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19 February 2024

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Ask For: Mike Porter

## **Notice of Council Meeting – Monday, 26 February 2024**

Notice of the Council Meeting to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim on Monday, 26 February 2024 to commence at 9.00 am.

### **BUSINESS**

As per Order Paper attached.

**MARK WHEELER**  
**CHIEF EXECUTIVE**





**Order Paper for the  
COUNCIL MEETING**  
to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on **MONDAY, 26 FEBRUARY 2024** commencing at 9.00 am

**Open Meeting**

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## Marlborough District Council

**Order Paper for the  
COUNCIL MEETING**  
to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on MONDAY, 26 FEBRUARY 2024 commencing at 9.00 am

### 1. Karakia

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Tēnā koutou, tēnā koutou, tēnā koutou katoa  
E te Atua tō mātou Kai-hanga,  
ka tiāho te māramatanga me te ora, i āu kupu kōrero,  
ka tīmata āu mahi, ka mau te tika me te aroha;  
meatia kia ū tonu ki a mātou  
tōu aroha i roto i tēnei huihuinga.  
Whakakī a matou whakaaro ā mātou mahi katoa,  
e tōu Wairua Tapu.  
Āmine.

God our Creator,  
when you speak there is light and life,  
when you act there is justice and love;  
grant that your love may be present in our meeting.  
So that what we say and what we do may be filled with your Holy Spirit.  
Amen.

### 2. Apologies

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### 3. Declaration of Interests

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Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 4. Annual Budgets 2024-34

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- 4.1 Budget Summary
- 4.2 Water and Sewerage Capital Budgets
- 4.3 Road and Footpaths Budget
- 4.4 Marlborough Sounds Future Access Works Programme
- 4.5 Marlborough Sounds Roding Funding Recovery
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- 4.47 Development Contributions Policy
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## 4.1 Budget Summary

(Report prepared by G Blake)

F230-L24-03

### Purpose of report

1. To provide Council with an overview of the budgets proposed for inclusion in Council's 2024-34 Long Term Plan (LTP).

### Executive Summary

2. The proposed budgets maintain a continuation of existing levels of service and a Capital Expenditure programme that in the main focuses on core infrastructure. There is a very large Capital Expenditure programme budgeted to address core infrastructure requirements. This coupled with post COVID high levels of inflation across all costs and activities has driven the proposed rate increases.
3. The draft Rates increase for 2024-25 is 7.79% before adding 0.68% for the introduction of Wheelie Bins for Kerbside Rubbish and Recycling Collections. This equates to 8.47% which excludes the impact of the COVID Rates Relief Reserve, which adds a further 5.11%, a total of **13.58%**.
  - a) A paper in this agenda proposes options to unwind the COVID Rates Relief reserve, the preferred of which will soften the impact on rates for 2024-25 and future years, reducing 2024-25 by 2.20%.
  - b) Papers in this agenda for Levels of Service changes and the review of Fees and Charges total + 1.25% on Rates.
  - c) If all Levels of Service and Fee Review papers and preferred options, including unwinding the COVID Rates Relief Reserve, are selected by Council the Rates increase is estimated at **12.63%**;
4. Consideration by Council of papers in relation to funding of the Emergency Events Reserve and the Impact of Funding Depreciation on Revalued Three Waters Assets may lead to future years Rates impacts.
5. In addition to the Rates increase referred to above consultation is proposed on options to address the funding of the costs of fixing the Marlborough Sounds Roads storm damage. For the remainder of this Budget Summary the terms "Roads and Footpaths" excludes any potential costs associated with the fixing of the Marlborough Sounds Roads.
6. Council has previously agreed that the Rates Cap remains at LCGI + 3%, which for 2024-25 gives a cap of 5.89%. While the cap has been exceeded in 2024-25, the remaining proposed increases are forecast to remain within the "cap" for eight of 10 years of the LTP.
7. To manage the impact on Rates, extensive use has been made of the Infrastructure Upgrade and Depreciation Reserves. The Infrastructure Upgrade Reserve is being drawn on more heavily over the course of the LTP because it repays the borrowing that is growing as a result of the increased capital expenditure programme.
8. Council, In September 2023, agreed to change the debt cap to "net interest will be less than 15% of total rates". By adopting a conservative approach, 15% is only half of that permitted by the LGFA, and using the Budget Meeting version of the LTP, Council debt peaks at \$282M in 2031 which is well within this self imposed cap.
9. Council's forecast debt levels will remain within the covenants for LGFA borrowing increases.
10. The use of debt is one of the main methods of achieving intergenerational equity.

