rating units within the rural zone of Carterton District, as depicted in the District Plan, but excluding those rating units that hold and are exercising existing use rights or resource consent to carry out commercial or industrial land use activities under the Resource Management Act 1991
 - all rating units associated with utility services (water, telecommunications, etc) that are located in the rural area.

Uniform Annual General Charge

The Council proposes to set a Uniform Annual General Charge on each rating unit in the District to fully fund Governance activities and to fund Community Support activities up to the maximum possible under section 21 of the Local Government (Rating) Act 2002.

The Uniform Annual General Charge is calculated as one fixed amount per rating unit.

Targeted rates

Regulatory and planning service rate

The Council proposes to set a regulatory and planning service rate for regulatory, resource management, and district planning services on every rating unit in the District, calculated on capital value.

Urban sewerage rate

The Council proposes to set a differential targeted rate for the Council's urban sewerage and treatment and disposal of sewage services of a fixed amount per separately used or inhabited part of a rating unit in relation to all land in the district to which the Council's urban sewerage service is provided or available.

The rate applied is as follows:

- a charge per separately used or inhabited part of a rating unit that is able to be connected
 - a charge per separately used or inhabited part of a rating unit connected
- The Council also proposes to set a rate (pan charge) per water closet or urinal within each separately used or inhabited part of a rating unit after the first one for rating units with more than one water closet or urinal.

For the purposes of this rate:

- 'connected' means the rating unit is connected to the Council's urban sewerage service
- 'able to be connected' means the rating unit is not connected to the Council's urban sewerage drain but is within 30 metres of such a drain
- a separately used or inhabited part of a rating unit used primarily as a residence for one household is treated as not having more than one water closet or urinal.

Waingawa sewerage rate

The Council proposes to charge a targeted rate of a fixed amount on every separately used or inhabited part of a rating unit that is connected to the Waingawa sewerage service.



Additionally, the Council proposes to set a differential targeted rate based on capital value on all properties connected or able to be connected to the Waingawa sewerage service. The rate will be set on a differential basis over two rating categories:

- all rating units located in the Waingawa industrial zone of Carterton District, as depicted in the District Plan, that are used primarily for residential purposes
- all other rating units in the Waingawa industrial zone of Carterton District.

For the purposes of this rate:

- ‘connected’ means a rating unit that is connected to the reticulated sewerage service
- ‘able to be connected’ means a rating unit that can be connected to the sewerage service, but is not, and is a property situated within 30 metres of such a drain.

The purpose of this rate is to fund the operation and maintenance of the Waingawa sewerage service.

Stormwater rate

The Council proposes to set a stormwater rate on all rating units within the urban area and is calculated on land value. For the purposes of this rate the ‘urban area’ includes rating units:

- within the residential zone of the Carterton District as depicted in the District Plan
- adjacent to the residential zone where stormwater from the property drains to the Council’s urban stormwater system.

Refuse collection and kerbside recycling rate

The Council proposes to set a refuse collection and kerbside recycling rate for kerbside refuse and recycling collection on every separately used or inhabited part of a rating unit to which the Council’s collection service is provided or available.

Urban water rate

The Council proposes to charge a targeted urban water rate of a fixed amount on every separately used or inhabited part of a rating unit that has been fitted with a water meter or meters and is connected to the Council’s urban water supply system.

Additionally, the Council proposes to charge a targeted metered water rate per cubic metre of water supplied, as measured by meter, for water consumed over 225 cubic metres per year. This rate will be invoiced separately from land rates.

The Council proposes to charge a targeted urban water rate of a fixed amount per separately used or inhabited part of a rating unit for rating units that are not yet connected but are able to be connected to the urban water supply.

For the purposes of this rate:

- ‘connected’ means a rating unit to which water is supplied
- ‘able to be connected’ means a rating unit to which water can be, but is not, supplied being a property situated within 100 metres of the water supply.

The purpose of this rate is to fund the operation and maintenance of the urban water supply.

Rural water race rate

Carterton Water Race Systems

The Council proposes to charge a single targeted rate on a differential basis, calculated on land area, on rating units within both the Carrington and Taratahi water race system classified areas as follows:

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

Additionally, the Council proposes to set a rural water services rate on every rating unit situated in both the Carrington and Taratahi Water Race Classified Areas for provision of the



service. The amount is a rate per rating unit. For the purposes of this rate ‘provision of the service’ means the provision of water for stock or domestic use, including where:

- the water race channel passes over the ratepayer’s property
- the water race is piped through the ratepayer’s property
- water is extracted from the water race on a neighbouring property.

Waingawa water rate

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

Examples—some examples are provided below of the general and targeted rates for a range of rateable land types and property values.

Example properties		capital value \$	land value \$	water over allowance cubic metres	rates total \$	rates % increase	rates \$ increase
rating category	features						
Residential	low value	325,000	185,000	-	\$ 3,461.22	9.1%	\$ 289.40
Residential	medium value	530,000	190,000	15	\$ 3,853.68	5.8%	\$ 211.60
Residential	high value	650,000	240,000	50	\$ 4,154.62	4.1%	\$ 165.08
Commercial	2 toilets	600,000	438,000	100	\$ 6,077.45	3.2%	\$ 188.60
Commercial - rural	water and sewerage connected	283,000	na	na	\$ 4,425.06	9.8%	\$ 395.52
Rural 1	no water race	6,560,000	na	na	\$ 10,455.88	-0.1%	-\$ 7.27
Rural 2	no water race	2,070,000	na	na	\$ 4,021.16	-6.5%	-\$ 277.87
Rural - residential less than 0.75 hectares	no water race	510,000	na	na	\$ 1,785.48	6.4%	\$ 106.68
Rural - lifestyle	no water race	970,000	na	na	\$ 2,444.72	-0.3%	-\$ 6.96
Rural - Taratahi - single water race	40 hectares serviced by water race	1,200,000	na	na	\$ 3,145.30	9.5%	\$ 272.78
Rural - Carrington - single water race	5.45 hectares serviced by water race	910,000	na	na	\$ 4,844.63	12.2%	\$ 528.27

Additionally, the Council proposes to charge a targeted rate per cubic meter of water supplied, as measured by meter. This rate will be invoiced separately from other rates.

For the purposes of this rate:

- ‘connected’ means a rating unit to which water is supplied.

The purpose of this rate is to fund the operation and maintenance of the Waingawa Water Supply service.



		multiplier	GST inclusive
Residential			
General-residential	Capital value	325,000 x 0.0017156 =	557.57
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	325,000 x 0.0000606 =	19.71
Urban sewerage			785.23
Stormwater	Land value	185,000 x 0.0005659 =	104.69
Refuse collection and kerbside recycling			127.60
Urban water-connection			811.83
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			3,461.22
Residential			
General-residential	Capital value	530,000 x 0.0017156 =	909.27
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	530,000 x 0.0000606 =	32.14
Urban sewerage			785.23
Stormwater	Land value	190,000 x 0.0005659 =	107.52
Refuse collection and kerbside recycling			127.60
Urban water-connection			811.83
Metered water	Cubic metres over 225	15 x \$1.70 =	25.50
Total			3,853.68
Residential			
General-residential	Capital value	650,000 x 0.0017156 =	1,115.15
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	650,000 x 0.0000606 =	39.41
Urban sewerage			785.23
Stormwater	Land value	240,000 x 0.0005659 =	135.82
Refuse collection and kerbside recycling			127.60
Urban water-connection			811.83
Metered water	Cubic metres over 225	50 x \$1.70 =	85.00
Total			4,154.62
Commercial			
General-commercial	Capital value	600,000 x 0.0034312 =	2,058.73
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	600,000 x 0.0000606 =	36.38
Urban sewerage	No. pans	2 x \$785.23 =	1,570.45
Stormwater	Land value	438,000 x 0.0005659 =	247.87
Refuse collection and kerbside recycling			127.60
Urban water-connection			811.83
Metered water	Cubic metres over 225	100 x \$1.70 =	170.00
Total			6,077.45
Commercial - rural			
General-commercial	Capital value	283,000 x 0.0034312 =	971.03
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	283,000 x 0.0000606 =	17.16
Urban sewerage	No. pans	2 x \$785.23 =	1,570.45
Stormwater	Land value	N/A rural x 0.0005659 =	-
Refuse collection and kerbside recycling			N/A rural
Urban water-connection			811.83
Metered water	Cubic metres over 225	- x \$1.70 =	-
Total			4,425.06

Rural 1			
General-rural	Capital value	6,560,000 x 0.0013725 =	9,003.51
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	6,560,000 x 0.0000606 =	397.79
Total			10,455.88
Rural 2			
General-rural	Capital value	2,070,000 x 0.0013725 =	2,841.05
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	2,070,000 x 0.0000606 =	125.52
Total			4,021.16
Rural - residential less than 0.75 hectares			
General-rural	Capital value	510,000 x 0.0013725 =	699.97
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	510,000 x 0.0000606 =	30.93
Total			1,785.48
Rural - lifestyle			
General-rural	Capital value	970,000 x 0.0013725 =	1,331.31
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	970,000 x 0.0000606 =	58.82
Total			2,444.72
Rural - Taratahi			
General-rural	Capital value	1,200,000 x 0.0013725 =	1,646.98
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	1,200,000 x 0.0000606 =	72.77
Single water race			
Class A	Hectares	1 x \$494.04 =	494.04
Class B	Hectares	23.5000 x \$57.75755 =	1,357.30
Class C	Hectares	16.5000 x \$13.27004 =	218.96
			-
Total			4,844.63
Rural - Carrington			
General-rural	Capital value	910,000 x 0.0013725 =	1,248.96
Uniform Annual General Charge			1,054.59
Regulatory and planning services	Capital value	910,000 x 0.0000606 =	55.18
Single water race			
Class A	Hectares	1 x \$494.04 =	494.04
Class B	Hectares	4.9500 x \$57.75755 =	285.90
Class C	Hectares	0.5000 x \$13.27004 =	6.64
			-
Total			3,145.30



Rates and charges 2021/22

The following rates and charges should be read in conjunction with the funding impact statement on the previous pages.

	GST inclusive	Rates required
	2021/22	\$ incl GST
General rates—differential factor		
Residential	1.00	
Commercial	2.00	
Rural	0.80	
General rates—capital value		
Residential	0.17156 cents in the \$	\$2,176,289
Commercial	0.34312 cents in the \$	\$434,833
Rural	0.13725 cents in the \$	\$3,052,225
Uniform Annual General Charge	\$1,054.59	\$4,751,977
Regulatory and planning services—capital value	0.00606 cents in the \$	\$219,963
Urban sewerage		
Connected	\$785.23	\$2,215,908
Able to be connected (half charge)	\$392.61	\$50,647
Pan charge	\$785.23	\$108,361
Waingawa sewerage—capital value		
Connected	\$257.50	\$3,863
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.32225 cents in the \$	\$116,259
Connected or able to be connected residential properties in the Waingawa industrial zone	0.16113 cents in the \$	-

Stormwater—land value	0.05659 cents in the \$	\$302,240
Refuse collection and kerbside recycling	\$127.60	\$344,138
Urban water		
Connected	\$811.83	\$2,316,952
Able to be connected	\$405.91	\$51,957
Metered water in excess of 225 cubic metres	\$ 1.70/cubic metre	\$70,150
Rural water race		
Rural water services rate	\$494.04	\$250,477
Class A	\$ 57.75755 per ha	\$435,899
Class B	\$ 13.27004 per ha	\$44,258
Class C	\$ 345.03992 per ha	\$137,671
Waingawa water		
Connected	\$195.28	\$10,350
Metered water	\$ 2.73/cubic metre	\$241,500



Financial prudence disclosure statement for period commencing 1 July 2021

What is the purpose of this statement?

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

The council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). The words to be used in this statement, the format, and the graphs are all specified in the regulations. Refer to the regulations for more information, including definitions of some of the terms used.

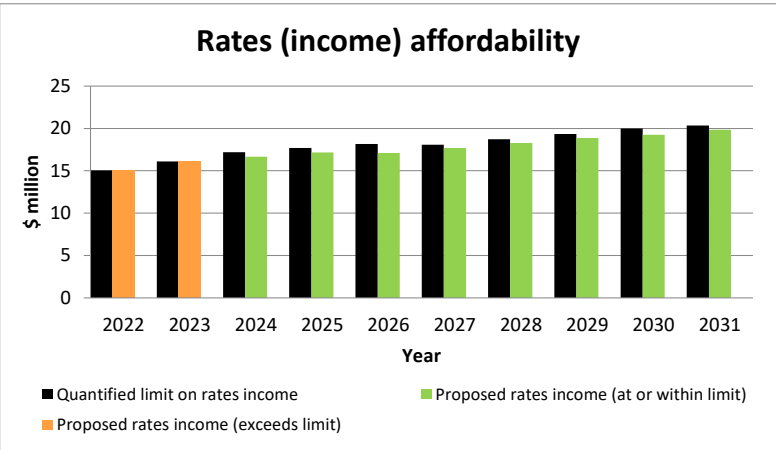
Rates affordability benchmark

The council meets the rates affordability benchmark if—

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

Rates (income) affordability

A graph is required that compares the council’s planned rates with the quantified limit on rates contained in the financial strategy included in this long-term plan. The financial strategy does not contain a quantified limit.



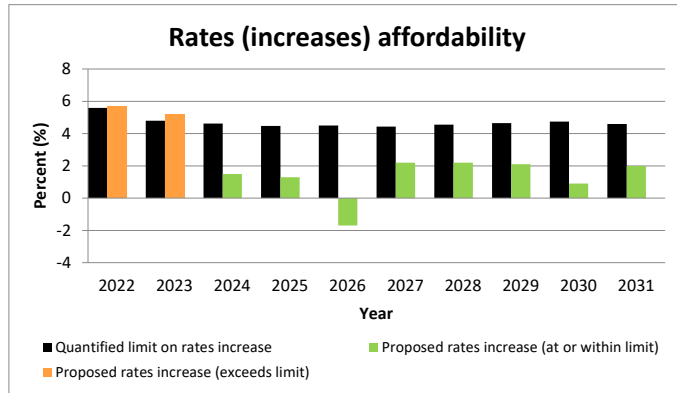
However, for the purposes of compliance with the regulations, a rates (income) affordability graph is presented based on applying the limits cumulatively to the 2020/21 Annual Plan rates. The rates (income) affordability limit has been calculated as the prior year average rate, plus the BERL local government cost index plus 2 percent, multiplied by the forecast number of rating units.

In 2022 and 2023 the limit is exceeded because of the impact of the significant capital expenditure on the treatment and disposal of sewage.

Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is the percentage change in average rates³² must not exceed the increase in the BERL local government cost index plus 2 percent.

³² The average rates is the total rates income divided by the total number of forecast rateable properties.

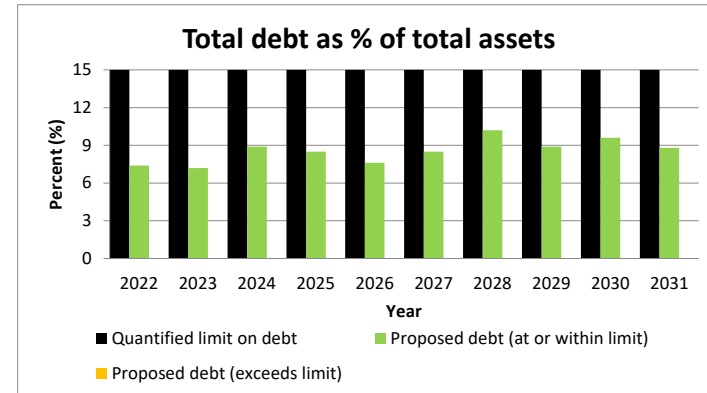


In 2022 and 2023 the limit is exceeded because of the impact of significant capital expenditure on the treatment and disposal of sewage. In 2026 we are projecting the number of rating units to increase faster than the shift in rates revenue, leading to an overall decrease in average annual rates.

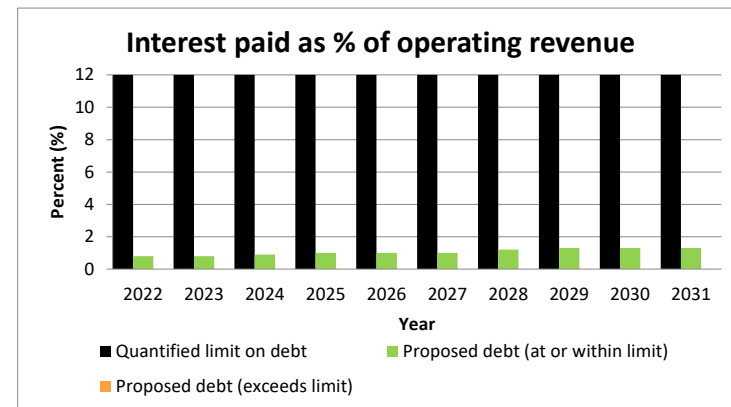
Debt affordability benchmark

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

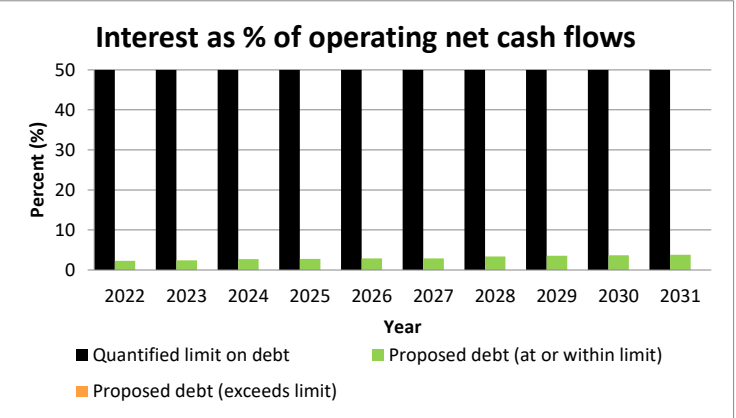
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that total debt as a percentage of total assets must not exceed 15 percent.



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



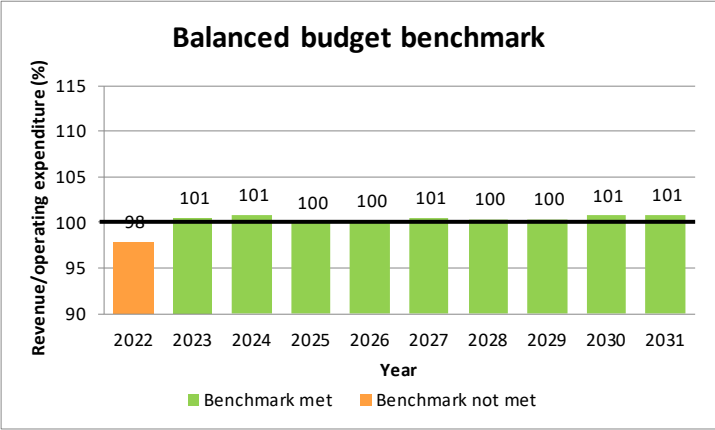
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that gross interest expense must not exceed 50 percent of net cash inflow from operating activities.



Balanced budget benchmark

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

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Council’s goal is to run a balanced budget across the ten-year period. This means we aim to match planned revenue and planned expenditure, helping to ensure that today’s ratepayers pay for the services and amenities provided to them.

Where surpluses are generated this is to cover repayments on loans (as a result of increased borrowing) and to rebuild reserves. Council expects to not meet the balanced budget benchmark in the first year. This is a result of our proposal to reduce the level of general rates increases in years one and two, with the first year of this impacting on the balanced budget benchmark.

Doing this helps to lessen the impact of average rate increases due to asset revaluations and the completion of large wastewater capital works. We plan to recover this reduction in years three and four of the plan.

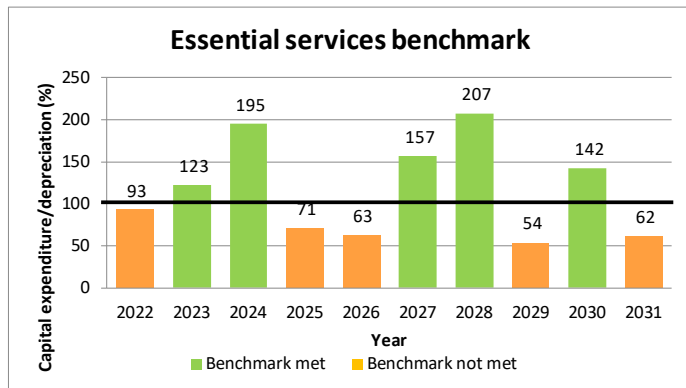
Essential services benchmark

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

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



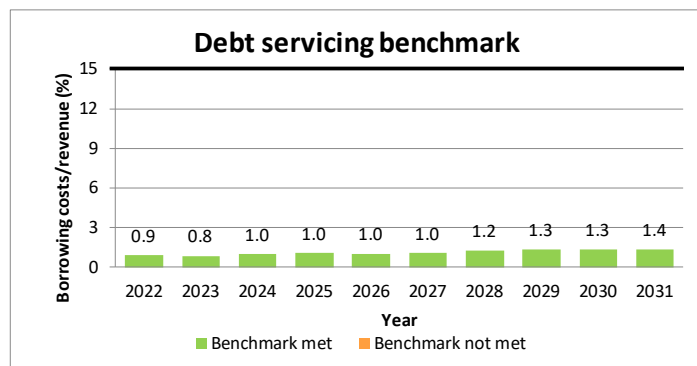
Statistics New Zealand projects the council's population will grow at a rate higher than the national population is projected to grow. This enables Carterton to set a higher debt servicing benchmark where its planned borrowing costs equal or are less than 15% of its revenue as this growth increment assists to meet the debt servicing impact.



Significant capital expenditure is planned for sewerage treatment and disposal in the first half of the Plan, and for water supply in years 2–6 and in year 10. There is no significant expenditure planned in years 7–9. Over the ten years though, total capital expenditure will be 157% of the depreciation expense, well above the 100% benchmark.

Debt servicing benchmark

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





AUDIT OPINION REQUIRED





Appendix A

Funding and financial policies



Introduction to funding and financial policies

The Council has a number of funding and financial policies that affect the Plan. These policies are required by the Local Government Act 2002.

Revenue and financing policy

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

Treasury Management policy

The Treasury Management policy outlines Council's policy in respect to investments and liability. In regards to investments the policy includes the Council's general objectives of holding investments and for holding equity. The Council gives preference to conservative investment policies and avoids speculative investments. The Council accepts that lower risk generally means lower returns on investment. In regards to liability the policy outlines Council's approach to borrowing, cash management and other financial liabilities. It includes the Council's policy on giving security on borrowings.

Development contributions or financial contributions policy

This policy describes the financial contributions the Council will require from developers when their property development imposes increased demand on Council services.

Remission and postponement of rates policies

These policies provide for those circumstances where there is legitimate case for some rates to be reduced, or for the payment to be deferred, and include a specific policy on the remission and postponement of rates on Māori freehold land that is not alienated by commercial activity.

Significance and engagement policy

The decisions the Council makes affect its communities on a daily basis. Some decisions have greater significance than others.

The Significance and Engagement Policy explains how the Council will determine the degree of significance of particular issues, proposals, assets, decisions, and activities.

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



Revenue and financing policy

Introduction

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

- manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community,
- makes adequate and effective provision in its long term plan and annual plan to meet the expenditure needs identified
- meet its funding needs from those sources that it determines to be appropriate.

Process

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

-
- Section 101(3) of the Act requires Council consider for each activity:
- Community outcomes to which the activity primarily contributes
- User/Beneficiary Pays Principle –distribution of benefits between, the community as a whole, any identifiable part of the community, and individuals
- Intergenerational equity principle – the period in or over which those benefits are expected to occur
- Exacerbator Pays Principle – the extent to which the action or inaction of particular individuals or a group contributes to the need to undertake the activity
- Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
-

Council must also consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Section 103 of the Act requires Council to state:

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

Funding of operating expenditure

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

General rates

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

Uniform Annual General Charge (UAGC)

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

Targeted rates

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



Fees and charges

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

Other sources

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

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

Funding of capital expenditure

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

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

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

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

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

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

Designing a funding system

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

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

General rates—differential factor	
Residential	1.0
Commercial	2.0
Rural	0.8



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

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

Groups of activities

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

Governance

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



Governance Group

Analysis

- The Governance activity provides benefit to the whole community. Benefits are provided to all residents through the facilitation of democracy, effective leadership and decision-making, future planning and development, and advocacy. Benefits can occur now and in the future.
- Governance activities and associated costs include Local Body Elections, administration and operating costs of Elected Members and the Council, standing committees and advisory groups. The costs include the holding of regular meetings and the preparation and consideration of reports for policy development, resource allocation and performance monitoring. Also the costs of general services provided for the community benefit including records preservation and costs associated with representing the interests of residents and ratepayers.
- No negative effects have been identified.

Funding Mechanism and Source



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

Community Support Group

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

Community Development

Analysis

- The Community Development activity aims to build social cohesion and enhance the social wellbeing of the Carterton community. Information, advice and advocacy services

are provided to a wide range of people and groups including volunteers, artists, and job seekers. Supporting community organisations, community development initiatives and providing community events are of significant public benefit to the whole community.

- Grants are provided to community organisations to support health, cultural and community development initiatives that help achieve Council’s strategic objectives.
- Most benefits occur in the year that funding is provided but some benefits may occur over multiple years depending on the length of programme provided.
- No negative effects have been identified.