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### RECOMMENDATION

That Council receive the information contained in this Budget Summary Paper and adopt it as supporting information to the 2024-34 Long Term Plan.

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## Background

11. Every three years Council is required to review and update its LTP. The context of this year's LTP, for the 2024 to 2034 years is one of:
- COVID-19 is still in the community but we are beginning to see easing in supply chain pressures and economic activity. New Zealand continues to see higher inflation and skills shortages, although with immigration increasing there are signs this is improving;
  - Treasury and the Reserve Bank are signalling interest rates will remain elevated for the time being, the phrase "Higher for Longer" being reinforced;
  - the Reserve Bank's dual targets of Inflation and Unemployment have recently been refocussed to Inflation alone;
  - the cancellation of the iRex and Marlborough Colleges projects causing a rethink of big infrastructure projects, with the cancellation potentially reducing the strain on contractors and supply chains;
  - the effects of climate change are being felt by Council in many aspects and will form a key part of future strategies and decisions;
  - continuing uncertainty related to Government Regulation and National Policy Statements (NPSs). The newly elected Coalition Government is repealing the Three Water legislation and has already repealed the Natural and Built Environment and the Spatial Planning Acts. It is working to establish a programme entitled Local Water Done well and has committed to a review of the Resource Management Act as well as the Fresh Water programme initiated by the previous government. It is still too early to understand the implications on Council of these changes;
  - As a result of the uncertainty surrounding these developments and reviews, it has been assumed that the status quo will remain for the purposes of preparing this LTP. They will be better addressed when greater certainty exists. In the interim, Council must keep abreast of any developments and be prepared to provide input/comment;
  - higher levels of population growth continue to be experienced compared to the position of 5-10 years ago. Higher levels of growth increase the demand for additional Council infrastructure. While much of the growth component is paid for via Development Contributions in the long term, Council must fund the costs upfront; and
  - increasing requests from the community for either increased levels of service or increased financial support.
12. These issues are having flow on impacts on prices/costs if they can be secured at all.
13. There are a number of components to the process of preparing a LTP. These include:
- a) A review of Community Outcomes**
- Council's Community Outcomes set out, in very high level terms, how Council would like to see the District/Community look in the future. Council's Community Outcomes under the headings of Governance, Environment, People, Economy, Connectivity and Living. These are consistent with the four "Well Beings" contained in the Local Government Act 2002 of social, economic, environmental, and cultural.
- b) Review Levels of Services (LoS)**
- This review is actually a two-step process. The first is to look at existing LoS. As part of this review Council:
- received presentations from each Activity Manager;
  - considered the results of the resident satisfaction survey;
  - considered the proposed capital expenditure projects; and
  - applied its collective knowledge of what LoS the community wanted.
- Similar to previous LTP's there is a continued desire, on behalf of Councillors, to maintain existing LoS and continue with the high level of capital investment in core infrastructure areas especially water, sewerage, stormwater, river control, solid waste management and roads. The detail of what comprises Council's existing LoS is contained in the Activity Statements in



Agenda Paper 4.13. Also included in these statements are the emerging issues facing each Activity.

The second step of the process is for Council to consider where it may lift its LoS. Proposals on potential lifts in LoS are contained in Agenda Papers 4.14 to 4.35. These proposals look to address in part or in full a number of the issues contained in the emerging issues section of the Activity Statements.

**c) A review of how Council will finance its Activities**

Included in this component are:

- **the basis of rating**  
Council has decided to retain Land Value Rating with the exception of the Wairau River Works Rate and the Kenepuru Road Rate which are already Capital Value based;
- **rating areas**  
Council intends to retain the current geographic rating areas and current boundary adjustment mechanisms;
- **the current benefit weightings for attributing the rates requirement for a particular Activity to Geographic Rating Areas.**  
Council intends to retain the current weightings for attributing rates requirements to Geographic Areas; and
- **what Council's rates cap should be**  
This 'cap', while being required by the Local Government Act, is set by Council. It is not an absolute 'cap' in that Council can exceed it, but Council has to explain to the Community its reasoning for doing so if this occurs. Earlier in the LTP preparation Council decided to retain its current rates cap at the movement in the Local Government Cost Index (LGCI) plus 3%.  
Council also has to agree a Debt Cap, this is addressed later in this paper.