Funding Mechanism and Source



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

Economic Development

Analysis

- The Economic Development activity involves the provision of economic development initiatives that aim to support strong businesses, employment and tourism in the district and region. Of key focus over the coming years will be supporting the local economy to recover from economic shock caused by the COVID-19 pandemic.
- The Council will continue to partner with Masterton and South Wairarapa District Councils, Greater Wellington Regional Council and WellingtonNZ to implement the Wairarapa Economic Development Strategy.
- Council will continue to provide a wide range of services and activities that contribute towards economic development. These include plans for town centre redevelopment, ensuring the town centre is attractive and appealing to visitors and potential investors, providing sufficient suitably zoned land is available for development, and providing good quality infrastructure and services.
- A healthy district economy is of benefit to the whole community now and in the future.
- No negative effects have been identified.



Funding Mechanism and Source

100% Public (of balance required)	Private
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Funding for the Economic Development activity is from both private and public sources of funds. Private funds are obtained via grants from the Provincial Growth Fund (or its equivalent) and other sources, with the balance of public funding coming via the Uniform Annual General Charge. While there may be some private benefit accrued to individuals and businesses the scale of benefit would be difficult to determine and recover costs.

Emergency Management

Analysis

- Emergency Management provides significant public benefit to the whole community. The activity involves educating and encouraging the community to increase their preparedness for natural disasters, responding and helping to minimise the effects of natural disaster on people and property, and providing a recovery system following natural disasters.
- The benefits of the Emergency Management activity occur now through preparedness and in the future through response and recovery. This activity makes a significant contribution towards all well-beings and the community outcomes sought regarding a caring community that is safe, healthy, connected, and resilient.
- No negative effects have been identified.

Funding Mechanism and Source

100% Public

In light of the public benefit to the whole community and contribution to wellbeing and community outcomes accrued through the Emergency Management activity, Council has decided the most appropriate means of funding is via the Uniform Annual General Charge.

Parks and Reserves

Analysis

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

Funding Mechanism and Source

100% Public (of balance required)	1-10 % Private
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Council has decided that a combination of public and private funding is appropriate for the Parks and Reserves activity. Private funds (1-10%) are obtained via fees and charges from exclusive users, and the manuka crop lease, and the balance is obtained via public funds through the Uniform Annual General Charge (up to 70%) and General Rate (up to 30%). Recovery of exacerbator costs due to vandalism will be recovered in full where possible.



Community Amenities

Analysis

- Community amenities include the Carterton Events Centre, Carterton Public Library, Cemetery, Outdoor Swimming Pool, Public Toilets and Holiday Park. Together these facilities provide a range of services and opportunities for social interaction that benefit the whole community in different ways.
 - The multi-purpose Events Centre is vibrant, welcoming, and the heart of the community for cultural, economic and social services. The uses are wide ranging including concerts and corporate functions to art displays and weddings.
 - The library service aims to meet the recreational, educational and information needs of the residents of Carterton.
 - The cemetery meets the needs of the people of the district and maintains the dignity of a last resting place.
 - The outdoor swimming complex meets the recreational needs of the general public during the summer months.
 - Public toilets are accessible, clean and tidy for use by the general public and visitors.
 - The Holiday Park is well maintained to ensure a pleasant and attractive accommodation option to visitors to the district. The operation of the Holiday Park is via a lease.
- Community amenities provide numerous benefits to the district and wellbeing of the district. The provision of shared public spaces enhances the community's sense of social connectedness, cultural wellbeing, and civic pride. Attracting visitors to the district also makes a positive contribution to the local economy. Benefits of the activity are immediate through the provision of well-appointed community amenities, and in the future due to the long term nature of assets. Most benefits are to the whole community, however individuals may benefit from exclusive use of a facility.
- Council may incur additional costs from vandalism to facilities, and/or library resources that are not returned or damaged.

Funding mechanisms and sources

100% Public (of balance required)	4-14% Private
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After taking into account the benefits and contribution towards community outcomes Council has decided to fund this activity through combination of public and private funds. Private

funds (4-14%) are obtained via fees and charges and the income from the Holiday Park lease, and the balance is obtained via public funds through the Uniform Annual General Charge (up to 100%). Recovery of exacerbator costs due to vandalism and unreturned or damaged library resources will be recovered in full where possible.

Regulatory and Planning Group

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

Resource Management Planning

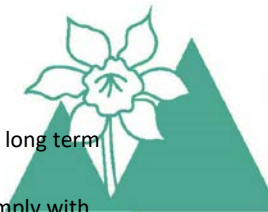
Analysis

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

Funding mechanisms and sources

100% Public

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



Consent Processing

Analysis

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

Funding mechanisms and sources

100% Public (of balance required)	85-95% Private
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Funding for the Consent Processing activity is from both private and public sources of funds. Private funds (85-95%) are obtained via consent fees and charges, with the balance of public funding (up to 100%) coming via the Targeted Rate for resource consents and General Rate for building consents. Recovery of exacerbator costs due to non-compliance will be recovered in full where possible.

Regulatory Services

Analysis

- The Regulatory Services activity includes the provision of environmental health services, liquor licensing, animal and dog control. Council is required to provide these activities in compliance with the relevant legislation, regulations and bylaws. These services also contribute towards the community outcome: A caring community that is safe, healthy and connected.
- There are both public and private benefits associated with the provision of Regulatory Services.
- Benefits occur mainly in the short term to the individual applicant or receiver of the service. For example, Animal Control services where animals that are returned to their

owners. There is also some benefit to the whole community provided over long term from enhanced public safety.

- Council may incur significant addition cost through residents that fail to comply with regulations.

Funding mechanism and sources

Environmental health services

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

100% Public (of balance required)	60-70% Private
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Animal and dog control

100% Public (of balance required)	70-80% Private
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Council has decided that a combination of public and private funding is appropriate for the Regulatory Services activity. Private funds are obtained via fees and charges from applicants and the balance is obtained via public funds (up to 100%) through the General Rates. Recovery of exacerbator costs due to non-compliance will be recovered in full where possible.



Transportation Group

Includes Roads, Footpaths, and Cycleways and Trails

Roads

Analysis

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

Funding mechanisms and sources

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

Footpaths

Analysis

- Footpaths provide significant public benefit to the whole community. Footpaths provide connections to other transport networks, enable safe access by separating pedestrians from the main flow of traffic, provide opportunities for recreation and promote mobility.
- Benefits are immediate to footpath users and the wider community and long term for future generations.

- Negative effects may arise through restricted access. Council may incur additional repair and maintenance costs to footpaths through motor vehicle accidents, vandalism and unapproved alterations.

Funding mechanisms and sources

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

Cycleways and Trails

Analysis

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

Funding mechanisms and sources

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



Wastewater Group

Analysis

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

Funding mechanisms and sources

10% Public (of balance required)	90% Private (of balance required) 13-23% Private
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Council has decided that a combination of public and private funding is appropriate for the wastewater activity. Due to the limited amount of public benefit associated with this activity up to 10% of funding is sourced via General Rates. Private funds of up to (90%) are obtained via fees Targeted Rates from those scheme users while the remaining 13-23% is obtained via user fees and charges. Council uses powers provided in the Trade Waste Bylaw to recover exacerbator costs from trade waste users with large volumes of trade waste.

Stormwater Drainage Group

Analysis

- Council provides the residents and ratepayers of the Carterton urban area with an efficient stormwater drainage system.

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

Funding mechanisms and sources

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

Waste Management Group

Includes Refuse collection and Recycling, and Transfer Station

Refuse collection and Recycling

Analysis

- This activity includes the provision of a contracted refuse and recycling collection and disposal service for urban households and some commercial properties, and a disposal service for delivered solid waste.
- Benefits to the whole community are related to the public health of the community. Benefits occur now through the provision and immediacy of the service, and over the medium term due to the assets associated with this activity.



- Benefits to the individual property owners is the availability of the service. This activity is substantially a private benefit to users.
- Council can incur additional costs from vandalism and damage to recycling bins.

Funding mechanisms and funding sources

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

Transfer Station

Analysis

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

Funding mechanisms and sources

100% Public (of balance required)	31-41% Private
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Council has decided that a combination of public and private funding is appropriate for the Transfer Station activity. Public funds (up to 100%) are obtained via General Rates. Private funds (31-41%) are obtained via fees from those using the transfer station facility. Recovery of exacerbator costs due to deliberate contamination will be recovered in full where possible.

Water Supply Group

Includes Drinking Water and Water Races

Drinking Water Analysis

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

Funding mechanisms and sources

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

Water Races

Analysis

- Water races provide water for agricultural and horticultural and ecological purposes, non-potable domestic users, and other rural users. Council provides and maintains the open water race system.
- Access to the water race system by property owners is a direct benefit to the individual properties that can be clearly identified. There is also benefit offered to those property owners that have access to the water race system but choose not to use it. Some public benefit is also provided to the whole community as the water races provide a discharge point for stormwater, assisting with the management and prevention of risk from flooding. Economic development prospects are enhanced by an affordable and reliable water supply.

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

Funding mechanisms and sources

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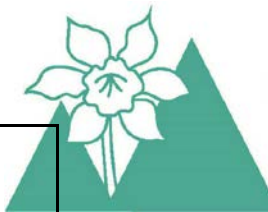
After considering the public and private benefits and contribution towards community outcomes Council has decided the most appropriate sources of public funds for the Drinking Water activity are via General Rates up to (10%) and private funds via Targeted Rates (up to 90%) and User Charges (1-10%). Recovery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



Operating expenditure

The following table summarises the funding mix for each activity.

	Public Funds			Private Funds		
Activities	General rates	UAGC	Targeted rates	Targeted rates	User fees and charges	Subsidies
Governance		100%				
Community Support						
Community development		100% of balance required				Yes
Economic development		100% of balance required				Yes
Emergency management		100%				
Parks and reserves	30% of balance required	70% of balance required			1-10%	
Community amenities		100% of balance required			4-14%	
Regulatory and Planning						
Resource management planning			100% of balance required			
Consent processing			100% of balance required		9-19%	
Regulatory services						



• Environmental health services	100% of balance required				3-13%	
• Liquor licencing	100% of balance required				60-70%	
• Animal and dog control	100% of balance required				70-80%	
Transportation						
Roads	100% of balance required					Yes
Footpaths	100% of balance required					Yes
Cycleways and Trails	100% of balance required					Yes
Wastewater	10% of balance required			90% of balance required	13-23%	
Stormwater drainage	10%			90%		
Waste Management						
Refuse collection and recycling	10% of balance required			90% of balance required	27-37%	Yes
Transfer station	100% of balance required				31-41%	
Water Supply						
Drinking water	10% of			90% of	1-10%	



	balance required			balance required		
Water races	10% of balance required			90% of balance required	1-10%	



Carterton District Council

Treasury Management Policy

Comprising Liability Management Policy and Investment Policy

Context

1. Section 102 of Part 6 of the Local Government Act 2002 (LGA) requires local authorities to adopt a liability management policy and an investment policy.
2. The requirements for each policy are detailed in Sections 104 and 105 of the LGA:
 - The liability management policy must state the Council's policies on how it will manage its borrowings and other liabilities, including interest rate exposure, liquidity, credit exposure, and debt repayment.
 - The investment policy must set out the Council's policies on investments including the mix of investments, acquiring new investments, management and reporting procedures, and risk assessment and management.
3. Together these policies make up the framework for the Council's treasury management activities and define the parameters within which all investment and borrowing activities are carried out. This policy should be read in the context of Council's Financial Strategy.
4. Under the Local Government Rating Act 2002, Council has the powers to set, access and collect rates to fund local government activities. This allows the Council to provide its rating powers as security for borrowing purposes in the form of a Debenture Trust Deed. This is a strong security position and is reflected in the credit quality of the Council.
5. Council is risk averse and wishes to minimise risk from its treasury management activities.

Liability Management Policy

Objectives

6. The Council's liability management objectives in relation to borrowings are to:
 - Minimise borrowing costs within approved risk parameters
 - Prudently manage the Council's exposure to interest rate changes

- Ensure sufficient levels of liquidity to meet both planned and unforeseen cash requirements, and to assist borrowing decisions
7. Prudently manage the Council's credit exposure
 8. Monitor and report on the risk and the performance of debt portfolios against predetermined limits and benchmarks.

Management of Borrowings

9. Council is able to borrow external funds in local currency through bank borrowing and the Local Government Funding Agency (LGFA). Council considers and approves its forecast borrowing requirements by approving financial projections in its Long-Term Plan and each Annual Plan, and reports on debt levels in the Annual Report. Council's finance function manages its borrowing activities in accordance with this policy.
10. Internal borrowing may be used by Council to fund its borrowing for both the purchase of new assets, and the re-financing of existing term debt, if it is considered prudent to do so in any given circumstance. Interest will be charged on internal borrowing and this is calculated to be the weighted average rate that Council receives on its term cash investments over 90 days.

Interest Rate Exposure

11. Interest rate exposure refers to the impact that movements in interest rates have on the Council's financial performance.
12. Factors that influence interest rates for long and short-term securities are beyond the control of the Council. It is prudent to be aware of where interest rate cycles are when making a decision as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing.
13. The Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

Liquidity

14. Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs.
15. The Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall.
16. Short-term liquidity management is monitored and controlled through daily cash management activities with long-term liquidity management being monitored and controlled through the annual plan and long-term plan.
17. As part of its overall liquidity policy, the Council seeks to avoid a concentration of debt maturity dates and may maintain an overdraft facility to meet cash requirements if required.



Credit Exposure

18. Credit risk is the risk that a party to a transaction will default on its contractual obligation. The Council is exposed to credit risk when there is a deterioration of the credit rating:
- of an entity with which the Council places its investments
 - of a counterparty with whom the Council may transact financial derivative contracts
 - of a contractual counterparty with whom the Council may have concluded major supply, construction or service contracts.
19. Council will only enter into borrowing agreements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their Standards and Poors rating, which must be A- or better (or other equivalent rating).
20. Any incidental arrangements involving contracts or arrangements with underwriters, brokers or any other agents are considered to be low risk and therefore do not require Council approval.

Debt Repayment

21. The objective of the debt repayment policy is to ensure that the Council is able to repay debt on maturity with minimum impact on Council cash flows.
22. In evaluating strategies for new borrowing, the following considerations should be taken into account:
- Available terms from banks and the LGFA
 - Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
 - Where a specific asset or group of assets is to be funded by the external borrowing, the term of the loan should not exceed to the expected useful life of the asset
 - Prevailing interest rates and margins
 - The market outlook on future credit margins and interest rates
 - Implied finance terms within specific debt or lease arrangements should be at least as favourable as the Council could obtain through other means
 - Legal documentation and financial covenants together with security considerations.
23. The Council will not enter into derivative financial arrangements, with the exception of interest rate cover, where appropriate.

Borrowing Limits

24. The Council will limit its borrowing such that all three of the following prudential limits are met:
- Total debt as a percentage of total assets will not exceed 15 percent
 - In any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue
 - In any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities.
25. Council must also comply with all relevant financial covenants/ratios (for example those imposed by the Local Government Funding Agency).

Security

26. The objective of the security policy is to ensure that the Council can provide suitable security to investors whilst retaining maximum flexibility and control over assets.
27. The Council will offer as a security for borrowing a charge over the Council's rates and rates revenue offered through a Debenture Trust Deed. The Council will not offer security over assets of the Council, except for borrowing by way of financial lease or some other form of trade credit under which it is normal practice to provide security over the asset concerned.

Investment Policy

Objectives

28. The Council seeks to minimise the risks associated with its investments to avoid placing the capital value of individual investments at risk. The Council is risk averse and wishes to minimise risk from its investment activities, so it does not undertake any unnecessary or speculative investment activity across any asset types.
29. The Council's investment policy objectives are to:
- Manage short term cash flows in an efficient and prudent manner
 - Support the Council's liquidity requirements
 - Invest only in approved financial securities
 - Maximise income on investments approved within the policy
 - Minimise the risk of investments.



Investment Mix

30. The Council has the following investments:
- Cash investments held with banks and non-bank deposit-takers for general purposes
 - Cash investment held with banks and non-bank deposit-takers for specific purposes
 - Equity (shares)
 - Property intended for sale
 - Forestry
 - Land and buildings for strategic purposes and to further the achievement of community outcomes.
31. The Council acknowledges that there are various financial risks arising from its financial activities. The Council recognises its fiduciary responsibility as a public authority and any investments that it does hold should be at an appropriate level of risk, giving preference to conservative investment policies and avoiding speculative investments. The Council accepts that lower risk generally means lower returns on investment.
32. Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.
33. The mix of Council's investments will be determined by the individual investment decisions made in furtherance of the Council's goals and objectives as set out in the Long-Term Plan and Annual Plan. Investments are only made to achieve a particular goal or objective.
34. As Council is risk averse, it prefers not to expose itself to the risks of equity or property assets unless these investments enable the Council to access and use specific services or achieve strategic and/or community outcomes. The purpose of Council's equity and property investments will be assessed every three years, including whether these investments should continue to be held.
35. Surplus funds are invested in a way that maintains the liquidity of the Council's investments so that cash is available when needed. New investments are acquired when surplus funds are available for investing. The Chief Executive has delegated authority to acquire these investments.

Application of Revenue from Investment and Proceeds from Sale

36. Revenue from special funds and reserves is retained in that fund, unless the Council approves otherwise in the Long Term Plan or Annual Plan.
37. Revenue from the sale of investment property is retained in the Council's Major Projects Fund.
38. Revenue from the realisation of the forestry investment is retained in the Council's Major Projects Fund.
39. Revenue from sales of assets is either reserved or off-set for further asset acquisition.

Managing and Reporting on Investments

40. The Chief Executive has delegated authority to invest funds within the criteria outlined in this investment policy. The Chief Executive is authorised to sub-delegate this authority to the Corporate Services Manager.
41. Regular financial reports to Council will provide a copy of the bank reconciliation and a list of investment accounts, amounts invested, and the banks in which those investments are held.
42. Given that the Council has only the forestry and two small equity investments, disclosure in the Annual Report on these items is sufficient for reporting to the Council.
43. The Council's forestry consultants provide annual reports to the Council on the forest valuation and calculations of the anticipated cash flows from harvest.

Risk Management

44. The Council's exposure to risk in relation to its investment activities is relatively minimal. The greatest risk exposure arises in relation to its cash investments and property investments.
45. In managing its investments, the Council always seeks to minimise its risk by investing only in institutions with a high degree of security and credit rating.
46. The Council will not generally invest surplus funds in equity investments due to the risks involved.
47. The Council has a statutory obligation to promote prudent, effective, and efficient financial management. In considering investments, the Council may consider the following:



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



Development contributions or financial contributions policy

Introduction

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

Legislative requirements

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

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

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

Financial contributions provision in the Wairarapa Combined District Plan

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

23. Financial Contributions

23.1 Introduction

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such

contributions can be in the form of money, land, works and services and may include the provision of roads and services, the protection of important historic or natural features, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents may include the cost of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewerage and stormwater. This section deals with the requirements for financial contributions, with as a standard of a permitted activity, or a land use or subdivision consent.

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

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

23.2 Reserves Contributions Standard

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

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



- (b) *As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term Council Community Plan.*
- (c) *As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.*

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

- (a) *For subdivision, 3 percent of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision, or*
- (b) *For land use development for residential purposes, 0.25 percent of the value of each additional residential unit (plus GST).*

23.2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution

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

- (a) *The activity's impacts on the reserves network and the cost to the relevant Council to avoid, remedy or mitigate these impacts.*
- (b) *Measures proposed by the developer to enhance an existing reserve or the open space of the locality.*

- (c) *Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.*
- (d) *Whether any site of natural and cultural heritage can and should be enhanced or protected.*

23.2.4 Form of Contribution

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

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

23.2.5 Purpose

- (a) *To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.*
- (b) *To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.*
- (c) *To provide opportunities for public access to and along water bodies including the coast.*
- (d) *To provide recreational opportunities near water bodies.*

23.2.6 Contributions

- (a) *For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.*
- (b) *For land use resource consents, contributions shall be payable as and when required by any condition of that consent.*



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

23.3 Infrastructure Contributions Standard

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

- (a) *As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes, provided that any infrastructure contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.*
- (b) *As a condition of subdivision resource consent for any new allotment, provided that an infrastructure contribution has not already been made under the relevant Council's Long Term Council Community Plan.*
- (c) *As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that an infrastructure contribution has not already been made at the time of subdivision creating that lot under the relevant Council's Long Term Council Community Plan.*

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

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

- (c) *The actual cost of connecting between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system, and*
- (d) *The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development, and*
- (e) *A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to service the development, and*
- (f) *A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development—the share will be calculated on the proportion of the additional capacity required by the development, and*
- (g) *For subdivisions, \$5000 (plus GST) per allotment that connects with public infrastructure and services, or*
- (h) *For land use development for residential, administrative, commercial and industrial purposes, \$5,000 (plus GST) per new unit for linking with public infrastructure and services, plus 0.5 percent of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or*
- (i) *For land use development for additions and alternations for administrative, commercial or industrial purposes that connects with public infrastructure and services 0.5 percent of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated*



value (excluding GST) of the building as stipulated on the building consent application.

23.3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution

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

- (a) *Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.*
- (b) *The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.*
- (c) *Measures proposed by the developer to upgrade any existing infrastructure.*
- (d) *Whether any contribution has been previously made towards the establishment or upgrade of the infrastructure.*

23.3.4 Form of Contribution

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

23.3.5 Purpose

- (a) *To provide a potable water supply.*
- (b) *To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.*
- (c) *To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.*
- (d) *To ensure sufficient water is available for fire fighting purposes.*

23.3.6 Contributions Payable

- (a) *For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.*
- (b) *For land use consents, contributions shall be payable as and when required by any condition of that consent.*
- (c) *For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.*

23.4 Roads, Access Parking and Loading Contributions Standard

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

- (a) *As a condition of a land use resource consent for any residential, commercial or industrial activity, provided that a roads, access parking and loading contributions has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.*
- (b) *As a condition of a subdivision resource consent for any new allotment, provided that a roads, access parking and loading contribution has not already been made under the relevant Council's Long Term Council Community Plan.*
- (c) *As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a roads, access, parking and loading contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.*
- (d) *As a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.*



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

- (a) *The actual cost of providing a road or access to the development, and*
- (b) *The actual cost of all necessary roads and accesses within the development area for each allotment or building, and*
- (c) *The actual cost of road or access crossings between allotments, or buildings in the development, and*
- (d) *A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development, and*
- (e) *A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of the additional capacity necessary to serve the development, and*
- (f) *The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space, and*
- (g) *For subdivision, 2 percent of the land value of each allotment to be created in the Residential. Commercial, Industrial Zones (plus GST), and 3 percent of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision.*

23.4.3 Form of Contribution

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

23.4.4 Purpose

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

23.4.5 Contributions Payable

- (a) *For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance for the building consent.*
- (b) *For land use resource consents, contributions shall be payable as and when required by any condition of that consent.*
- (c) *For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.*



REMISSION OF RATES POLICY

Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

Legislative requirement

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

- the objectives sought to be achieved by the remission of rates
- the conditions and criteria to be met in order for rates to be remitted.

Remission of penalty rates

Objectives

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

Criteria and Conditions

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

Criteria

- Remission of penalty incurred on instalment one will be considered where the ratepayers pays the total amount due for the year on or before the penalty date of the second instalment.
- Remission of penalty will be considered in anyone rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the

ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.

- Remission of penalty may be granted if the ratepayer is able to establish that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criterion will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
- Remission of penalty will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with the Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.
- Remission of penalty will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one instalment. Future instalments do not qualify under this criterion.

Conditions

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

Delegation

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

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

Objectives

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



Conditions and Criteria

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

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

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

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

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

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

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

Delegation

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

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

Objectives

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

Conditions and Criteria

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

The Council will decide what amount of rates will be remitted on a case-by-case basis.



Remission of specified rates in certain circumstances

Objective

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

Conditions and Criteria

Where:

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

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

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

Delegation

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

Remission of rates for natural disasters

Objectives

- To provide relief to properties affected by natural disasters.

Conditions and criteria

- The Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.
- The level of remission will be the extent of funding provided by Central Government.



POSTPONEMENT OF RATES POLICY

- The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

Introduction

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

Legislative requirements

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

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

Objective

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

Criteria and conditions

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

Criteria

- The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The ratepayers(s) must be the current owner of the rating unit.
- Where the ratepayer seeks a longer-term postponement, additionally:
 - The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.

Conditions

- Application must be in writing by the ratepayer(s) or by any authorised agent.
- Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.
- Application must identify the period of postponement sought.
- Application must identify the nature of the payment arrangement sought.
- The ratepayer(s) is required to disclose to the Council, all personal circumstances, including the following factors; age, physical or mental disability, injury, illness and family circumstances so that the Council can consider these factors to establish whether extreme financial hardship exists.
- If the Council decides to postpone rates the ratepayer(s) must first enter into an agreement with the Council to make regular payments for future rates.
- The Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.
- Any postponed rates will be postponed until:
 1. The death of the ratepayer(s), or
 2. the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
 3. the ratepayer(s) ceases to use the property as their residence, or
 4. a date specified by the Council as determined by council in any particular case.
- Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- Under any longer-term postponement, postponed rates will be registered as a statutory land charge on the rating unit under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of the Council.



Delegation

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



REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND POLICY

Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission or postponement under this policy. Currently there are 38 rating units in the district that meet the definition of Māori freehold land, of which 16 are non-rateable.

Whether rates are remitted or postponed in any individual case will depend on the individual circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

This policy has been formulated for the purposes of:

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

Objectives

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rāhui).
- To assist Māori to establish papakāinga housing on rural Māori freehold land.

- To recognise and take account of the importance of papakāinga housing in providing support for marae.
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where only part of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate development or use of the land where the Council considers rates based on the rateable value make the use of the land uneconomic.

Conditions and criteria

Application for the remission or postponement should be made prior to commencement of the rating year.

Applications made after the commencement of the rating year may be accepted at the discretion of the Council. Owners or trustees making application should include the following information in their application:

- Details of the property.
- The objectives that will be achieved by providing the remission.
- Documentation that proves the land that is the subject of the application is Māori freehold land.