**d) Reviewing the underlying key assumptions Council should use**

Key assumptions include legislative impact, inflation, interest rates, NZTA subsidy level, population growth and demographic make-up and the economic lives of Council Assets:

- **Inflation**  
Council is continuing to use the forecast movements in the LGCI produced annually by BERL;
- **Interest Rates**  
Council has decided to increase its interest rate assumption to 5.5% from the previous 5.0% to take account of the uncertain interest rate environment, Council's access to Local Government Funding Agency debt, and the interest rate margins resulting from Council's AA (negative outlook) credit rating. As at 31 December 2023 Council's weighted average cost of debt was 4.07% including line fee. This is increasing at present as each parcel of the debt portfolio is renewed or new loans are taken out.
- **NZTA Subsidy will remain at 51% for normal roading activity**
- **Population growth and demographics** are covered in more detail in the Infrastructure Strategy which is soon to be considered by the Assets and Services Committee and the Financial Strategy which has been considered by the LTP Working Group. Growth projections are based on long run straight line averages using the Department of Statistics population projections supplemented by more recent economic forecasts and the actual growth that has occurred over recent years.
- **Forecast Asset Economic Lives**  
Forecast Economic Lives are important for two reasons:
  - for long term asset management planning; and
  - as the basis for depreciation which is a significant component of Council's expenditure.

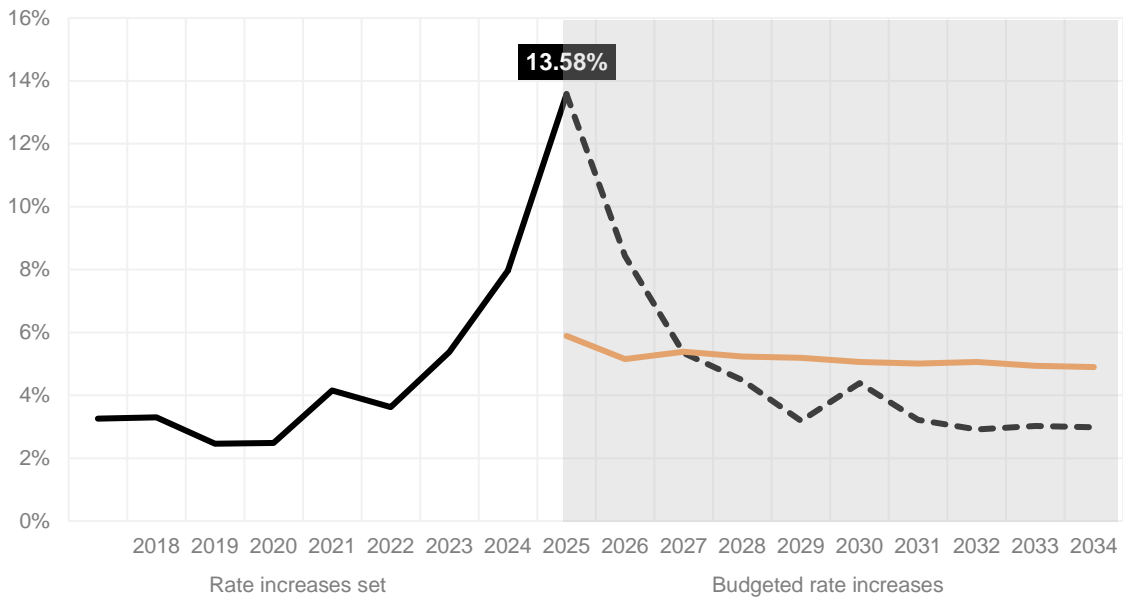
The economic lives of Council's assets have been reviewed over the last three years and adjustments made where appropriate. Depreciation is funded for Water, Sewerage, Stormwater and Roding assets (at 49%, the balance being NZTA). Community Assets depreciation is not funded by rates with the exception of Library/Art gallery/museums and toilets.

**Budget Approach**

14. The budgets presented and contained in each of the Activity Statements have been prepared on the basis of maintaining existing LoS.
15. Over the 10 years of the LTP these budgets include adjustments made for:
  - movements in the Local Government Cost Index;
  - known movements in contract prices (e.g. insurance and the retendering of Reserves Contracts),
  - the impact of previous Council investment and funding decisions (e.g. the new library in Blenheim and new water schemes in Seddon, Renwick and Havelock);
  - increased debt financing costs as a result of adopting 5.5% as the interest rate assumption.
16. Where additional or increased LoS are proposed, a separate paper has been prepared as part of this meeting Agenda.
17. The forecast percentage increases in total Rates and Charges for the next 10 years is shown in the graph below:

Graph 1: Percentage Rates Increase

**Percentage of Rates increases year on year**



18. As identified in the above graph, the main reason for exceeding the ‘Rates Cap’ is the large Capital Expenditure programme budgeted to address core infrastructure requirements as well as post COVID high levels of inflation across all costs and activities.

**Prime Drivers for Rates Increases**

19. Traditionally the three biggest drivers are the Local Government Cost Index (LGCI), which includes the cost of personnel, and capital expenditure.
20. Additionally for 2024-25 the increase reflects the discontinuation of the Covid Rates Relief, which in 2023-24 provided a “subsidy” of \$4.5M. This has resulted in an equivalent 5.11% average rates increase, which was clearly signalled in the 2021-31 LTP Consultation document. Options are presented in this agenda to offset this increase, delivering up to 2.2% benefit.

21. As stated above, the LGCI is forecast each year by BERL and used by the majority of Local Authorities to forecast likely inflation movements. The forecast for 2024-25 is 2.9% (Table 1.1 below).
22. This index forecasts the increase in Local Authority costs assuming no changes in the level and quantum of service delivered. The index attempts to forecast the price movements for items such as pipes, bitumen, diesel etc as compared to the CPI which measures increases in household costs such as food, housing and clothing.

Table 1

Annual average % change, June Year	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
CPI *	6.0	4.1	2.5	2.2	2.0	2.0
Hourly wages (annual % change)*	6.9	6.2	5.1	3.9	3.5	3.3
LGCI	5.0	3.9	2.9	2.2	2.3	2.3

\* Source: Treasury 2023 Half Year Economic and Fiscal Update.

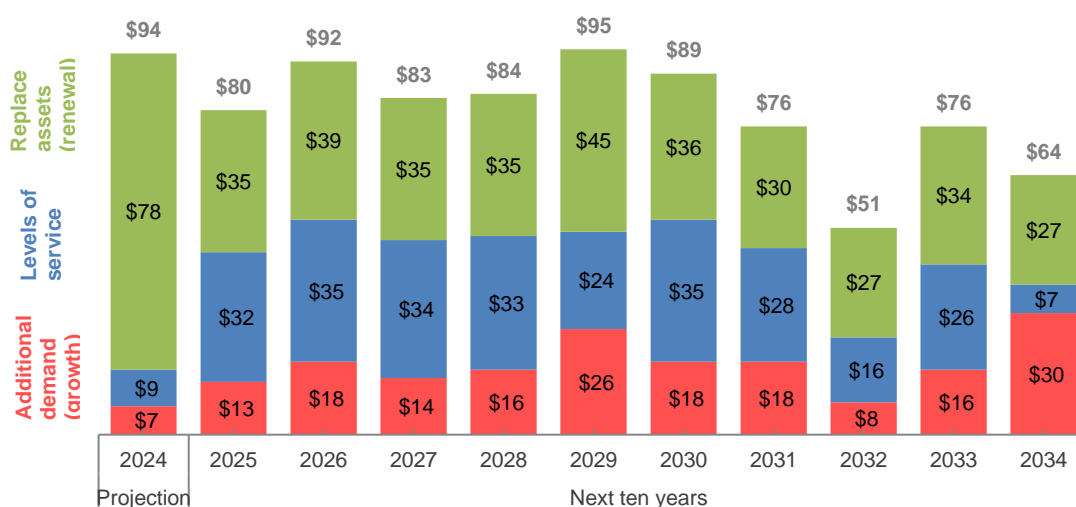
23. The other point to note is that while actual CPI at 6.0% is a headline figure, it is a historic metric covering the period 1 January to 31 December 2023. In the 2024-34 LTP we are looking forward 10 years. The RBNZ and Treasury in their Monetary Policy Statement and Economic and Fiscal Update are predicting increases to gradually move towards the mid-point of the Reserve Bank of New Zealand's (Reserve Bank's) inflation target range of 1% to 3%.
24. One of the other main drivers is financing Capital Expenditure. Over the past five years actual Capital Expenditure has ranged from \$42.0M in 2020 to a high of \$106.9M, including road reinstatement of \$27.4M, in 2022 with an average of \$70.0M, or \$68.7M excluding the road reinstatement, over five years. The projection for 2023-24 is \$94M. **NB, Individual project budgets actually total a significantly higher figure, being a culmination of the budgets for work not completed in the year ended 30 June 2023 and new projects budgeted for 2023-24.** However, as it is highly unlikely that all projects will be completed by 30 June 2024 an allowance of \$80M has been made for budget purposes.
25. The Capital Expenditure forecast has been set at a project level followed by a review to confirm the "do ability" of the amounts planned. Some timing adjustments were required resulting in the Capital Expenditure plan represented in Graph 2 below. It is important to note:
  - This level of discounting project timings is common across local government; and
  - Capital project timing in project delivery terms as compared to financing terms can vary for many reasons including:
    - finalising community consultation;
    - obtaining land access;
    - obtaining resource consents;
    - the availability of external professional expertise;
    - receiving an acceptable contract price and contractor availability.
26. To assist in the financing of the increased capital expenditure programme maximum use of Depreciation Reserves and the Infrastructure Upgrade Reserve (Agenda Papers 4.7 and 4.10) has been made. The Infrastructure Upgrade Reserve has benefited from improved revenue streams in calculating the funds available to allocate towards funding capital expenditure. The other points to note in regard to Capital Expenditure are:
  - the full cost of interest and depreciation apply from the year after construction is completed; New assets generate ongoing operations and maintenance expenditure; and
  - the Local Government Act requires Council to separately report under the following headings for Capital expenditure. Capital expenditure to:
    - improve Level of Service
    - meet additional demand for an activity (Growth); and
    - replace existing assets (Renewal).
27. For the purpose of calculating the amount under each heading, the Act permits the total amount value of a project to be included under the heading that reflects the primary purpose of the expenditure, e.g. if 55% of a project is to address a level of service issue, then the total value is included in the Level of