The Council may, of its own will, investigate and grant remissions or postponement of rates on any Māori freehold land in the district.

Relief and the extent thereof are at the sole discretion of the Council and may be cancelled and reduced at any time.



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

- Part of the land is used for papakāinga and is subject to an occupation licence or other arrangement for the purposes of providing residential housing.
- The land is unoccupied and no income is derived from the use or occupation of that land.
- The land is better set aside for non-use (whenua rāhui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.

- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

The Council will decide what amount of rates will be remitted on a case-by-case basis.



SIGNIFICANCE AND ENGAGEMENT POLICY

(Pursuant to section 76AA of the Local Government Act 2002)

Purpose

The decisions the Council makes affect its communities on a daily basis. Some decisions have greater significance than others.

This Significance and Engagement Policy explains how the Council will determine the degree of significance of particular issues, proposals, assets, decisions, and activities.

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

Introduction

While Councillors are elected to make decisions on behalf of their communities, engaging with the community is important to help the Council make informed decisions.

Effective community engagement builds trust in Council decision-making, while increasing the Council's understanding of issues in the community, but over-consultation can exhaust the community's willingness to participate.

As well as the informal methods of engagement, some decisions require a more structured form of engagement, due to the significance that a matter has within the wider community, or for groups within the community.

This policy does **not** apply to decision-making under the Resource Management Act 1991.

The Council may choose not to consult on some projects when it believes it has enough information with which to make an informed decision.

The Council may choose not to consult when it believes the matter is not significant enough. In these cases, the public will receive information about the project and the decision.

This policy is made up of two parts.

- Part 1 Significance - explains how decisions on significance will be determined and what happens when something is highly significant or not.
- Part 2 Engagement and Consultation - focuses on engagement and consultation. It sets out the principles of engagement the Council will use, minimum information requirements, and the special consultative procedure.

This Policy also lists the assets Council considers to be strategic assets.

Part 1—Significance

Definition

Section 5 of the Local Government Act 2002 (the Act) defines **significance** as:

'in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) *the current and future social, economic, environmental, or cultural wellbeing of the district or district:*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) *the capacity of the local authority to perform its role, and the financial and other costs of doing so'.*

And it defines **significant** as:

'in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance'.

Determining significance

Councils must make decisions about a wide range of matters and most will have a degree of significance, but not all will be considered to be 'significant'. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement and consultation, will be considered in the early stages of a proposal before decision-making occurs.



The following guide in the table below should be considered when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

Process

Decisions on significance will be made in accordance with this policy, the Council's Governance Statement, Standing Orders, and other policies including Delegations.

In practice, this means:

- Where any issue, policy, decision, or other matter meets one or more criterion and is deemed to have significance (low, moderate or high), the matter shall be reported to Council.

- Each report shall include a statement indicating that the issue, policy, decision, or other matter has been considered in regard to Significance and Engagement Policy. The report shall include an assessment of the degree of significance of the issue, policy, decision, or other matter, based on the criteria outlined in this Policy.
- The assessment should consider each criterion of significance and report on these, where applicable. The report should include a statement on the level of significance and reasoning behind the conclusion (e.g. why was it determined to have moderate significance) using the following table for guidance.



Matter/Issue	Determining the Level of Significance		
	Low Significance	Moderate	High
Relates to an asset that is a 'strategic asset'	Does not relate to strategic assets or does not substantially affect other Council assets	Involves sale of, or substantial impact on, part of a strategic asset, or other Council asset	Sale of a strategic asset, or activities that affect the performance of the strategic asset as a whole
Changes to levels of service	Minor loss of, or change to, service levels provided by the Council (or its contractors)	Moderate changes to the level of service provided by the Council.	Decision or proposal creates substantial change in the level of service provided by the Council
Likely level of community interest	Decision or consequence has little impact or is easily reversible	Minor or moderate level of community interest in a proposal or decision; or there is a moderate impact arising from changes; or one or more areas of the District are affected disproportionately to another; or duration of an effect may impact detrimentally on people or a community	A high level of community interest in a proposal or decision; likely to be, or is, controversial in the context of the impact or consequence of the change; involves a specific area affected (eg geographic area, or area of a community by interest, age or activity); or there are substantial impacts or consequences arising from the duration of the effect
Financial impact	No material effect on the Council's budget, debt, or residents' rates	Minor effect on rates, debt, or the financial figures in any one year or more of the Long Term Plan	Substantially affects debt, rates, or the financial figures in any one year or more of the Long Term Plan



Changes to Groups of Activities	Minor change to how Council manages groups of activities	Partial exit from a group of activities	Ceasing an existing activity or adding a new group of activities
Delivery arrangements	No substantive change to partnership arrangements for delivery of services, or consultant services	Contracting out or entering partnership with the private sector to carry out minor activities on behalf of the Council	Contracting out or entering partnership with the private sector to carry out a significant activity or a group of activities



- The assessment, and where appropriate the report, must also include consideration of the following requirements, matters, and procedures set out in the Act:
 - s77 Requirements in Relation to Decisions
 - s78 Community Views in Relation to Decisions
 - s79 Compliance with Procedures in Relation to Decisions
 - s80 Identification of Inconsistent Decisions
 - s81 Contributions to Decision-making Processes by Māori
 - s82 Principles of Consultation.
- The report should recommend appropriate methods and extent of consultation and engagement, proportionate to the level of significance.

When Council may not engage

There are times when Council will not normally consult with the community because the issue is routine, operational or because there is an emergency. These may include:

- Emergency management activities, such as during a state of emergency
- Decisions that have to be made urgently where it is not reasonably practicable to consult
- Decisions to act where it is necessary to comply with the law
- Decisions that are confidential or commercially sensitive as prescribed under the Local Government Official Information Act 1987
- Organisational decisions (such as staff changes and operational matters) that do not materially reduce a level of service
- Decisions with regard to regulatory and enforcement activities
- Procurement and tendering processes
- Standards set by National Policy Statements
- Any decisions that are made by delegation or sub delegation to officers
- Any matter where the costs of consultation outweigh the benefits
- An issue where Council already has a good understanding of the views of the persons or community likely to be affected by or interested in the matter
- Where the matter has already been addressed by Council’s policies or plans, which have previously been consulted on
- Minor administrative changes to documents.
- Some decisions made by Council are bound by legislation. In these situations, Council must follow the law and cannot use a flexible consultation process with the community.

- Council will use the Special Consultative Procedure, or other statutory process as required.
- The method of engagement for matters that are determined to be significant will be decided on a case-by-case basis. For guidance and examples see Part 2 Engagement and consultation (following) and the Community Engagement Policy.

Part 2—Engagement and consultation

The primary purpose of consulting with the community is to enable effective participation of individuals and communities in the decision-making of councils. This will enable elected representatives to make better-informed decisions on behalf of those they represent.

Matching engagement to significance

In any engagement process undertaken with the community, that engagement will be in proportion to the significance of the matter being considered and any statutory requirements. This is illustrated in the table below.

LOW to MEDIUM to HIGH significance				
← (one or more approach may be used) →				
The community is provided with objective information to assist in its understanding of problems, solutions, performance	Feedback is obtained from the community to assist in the formulation of options and decisions	The Council works directly with the public throughout the process, to ensure both public and private concerns are understood	The Council seeks direct advice from the community in formulating solutions, and this advice is incorporated in decisions to the maximum extent possible	The public is empowered to make the decision



EXAMPLES OF ENGAGEMENT METHODS <i>(additional activities, from left to right)</i>				
Reports, website update, media release, public notice, letter, <i>Snippets</i> , social media, customer services staff information training, or councillor or staff email networks	Notifications to those directly affected, information displays at Council and Library, and at targeted venue, public meeting, open days, focus groups, online consultation, public hearings, print and radio advertising	Discussion groups and workshops, road shows, residents' survey, community-led development, pre-engagement strategy to heighten awareness and create interest and participation, expert opinion on outcomes sought	Working groups, advisory boards	Local body elections

Engagement principles

When any engagement takes place, other than simply providing information, the Council will:

- ensure that elected members are a primary conduit for engagement with the community they represent
- ensure that the engagement has sufficient time and adequate resources to be effective
- seek to hear from everyone likely to be affected ask for views early in the decision-making process so that there is enough time for feedback, and for views to be considered properly
- consider different ways in which views can be presented

- listen to and consider views in an open and honest way
- respect everyone's point of view
- work in partnership with appropriate representative and special interest groups
- be sensitive to engagement becoming a burden
- ensure that the engagement process is efficient and cost-effective
- provide information about the outcome of the engagement and the reasons for any decisions.

Engagement with Māori

The Council is committed to developing and maintaining positive working relationships with mana whenua, taura here and Māori communities in the Carterton district. Council will actively provide opportunities for Māori to contribute to its decision making processes through:

- Recognising and protecting Māori rights and interests within Carterton District
- Providing early engagement with Māori in the development of plans, policies and decisions
- Taking guidance from Māori in the ways Council will engage with them
- Supporting Māori to fully engage with the Council, for example through but not limited to capability and capacity building

Information Requirements

At a minimum, the Council will provide the following information when conducting consultation or engagement:

- what is being proposed
- why it is being proposed
- what the reasonably practicable options and consequences are for the proposal
- if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document
- if a plan or policy or similar document is proposed to be amended, details of the proposed changes



- what impacts may occur if the proposal goes ahead
- how submitters and participants can provide their views
- the timeframe for consultation and engagement
- how the decisions will be made and who will be making them
- how submitters and participants will be informed about the outcome.

Special Consultative Procedure

There are still situations where the Special Consultative Procedure (section 83 of the Local Government Act 2002) must be used:

- adoption or amendment of a Long Term Plan
- making amending or revoking a by-law
- reviewing a strategic asset.

There are also statutes that require the special consultative procedure to be followed in specific situations, including:

- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012
- Reserves Act 1977
- Dog Control Act 1996
- Building Act 1991.
- Gambling Act 2003
- Waste Minimisation Act 2008
- Land Transport Act 1998.

Review of the Policy

The Significance and Engagement Policy will be reviewed at least every three years.

Schedule 1—Strategic assets

Strategic asset is defined in the Local Government Act 2002 as an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's

capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

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

The Council has identified its strategic assets as:

- roading network, including bridges, street lighting, and footpaths
- water treatment, storage, and supply network
- sewerage reticulation network and sewage treatment facilities
- stormwater drainage network
- rural water race network
- landfill site, including transfer station
- parks and reserves, Council-owned land and buildings, public toilets, and sports fields
- cemetery
- Events Centre
- Outdoor Swimming Complex
- Kaipaitangata Forest.

Decisions on transferring the ownership or control of strategic assets require the use of the Special Consultative Procedure.

Council does not expect to undertake engagement for decisions that relate to changes to a part of a strategic asset, unless that part substantially affects the level of service provided to the community.

In emergency situations alterations to strategic assets may be required without formal consultation to:

- Prevent an immediate hazardous situation arising, or
- Repair an asset to ensure public health and safety.



Appendix B

Schedule of fees and charges 2021/22



Proposed Schedule of Fees and Charges 2021/22

User fees and charges are used to recognise that there is a private benefit from the operation of the variety of services provided by the Council to the community. User fees revenue reduces the rates revenue required to be collected from ratepayers.

The following schedules of fees and charges are for the 2021/22 year.

	2021/22 fees including GST
Food Act 2014	
Verification of template Food Control Plan. Includes: booking appointments, checking prior history, travel time, actual time on-site, completion of reports, lodging of results to MPI and Council database and follow up on Corrective Action Requests.	\$350.00 for first 2.5 hours then \$140 for every additional hour
Renewal of registration for food premises	\$120.00
Amendment to registration	\$80.00
Public Health (Health Act 1956, Health Registration Regulations 1966)	
Annual Registration and Inspection	
Hairdressers	\$180.00
Motels/Boarding Houses	\$180.00
Itinerant trader – annual registration including inspection	\$252.00
Camping Grounds/Motor Home Parks	\$200.00
Hawkers licence	\$110.00
Hairdressers, beauticians, tattooists, skin piercers	\$180.00
Funeral directors	\$180.00

Offensive trades – septic tank services, waste or refuse cartage	\$180.00
Saleyards	\$180.00
Street stall licence	\$20.00 per week
Health inspection for events where food will be sold, or inspection on request	\$120.00
Noise control – recover all reasonable costs associated with second and subsequent noise complaints investigated from the same property	
Noise/health-related complaints under the RMA and Health Act 1956 – recover all reasonable costs associated with investigating/resolving the matter	
Gambling venue applications	\$300.00
Removal of abandoned vehicles	Actual cost plus 10%
Compliance and Monitoring (Health Act 1956)	
Complaint-driven investigation resulting in issue of improvement notice by Environmental Health Officer	\$80.00 per hour
Application for review of issue of improvement notice	\$80.00 per hour
Resource Consent Fees (deposit only)	
Controlled activity (other than minor land use)	\$555.00
Restricted Discretionary – non-notified	\$555.00
Restricted Discretionary – limited notification	\$950.00
Discretionary activity	\$950.00
Permitted boundary activity	\$306.00
Non-complying	\$1,500.00
Heritage items	Free



Additional Charges	
Public notification	\$714.00
Limited notification (excluding restricted discretionary)	\$450.00
Pre-hearing	\$500.00
Post decision – requested changes	\$350.00
Post decision – minor changes	\$150.00
Additional processing time above 5 hours	\$120.00 per hour
Certificate of Compliance and any other certificates e.g. Section 226 RMA	\$350.00
Section 223 RMA certificates	\$255.00
Section 224 RMA certificates	\$300.00
Monitoring compliance with resource consents – cost, with maximum of:	\$1,000.00
District Plan changes – deposit only (applicants are required to meet the full cost of processing applications)	\$5,100.00
Copy of District Plan	\$85.00
Land Information Memorandum (LIM)	\$250.00
Land Information Memorandum (LIM) – urgent service	\$450.00
Other external reports, e.g. engineers, commissioners, solicitors, special advisors (indicative charges between \$150-\$300 per hour)	Actual cost
Infrastructure Contribution	\$5,750.00
Infrastructure Contribution – Waingawa Industrial Zone	\$7,475.00
Roading Contribution – Residential, Commercial and Industrial Zones	2% of land value + GST

Roading Contribution – Rural Zone	3% of land value + GST
Reserve Contribution - Residential, Commercial and Industrial Zones	3% of land value + GST
Reserve Contribution – Rural Zone	2% of land value + GST
Monthly building consent lists	\$10.00
Officer consultation (first half hour free)	\$90.00 per hour
Service Fees	
Water connection	Actual cost
Sewer connection	Actual cost
Administration fee	\$51.00
Combined sewer and water connection	Actual cost
Standard vehicle crossing	Actual cost
Applications for water race draw off	\$57.50
Applications for piping or relocating water race	\$57.50 plus expenses
Clearing sewers (property owner boundary to main)	Actual cost
Damage to road reserve	Actual cost
Transfer Station Entry Fees	
General refuse	
Car boot or SUV (up to 100kg)	\$17.00
Small trailer, van or ute up to 1.8m x 1.2m x 0.4m high or up to 250kg	\$36.00
Large trailer (up to 500kg)/medium truck (less than 2 tonne)	\$66.00



Weigh in/out (minimum \$20.00)	\$200.00 per tonne
<i>Green waste</i>	
Car boot or SUV (up to 100kg)	\$5.00
Small trailer, van or ute up to 1.8m x 1.2m x 0.4m high or up to 250kg)	\$10.00
Large trailer (up to 500kg)/medium truck (less than 2 tonne)	\$20.00
Weigh in/out (minimum \$20.00)	\$42.00 per tonne
<i>Tyres</i>	
Tyres (per tonne)	\$510.00
Car and 4WD tyres – up to 4 tyres on rims	\$3.50 each
Truck tyres – up to 4 tyres	\$5.50 each
Tractor or earthmover tyres, more than 4 tyres/load (any type) or mixed load containing tyres	\$510.00 per tonne
Dog Registration Fees (before 1 August)	
From 1 August – 50% of the fee will be added as penalty. For certified seeing eye or hearing dogs, a fee of 50% of those stated below.	
Urban – entire dogs	\$95.00
Urban – spayed/neutered dogs	\$70.00
Rural – non-neutered and neutered dogs – first 2 dogs	\$70.00 per dog
Rural – non-neutered and neutered dogs – all remaining dogs	\$36.00 per dog
Dog classified as dangerous	\$142.50
Urban – application to keep more than 2 dogs	\$60.00
Impounding Fees	
Dogs, sheep, goats	\$60.00

Second time impounding (dogs)	\$120.00
Third and subsequent impounding (dogs)	\$180.00
Cattle, deer, horses and all other animals	\$75.00
Droving charge – calculated on actual cost including labour and plant hire	Actual cost
Sustenance fee – all animals	\$12.00 per day
<i>Waingawa water</i>	
Connected	\$136.54
Metered water	\$3.12 per m3
Outdoor Swimming Complex	
Entry fee adult/child – per person	Free
School groups – per child per season (schools are responsible for lifeguard arrangements and associated costs)	Free
Cemetery	
Headstone permit	\$25.00
<i>Plots</i>	
Lawn	\$1,100.00
Child under 1 year old	\$160.00
Child over 1 year old and below 10 years old	\$320.00
Cremation	\$250.00
Extra depth charge	\$350.00
<i>Interment</i>	
Lawn	\$750.00
Cremation	\$220.00



Child under 1 year old	\$130.00
Child over 1 year old and below 10 years old	\$320.00
Servicemen	\$750.00
Out-of-town burial fee	\$1,200.00
Saturday burials	\$1,200.00
Saturday burials – out-of-town	\$1,450.00
Disinterment	Actual cost
No burials on Public Holidays	
<i>Natural Burial</i>	
Plot (2x standard fee)	\$2,200.00
Interment (as above)	\$750.00
Costs:	
Compost (cost includes topping-up within first 3 years)	\$300.00
Tree (cost includes planting)	\$150.00
Natural burial fee (at cost)	\$250.00
Out of District fee	\$1,200.00
<i>Private burial service</i>	
Chapel	\$60.00
<i>Park Fees</i>	
Association Football – per ground	\$572.00
Cricket Association	\$100.00
Athletic Club	\$572.00

Additional charges may be levied for additional services, including pitch preparation and repairs	
Community Notice Board Fees	
Use of the Community Notice Board – community groups	Free
Use of the Community Notice Board – commercial and private	\$10.00 per day
Library Fees	
<i>Rentals (per issue)</i>	
Fiction books (including re-issues)	Free
Magazines	Free
DVDs	Free
<i>Fines</i>	
Adult book – first week	Nil
Per week thereafter	Nil
Children's books – first week	Nil
Per week thereafter	Nil
Reserves	Nil
<i>Inter-loans</i>	
Per book, article or subject request	Nil
Charges from other libraries	Actual cost
Replacement cards	\$2.00
Lost library book	Replacement



	Cost
Administration Fees	
<i>Photocopying – per page</i>	
A3 black and white	\$0.40
A4 black and white	\$0.10
Double-sided black and white – add 10 cents per page	
A3 colour	\$0.50
A4 colour	\$0.40
Double-sided colour – add 20 cents per page	
<i>Laminating per page</i>	
A4	\$2.00
Rubbish bags	\$2.80
Replacement/additional recycling bins	\$11.50
Replacement yellow-lid recycling wheelie bin	\$65.00
Rating information schedule	\$15.00
<i>Professional Services Fee</i>	
For any services provided not listed elsewhere in this schedule	\$120.00 per hour



Schedule of Fees and Charges – Building consent and PIM fees (all amounts include GST)

Classification	PIM only fee 2021/22	When included with other work (excl. BRANZ and MBIE levies) 2021/22	Total stand-alone fee (excl. BRANZ and MBIE levies) 2021/22
Minor Work			
Solid fuel heater	\$45.50	\$117.00	\$350.00
Minor plumbing and drainage work, e.g. fittings, drain alteration	\$45.50	\$117.00	\$395.00
Minor building work	\$45.50		\$395.00
Drainage work, e.g. new minor subdivision services, and common drains	\$45.50		\$990.00
Drainage work, e.g. new effluent disposal system	\$45.50	\$334.00	\$470.00
Wet area shower (tile floor)	\$45.50	\$226.00	\$486.00
Private marquee >100m ² – professional assembly only (no inspection)	\$45.50		\$160.00
Public marquee > 100m ² and <50 people – professional assembly (no inspection)	\$45.50		\$160.00
Public marquee >100m ² and >50 people (with inspection)	\$45.50		\$305.00
Private marquee >100m ² (with inspection)	\$45.50		\$305.00
Sheds / Garages / Conservatories etc.			
Swimming pool 1200mm above ground and pool fencing	NA		\$125.00
In-ground swimming pools (includes fence)	\$45.50		\$500.00
Garden sheds/retaining walls/carports/conservatories/other minor works	\$45.50		\$585.00
Minor farm buildings (hayshed covered yards 1-6 bays, etc.)	\$90.50		\$810.00
Larger farm buildings (covered yards, wool sheds) – no plumbing or drainage	\$90.50		\$1,055.00



Larger farm buildings (covered yards, wool sheds) – with plumbing or drainage			\$1,450.00
Proprietary garages standard	\$90.50		\$852.00
Proprietary garages with fire wall	\$90.50		\$820.00
Proprietary garages with plumbing and drainage	\$90.50		\$1,050.00
Proprietary garages including sleepout no plumbing or drainage	\$90.50		\$830.00
Proprietary garages including sleepout with plumbing or drainage	\$90.50		\$1,370.00
Classification	PIM only fee 2021/22	When included with other work (excl. BRANZ and MBIE levies) 2021/22	Total stand-alone fee (excl. BRANZ and MBIE levies) 2021/22
Garages custom design including plumbing and drainage	\$90.50	\$212.00	\$1,563.00
Garages, simple custom design, single level	\$90.50		\$890.00
Residential re-pile	\$45.50		\$585.00
Residential demolition	\$45.50		\$245.00
Residential Dwellings – New (note: double units charged at single unit rate + 50%)			
Single Storey value <\$500k	\$361.00		\$4,740.00
Complex -Single Storey value >\$500k and Multi storey	\$542.00		\$5,800.00
Transportable dwelling (yard built)	\$90.50		\$2,900.00
Relocated residential dwelling (if applicable, add alteration fee)	\$451.50		\$1,694.00
Residential Dwellings—Additions and Alterations			
Alterations (minor) up to 3 inspections plus processing time	\$45.50		\$1,062.00
Alterations (major) up to 8 inspections plus processing time	\$90.50		\$3,000.00
Plumbing and drainage		\$212.00	\$1,108.00
Commercial / Industrial			



Commercial demolition	\$45.50		\$585.00
Single storey shop fitouts	\$90.50		\$1,204.00
Multi-storey shop fitouts	\$90.50		\$1,503.00
Single storey, multi-unit apartments/motels	\$587.00		\$2,203.00 plus \$425.00 per unit
Multi-storey, multi-unit apartments/motels	\$813.00		\$2,576.00 plus \$708.00 per unit
Minor commercial work e.g. signs/shop fronts/minor fitouts (no plumbing or drainage)	\$248.50		\$765.00
Commercial/industrial ≤\$50,000.00	\$478.50		\$2,278.00
Commercial/industrial \$50,000.01–\$100,000.00	\$659.00		\$3,174.00
Commercial/industrial \$100,000.01–\$150,000.00	\$839.50		\$4,071.00
Commercial/industrial \$150,000.01–\$250,000.00	\$1,020.50		\$4,966.00
Commercial/industrial \$250,000.01–\$350,000.00	\$1,200.50		\$5,862.00
Commercial/industrial \$350,000.01–\$500,000.00	\$1,381.50		\$6,759.00
Commercial/industrial \$500,000.01–\$1,000,000.00	\$1,381.50		\$7,356.00



Classification	PIM only fee 2021/22	When included with other work (excl. BRANZ and MBIE levies) 2021/22	Total stand-alone fee (excl. BRANZ and MBIE levies) 2021/22
Commercial/industrial/agricultural >\$1,000,000.00	\$1,381.50		\$7,356.00 plus \$421.00 per \$100,000 value
Other Charges			
Processing hardcopy certificate applications			\$94.50
Pool inspections—initial inspection			Free
Pool inspections—re-inspection			\$151.00
BRANZ levy for work \$20,000 or more, a stand-alone fee of \$1.00 per \$1,000 for the total project value			\$1.00 per \$1,000
MBIE levy for work \$20,444 or more including GST, a stand-alone fee of \$1.75 per \$1,000 for the total project value			\$1.75 per \$1,000 (for work \$20,444 or more)
Structural engineering or fire engineering assessment/peer review (the building consent fee does not include the cost of any structural or fire engineers' assessments that may be required)			cost plus 10 per cent
Compliance schedule application (includes inspection and 12A and BWoF administration)			\$148.00 per hour
Inspection hourly rate			\$195.00 per hour
Certificate of acceptance—building consent fee for the applicable building plus actual costs, payable on issue of certificate			\$195.00 per hour for inspections plus applicable building consent fees
Reassessment fee (amended plans or specifications)			\$195.00 per hour
Certificate of title			\$25.00



Vehicle crossing bonds will be assessed for each application where required			\$500.00
Street, crossing, footpath, and berm damage bond for buildings moved to/from site			\$1,500.00
Property search fee (includes download, scanning documents, email, or writing to disc)			\$25.00 per file



Schedule of Fees and Charges – Trade waste (all amounts exclude GST) Under Wairarapa Consolidated Bylaw 2019 – Part 9

Category	Description	2021/22 charges
Connection fee	Payable on application for connection to discharge	At cost
Compliance monitoring	The cost of sampling and analysis of trade waste discharge	At cost
Disconnection fee	Payable following a request for disconnection from sewage system	At cost
Trade waste application fee	Payable on application for a trade waste discharge	Small business (1-5 staff) \$152.00 Medium business (6-15 staff) \$288.00 Largebusiness (16+ staff) \$560.00
Re-inspection fee	Payable for each re-inspection visit by the Waste Water Authority where a notice served under the bylaw has not been complied with by the trade waste discharger	\$85.00 per hour
Annual trade waste charges	<p>An annual management fee for a trade waste discharge to cover the Waste Water Authority's costs associated with for example:</p> <ul style="list-style-type: none"> a) Administration b) General compliance monitoring c) General inspection of trade waste premises d) Use of the sewerage system <p>The charge may vary depending on the trade waste sector or category of the discharger</p>	<p>Small</p> <p>Permitted \$190.00 per annum Conditional \$390.00 per annum</p> <p>Medium</p> <p>Permitted \$650.00 per annum Conditional \$1,050.00 per annum</p> <p>Large</p> <p>Permitted \$1,400.00 per annum</p> <p>Conditional \$2,000.00 per annum</p>
Rebates for trade premises within the District	Reduction in fees provided for in Section 150(2) of the Local Government Act. Section 150(4) states that the fees prescribed by the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period	<p>Discretion of Council</p> <p>As calculated by Council</p>



New or additional trade premises	Pay the annual fees and a pro rata proportion of the various trade waste charges relative to flows and loads	As per charges outlined below
B1 Volume	Payment based on the volume discharged	\$0.60 per cubic metre
B3 Suspended solids	Payment based on the mass of suspended solids \$/kg	\$0.60 per kilogram
B4 Organic loading	Biochemical oxygen demand or chemical oxygen demand \$/kg	\$0.92 per kilogram
B5 Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg	\$10.00 per kilogram
B6 Phosphorus	Payment based on the defined form(s) of phosphorus \$/kg	\$15.00 per kilogram
C1 Tankered waste	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category	\$67.00 per cubic metre

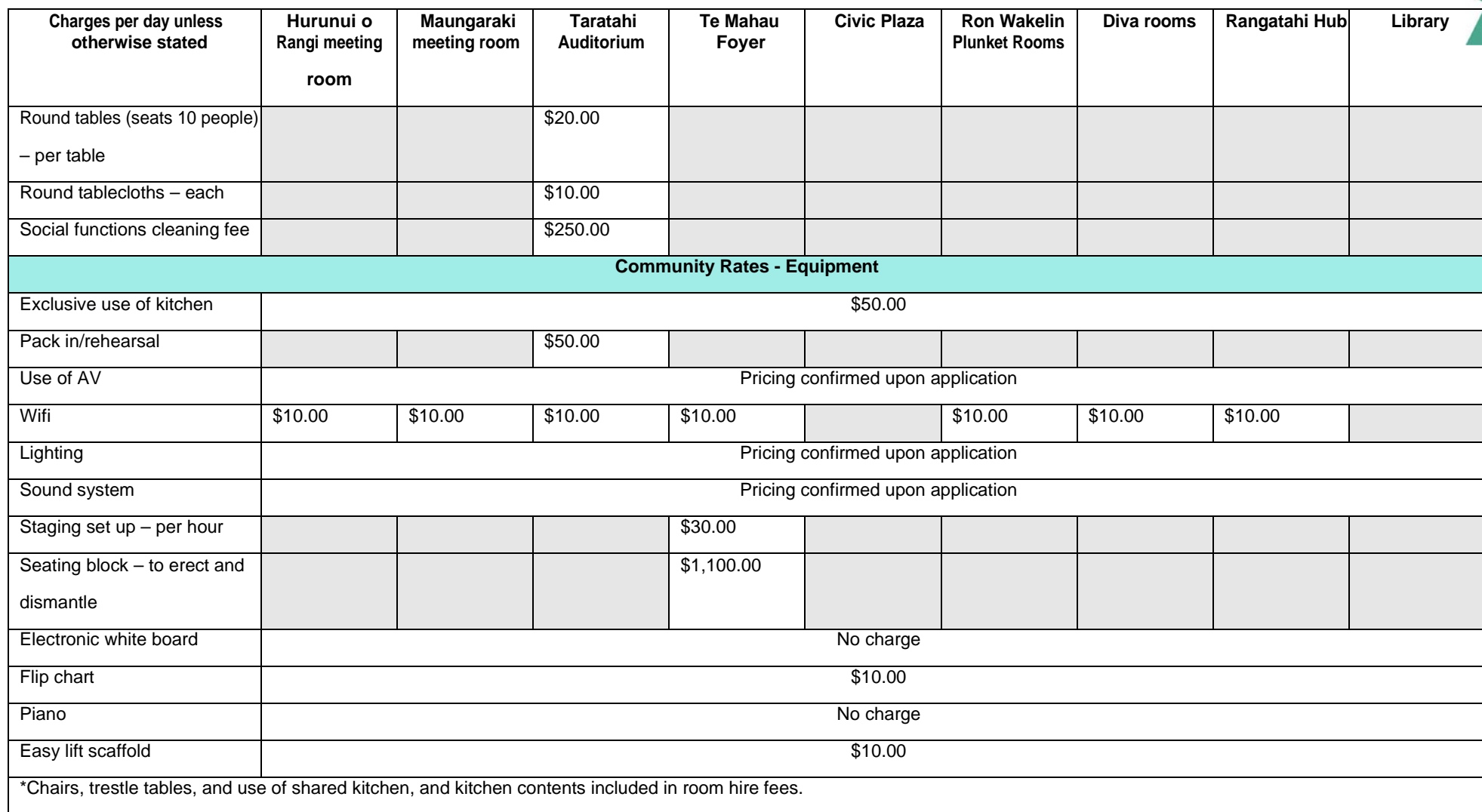


Schedule of Fees and Charges – Events Centre (all amounts include GST)

[illegible]



Pack in or assistance to set up – per staff member	\$25.00 per hour								
Commercial Rates - Equipment									
Exclusive use of kitchen	\$100.00								
Pack in/rehearsal			\$100.00						
Tea and coffee facilities	\$2.50 per person								
Use of AV	Pricing confirmed upon application								
Wifi	\$10.00	\$10.00	\$10.00	\$10.00		\$10.00	\$10.00	\$10.00	
Lighting	Pricing confirmed upon application								
Sound system	Pricing confirmed upon application								
Staging set up – per hour			\$30.00						
Seating block – to erect and dismantle			\$1,500.00						
Electronic white board	No charge								
Flip chart	\$10.00								
Piano	No charge								
Easy lift scaffold			\$20.00						





Appendix C

Infrastructure strategy 2021-51

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Purpose of this Infrastructure Strategy

Infrastructure accounts for over half of the Carterton District Council's (CDC) annual operating expenditure and over 80% of Council's capital expenditure. This infrastructure provides the foundations on which the Carterton district community is built. It is essential to the health, safety, and land transport needs of the district and has a significant impact on the physical environment.

Good quality local infrastructure facilitates social and economic wellbeing. It enables businesses and communities to flourish. Conversely, poor infrastructure will inhibit the economic performance of Carterton district. Getting infrastructure spending right is a pre-requisite to enhancing the quality of life and attracting people to live in the district.

This infrastructure strategy outlines:

- the key wastewater, water supply, stormwater and land transport infrastructural issues the Carterton district community must address over the next 30 years;
- the options under the most likely scenario for dealing with those issues;
- the cost and service delivery implications for residents and businesses of those options; and
- The Council's current preferred scenario for infrastructure provision.

This strategy will help the Council to make informed decisions to deal with the major decisions and investment opportunities that will occur over the next 30 years.

Background

Legislative Context

Section 101B of the Local Government Act 2002 requires all local authorities to prepare and adopt an infrastructure strategy covering a period of at least 30 years, as part of its Ten Year Plan. The statutory purpose of an infrastructure strategy is to identify significant infrastructure issues for the Council over the 30-year period covered by the strategy, and to identify the principal options for managing those issues.

This strategy addresses the above purpose by outlining how CDC intends to manage its water supply, wastewater, stormwater, and roads and footpath infrastructure assets. Inclusion of these asset types in the strategy is mandatory. Other asset types (eg parks, buildings, etc.) may be included, at the discretion of CDC, but are of a relatively minor scale and value and do not form part of this Infrastructure Strategy.

The strategy is consistent with and represents a culmination of the strategies underpinning CDC's corresponding activity management plans (AMPs). The AMPs are key supporting information for the Infrastructure Strategy.

The Infrastructure Strategy will be reviewed on a three-yearly basis in line with, and as an important component of, Council's 3-yearly review of its Ten Year Plan.

Historical Context – Formation of Carterton District Council

Carterton District Council was formed in April 1989 from a voluntary amalgamation of the former Carterton Borough and South Wairarapa County Councils. The Borough Council had been in existence since 1887 while the County Council's origins go back to earlier roads boards in the 1850s.

Geographical Context

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

FIGURE 1: CARTERTON DISTRICT BOUNDARIES



The usually resident population of Carterton district was 9198 in the 2018 census (up 11.6% from 2013). The administrative and main trading centre is Carterton Township, with over half (at 63% or 5,640 in 2018 census) of the district's usually resident population is residing in the town.

There are other, smaller, rural settlements located within the district including Gladstone, Flat Point and Clareville.

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

A moderate scale industrial precinct is located at the northern end of the district (Waingawa) with water and wastewater infrastructure connected to Masterton District Council's networks because of their proximity location. Masterton District Council provides, by agreement, potable water and treats and disposes of the wastewater and trade waste.

A large and expanding bacon and ham food processing factory is located within Carterton with water supply mostly sourced from its own bore but is totally reliant on CDC infrastructure for wastewater treatment and disposal.

Approach to Managing Infrastructural Assets

CDC's approach to managing its infrastructure assets involves optimisation of the whole of life costs of its infrastructure. There are three key components of that: operating and maintenance costs, renewal costs and development activities. The three are interrelated, with the timing of renewals or new capital development impacting on annual maintenance costs.

The strategy outlines how CDC intends to manage its three-waters and roading infrastructure assets, taking into account the need to:

- maintain, renew or replace existing assets
- respond to growth or decline in the demand for services reliant on those assets
- allow for any planned changes to levels of service provided through those assets
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them
- provide for the resilience of infrastructural assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

Operations and Maintenance

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

Maintenance can be defined as the activities that preserve an asset in a condition which allows it to perform its required function. Maintenance comprises regular servicing and immediate repairs

necessary to keep the asset operational. The ongoing efficiency of routine maintenance is critical to achieve optimum asset life cycle costs that best suit the desired levels of service.

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

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

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

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

Renewal or Replacement

Asset renewal or replacement does not increase the assets' original design capacity but restores, rehabilitates, replaces or renews an existing asset to extend its economic life and/or restore the asset to its original service potential. It is a key driver of CDC's infrastructure strategy because of the age profile and condition of some of the assets, and the need to develop a replacement strategy which is both affordable and sustainable.

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

Asset performance: renewal of an asset where it fails to meet the required level of service due to deterioration of asset condition. Non-performing assets are identified by the monitoring of asset condition, reliability, capacity, and efficiency during planned maintenance inspections and operational activity. Indicators of non-performing assets include:

- structural failure
- repeated asset failure (blockages, mains failure, pavement failure, etc),
- effectiveness of water or wastewater treatment.

Economics: Renewals are programmed with the objective of achieving:

- the lowest life-cycle cost for the asset (the point at which it is uneconomic to continue repairing the asset), and
- a sustainable long term cash flow by smoothing spikes and troughs in renewals programmes based on the estimated economic lives of asset groups, and
- efficiencies, by co-ordinating renewal works with capacity upgrade work or other planned works in the area.

Risk: The risk of failure and associated financial and social impact justifies action (eg probable extent of property damage, safety risk).

Renewal works are assessed and prioritised in accordance with the following priority ranking table, the cost/benefit ratio of each project, Council's objectives and strategies, and available funds.

TABLE 1: RENEWALS STRATEGY

Priority	Renewal criteria
1 (High)	<p>Asset failure is imminent or has occurred and renewal is the most cost effective option</p> <p>The asset is a critical asset and asset failure is likely to have major impact on the environment, public safety or property</p> <p>Condition and performance ratings of asset is 4 - 5 (poor or very poor)</p> <p>Asset performance is non-compliant with resource consent requirements</p>
2	<p>Asset failure is imminent, but failure is likely to have only a moderate impact on the environment, public safety or property.</p> <p>Asset failure is imminent and proactive renovation is justified economically</p> <p>The asset is vulnerable to natural hazards and optimised renewal will improve resilience</p> <p>Condition and performance ratings of asset is 4 - 5 (poor or very poor)</p> <p>System upgrading scheduled within five financial years as asset is nearing end of economic life.</p> <p>Asset renewal is justified on the basis of benefit cost ratio and deferment would result in significant additional costs</p> <p>The asset has a high criticality rating</p>
3	<p>Asset failure is imminent, but failure is likely to have a minor impact on the environment, public safety or property</p> <p>Condition and performance ratings of asset is 3 (moderate/average)</p> <p>Asset renewal is justified on the basis of life cycle costs, but deferment would result in minimal additional cost</p> <p>The asset has a medium criticality rating</p>
4	<p>Existing assets have a low level of flexibility and efficiency compared with replacement alternative</p> <p>Condition and performance ratings of asset is 1 - 2 (good to excellent)</p> <p>The asset has a low criticality rating</p>
5 (Low)	<p>Existing asset materials or types are such that known problems will develop in time.</p> <p>Condition and performance ratings of asset is 1 (excellent)</p>

Capital Improvements – Planning for the Future

Growth and demand are the main drivers of new capital development, and include:

- population increase and demographics
- changes to and the incidence of new land use activities
- more stringent regulatory standards and demand for higher levels of service (eg resource consents)
- community expectations and demand for additional services.

Mitigating the effects of demand can be achieved through demand management strategies, particularly in respect of the 3-waters. CDC's capital development strategy entails maximising the use of existing asset capacity as the first priority over investment in new infrastructure.

Further consideration of each component of the strategy relative to each of the four infrastructure asset groups is provided in Section 0.

Historical Expenditure

Whilst operating expenditure (Opex) has trended upwards in line with inflation and increased loan servicing costs, capital expenditure (Capex) tends to be more 'lumpy' due to the specific nature of capital projects (renewals and improvements), as illustrated in Table 2: Historical operating and capital expenditure 2014-20 below.

TABLE 2: HISTORICAL OPERATING AND CAPITAL EXPENDITURE 2014-2020

ACTIVITY	2014	2015	2016	2017	2018	2019	2020
Wastewater Opex	1,232,833	1,421,826	1,841,568	1,600,437	1,628,323	1,940,030	2,367,248
Wastewater Capex	657,907	1,609,015	856,935	783,163	645,553	2,921,885	3,279,153
Water Supply Opex	1,676,864	1,676,864	1,773,632	2,055,560	2,132,792	2,474,912	2,398,093
Water Supply Capex	613,865	93,911	106,126	397,612	704,002	148,621	873,468
Stormwater Opex	175,722	173,338	165,699	185,585	227,313	244,017	261,793
Stormwater Capex	712	28,123	26,786	559	300	0	159,479.03
Roading opex	3,229,949	3,429,985	3,156,942	3,357,647	3,517,416	3,537,160	4,151,159
Roading capex	1,908,043	1,701,863	1,729,596	1,572,402	2,055,437	1,886,470	1,810,036

Demographic Factors

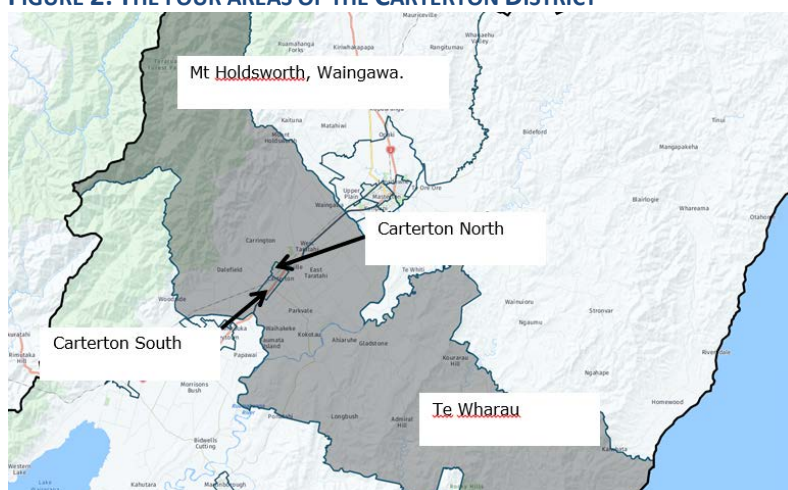
Population and households

Data for the current AMP's is built on the Wairarapa Population Projections – June 2020 report from Infometrics Limited and are waiting on the 2018 census data release for further confirmation of the projections.

Population growth in Carterton District has been strong over the past decade, aided by significant net migration flows in the past five years. Carterton District's current estimated population is 9,690. In Carterton District, growth is more evenly distributed across urban and rural areas, reflecting the historic propensity for rural lifestyle developments in the district and by 2051 the projected population will be approximately 13,098. Growth is expected to slow however in the next term with international net migration falling away due to COVID-19.

The Carterton district population was distributed across four area units (see Figure 2 below) for the population projection, Carterton North, Carterton South, Te Wharau and Mt Holdsworth Waingawa.

FIGURE 2: THE FOUR AREAS OF THE CARTERTON DISTRICT



Total district current and projected population, projected number of households and average size of those households is shown below with the individual areas displayed below.

FIGURE 3: CARTERTON DISTRICT FORECAST POPULATION COMPONENT CHANGE

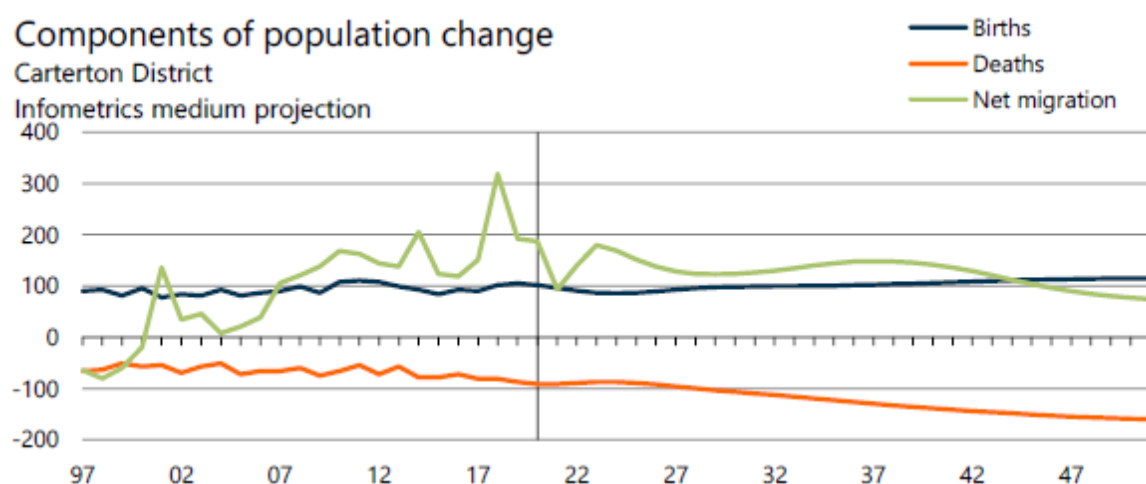


FIGURE 4: CARTERTON DISTRICT FORECAST POPULATION AGE CHANGE

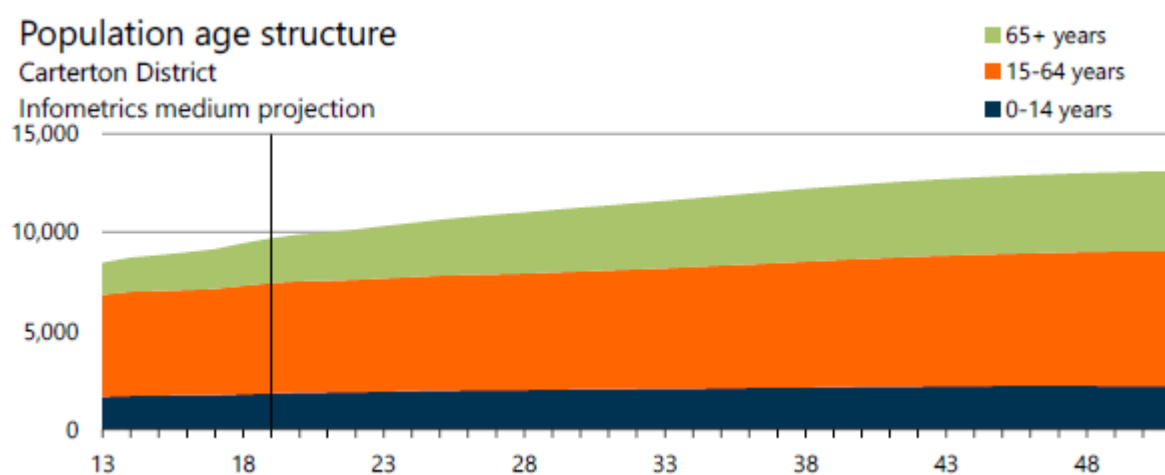


FIGURE 5: CARTERTON DISTRICT FORECAST POPULATION BY SUB DISTRICT

Carterton District Sub-District Population

Infometrics medium projection

Statistical Area 2	2019	2051	Change 2019-2051
Kokotau	1,305	2,283	978
Carterton North	2,669	3,494	825
Carterton South	2,939	3,619	680
Mount Holdsworth	1,854	2,332	478
Gladstone	923	1,369	446
Carterton District Total	9,690	13,098	3,408

Growth Projections

The Council has recently completed consultation for an urban growth strategy directing future urban development to be out to the east of the current CBD. A more detailed Urban Growth Plan for that area is currently being developed detailing infrastructure services required to support growth. Changes to the operative Combined Wairarapa District Plan may follow the urban growth plan and strategy.

Water for the Waingawa area is supplied via the Masterton Districts reticulated network from a metered trunk connection at the Waingawa Bridge. Reticulation from that point of supply at the Bridge then comes under Carterton's ownership of the Waingawa water reticulation assets and those assets are listed within this asset management plan.

The proposal shown in the draft Urban Growth Strategy has signalled an intention to provide a serviced area north of Hilton Road within the Rutland Road, Richmond road area. The draft plan to date has provision for approximately 530 lots.

Although at the early stages of development any re-zoning would require planning of how infrastructural services will be rolled out.

An indicator of future population growth trends can be drawn from the incidence of new lots and dwellings:



FIGURE 6: NEW LOTS AND DWELLINGS 2009 - 2019³³

On average, 42 new lots per year were created over the 2009-2019 period, with 25% urban and 75% rural. An average of 84 new dwellings were consented over the same period with a split of 33% urban and 67% rural. Trend lines show an increasing number of urban dwellings being consented over the period sampled.

Plan. The current remaining areas for the residential zone and low density area are outlined in Figure 3 below.

33 From Council consent records

TABLE 3: CARTERTON RESIDENTIAL ZONE – REMAINING CAPACITY

Zone	Total Land Area of Zone (ha)	Current Remaining Capacity (ha)	Additional Housing Capacity Available
Residential	289.7	40.23	790
Low Density	219.1	38.2	164
Total Residential Zone	508.8	78.43	980

Carterton Township will need to accommodate approximately 1,124 additional houses by 2048, assuming the above growth projection. Boffa Miskell has identified that approximately 180 new houses can be accommodated in the current zoned areas for Carterton, and based on the minimum lot size of 400m² plus an additional 30% allowance for roads and reserves, an additional 800 houses could be accommodated within the existing zoned land. That would leave a deficit of approximately 7.5 ha (equivalent to 144 houses), as summarised in Table 4 below.

TABLE 4: CARTERTON TOWNSHIP RESIDENTIAL LAND CAPACITY BY 2048

Zone	Remaining Residential Land Area 2013 (ha)	Additional Housing Required	Land Required for Additional Housing (ha)	Land Capacity Available by 2048 (ha)
Residential	41.6	944	49.1	-7.5
Low Density	51.5	180	51.5	0
Total Residential Zones	93.1	1124	100.6	-7.5

At the rate of 50 new urban houses per year, the remaining residential zoned land in Carterton could be fully subscribed by about 2044, ie in 26 years' time. Beyond that, CDC will need to plan for future residential development outside the current zoning, together with the provision of infrastructure to support that development.

CDC's draft Urban Growth Strategy identifies proposed, supplementary residential areas to the west and east of the current residential zone to accommodate future growth. In both cases, provision will need to be made for extension of the CDC's network infrastructure to service these areas.

In summary, the above demographic trends indicate that there will be a medium increase in residential demand for urban water, wastewater and stormwater infrastructure at Carterton. For the past few years, Council has been working on improving the condition of its core infrastructure assets, particularly the water supply and wastewater activity areas, in order to support public health outcomes and to meet its resource consent requirements. The demographic growth trend supports an approach involving maintenance, renewal and capital improvements to the existing infrastructure to maintain current levels of service, alongside moderate increase in new capacity for water and wastewater treatment and storage.

The water, wastewater, and stormwater infrastructure in particular is principally designed for residential use in the urban area, with industrial access to these services secondary and dependent

on availability of capacity within current consent limitations, and appropriate on-site pre-treatment. Similarly, any additional reticulation capacity required within the respective pipe networks would need to be funded by developers.

Regional Spatial Planning

The Wellington Regional Growth Framework (see <https://wrgf.co.nz/wp-content/uploads/2020/10/1246-GWRC-Draft-Framework-Report-SEPT-2020-14.pdf>) is a 30-year spatial plan for the Wellington-Wairarapa-Horowhenua region.