Service category. It is worth noting that one of the tests used by Audit, is whether renewals expenditure is close to the level of depreciation. In 2024-25 renewals expenditure is \$35M and the forecast depreciation for that year is \$37M, which is broadly in balance. Audit have been concerned that Councils have not been keeping up with their renewals and spending significantly less on renewals than the value of depreciation. As demonstrated above this is not the case in Marlborough.

28. Additionally, a further paper in this agenda provides options for incorporating depreciation on revalued Three Waters assets into Council’s funding streams. The revalued amounts more closely reflect the true cost of renewing assets. This will ensure we continue to provide appropriate funding for these important assets.

## Capital Expenditure by Demand Type

Graph 2: Capital Expenditure by Demand Type



29. Allowing for the inaccuracy that’s inherent in this allocation process, it would be reasonable to expect that in broad terms:
  - (a) Increases in level of service to be funded by current and future generations, which is typically achieved through the use of debt funding with debt servicing costs being met by rates;
  - (b) Increases in demand (growth) to be funded by Development Contributions; and
  - (c) Replacement of existing assets (renewal) to be funded from depreciation reserves.
30. As approximately \$32M of 2025 Capex relates to improving level of service, applying the assumed 5.5% interest rate assumption and a low 1% depreciation rate generates a funding demand of \$2.08M, i.e. just under 20% of the total rates increase. In addition, previous Councils have decided not to recover the full cost of Growth Capital Expenditure from Development Contributions to encourage growth, which will have a further impact on Rates.

## Personnel Costs

31. To recruit and retain good staff Council must remain competitive in the broader market, but we must also ensure the environment our people work in is such that as well as Marlborough being an attractive place to live, Council is a well respected and popular employer. We otherwise run the risk of increased staff turnover, which brings a corresponding drop in productivity and additional cost. Studies have shown that it costs up to six months’ salary in recruitment, training and lost productivity should a staff member resign.
32. Anecdotal evidence suggests that Council’s across New Zealand are under increasing pressure to attract and retain good quality staff. Staff turnover remains a high level concern, and in particular

recruiting skilled people into specialist roles remains challenging. As the national rate of unemployment increases, as forecast by Treasury in their Half Year Economic and Fiscal Update release on 20 December 2023, this may become less challenging.

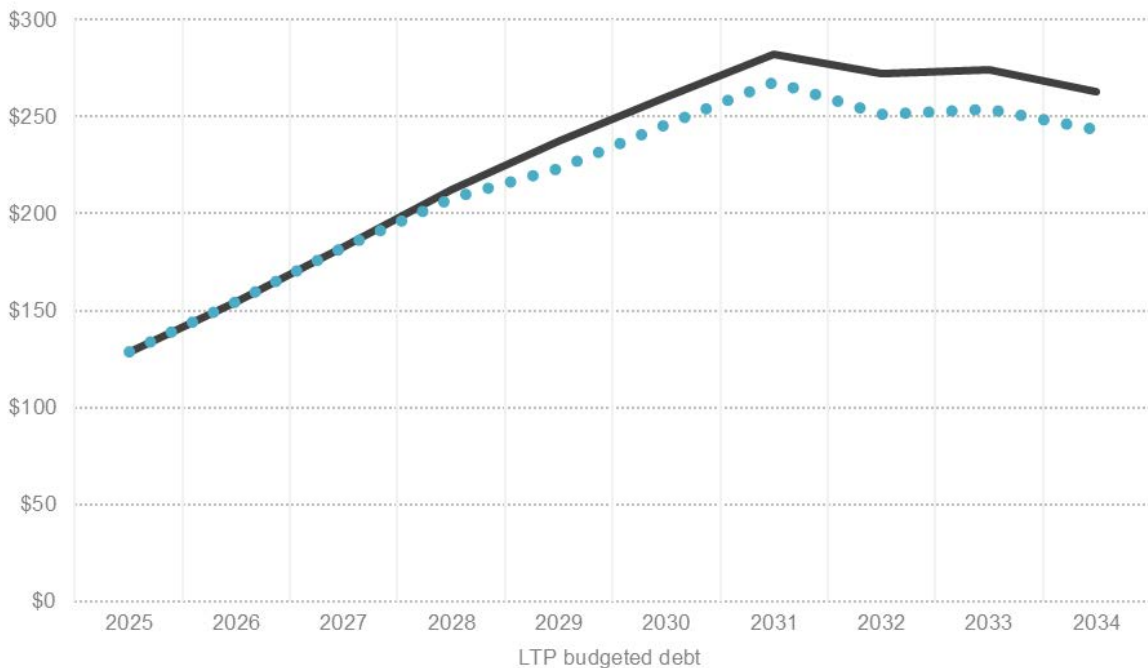
- 33. Our turnover for the 12 months to 31 January 2024 was 10.4%, compared to 10.3% a year prior. This demonstrates that levels of staff turnover have stabilised but it is still something Council needs to work on in order to maximise productivity and control costs.
- 34. In order to remain competitive and to address the inflationary pressures inherent in the current low unemployment environment, as demonstrated in Table 1 above, an appropriate personnel budget has been set.

**Debt**

- 35. The other aspect Council should be aware of is how the proposed budget impacts upon projected debt. The graph below identifies Council's:
  - a) 2024-25 projection of net debt (i.e. net of cash and investments)
  - b) 2024-25 projection of net debt without Flaxbourne.
- 36. As a result of the 2024-34 LTP proposing a Capital Expenditure budget of \$790M which is \$85M higher (paragraph 30) in value than the \$705M budget included in the 2021-31 LTP, net debt is projected to increase and peak at \$282M in 2031 up from the peak of \$253M in 2030 from last year's Annual Plan.
- 37. An increase of \$85M, representing a 12% increase on the last LTP, appears reasonable given current inflationary conditions and the proposed programme of work. This is supported by the revaluation of Water assets recently completed by WSP.

Graph 3: Council Debt

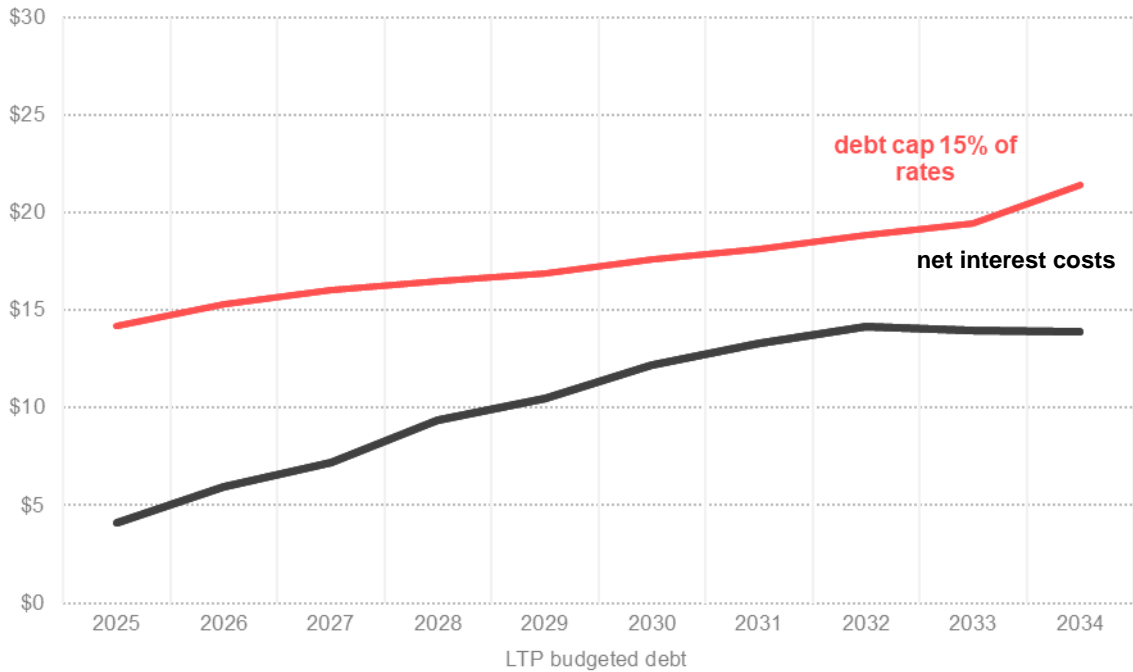
**Council debt, net of investments and cash - including and excluding Flaxbourne irrigation**