It takes into account work already underway by Carterton District Council (through our Eastern Growth Plan and District Plan review process) and by other councils in the region. The Framework has been developed to deliver on the Urban Growth Agenda objectives of the Government, which includes improving environmental, employment, transport, and housing outcomes for communities. Similar objectives and challenges exist at both a local level (through Council and at a regional level through the Wellington Regional Growth Framework).

The Framework takes account of the requirements of the National Policy Statement on Urban Development. In future it will also need to consider government policy work such as the Resource Management Act reform and the three waters review. The Framework provides for a scenario of accommodating an additional 200,000 people and 100,000 jobs over the 30-year period, of which Carterton District's population is a subset.

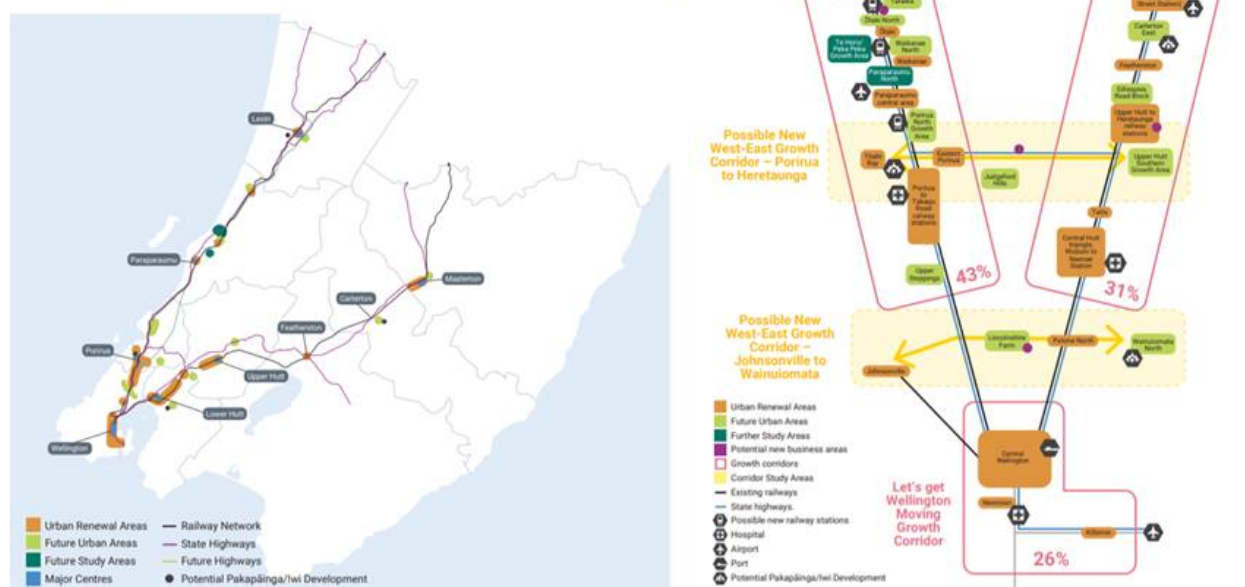
The Framework outlines how the region can accommodate additional people and jobs and meet the Framework's objectives, which requires the region to:

- Enable more housing development around transport nodes (i.e. train station) and support transformational change in key locations across the region - where there is good access to public transport that supports mode-shift.
- Develop more well located greenfield³⁴ housing development, ensure that where appropriate it is higher density than most current greenfield (i.e. in the metro part of the region townhouses and apartments and in Carterton smaller property sizes), and that it is connected to public transport and/or walkable to schools, work and shopping.
- Increase housing capacity in the region's major centres by expanding the housing footprint and permitting higher densities than are currently enabled in many places.
- Investigate improved multi-modal west-east connections across the region that benefit the region's economy and accessibility and include urban development along these corridors.

³⁴ Greenfield land is undeveloped land in a city or rural area either used for agriculture or landscape design or left to evolve naturally. Rather than building upon greenfield land, a developer may choose to redevelop brownfield, which have been developed but left abandoned or underused. Source Wikipedia.

Proposed regional spatial changes are outlined in the diagrams below and will be incorporated into Council's Proposed District Plan through the current review process.

The spatial representation of growth



The Framework was endorsed by Carterton District Council in October 2020. It signals a number of potentially significant infrastructure issues for councils and central government over the 30-year period. The Framework includes the following key initiatives that will impact on future infrastructure requirements:

- Develop a regional approach to climate change impacts including coastal protection, longer term development areas and areas to stop developing. This will include a programme to consider management of three waters, rail and road assets at risk and how to protect taonga
- Develop a 50- to 100-year regional three waters strategy to support anticipated growth, including upgrades to infrastructure (including bulk infrastructure) that supports growth in key development areas and improves environmental outcomes. This has already been taken into account in the Council's water infrastructure projects
- Increase rapid transit rail/bus network accessibility, capacity and frequency including inter-regional connectivity to address over-crowding, provide for future growth and enable higher service frequencies including inter-regional connectivity
- Significantly improve multi-modal connections to rapid transit stops as part of master planning and delivery of higher density urban development in major centres and at transport nodes.
- Establish a connected regional cycling network by eliminating pinch points on the network and delivering transformational projects to improve access.

Climate

Climate change projections³⁵ for Wairarapa are there will be significant impacts to the Wellington Region by 2090 if global emissions are not significantly reduced. They include:

- warmer temperatures (+3⁰ C)
- significant increase in the number of hot days (>25⁰ C) from 24 days now to 94 days
- frosts in the high elevations of the Tararua Ranges are likely to disappear
- spring rainfall will reduce by up to 10% on eastern areas
- the risk of drought will increase in Wairarapa
- more extreme rainfall events.

These impacts will require Council to consider the capacity and resilience of Carterton's water supply, stormwater drainage and wastewater systems.

More frequent droughts may affect the security of the Carterton water supply. Currently the supply relies on adequate water flows from the Kaipaitangata River and Lincoln Road well-field to maintain a supply throughout the year and has limited storage capacity for a sustained drought. The impact of that is further considered under chapter 5.3.

Conversely, more frequent, high intensity rainfall will challenge the existing capacity of the urban stormwater drainage network and downstream drainage channels. Similarly, increased inflow and infiltration to the sewerage network is likely to be a consequence of higher rainfall events.

Equally, the roading network can be expected to be exposed to harsher environmental conditions, impacting on roadside bank stability and drainage.

Risks and Resilience of Infrastructure

The main risks to CDC's infrastructure from natural hazards are major earthquakes, droughts, and flooding. Climate change variability in rainfall patterns and hence groundwater and surface flows, is a potential risk for all water utilities and associated changes to environmental effects. Parts of Carterton district are built on old flood plains that could be subject to liquefaction in a major earthquake. Part of the Council's reticulation renewals programme will involve using different construction methods and materials to provide greater earthquake resilience in pipelines. Council does not consider this risk is so great that it should bring forward its renewals programme. Instead it will address resilience at the time pipes are replaced.

Previous risk mitigation measures include the installation of baffles and seismic valves for the town water reservoirs to reduce water "surge" during a major seismic event and retain water in the

³⁵ Greater Wellington Regional Council's Climate Change Report (June 2017)

reservoirs following an event. Bore-field development to provide an auxiliary supply in the event of drought or trunk main failure from the Kaipaitangata supply, and incorporation of seismic design in the construction of all pipework crossing bridge structures and known quake zones.

Risk mitigation and resilience measures are incorporated in CDC's renewals strategy as a means of prioritising replacement work and include the replacement of brittle pipe materials with modern, flexible materials and jointing systems. The funding of these measures is built into forecast asset renewal and capital works programmes, with funding from depreciation reserves, contributions, or loans.

Additional assessment of the likelihood and consequence of the above risks, followed by intervention and mitigation strategies to improve resilience of CDC's critical assets, is an on-going process. This work has been developed and costed in CDC's asset management plans. Financial provision for any necessary risk mitigation measure identified has been included in the 2018 review of the Infrastructure Strategy.

Risk mitigation measures will be maintained, funded from forecast programmes, to ensure CDC's critical assets including bridges, treatment plants, storage reservoirs and trunk mains are designed and routinely inspected, assessed, and strengthened to improve resilience to natural hazards. Critical assets are defined as those that would have the greatest consequence in the event of failure.

Flood protection of the district is the responsibility of GWRC and is therefore not addressed in this strategy.

Significant Infrastructure Issues for Carterton District

General

This strategy relates to Carterton District Council's (CDC's) wastewater, water supply (including water races), stormwater drainage, and road and footpath infrastructure. The tables on the following pages summarise the significant infrastructure issues facing CDC, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option is capable of addressing several infrastructure issues.

Carterton District Wastewater Schemes

Wastewater assets

CDC owns and manages two community wastewater schemes in the district, one entire scheme in Carterton and the second partial scheme consists of just reticulation discharging into the Masterton scheme.

The reticulation pipe length is 66.1km and comprises of 44.9km of *mains* sewer pipe ranging in size from 50mm to 380mm diameter and 21.2km of wastewater *lateral connections* to the mains. 65% of the *mains* network is 150mm diameter, reflecting the relatively small catchment and gentle ground contours.

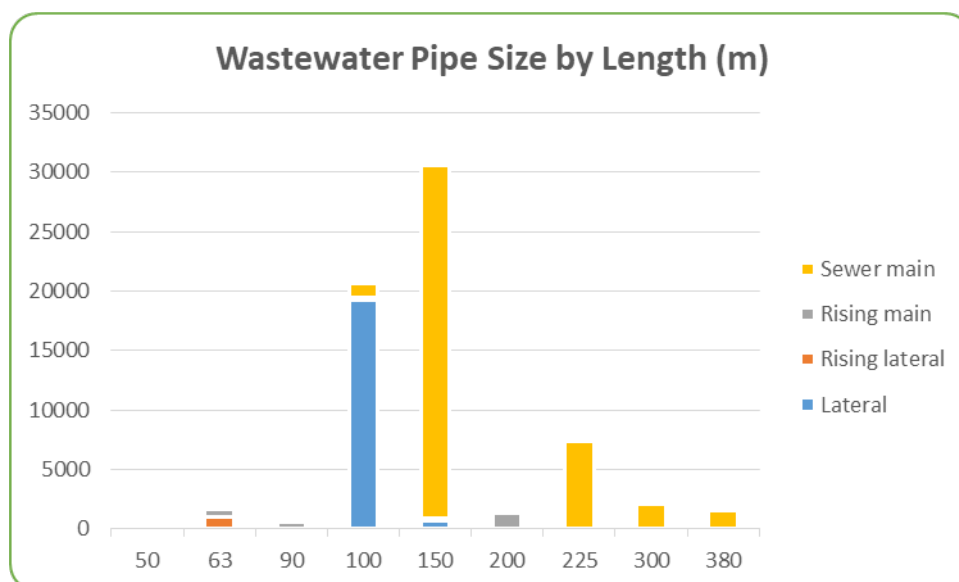


FIGURE 7 : WASTEWATER PIPE SIZE (ASSETFINDA DATA BASE)

Roughly half the pipe material used is comprised of asbestos cement and earthenware (40.9%). The bulk of the remainder material used for pipework is either PVC or PE (42%) and concrete (13.9%).

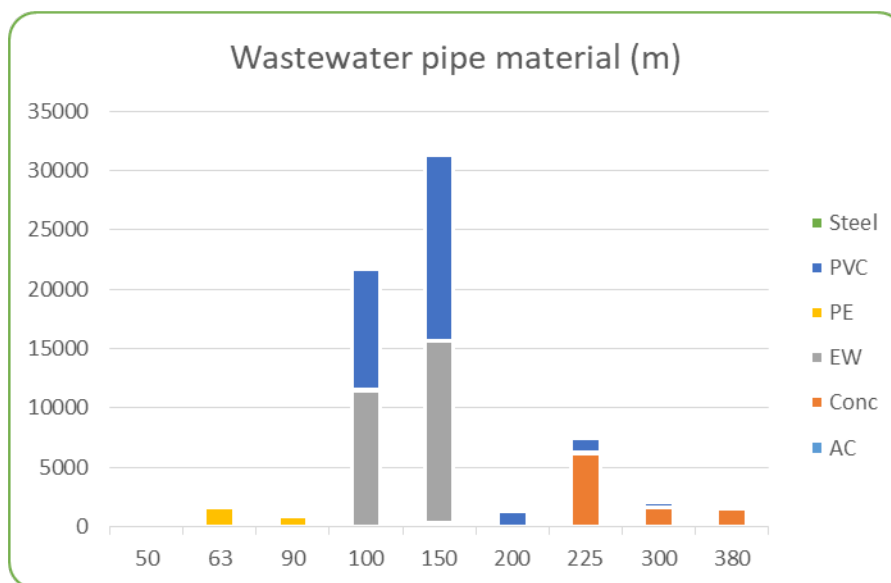


FIGURE 8: WASTEWATER PIPE MATERIAL (ASSETFINDA DATA BASE)

Earthenware, asbestos cement, and concrete pipe material types (54.9% of the total length) tend to be brittle and a large proportion is approaching the end of their useful lives—an important factor used when determining the wastewater renewals profile.

Pipe condition assessments are used to inform renewal planning, noting that the timing of pipe replacements is usually influenced by deterioration in serviceability of the network as distinct from structural capacity. Poor condition sewer pipes located above the groundwater table will continue to provide relatively high serviceability compared with the same condition pipes located below groundwater tables.

Pipe condition data shows that 72.5% of the wastewater network is in an excellent to average condition. 27.4% of pipes are rated as being in a poor condition, as illustrated below:

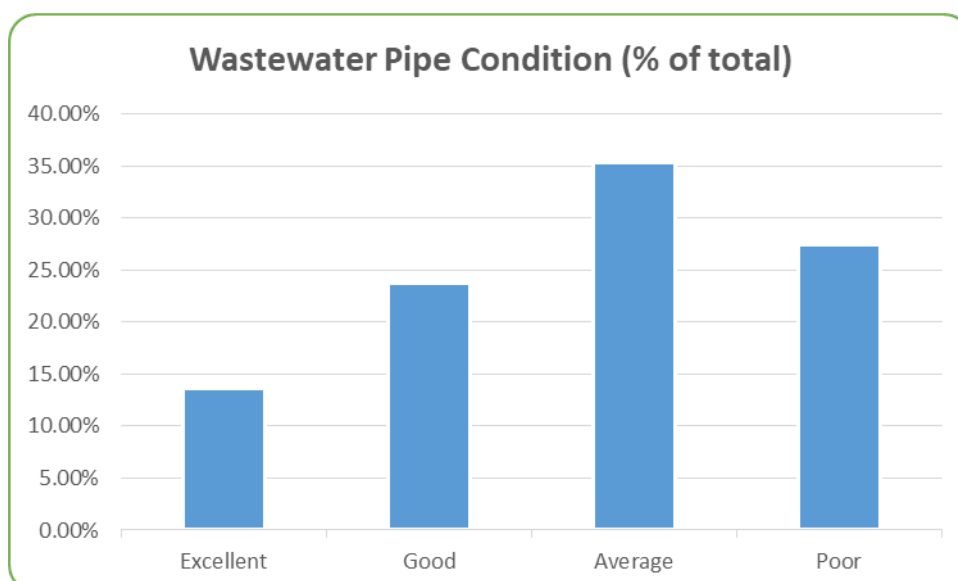


FIGURE 9: WASTEWATER PIPE CONDITION (ASSETFINDA DATA BASE)

It is noted that the predominantly earthenware wastewater mains servicing High Street North and South (approximately 1400 connected dwellings) is rated as being in poor condition and will need renewal in the near future. Both mains have been rated using CCTV and have been programed for renewal.

Figure 10 below shows wastewater pipe lengths and materials grouped by asset age. The majority of the total of 66.1km of the wastewater pipes are 50-80 years old approximately 29.6km. There is a small percentage of pipes in the reticulation network that are older than the generally expected lifespan of 80 years (761m), pipe age is however only an indicator for pipe longevity, with some pipes lasting longer or shorter than the nominal life. Pipe condition is monitored using CCTV and maintenance reports to assess the remaining useful life and amending replacement programming taking account of pipe serviceability factors.

Pipe condition does not always impact on a pipe assets serviceability.

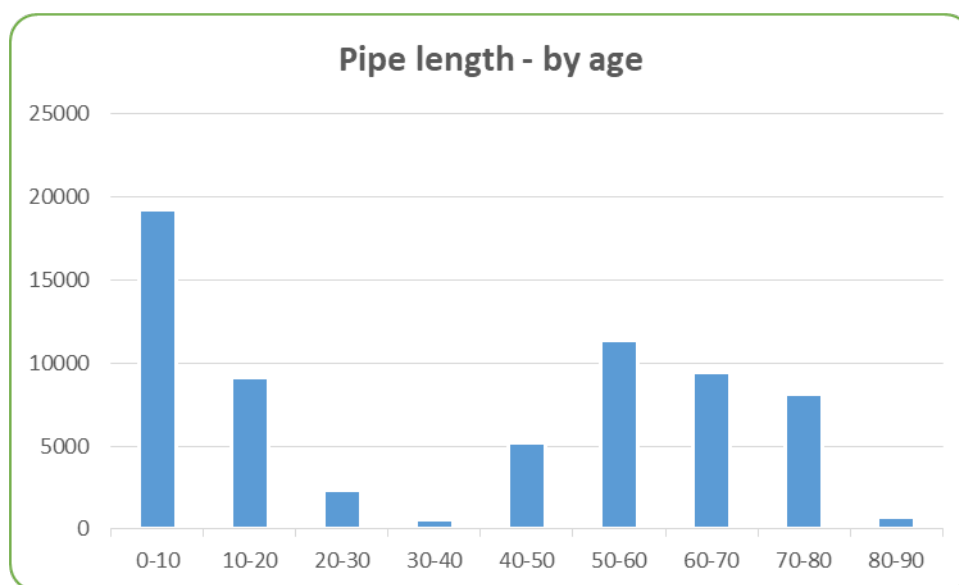


FIGURE 10: WASTEWATER PIPE AVERAGE AGE (ASSETFINDA DATA BASE)

Converting pipe age, condition, and pipe history into a remaining useful life figure produces the following indicative profile:

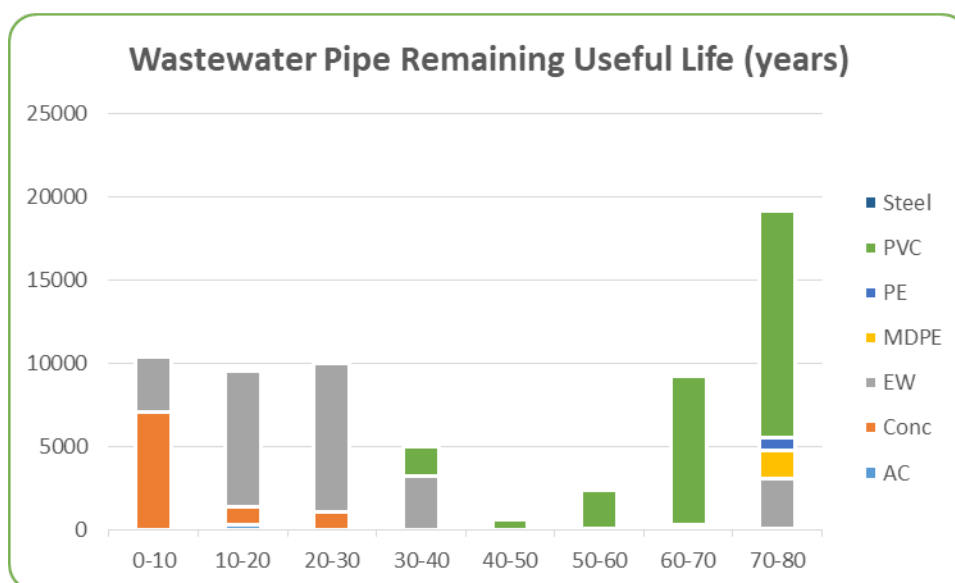


FIGURE 11: WASTEWATER REMAINING USEFUL LIFE (ASSETFINDA DATA BASE)

CDC has established an annual replacement programme to address deterioration of its older wastewater infrastructure and to maintain current levels of service. A long-run programme has been developed to smooth the peaks and troughs of the indicative programme based on remaining useful life and historical demand.

In addition to the pipe reticulation, the Carterton wastewater infrastructure assets include 17 pump stations and a three stage wastewater treatment plant with tertiary effluent irrigated to a 65.6ha CDC owned property.

Asset data confidence

Asset data confidence is reliable or highly reliable as summarised in Table 5. Part of CDC's asset management improvement programme involves the continued capture of asset condition data using CCTV pipe surveys and condition rating during repair work.

TABLE 5: WASTEWATER ASSET DATA CONFIDENCE LEVELS

Attribute	Very uncertain	Uncertain	Reliable	Highly reliable
Physical Parameters			X	
Asset Capacity			X	
Asset Condition			X	
Valuations				X
Historical Expenditures				X
Design Standards			X	

Asset value

The wastewater infrastructure had an optimised depreciated replacement value in 2019³⁶ of \$7,849,765 as summarised in Table 6:

TABLE 6: WASTEWATER ASSET VALUATION SUMMARY 2019 (WSP OPUS)

Asset Type	Optimised Replacement Cost	Optimised Depreciated Replacement Cost
Pipe Reticulation	\$10,677,021	\$4,429,884
Reticulation fittings	\$2,375,927	\$1,107,996
Pump Stations	\$678,953	\$386,256
Treatment Plant	\$3,433,988	\$1,390,724
Wastewater upgrade	\$1,765,184	\$534,905
Total	\$18,931,073	\$7,849,765

Levels of service

The key levels of service to be met through the wastewater infrastructure are both customer based and technical, but are dominated by the latter—essentially, compliance with the operative resource consents for the discharge of treated effluent and associated activities. Customer levels of service relate to odour management, incidence of overflows, responsiveness to service requests etc.

New discharge consent applications and a notice of requirement for designation of the entire wastewater treatment and irrigation site were made in April 2017. The new consents were issued effective from 19 January 2018 for a period of 35 years, expiring 2053. (WAR160341)

Wastewater Treatment Plant Upgrade

The Council has a long-term vision of ultimately removing the discharge of effluent to Mangatāre Stream all year round, except in exceptional circumstances. The Council is finalising the upgrade to its wastewater treatment systems to meet that vision with the expected completion of construction of the reservoirs in June 2021 and the pipework, pumps and second pivot by January 2022.

The scheme has been designed for a projected population of 8,500 by the end of the new 35-year consent period (ie by 2052). Critical to that will be careful management and control of trade waste discharges, in particular that from a major Carterton industry, being Premier Beehive NZ. Premier's current organic load is significant—equivalent to approximately 50% of the total load discharged to the WWTP.

The now formalised trade waste agreement between premier Beehive NZ and Carterton District Council is fundamental to managing trade waste discharges to the WWTP.

³⁶ CDC asset revaluations for the 3-waters infrastructure are completed every three years. The most recent valuation of the waters was in 2019.

Infrastructure management issues

Infrastructure management issues include:

TABLE 7: SUMMARY OF ISSUES - CARTERTON WASTEWATER SCHEME

Issue	Description	Options	Implications
Asset Renewal or Replacements	Infiltration rates entering pipe network.	Preferred option Proactive programme of condition assessment of entire pipe network, including visual inspection, CCTV, and recording findings during maintenance work. This will be used to identify priority repairs and renewals in line with the Pipe Repair Manual and following the optimised decision making process codified in NAMS. This will be followed by programmed repairs and renewals. There will also be ongoing reactive repairs and renewals.	Assessment work to be continued with budgeted capital expenditure amounts allocated in the long term plan for CCTV assessment over the long term plan of \$137,000 (21-31 LTP) Some mains renewals will incorporate assessment expenditures relating to those pipes when confirming the decision for renewals. Routine maintenance will also to provide condition data. Repairing or replacing pipes to stop infiltration will result in less wastewater needing to be treated and discharged from the wastewater treatment plant. A pipe replacement program is estimated for the following ten years at \$5,547,000 (LTP 21-31) Undertake wastewater hydraulic modelling \$90,000 (LTP 21-31)
		Other options Continue current approach of reactive renewals as issues arise.	Being unplanned and ad hoc is likely to be at a higher unit cost. Failures will be likely which will result in an unacceptable level of service, including increased wastewater requiring treatment.
Response to Demand	Future demand includes increased residential growth projection beyond capacity of current residential zoning. Projected population growth could see the current urban population in Carterton township increase by 605 over the 2018–48 planning period.	Preferred option Treatment plant and disposal capacity is being upgraded in line with current and projected demand. Application of trade waste by-law to provide mechanism for controlling trade waste discharges and recovering costs from industrial users proportional to volume and concentration of discharge. The by-law has been reviewed.	The forecast cost of treatment plant upgrades is approximately \$6,271,000 over the 30-year planning period. Loan servicing and associated operating costs have been provided for in the Ten Year Plan. An additional trunk main and new reticulation is proposed in the draft Urban Growth Strategy area at an estimate of \$2,365,000

Issue	Description	Options	Implications
		Wastewater servicing planned to the east of Carterton township to accommodate projected residential growth in the north-east of town.	
		Other options There are no other viable options. "Do-nothing" is not a viable option as the current infrastructure would not meet future demand and would likely result in failures, loss of service levels and adverse impacts on the environment.	
Levels of Service (LoS)	LoS focus is on reliability of service, capacity, public health, and environmental protection. There is potential for higher environmental standards in the next 30 years.	Preferred option Environmental protection will be enhanced through implementing the planned treatment and disposal upgrade in line with the new resource consents, which take into account the expected implications of the GWRC's proposed Natural Resources Plan.	Current levels of service, as improved through replacement and upgrades of main components of scheme, will be increased and then maintained through the period. This is part of the overall treatment plant upgrade project (see immediately above).
		Other options There are no other viable options. "Do-nothing" is not a viable option as the current infrastructure would not meet future demand and would likely result in failures which would adversely affect the environment and potentially on public health.	
Public Health and Environment	The operative resource consents provide the legal right to operate the Carterton sewage treatment plant and to ensure any adverse effects of the activity on the environment are avoided or mitigated. Operational practices mean there are no public health issues.	Preferred option Ongoing monitoring of the treatment plant to ensure it complies with the new discharge consent conditions. Any unanticipated requirements from the proposed Natural Resources Plan could be dealt with as part of this expansion.	The financial impacts of the recent and future treatment plant and effluent disposal upgrades are to be reviewed. An estimate to expand the land discharge was \$3,266,000. (Year 15 of the 30year IS plan)
		Other options Do not move towards total land discharge of treated wastewater	The expectation of the community is that the Council will ultimately remove all treated wastewater from natural waterways for environmental and cultural reasons. Monitoring the

Issue	Description	Options	Implications
			impacts of the upgraded treatment and disposal system currently being installed will confirm and quantify any impacts of the new discharge regime. The benefits and affordability of total land discharge will be tested prior to a final commitment to the preferred option.
Risk and Resilience	Gradual ground movement or more sudden and significant ground movement caused by a seismic event.	Preferred option Wastewater service continuity and environmental and public health is threatened by breakage or leaks. Network components will have specific vulnerability to risk according to materials. The design and materials used for renewals will take into account earthquake resilience. The planned 200,000m ³ effluent storage reservoirs will be designed to protect against potential liquefaction of the foundations or embankment failure due to a large seismic event.	Current risk mitigation measures will be maintained through the strategy period and no additional cost. Condition assessment and subsequent rehabilitation/replacement programming, commencing with critical assets, will be given a high priority.
		Other options There are no other viable options.	
Risk and Resilience	Climate change is likely to cause increased intensity storm events, including flooding. Conversely, drought conditions are more likely and will cause low flows in the receiving waterways, limiting the opportunity to discharge treated wastewater.	Preferred option The additional 200,000m ³ storage capacity will act as a buffer in high rainfall events when the farm soil conditions prevent land discharge. Should that be inadequate, treated effluent can be discharged to the river, provided it is in high flow. Long periods of low flow in Mangatāre River will also be buffered by the storage capacity, along with the ability to irrigate.	If the reservoir capacity is inadequate, there is the potential to breach the land discharge consents and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low within the term of this strategy but the potential consequences are high.
		Other options There is no viable alternative option.	