- 38. Despite this increasing debt Council comfortably meets its debt cap, as demonstrated below.

Graph 4: Debt Cap

**Council debt including Flaxbourne irrigation compared to the debt cap.**



39. Council also remains within the debt covenants set by LGFA as identified in the table below. Whilst liquidity is decreasing borrowing and cash investment strategies are in place to manage this.

Table 2: LGFA Financial Covenants

FINANCIAL COVENANTS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Net debt / total revenue <250%	69%	81%	95%	106%	112%	118%	128%	120%	116%	110%
Net interest / total revenue <20%	2%	3%	4%	5%	5%	6%	6%	6%	6%	6%
Net interest / annual rates income <30%	4%	6%	6%	8%	9%	10%	10%	11%	10%	10%
Liquidity > 110%	119%	116%	114%	113%	112%	112%	112%	113%	113%	114%

40. Over the period of the LTP total assets increase from \$2.25 Billion to \$3.14 Billion and Council's peak net debt represents less than 10% of total assets.

**Proposed Council Operating Expenditure**

41. The graph below shows the proposed 2024-25 Operating Expenditure levels for each activity and the amounts approved in the 2023-24 Annual Plan.

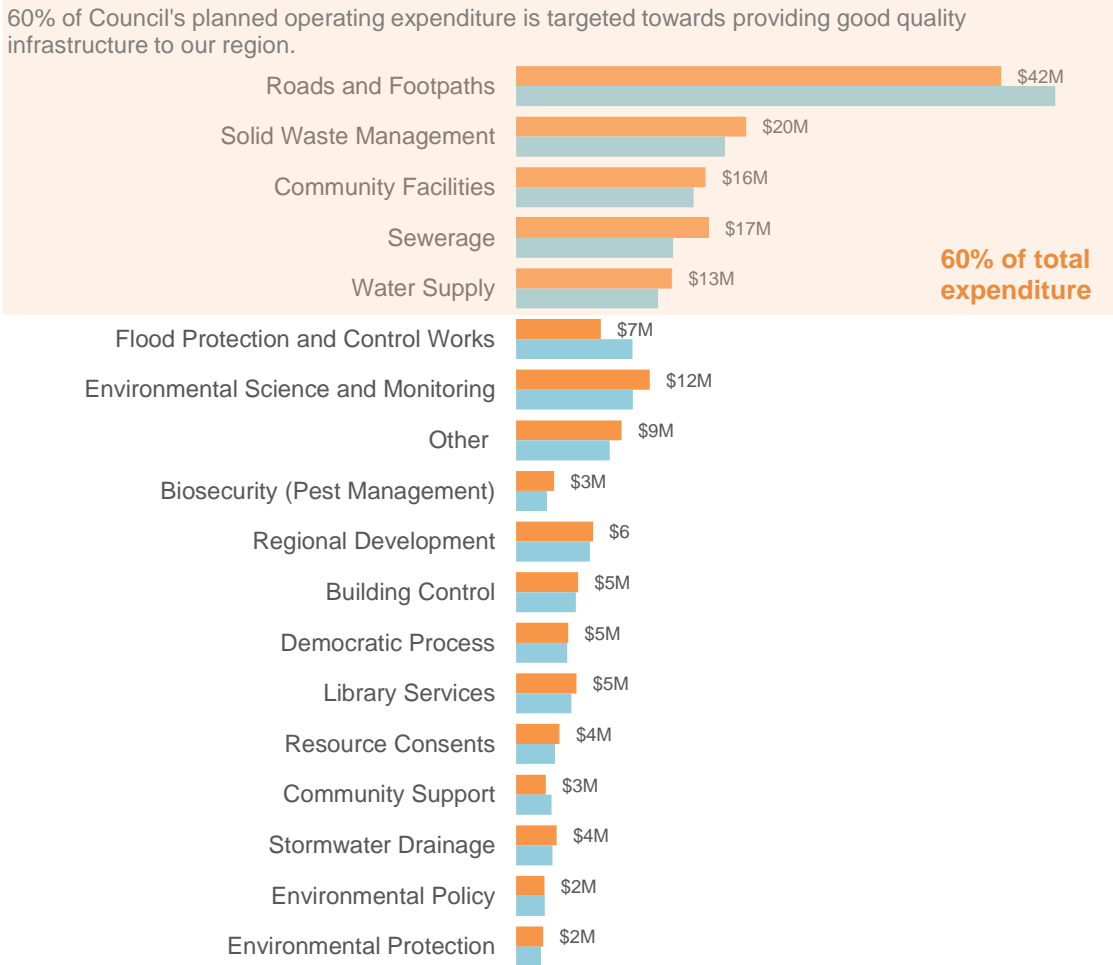
42. As can be seen the vast majority of expenditure is targeted towards providing good quality infrastructure and local public services.