Funding mechanism

The CDC wastewater scheme is funded using a combination of rates and user charges (trade waste charges). The rate component is split between a targeted rate (90%) and general rates (10%).

Disposal of wastewater infrastructure

There are no disposal issues in respect of CDC's wastewater assets.

Carterton District Water Supply Schemes

CDC owns and manages a water supply scheme for Carterton Township, and the Water reticulation for the Waingawa area. It also owns and manages two rural water race schemes – the Carrington and Taratahi water race schemes.

Carterton water supply assets

The Carterton urban supply comprises a surface take at Kaipaitangata with a dam and two storage reservoirs totalling 1500 m³ intake, which is supplemented by a four-bore well-field and 500 m³ storage in Lincoln Road.

Only three of the bores are used for production, with one being disused since 2015 and a bore being unstable, producing high turbidity on start-up. This unstable bore is planned for remedial works in October 2020. The well-field details are summarised in Table 8 below:

TABLE 8: CDC WELL FIELD DETAILS

Bore No.	GWRC Category	Date drilled	Consent expiry	Depth to top of screen	Long Term Yield m ³ /d	Status
1	C	1991	2034	25.9	1382	Current production bore
2	B	1988	2034	14.0	1123	Disused
3	B	2005	2034	13.3	1382	Current production bore
4	C	2006	2034	26.0	518	Unstable – high turbidity on start-up
5	B	2020	2022	14.0	1300	Current production bore

Water treatment involves pH adjustment, chlorine and UV disinfection at both sources, with filtration provided at the Kaipaitangata Stream source.

The water supply reticulation consists of approximately 75.8km of water mains including water laterals, of that length 8.2km of 375mm diameter is the trunk main from the Kaipaitangata supply.

TABLE 9: WATER SUPPLY RETICULATION ASSETS

Asset type	Unit	Quantity	Comments
Pipes (including laterals)	km	75.811	Diameter from 15 – 375mm
Hydrants	No.	322	
Valves	No.	351	Includes 10 'air' relief valves
Tobies	No.	2,940	Metered water connections
Kaipaitangata storage 1	m ³	1,000	Timber tank
Kaipaitangata storage 2	m ³	500	Reinforced concrete tank
Lincoln Road borefield storage 1	m ³	200	Timber tank

Asset type	Unit	Quantity	Comments
Lincoln Road borefield storage 2	m³	300	Timber tank

Mains and *lateral* pipe diameters range from 15mm to 375mm diameter, with the most common mains pipes comprising of 28.6% of a 100mm diameter and a further 25% of the overall length being split approximately evenly between 150mm and 200mm diameter pipes. Most lateral connections range from pipe sizes 15mm to 32mm being 13.7% of the overall pipe length.

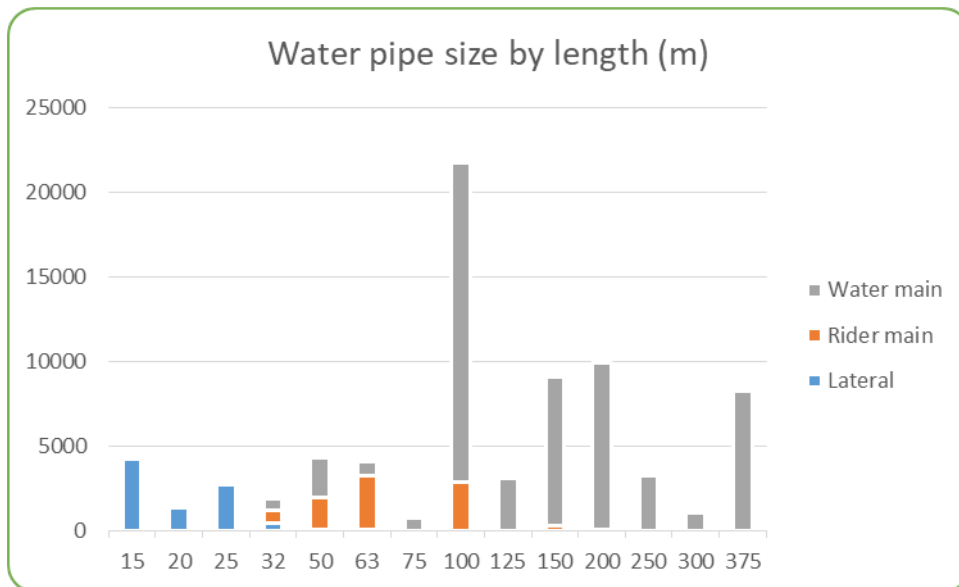


FIGURE 12: WATER PIPE SIZE (ASSETFINDA DATA BASE)

A proportion of the total length of pipe is nearing the end of its theoretical design life (70-80 years). Pipe age is, however, only an indicator of actual pipe longevity, with pipes lasting longer and shorter than the nominal design life. Pipe condition is monitored during maintenance activities to assess remaining useful life and replacement programming that will maintain the required levels of service.

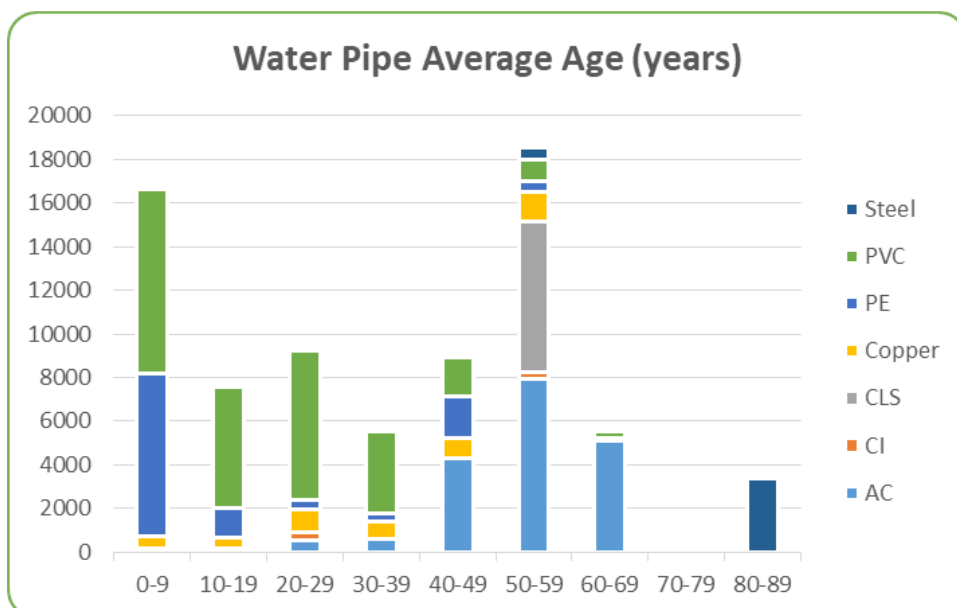


FIGURE 13: WATER PIPE AVERAGE AGE (ASSETFINDA DATA BASE)

40% of the reticulation is split between asbestos cement (30%) and PVC (32%) pipe material. The use of asbestos cement pipe over other materials was common place on New Zealand from 1950s through to the 1970s and is 18% of the reticulation materials used at Carterton.

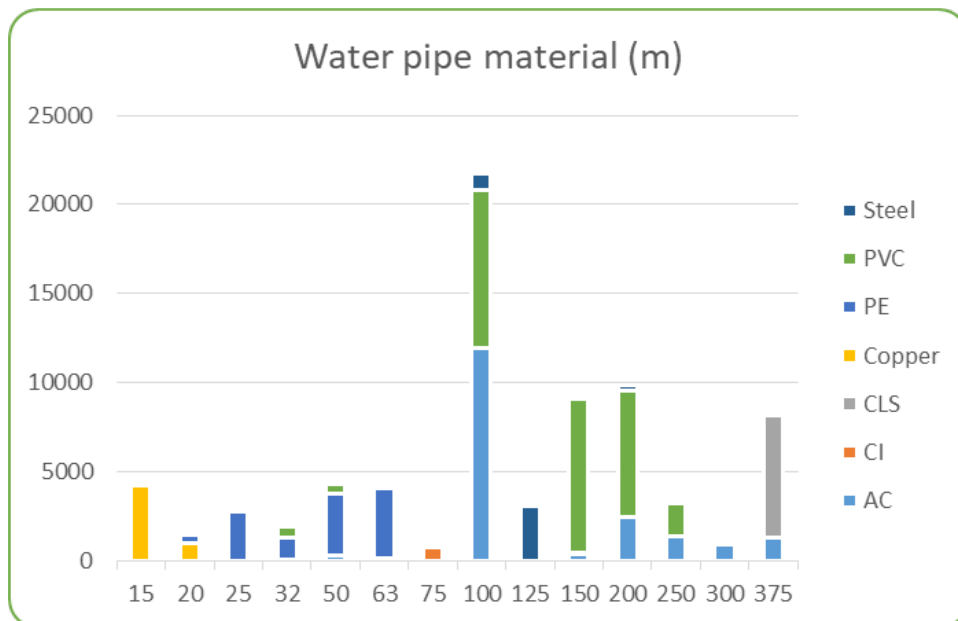


FIGURE 14: WATER PIPE MATERIAL (ASSETFINDA DATA BASE)

The condition assessment, shows 70.5% of the total pipe length is rated average to excellent, and 29.4% is rated poor to very poor.

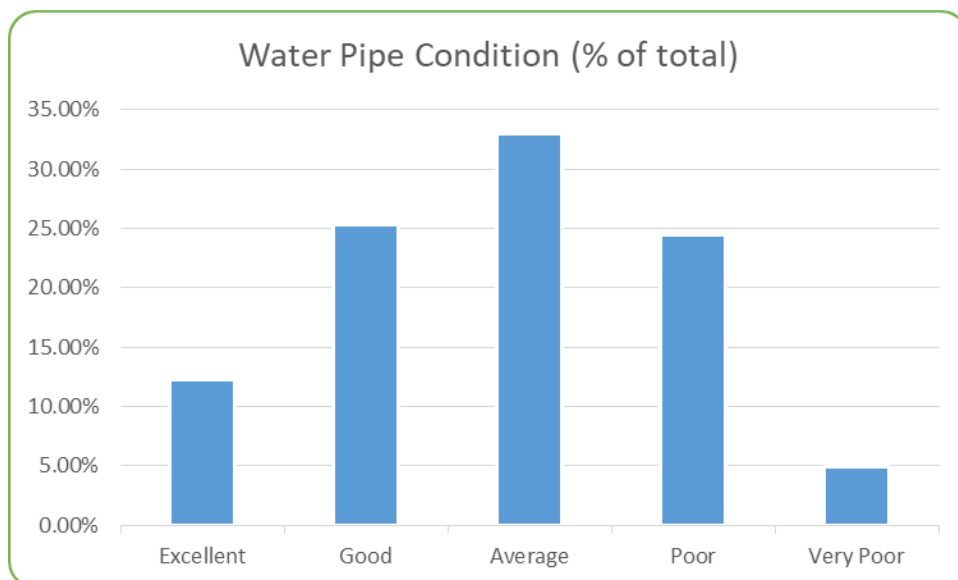


FIGURE 15: WATER PIPE CONDITION (ASSETFINDA DATA BASE)

Pipe sections in the poor category are prioritised for replacement to ensure levels of service are maintained. The combination of material type, age, condition, and diameter produces the following remaining useful life profile. This influences the need for an affordable, long-run pipe renewal programme due to the congestion of pipe length with an estimated remaining life greater than 70-80 years

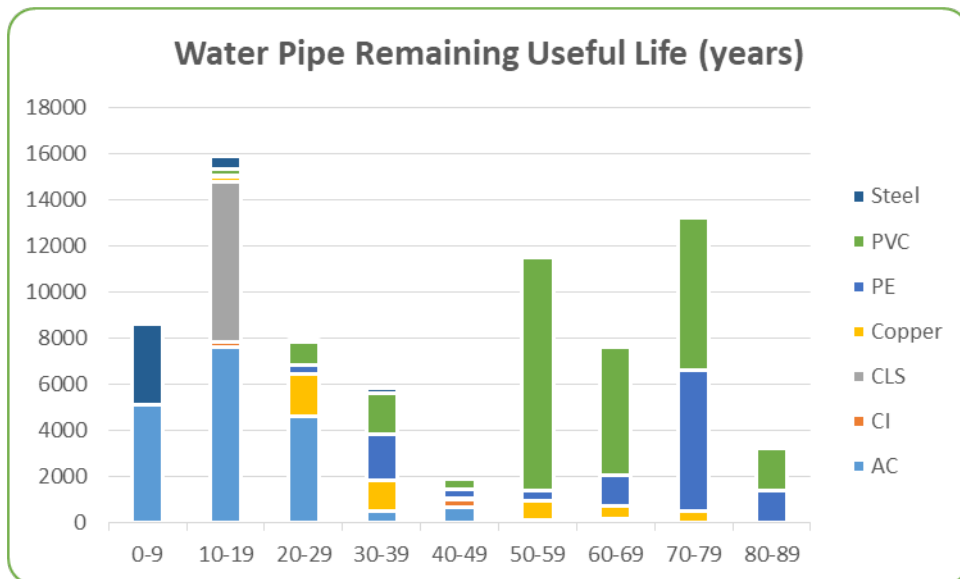


FIGURE 16: WATER PIPE REMAINING USEFUL LIFE (ASSETFINDA DATA BASE)

Asset data confidence

Asset data confidence for the Carterton water supply is reliable for all but asset condition. Inspection of pressurised water main condition is more difficult than for sewer and stormwater pipes because of access constraints while the water main is in operation. For that reason, the opportunity for assessing asset condition is limited to pipe repairs and maintenance history – pipe failure etc. Even so, the impact of that is relatively minor given the accumulated knowledge of pipe attributes and risk criticality that has been gathered over time.

TABLE 10: ASSET DATA CONFIDENCE

Attribute	Very uncertain	Uncertain	Reliable	Highly reliable
Physical Parameters			X	
Asset Capacity			X	
Asset Condition			X	
Valuations				X
Historical Expenditures				X
Design Standards			X	

Asset value

The optimised depreciated replacement value of the Carterton water supply assets in 2019 was \$9,865,879, as summarised in Table 11 below.

TABLE 11: CARTERTON WATER SUPPLY ASSET VALUES 2019

Asset Type	Optimised Replacement Cost	Optimised Depreciated Replacement Cost
Pipe reticulation	\$14,937,097	\$6,186,396
Reticulation fittings	\$4,585,174	\$1,733,821
Kaip. Headworks	\$1,138,529	\$382,013
Kaip. Treatment Plant	\$650,814	\$150,013
Supplementary Supply	\$3,126,860	\$1,413,635
Total	\$24,438,474	\$9,865,879

Levels of service

Levels of service considerations delivered through CDC's water supply infrastructure include technical and customer considerations. Customer levels of service include water taste, odour, reliability of supply and responsiveness to customer service requests.

Higher technical levels of service driven by the Health (Drinking Water) Amendment Act 2007, the GWRC Natural Resources Plan, resource consents for the respective takes and security of supply, are the key level of service issues impacting on the Carterton urban water supply. The operative resource consents are as follows:

Scheme	Consent Expiry Date
Carterton – Kaipaitangata intake	2013 - consent renewal in progress ³⁷
Carterton – Lincoln Road bores	30 September 2034

Most recently (December 2017), the Havelock North Drinking Water Enquiry reported its findings and recommendations, included recommended changes to the principal legislation. A preliminary assessment of the recommendations in respect of CDC's water supply is that the impacts will be only minor. CDC does not operate untreated water supplies, and its current treatment processes are, or soon will be, in accordance with the Drinking-Water Standards for New Zealand 2005 (Revised 2018).

Carterton Council participates with other water suppliers in the Wellington region to improve the degree and effectiveness of the collaboration between parties in safeguarding the Wellington region's drinking water.

³⁷ Application for renewal of the consent for the Kaipaitangata take was lodged with the regional council more than six months prior to the consent expiry date. The consent therefore remains operative in accordance with s.124 of the Resource Management Act 1991. The application awaits further stream flow and proofing investigations by CDC, scheduled for 2017/18 summer.

Water supply strategy

The current consent to take water from the Kaipaitangata Stream surface water allows up to 5,000m³ per day and a minimum rate of abstraction of 60 L/s at any stream flow. The consent renewal application anticipates a reduced take under the Proposed Natural Resources Plan. A maximum take of 4,000m³/day has been applied for, with no take below stream flows less than 100 L/s, and no more than 50% of stream flow at any other time. Further, GWRC's recent modelling of the Kaipaitangata and Waiohine surface water and groundwater catchments indicates there is already an over-allocation of these natural resources.

Recent monitoring of stream flow records show that stream flows can drop below 100 L/s for much of the January to March summer peak period, as occurred during January–March 2015, climate change may worsen those stream conditions.

The above scenario means that the total demand for Carterton, under dry summer conditions, will need to be met from the Lincoln Road bore-field supply. Under those circumstances, the role of the bore-field shifts from a supplementary supply to the principal (sole) supply.

The reliable bore-field yield now assessed at a maximum 4,000m³/day.

Current average demand is 2,000m³/day, with peaking at 3,500m³/day. Forecast demand is for an average of approximately 4000m³/day by the end of the 2021–2051 planning period with current peak summer demand exceeding supply capacity if total supply can't be met from the aquifer field (ie when surface take or stream flow is less than 100 L/s).

FIGURE 17: CARTERTON WATER SUPPLY VERSUS DEMAND

There are two other, deeper, bores comprising the CDC supplementary supply. One of those (Bore No.2) has not been used since 2015 due to the detection of e-coli, and the other (Bore No. 4) has been found to be unstable and of low yield. Arising from the above is a draft water supply strategy. The key elements of that include:

- Investigate impact of proposed consent conditions on Carterton demand over the 2017/18 summer period, but at a reduced minimum stream flow of 83 L/s, and measure effects on downstream ecology. Refine draft conditions following those investigations.
- Review CDC revenue and financing policy to reduce pricing elasticity through more effective use of universal metering to increase relationship between water use and price.
- Promote greater water use of water conservation measures to offset unnecessary consumption and reduce costs to users.
- Investigate alternative storage and supply options over years 2 and 3 of the IS.
- Add MoH approved filtration to the supplementary groundwater supply by 2021/22 to enable the use of Bore 2.
- Increase treated water storage to three days by 2024.
- Undertake construction of a supplementary supply, or 200,000m³ raw water storage, over the period 2025–2028 of the IS.

Infrastructure management issues - Carterton water supply

TABLE 12: SUMMARY OF ISSUES—CARTERTON WATER SUPPLY SCHEME

Issue	Description	Options	Implications
Asset Renewal or Replacements	<p>Parts of the reticulation are near the end of their theoretical useful life, increasing the risk of mains failure or leaks.</p> <p>Asbestos cement pipe makes up 24.6% of the reticulation, with its remaining, nominal, useful life expiring over the next 30 years</p>	<p>Preferred option</p> <p>Mains replacement programme based on pipe condition. A desktop assessment has analysed data in the asset management system and has identified the parts of the network that should be given priority for replacement. (30year projection)</p> <p>Also considered will be the Urban Growth Strategy. An optimised decision-making process has been applied, in accordance with NAMS, to finalise the replacement programme.</p>	<p>A continuing investigation and replacement programme is required to maintain current levels of service.</p> <p>A pipe replacement program is estimated for the following ten years at \$3,828,000 (LTP 21-31)</p>
		<p>Other options</p> <p>Reduce planned replacements and extend timeframes increasing the maintenance of existing utility services.</p> <p>Continue current approach of reactive, ad hoc renewals as issues arise.</p>	<p>A reduced replacement programme extending over a longer period could result in reduced levels of service and increase in maintenance cost due to increased mains failure, loss of water and supply interruptions.</p> <p>Being unplanned and ad hoc is likely to be at a higher unit cost. Failures will be likely, which will result in an unacceptable level of service, including increased water loss.</p>
Response to Demand	<p>The Carterton water supply is designed for residential and commercial/industrial demand. Potentially, demand could exceed consented supply and recommended storage capacity during peak summer periods. Additional demand beyond current supply capacity is anticipated due to the urban population growth projection and effects of climate change, subject to available capacity of residential zone.</p> <p>It is expected that future consents will restrict water take from the Kaipaitangata</p>	<p>Preferred option</p> <p>Continue two-yearly programme of water mains leak detection, reducing the period to three years in the next cycle.</p> <p>At the same time develop more extensive demand management techniques including water conservation (in conjunction with stormwater and wastewater demand management), low volume water fittings, water use pricing.</p> <p>In the short-medium term (starting in 2020) investigate</p>	<p>Leak detection program increased to two yearly intervals with a forecast expenditure of \$90,000 over the following ten years (21-31 LTP)</p> <p>Growth-related implications for the Carterton water supply scheme are dependent on sufficient residential zone capacity to meet projected demand beyond 2030. An additional trunk main and new reticulation is proposed in the draft Urban Growth Strategy area at an estimate of \$2,252,000</p>

Issue	Description	Options	Implications
	Stream during low flow/high demand periods, placing increased demand on bore water source and storage.	options for augmentation of supply and additional storage.	Water distribution modelling to be continued at \$90,000 over the following 10 years. (21-31 LTP). Investigate an additional water supply source and any other possible options budgeted at \$581,000 (21-31 LTP) Implement restricted water supply measures in consenting conditions to those water connections that are not within the defined water supply areas.
		Other options Continue with demand management and not investigate additional supply	A healthy and safe urban community needs a reliable water supply. Demand management alone is very unlikely to guarantee the supply required for the growing number of households in the near future.
Public Health and Environment	There is a risk of bacteriological or protozoal contamination. Increased standards or structural changes to water management may be an outcome of the Havelock North water supply contamination inquiry. The resource consent for the Kaipaitangata Stream take expired on 25 March 2013 with the renewal application still under review (2017). The Lincoln Road bore field consent expires in 2034.	Preferred option Develop evidence of the level of compliance with NZ Drinking Water Standards, including a catchment assessment, and from that investigate options for upgrading the treatment plants, as necessary. Install protozoa micro filtration at Lincoln Road bore field in 2021/22. Comply with resource consent conditions to avoid adverse effects on the environment.	Enhanced treatment and storage will improve public health and environmental protection but at greater cost. Treatment plant projected expenditure including the protozoa micro filtration at Lincoln Road bore field \$4,176,000 (2021/22 LTP).
		Other options There are no other viable options given the risks to human health.	
Risk and Resilience Issues	Continuity of supply is identified as a risk during sustained drought periods due to the effects of climate change. Low flows in the Kaipaitangata Stream during peak summer demand periods will limit the ability to extract water from this source. The water storage reservoirs are critical assets. The smaller, 500m ³ , reservoir at the	Preferred option Develop more extensive demand management techniques (see above). Assess susceptibility of soil structures to liquefaction during a major seismic event and implement further resilience measures for critical assets as required over the next 10 years.	Current risk mitigation measures will be maintained through the strategy period. Not completing the work risks the water supply being severely restricted during extended drought conditions. The probability of the risk occurring is considered to be moderate, with the severity of

Issue	Description	Options	Implications
	<p>Kaipaitangata take is the oldest—approximately 40-years old. The 1,000m³ Kaipaitangata reservoir was constructed in 2008, with the two bore reservoirs constructed in 2003. Resilience of these reservoirs to a major seismic event is key to the integrity of the supply. Internal baffles were installed inside the Kaipaitangata storage reservoirs during 2014/15 and the bore reservoirs in 2012 to reduce the impacts of water 'surge' during a large seismic event.</p> <p>The brittle pipe materials and jointing systems of older pipes, particularly the trunk mains, makes these assets more vulnerable to failure during seismic events.</p>	<p>Include the use of flexible pipe materials and jointing systems in future annual pipe replacement programmes. Provide resilient solutions for the riskiest sections of the trunk main feed from the Kaipaitangata supply. Install seismic valves on the reservoirs and fusible linkages. Increase storage of treated water at Lincoln Road wellfield and Kaipaitangata over the period 2020–2024 to 72 hours or 6000m³.</p>	<p>consequences being high to critical</p> <p>Seismic protection of the reticulation trunk mains is critical to the resilience of the water supply. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high. Resilient works is included in the pipe renewal program.</p> <p>Increased storage will provide an emergency supply of up to two days if treatment were interrupted. The cost of Increased storage over 2021–2024 is \$525,000</p>
		<p>Other options</p> <p>Continue to rely on our ability to quickly fix any damaged pipe work following a major event and retain current storage capacity and rely on households to store their own emergency supplies.</p>	<p>These are high risk options. Based on the experience of other communities the risks of this option outweigh the costs of the preferred option.</p>

Water race assets

The Taratahi and Carrington water races supply non-potable water to rural properties. The assets comprise surface intakes and 278km and 39km of open channel races respectively.

Consents to take water are critical to maintaining adequate, all year supply quantities for domestic and commercial/industrial use. Table 13 summarises current consent expiry dates:

TABLE 13: WATER SUPPLY RESOURCE CONSENTS EXPIRY DATES

Scheme	Consent Expiry Date
Carrington Water Race	28 June 2023
Taratahi Water Race	28 June 2023

The Water Wairarapa Project is currently under investigation led by Wellington Regional Council. While principally targeted at rural water use, the potential exists for the project to be extended to include urban water supply needs, either supplementary to or in substitution of current supply arrangements for Carterton. This could include supplementing the water races during river low flow periods. There are uncertainties over the viability of this project, although these are expected to be clarified in 2018/19. The Council will continue to work with Greater Wellington Regional Council, the

other Wairarapa District Councils and the Water Wairarapa Establishment Board to understand the viability of the project over the course of this strategy period.

Infrastructure management issues – Carterton water races

TABLE 14: SUMMARY OF ISSUES—CARRINGTON AND TARATAHI WATER RACES

Issue	Description	Options	Implications
Asset Renewal or Replacements	Intake weirs will require replacement in 10 plus years' time, complete with a new screen for the Carrington intake. Need for Taipo rock protection of intakes to be monitored and programmed. Progressive replacement programme for culverts, from 300mm diameter to 500mm diameter, to improve maintenance access.	Preferred option Current maintenance and replacement programmes to be reviewed to investigate more cost-effective options for proactively managing the water races, including asset renewals and maintenance. Monitor need for and timing of replacement screen for Carrington water race and erosion protection for both intakes.	The move towards more proactive, rather than reactive, management, including maintenance, is expected to enable replacements to be funded from the existing operational budget.
		Other options Continue reactive water race management.	This option would not deliver the most cost-effective water race services resulting in additional funding required for replacements.
Response to Demand	Current capacity is not always adequate for primary use of water races—stock water supply.	Preferred option Implement water quantity monitoring programme, including water budget audit to investigate use, efficiency, and measures to reduce water loss. Install flow gauges at tail races. Continue with installation of weirs where water races join streams Develop a new bylaw to control water race use. Develop a demand management strategy.	Responding to demand will be met from within existing operational budgets. Improving the management of the water races through improved monitoring and controls will enable future demand to be met within current water allocations, and reduce the risks of insufficient water to meet the demands of current and future users.
		Other options There are no other viable options	
Public Health and Environment	Both water races are non-potable supplies suitable for stock watering purposes and domestic use. Persons using the water for drinking purposes do so at their own risk contrary to relevant	Preferred option Ensure users are informed of unsuitability of water race as a potable supply. Resource consents provide the legal mandate to take	Monitoring water race use so that it is consistent with their purpose and consents is fundamental to CDC's supplier and compliance accountabilities. This option

Issue	Description	Options	Implications
	legislation and CDC regulations relating to the use of the supply.	water for stock at an environmentally sustainable rate.	will not increase the costs of managing the water races, but it will improve the management of the races and the Council's compliance with its resource consents.
		Other options There are no other viable options	
Risk and Resilience Issues	Low flows in the stream during droughts limit the ability to extract water from the stream. Conversely, flood conditions impose risk of damage to the intake structures. Cross-overs across streams are vulnerable to earthquake damage.	Preferred option Develop a plan to progressively install boundary gates to improve water race accessibility and responsiveness. Investigate options and risks for seismic protection of cross-overs.	Current risk mitigation measures will be maintained through the strategy period within operational budgets. The progressive installation will mean costs can be spread over time with no financial impact on water race ratepayers.
		Other options There are no other viable options	

Funding mechanisms

CDC's urban water supply activity is funded through a combination of rates and user charges (universal water metering). Water meters provide a more direct linkage between consumption and cost to users, and can be used as an effective method to reduce demand.

The Carterton water supply rate is a combination of a targeted rate (90%) and the general rate (10%).

Water by meter is charged for water consumption in excess of 225m³ per year per connected rating unit. Currently, residential water meters are read every six months and commercial every three months. That means that residential user consumption at the end of the first round of meter reading is likely to be well within the annual volume allocation. The economic incentive to reduce unnecessary consumption is unlikely to be realised until after the second round of meter reading has been completed and invoiced—well after the period of peak summer consumption.

CDC intends to introduce smart meters in 2019/20, which will allow more options around reading, pricing, and billing, and will form part of a wider demand management plan.

Water race services are funded using a combination of the general rate (10%) and separate targeted rates (90%) for each scheme calculated on land area on a differential basis.

Disposal of water supply infrastructure

There no disposal issues in respect of CDC's water supply assets.

Stormwater Drainage

Stormwater assets

CDC's stormwater infrastructure is comprised of two components, the first is the piped and open earth channels. Of the piped 19.5km stormwater drainage assets, 73.2% of the materials used are concrete and next prominent material is PVC at 24% to the total piped stormwater. Earthen open channels equate to 10.8km of drainage network system.

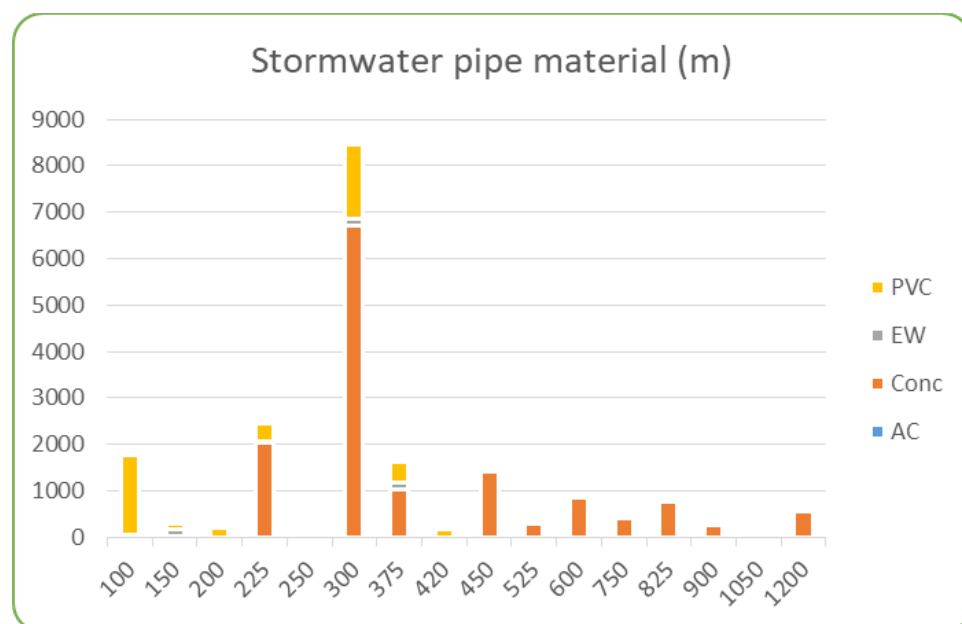


FIGURE 18: STORMWATER PIPE MATERIAL (ASSETFINDA DATA BASE)

Pipe sizes range in diameter from 100mm to 1,200mm, with 12.4% 225mm of diameter and 43.1% (8.4km) of 300mm diameter.

In addition, the primary stormwater assets include 485 street sumps (catch-pits) 216 manholes, 84 Soakpits plus 10.8km of open drains in the urban area and approximately 20km of open drain in the rural area (referred to as the “eastside” diversion), linked in places to the rural water race network, complete with some discharge structures.

The secondary component consists of overland flow paths, including the roading network. The multiple Carterton stormwater discharges were consented through a district wide comprehensive consent that expired on 30 May 2016. The outcome of Wellington Regional Council's Proposed Natural Resources Plan will determine the requirements for any consenting requirements to come for stormwater discharges.

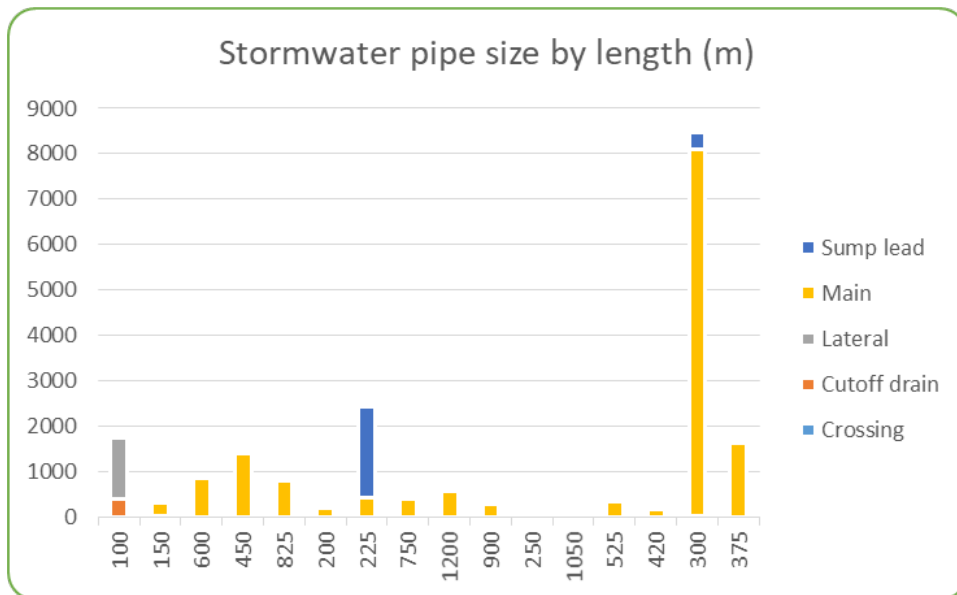


FIGURE 19: STORMWATER PIPE SIZE (ASSETFINDA DATA BASE)

The stormwater pipe network varies in age, with the earliest pipes laid in the 1950s, and most recently installed pipes laid as part of subdivision development. The pipe age profile shows that approximately 2.59km (13%) of pipe is 60-70 years old and 12km (61.4%) is under 30 years old.

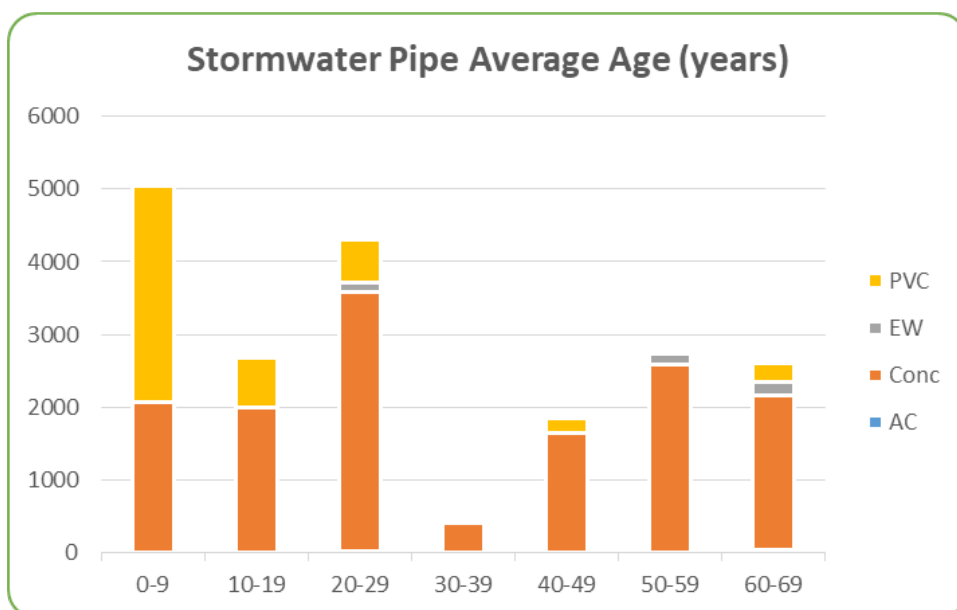


FIGURE 20: STORMWATER AVERAGE AGE (ASSETFINDA DATA BASE)

The condition rating of the network is positive, with only 3.9% of the piped network rated as poor, noting though the uncertainty rating attached to that condition assessment (refer to Figure 21).

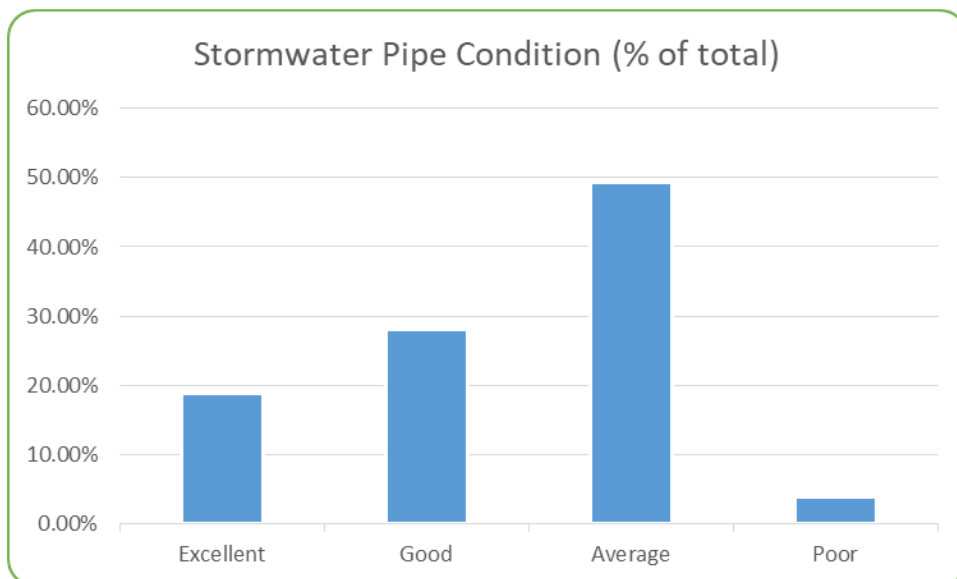


FIGURE 21: STORMWATER CONDITION RATING (ASSETFINDA DATA BASE)

The combination of pipe material type, age, and condition produces the following remaining life profile:

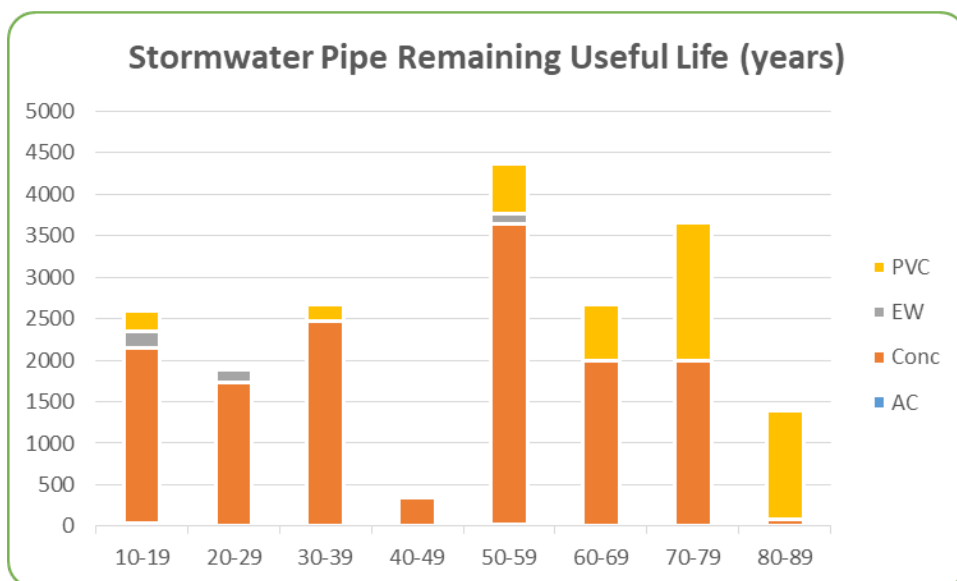


FIGURE 22: STORMWATER REMAINING USEFUL LIFE (ASSETFINDA DATA BASE)

Asset data confidence

Asset data confidence is reliable for stormwater inventory, capacity, and historical expenditure, but is low for data condition as summarised in Table 15. Part of CDC's asset management improvement programme involves progressive capture of asset condition data using CCTV pipe surveys and data logging during repair work.

TABLE 15: STORMWATER ASSET DATA CONFIDENCE

Attribute	Very uncertain	Uncertain	Reliable	Highly reliable
Physical Parameters			X	
Asset Capacity			X	
Asset Condition		X		
Valuations			X	
Historical Expenditures				X
Design Standards			X	

Asset value

CDC's stormwater infrastructure had an optimised depreciated replacement value of \$7,439,808 in 2019 as summarised in Table 16 below:

TABLE 16: STORMWATER ASSET VALUATION

Asset Type	Optimised Replacement Cost	Optimised Depreciated Replacement Cost
Reticulation	\$8,410,511	\$5,641,109
Open Drains	\$447,433	\$324,798
Manholes	\$1,039,942	\$794,871
Sumps	\$564,612	\$394,542
Soak Pit Chambers	\$314,519	\$284,488
Total	\$10,777,017	\$7,439,808

Levels of service

Levels of service (LoS) for the stormwater activity are based on technical and customer requirements. Until recently, customer levels of service had dictated service levels, with technical levels of service expected to be more dominant consequent on adoption of the regional council's Natural Resources Plan.

Customer levels of service relate to effective drainage of surface water from land and buildings, response times, etc. Technical LoS relate to stormwater quality and impact on receiving waters.

A project involving the construction of a bypass channel on the western side of Carterton is aimed at restoring stormwater drainage capacity of the Waikākāriki Stream during storm events.

Land use development along the Waikākāriki Stream has impacted on levels of service. The bypass channel would divert peak stream flows to avoid surface flooding in the adjoining urban area.

Consent application and project implementation was scheduled to be completed in 2015/16, but this project was deferred pending the outcomes from the GWRC natural resources plan.

Infrastructure management issues

The current infrastructure management issues are relevant to CDC's stormwater activity:

TABLE 17: SUMMARY OF ISSUES—STORMWATER DRAINAGE

Issue	Description	Options	Implications
Asset Renewal or Replacements	Ageing pipe assets may fail. Current records indicate that the majority of pipe assets are relatively young, with oldest pipes laid in the 1950s.	Preferred option Develop and implement an ongoing stormwater pipe condition assessment programme. Additional capacity will be incorporated in pipe replacements, as required, based on actual and forecast growth.	A pipe replacement program is estimated for the following ten years at \$688,000 (LTP 21-31) with \$6,921,000 estimated for the following 30 year period. Priority repairs and renewals will be assessed using the Pipe Repair Manual and following the optimised decision making process codified in NAMS. Budget provision has been made of \$417,000 for years 22-24 for design and treatment conditional on the requirements of the PNRP.
		Other options There are no other viable options. Leaving the asset run to failure would result in surface flooding during high rainfall events, which are likely to become more frequent as a result of climate change.	
Response to Demand	Demand will increase with residential growth.	Preferred option The stormwater drain on the east side of town will be progressively replaced to accommodate projected residential growth in the north-east of town in line with the Urban Growth Strategy.	Additional catchment and new reticulation is proposed in the draft Urban Growth Strategy area at an estimated of \$2,631,000. This will encompass the eastern drain reducing the risk of surface flooding in the area.
		Other options There are no other viable options that would avoid the risks to property.	
Levels of Service	Current reticulation capacity copes with most rainfall events or surface flooding of short duration. Beyond that, drainage of excess surface water relies on secondary flow paths. More intense rainstorms due to the effects of climate change could erode current levels of service.	Preferred option Maintenance and progressive pipe replacements of damaged pipes over the term of the strategy will improve performance of the current network.	Planned renewals will include capacity increases to compensate for predicted climate change effects.
		Other options Do nothing.	Not responding to the risk of flooding will result in a risk to

Issue	Description	Options	Implications
			the community that is unacceptable, especially as the risks will be elevated over time due to the impacts of climate change.
Public Health and Environment	Stormwater from the Carterton network discharges to the Mangatāre and Waikākāriki streams. There are no litter traps or treatment systems in place but higher environmental standards are signalled in GWRC's Proposed Natural Resources Plan. The Wellington Regional Council's Proposed Natural Resources Plan includes a requirement for preparation of stormwater management plans to improve planning, control, and mitigation of adverse effects from stormwater discharges.	Preferred option Once the Natural Resources Plan is finalised, we will respond to any new standards required. Seek a general ("global") consent for stormwater discharges. This is likely to need a stormwater management plan.	Resource consent will provide legal mandate for current stormwater discharge activity and will include guidance on future requirements for quantifying and mitigating any adverse effects of the activity on the receiving environment. The preliminary estimated capital cost of measures to mitigate the adverse effects of stormwater discharges is \$417,000, which is provided for over two years, in 2022/23 and 2023/24.
		Other options There are no other reasonable options.	
Risk and Resilience Issues	Current risks include pipe failure, flooding of property due to impaired stormwater capacity and blocked secondary flow paths. A major flood event could overtop the banks of Mangatāre or Kaipaitangata Streams with consequential flooding of property. Flood control is currently the responsibility of Wellington Regional Council.	Preferred option Identification and protection of secondary flow paths through catchment management plans. Repair and replacement of damaged stormwater pipes.	Current risk mitigation measures will be maintained through the strategy period. Failure to complete this work will increase the risk of flooding and damage to property.
		Other options Do nothing.	Not responding to the risk of flooding will result in a risk to the community that is unacceptable, especially as the risks will be elevated over time due to the impacts of climate change.

Funding mechanism

The stormwater activity is funded through a targeted rate (90%) on all rating units within the urban area, calculated on land value, plus the general rate (10%).

Disposal of stormwater infrastructure

There are no disposal issues in respect of CDC's stormwater assets.

Roads and Footpaths

Roading assets

CDC's road and footpath infrastructure assets comprise the following:

TABLE 18: ROAD AND FOOTPATH ASSETS³⁸

Asset Component	Quantity	Units	Comments
Pavement – Sealed	Urban 37.5	Km	Sealed Pavement area 367,534 m ²
	Rural 273.5	Km	Sealed pavement area 1,601,310 m ²
Pavement - Unsealed	Urban 0.15	Km	Unsealed pavement area 636 m ²
	Rural 158.3	Km	Unsealed pavement area 613,762 m ²
Total carriageway	469.6	Km	
Bridges	49	No	
Culverts > 3.4m ²	95	No	Total clear opening (waterway area) greater than 3.4m ²
Culverts < 3.4m ²	1,810	No	
Kerb & Channel	49.5	Km	Includes dished and mountable kerbs
Underpasses	17	No	Privately owned – listed only for reference
Catch-pits	431	No	Included with 'stormwater' data
Stormwater Channel	194.8	Km	
Guard Rails	601	M	
Sight Rails	240	M	
Footpaths	48.1	Km	Pavement area 99,561 m ²
Street Lighting	1,114	No	Includes 377 on State Highway 2
Signs	1,937	No	

Associated assets include car parks and retaining structures.

The maintenance strategy for CDC's roads and footpaths is to achieve current target levels of service through effective intervention strategies and fit for purpose material selections, consistent with One Network Roadding Classification (ONRC). The latter instils a national and consistent approach to roading standards for each classification.

The majority of the Carterton road network consists of access roads because of the low traffic volumes.

³⁸ Exported RAMM data - Nov2019

TABLE 19: ROADING CLASSIFICATION³⁹

Hierarchy	Length (m)	Description
Primary collector	25,173	These are locally important roads that provide a primary distributor/collector function, linking significant local economic areas or population areas.
Secondary collector	157,076	These roads link local areas of population and economic sites. They may be the only route available to some places within this local area.
Access	155,919	This is often where your journey starts and ends. These roads provide access and connectivity to many of your daily journeys (home, school, farm, forestry etc). They also provide access to the wider network.
Low volume	131,434	Low volume roads are a subset of the 'Access' class listed above.

Renewal strategies for unsealed roads is based on an average assumed depth loss of 10mm over the entire pavement, accepting that metal loss varies site by site. A 5–7 year return cycle is programmed, where a minimum 50mm layer will be placed on each return. This achieves an average of 30–35km per annum maintenance treatment. Full rebuilding of unsealed pavements is resulting in improvements to the unsealed network. The positive effect of this improvement is the ability to now reduce the overall annual target length. This will be continually monitored and revised as required. The target length for resealing the network is 17km per annum. This includes chip seals and thin asphaltic surfacing.

As a result of recent culvert inspections, road drainage culverts identified as being dangerous or having inadequate capacity due to regular flooding, have been identified and prioritised. A programme to extend and/or replace the affected parts of the current drainage system is planned over the next 5 to 10 years starting with the highest priorities.

CDC's indicative bridge renewal profile demonstrates a relatively modest replacement programme through to 2034, with significant expenditure forecast for 2069. A detailed study of the ageing bridge asset within the network is to be carried out in 2025 ahead of intervention and replacement if required. The study will encompass actual risk, projected life, traffic impacts etc. An assessment of bridge usage versus bridge condition and anticipated failure timeframes will be included, together with an assessment of the impacts, if any, of using alternatives routes. The purpose of the study is to make best use of the existing infrastructure by understanding the travel demand on roads with bridges and provide possible alternatives to bridge renewal. If bridge renewal is still considered the best option, the study will identify a more accurate timeframe for renewal.

The two yearly, routine bridge inspections will continue to be carried out to identify any required maintenance and minor component renewal. These routine inspections do not address likely timeframes for whole of bridge replacements.

The growth and probable resultant increase in demand on the network is not expected to require any significant new roading, or additional capacity on the existing network. The increase in forestry related traffic will have an impact on maintenance and safety on outlying rural roads, and priorities for works may be adjusted to meet that demand. Access to any new residential/retirement

³⁹ Exported RAMM data - Nov2019

developments will be provided by the developers. The need for any major upgrades is not seen at this stage, but the network will continue to be monitored to ensure improvements such as urban by-passes are provided in a timely manner.

CDC intends to review demand forecasts for the district roading network. The study will encompass an assessment of future demand due to increased use originating from proposed subdivision development and logging operations, and the actual and potential impact it will have on the roading network. This will enable the Council to better plan its road renewal and maintenance requirements. Minor safety projects will be introduced to target the dominant contributing factors to roads accidents, namely:

- too fast for conditions
- poor handling
- alcohol and other impairments
- lack of attentiveness
- loss of control on bends on rural roads.

Asset data confidence

Asset data confidence is reliable for roading and footpaths inventory, capacity and historical expenditure, but is low for data condition as summarised in Table 20. Part of CDC's asset management improvement programme involves progressive capture of asset condition data using RAMM surveys and data logging during repair work.

TABLE 20: ROADING AND FOOTPATHS ASSET DATA CONFIDENCE

Attribute	Very uncertain	Uncertain	Reliable	Highly reliable
Physical Parameters			X	
Asset Capacity			X	
Asset Condition				X
Valuations			X	
Historical Expenditures				X
Design Standards			X	

Asset value

CDC's roading and footpath infrastructure had an optimised depreciated replacement value of \$144 million as at 30 June 2020 ⁴⁰ as summarised in Table 21.

TABLE 21: ROADING AND FOOTPATH VALUATION 2020

Asset Component	Optimised Replacement Cost	Optimised Depreciated Replacement Cost
Formation	\$66,173,627	\$66,173,627
Pavement	\$65,551,252	\$49,655,861
Drainage	\$21,357,730	\$12,075,209

⁴⁰ CDC's roading and footpath infrastructure is revalued every three years. The previous valuation was in 2017.

Footpaths	\$8,887,898	\$4,443,949
Signs and Road Markings	\$756,072	\$378,036
Traffic Facilities	\$1,096,463	\$548,232
Bridges Culverts	\$50,367,842	\$20,680,203
Retaining Walls	\$125,317	\$117,076
Street Lighting	\$1,388,558	\$749,468
TOTAL	\$215,704,759	\$154,821,660

Levels of service

Customer levels of service are shaped by three key considerations developed under the ONRC framework. They are:

- Mobility (travel time reliability, resilience of the route)
- Safety
- Amenity (travel quality, aesthetics)
- Accessibility (land access and road network connectivity)
- Responsiveness.

Technical levels of service include asset condition ratings, pavement strength, surface roughness, geometry, cost efficiency.

Infrastructure management issues

TABLE 22: SUMMARY OF ISSUES—ROADS AND FOOTPATHS

Issue	Description	Options	Implications
Levels of Service	Levels of service include road safety, reliability and accessibility, responsiveness, and smoothness of ride. The maximum allowable weight and dimension limits for heavy commercial vehicles have been increased (known as 50Max). There is a portion of the bridge stock that is either known to be unable to cater for this increased loading, or insufficient details of the bridges is known to be able to confirm acceptability of the loading. This limits the routes available for these HPMV vehicles.	Preferred option Key bridges will be strengthened as part of the renewal of structure components.	50Max vehicles are affecting the LOS of unsealed roads to forestry areas, and structures. Increased maintenance in the short-term and renewal funding long term may impact on funding requirements for both Council and NZTA. If NZTA will not subsidise this work, ratepayers may have to fund the shortfall.
		Other options Retain current levels of service.	Retaining the current bridge strengths will result in a chance of failure, risking people's safety.
Public Health and Environment	Road maintenance and construction operations will be carried out to ensure protection of public health and the environment.	Preferred option The current length of unsealed road is not planned to be reduced during the strategy	Current public health and environmental protection measures will be adhered to.

Issue	Description	Options	Implications
	Transport related greenhouse gas emissions are monitored by GWRC.	period, except for safety or other compelling reasons. Current roading operations will be monitored to ensure public safety and environmental impacts are managed appropriately. Resource consents for road construction will be obtained where needed.	
		Other options Adopt a seal extension programme.	The costs of extending the length of sealed roads would not outweigh the benefits and would unlikely attract NZTA subsidy.
Risk and Resilience	The district is subject to earthquakes and severe weather events causing flooding, slips, and washouts. Reliable access to all areas of the district can be affected. Critical assets include bridges, large culverts, and bluff areas, where natural hazards could trigger failure and isolation of communities.	Preferred option Alternative routes are maintained for collector roads. There will be regular road inspections and remedial work where required.	Current risk mitigation measures will be maintained through the strategy period. A level of risk related to isolation of communities is deemed acceptable.
		Other options There are no other viable options.	

Funding mechanism

The roads and footpaths activity is funded from NZTA's subsidy and the general rate, the latter calculated from the capital value of each rating unit in the district.

Disposal of road and footpath infrastructure

There no disposal issues in respect of CDC's wastewater assets.

Infrastructure Investment Programme

The Most Likely Scenario

The following tables summarise the most likely scenario for managing CDC's infrastructure assets, taking account of the above issues. The 30-year term of the strategy provides a high-level insight as to the significant decisions that might need to be taken beyond the relatively short-term, 10-year planning horizon of the 2021–2031 Ten Year Plan.

The principal options shown are, in many cases, the only options available other than 'do nothing'. The variable is timing. As noted above, current and proposed levels of service are a minimum, dominated by regulatory and technical considerations. Customer levels of service are more discretionary and need to be considered in the context of projected population changes and ability to pay. Options such as demand management have some practicable relevance for Carterton District, namely in respect of the three waters infrastructure. Overall, the small ratepayer base of the District is sensitive to relatively modest increases in expenditure, with water and wastewater services predominantly funded by Carterton urban ratepayers. Any increases in the capacity of CDC's core infrastructure needs to be well researched, evaluated, and sustainable.

The tables below show the indicative estimates of operational and capital expenditure up to 2051, by infrastructure asset type, for the most likely scenario. The estimates are shown on an annual basis for the first 10 years, followed by 5-yearly sub-totals covering the remaining 20 years of the strategy. The graphs shown average the remaining 20 year forecasts per year.



FIGURE 23: OPERATING AND MAINTENANCE EXPENDITURE FORECASTS BY INFRASTRUCTURE ASSET TYPE 2021–2051 (AVERAGED FOR YEARS 30-51)

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Avg 2031/36	Avg 2037/41	Avg 2042/46	Avg 2047/51
Roading	5,027,505.13	5,206,296.33	5,355,813.93	5,529,860.64	5,618,584.08	5,908,397.76	6,127,958.29	6,273,095.40	6,607,284.91	6,859,122.82	6,918,229.78	7,689,422.41	8,573,495.33	9,602,525.10
Water	2,705,649.24	2,762,631.91	2,868,333.89	2,981,920.74	3,008,971.18	3,098,518.39	3,342,920.92	3,684,694.76	3,604,698.63	3,716,205.13	4,158,738.54	4,704,695.86	5,272,462.35	5,847,512.29
Wastewater	3,007,590.39	3,150,574.82	3,305,982.31	3,498,020.47	3,279,000.50	3,315,782.29	3,406,079.95	3,367,526.97	3,439,642.71	3,537,319.26	4,126,379.32	4,752,247.33	5,078,068.63	5,753,090.13
Stormwater	297,357.21	303,715.76	318,737.90	341,545.14	351,977.92	370,768.70	406,804.15	418,609.87	431,254.13	453,145.33	465,147.97	524,809.23	562,319.63	629,258.88
Rural water	874,641.20	904,353.11	1,036,407.27	1,048,196.92	1,072,878.95	1,097,474.50	1,126,377.29	1,164,162.63	1,181,638.32	1,212,029.03	1,309,896.95	1,458,616.20	1,618,125.44	1,828,823.56

FIGURE 24: OPERATING AND MAINTENANCE EXPENDITURE FORECASTS BY ASSET TYPE 2021-2051 (AVERAGED 30-51 AMOUNTS)

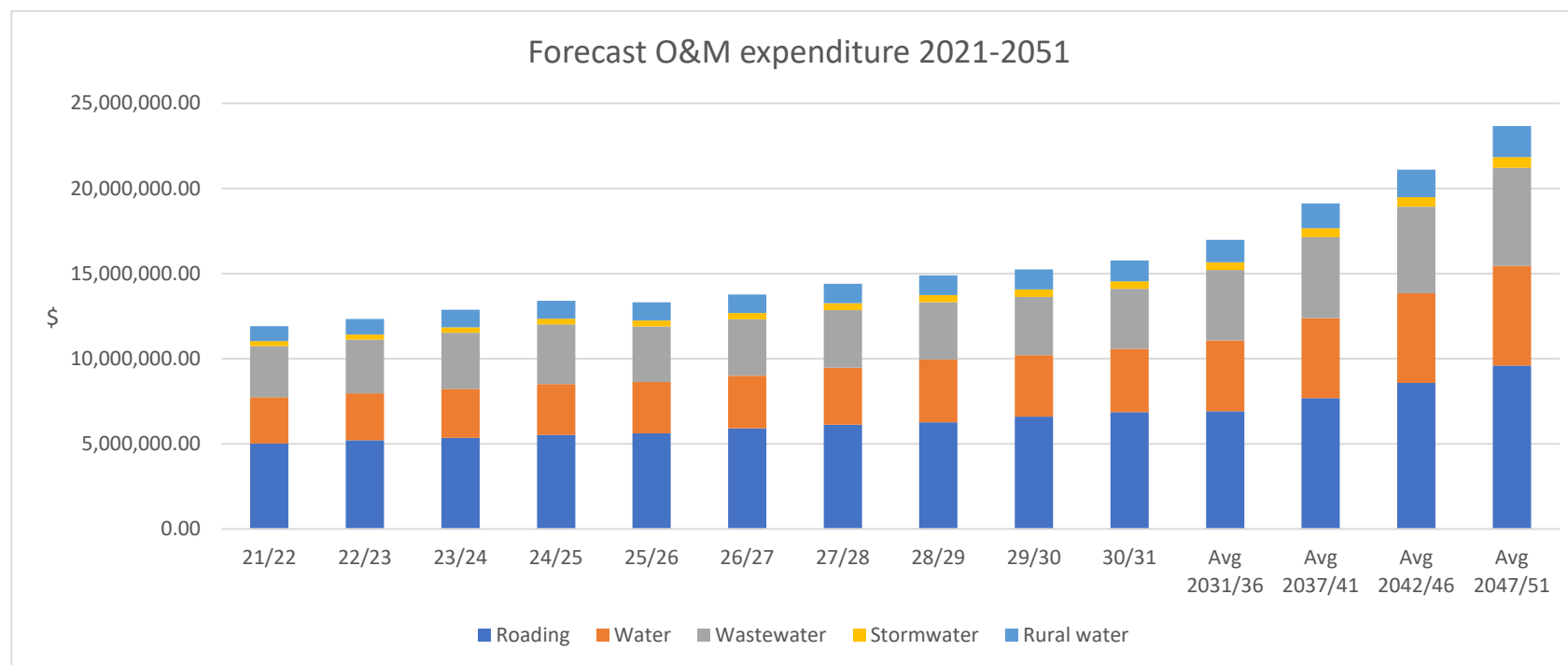
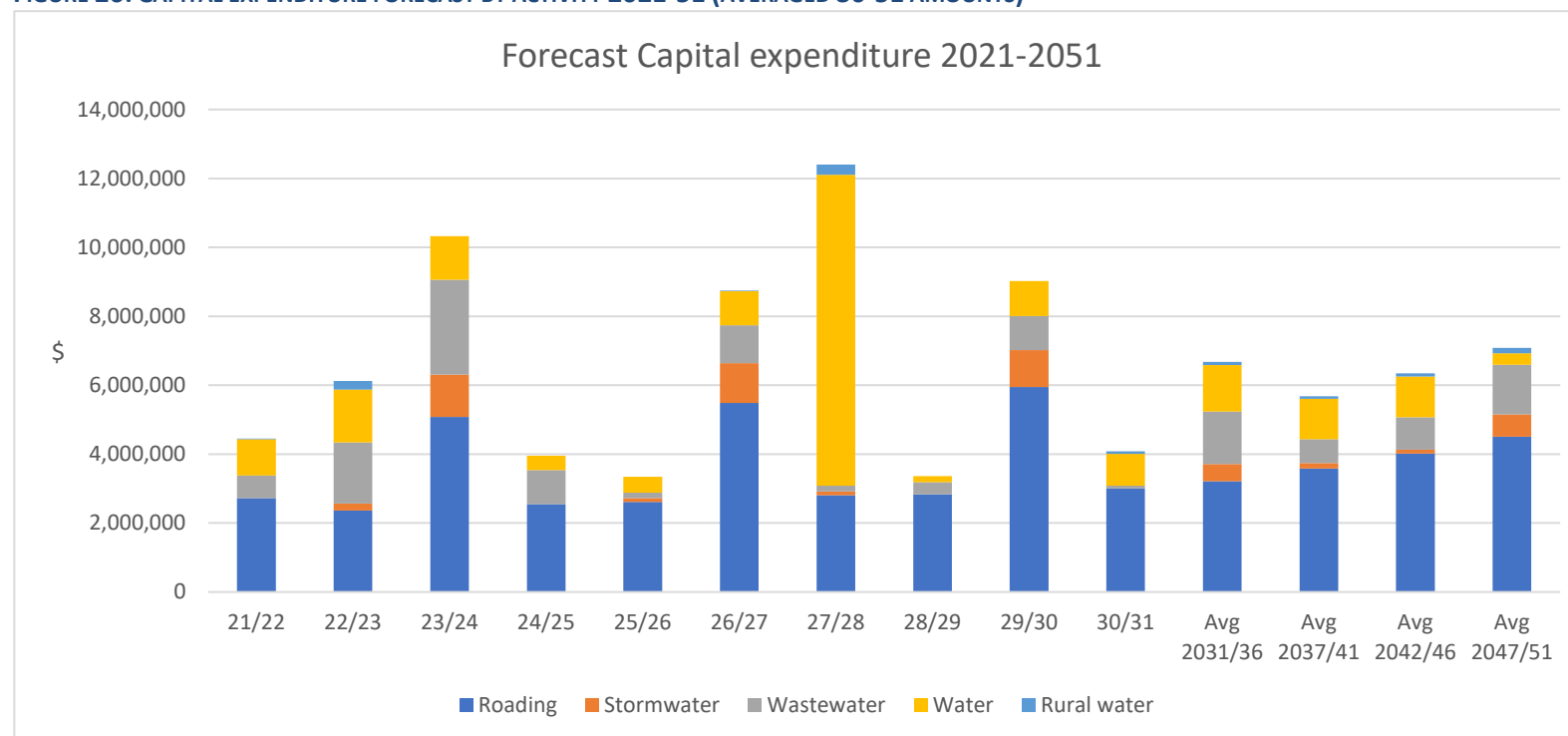




FIGURE 25: CDC INFRASTRUCTURE CAPITAL EXPENDITURE FORECASTS BY INFRASTRUCTURE ASSET TYPE 2021–2051 (AVERAGED FOR YEARS 30-51)

YEAR	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Avg 2031/36	Avg 2037/41	Avg 2042/46	Avg 2047/51
Roading	2,722,094	2,358,336	5,073,239	2,548,470	2,613,399	5,480,614	2,802,203	2,829,057	5,944,832	2,993,698	3,212,448	3,583,991	4,015,560	4,503,731
Stormwater	0	204,000	1,229,741	0	110,639	1,158,111	116,628	0	1,071,398	0	494,199	152,898	112,711	650,408
Wastewater	651,652	1,779,189	2,751,190	983,541	151,576	1,095,158	163,310	350,777	985,247	86,183	1,527,279	689,850	936,977	1,433,085
Water	1,058,000	1,528,246	1,266,810	414,299	466,897	989,029	9,024,307	174,863	1,021,055	923,510	1,352,547	1,174,818	1,188,103	338,527
Rural water	20,000	255,000	0	0	0	22,717	291,569	0	0	76,044	92,500	79,800	89,480	151,880

FIGURE 26: CAPITAL EXPENDITURE FORECAST BY ACTIVITY 2021-51 (AVERAGED 30-51 AMOUNTS)



Total Expenditure Summary – Most Likely Scenario

In addressing the issues identified in the previous sections of this strategy, CDC expects to spend \$194.3 million on new or replacement infrastructure between 2021 and 2051. Over the same period, \$543.7 million is expected to be spent on operating costs, including direct labour, depreciation, materials, and maintenance.

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

Capital works comprise two categories—renewal/replacements and new.

The above forecast totals are distributed across the four infrastructures asset activity areas as follows (totals for 2021–2051):

TABLE 23: FORECAST EXPENDITURE 2021-51

Infrastructure activity	Operating expenditure (\$m)	Capital expenditure (replace / renew \$m)	Capital expenditure (new \$m)
Wastewater	\$131.86	\$25.35	\$6.58
Water supply	\$131.69	\$20.47	\$16.66
Rural water (Races)	\$41.80	\$2.73	\$0
Stormwater drainage	\$14.60	\$7.89	\$2.63
Roads and footpaths	\$222.43	\$103.23	\$8.72

The table above shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational requirements (operating costs, labour, depreciation, materials, and maintenance) between 2021 and 2051

Total operating expenditure is expected to average \$18.1 million per year for the period covered by this strategy.

Significant Capital Works Programme Summary

Significant decisions to be made regarding new infrastructure projects (defined, for the purpose of this strategy, as being \$0.5 million or more of capital expenditure) that are expected to be required during the 2021–2051 period are shown in the tables below. The estimated capital costs and timing are based on forecast amounts included in the above tables.

Wastewater

TABLE 24: SIGNIFICANT CAPITAL EXPENDITURE ITEMS – WASTEWATER ACTIVITY

Significant decision and principal option	Estimated Cost	Estimated Timing
Mains renewals	21,553,437	2021-2051
Eastern Growth Strategy Area	2,365,070	2024-2030
Duplicate primary SED tank	695,000	2034-2035

Full disposal to land	3,266,000	2035-2036
Mains renewal - High Street South (3.2km)	2,357,446	2021-2024
Renewal of pump station components	1,451,381	2021-2051

Water Supply

TABLE 25: SIGNIFICANT CAPITAL EXPENDITURE ITEMS – WATER SUPPLY ACTIVITY

Significant decision and principal option	Cost	Timing
Mains renewals	19,878,515	2021-2051
Investigate other water supplies	581,288	2021-22
Increase water storage capacity	525,000	2021-2023
Construction of water supply treatment plant	8,747,064	2027-2028
Eastern Growth Strategy Area	2,252,451	2024-2030
Additional potable water storage	3,480,000	2044-45

Stormwater Drainage

TABLE 26: SIGNIFICANT CAPITAL EXPENDITURE ITEMS – STORMWATER ACTIVITY

Significant decision and principal option	Cost	Timing
Renewals	7,475,235	2021–2051
Eastern Growth Strategy Area	2,308,817	2024-2030
Stormwater treatment : design and construction	417,424	2022-2024

Roading and Footpaths

TABLE 27: SIGNIFICANT CAPITAL EXPENDITURE DECISIONS – ROADING & FOOTPATHS ACTIVITY

Significant decision and principal option	Cost	Timing
Renewals	103,227,631	2021-2051
New Levels of Service	295,000	2021-2051
Eastern Growth Strategy Area	8,421,959	2024-2030



Assumptions

The above strategy for managing CDC's infrastructure assets is based on the following assumptions:

TABLE 28: SUMMARY OF ASSUMPTIONS

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Depreciation Average asset lives at a project level for new works have been used to calculate depreciation.	Medium	Depreciation is an annual expense to reflect the reduced economic potential of an asset. Because revenue (cash) covers this expense (non-cash) a cash reserve builds up over an asset's life to help fund the asset's replacement at the end of its life. This depreciation reserve is the principal funding mechanism for asset renewals. If the depreciation is inadequate, renewal projects may have to be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.
Natural disasters That there are no major natural disasters requiring additional funding for reinstatement of assets.	Medium	There is medium risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some further provision for increasing the resilience of the assets has been built into this plan but there is still further work to be undertaken to determine the desired level of resilience and the further asset improvements to achieve this.
Service potential Service potential of the asset is maintained by the renewal programme.	Pipe networks—Medium Roading and Footpaths—Low	There is medium risk that the service potential of the pipe network assets will not be maintained by the implementation of the renewal programme.
Asset lives Asset lives are accurately stated.	Pipe networks—Medium Roads and Footpaths—Low	The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of sections of pipe networks has been confirmed by condition assessment. There is a potential effect that, the useful lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme.
Changes to levels of service It is assumed that no significant changes to levels of service are required other than those specifically identified in this strategy.	Wastewater assets Low	Levels of service due to increased regulatory requirements for the Carterton wastewater discharge have been accommodated in the strategy. Uncertainty regarding new levels of service is low for CDC's wastewater scheme because of the new 35-year consents effective from 19 January 2018. Different levels of service from that assumed could mean higher or lower capital expenditure and associated financing, depreciation, operating, and maintenance costs, or it could impact operating costs and resource requirements. Different technology may be needed.



Assumption	Level of Uncertainty	Potential Effects of Uncertainty
	Road assets Low	NZTA's nation-wide move towards a common roading classification, and review of roading subsidy rates, has resulted in reduced NZTA funding towards CDC's road maintenance and renewal programmes. The consequence could be either an increased local contribution or a reduction in levels of service. The strategic assessment of the likelihood of that occurring is low. Different levels of service from that assumed could mean higher or lower capital expenditure and associated financing, depreciation, operating, and maintenance costs, or it could impact operating costs and resource requirements. Different technology may be needed.
	Stormwater assets Medium	In order to meet increased environmental demands, stormwater asset development may be required in conjunction with the GWRC Proposed Natural Resources Plan. The likelihood of asset development to meet these requirements is unknown, and will not be predicted without some knowledge of actual stormwater effects. Council carries out sampling of selected stormwater outlets to ascertain the potential effects and identify catchment capacities and the relevance of the data collected for future structure planning input. Different levels of service from that assumed could mean higher or lower capital expenditure and associated financing, depreciation, operating, and maintenance costs, or it could impact operating costs and resource requirements. Different technology may be needed.
	Water supply assets Medium	Changes to technical levels of service for the Carterton water supply take from the Kaipaitangata Stream are expected due to the current consent renewal process and changes mooted in the Wellington Regional Council Proposed Natural Resources Plan. Provision has been made to address the potential impacts of those changes in the water supply strategy (refer to chapter 0.) Amendments to NZ Drinking Water Standards as a result of the Report of the Havelock North Drinking Water Enquiry – Stage 2, are likely, including a new mandatory requirement to treat all water sources, including groundwater, regardless of the assessed catchment security. Groundwater previously assessed as secure will no longer be exempt from water treatment requirements, including disinfection. The CDC supplementary bore supply is already treated with chlorine and UV. The scope and scale of filtration treatment is currently under investigation, with the results of that work to inform CDC's water supply strategy, and the required budget. Ultimately, the actual timing of implementation may be controlled through new legislative requirements. The CDC surface take at Kaipaitangata Stream is already fully treated. Different levels of service from that assumed could mean higher or lower capital expenditure and associated financing, depreciation, operating, and maintenance costs, or it could impact operating costs and resource requirements. Different technology may be needed.
Maintenance and operational costs These are largely based on historical rates and assume similar contract rates throughout the planning period.	Low	BERL inflation factors have been applied to the programmes and budgets over the first ten years of this IS. Budgets for the remaining years of the IS are based on Year 10 budget estimates. No further inflation is applied beyond Year 10. Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast. Higher than forecast inflation would likely mean higher operating and capital costs and higher revenue; higher capital expenditure could mean greater borrowing; and there would be pressure on rates to increase to cover these costs.



Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Construction Costs No major changes relative to current cost structure.	Low	It is possible that the price of some components will change relative to others. Budgets are reassessed each year for the AP process to mitigate this risk. BERL inflation factors applied to the 10YP also incorporate an element of price changes in different activity sectors.
National Land Transport Fund (NLTF) Subsidies. NZTA has announced that the FAR subsidies for Carterton will decline from the current rate of 53% to 51%.	Low	If the rate or dollar level of subsidy decreases, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.
Council policy No significant change to Council policy that impacts on assets and services.	Low	Any significant change will require a full review of asset management plans and implications identified at the time.
Vested assets No assets are gifted to the council as a result of subdivision.	Low	The Council's preference is receive infrastructure or development contributions by way of cash, rather than land or other assets. If assets are vested as a result of subdivision, this will replace cash revenue.