43. The major movements between years, and plans, are described below:

- a) Roading is lower than prior year budget due to the effect of the Sounds Future Access study not being shown in the draft budget.
- b) Solid Waste management is higher than the prior year budget due to the effect of the new rubbish collection contract.
- c) Sewerage is higher than the prior year budget due increases in insurance, power and depreciation.

Graph 5: Operating Expenditure

**2024-25 Long Term Plan proposed operating expenditure by Activity compared to 2023-24 Annual Plan (in millions)**



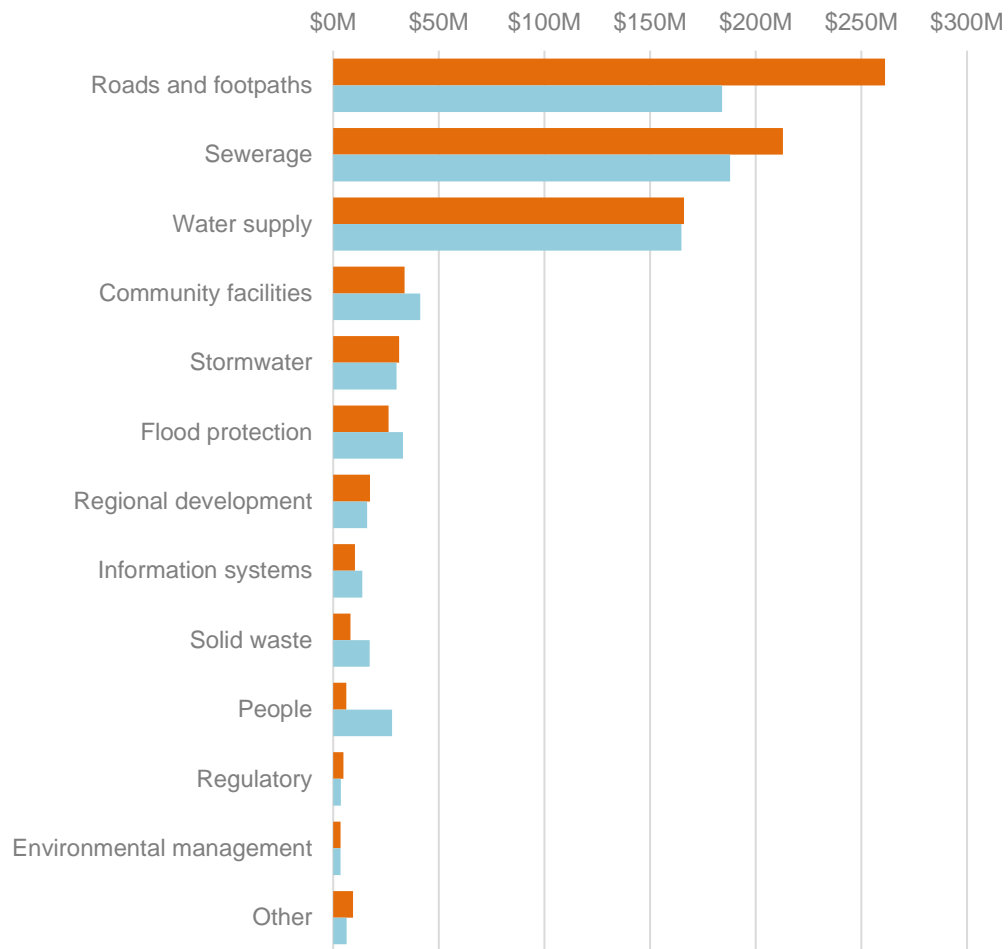
**Proposed Council Capital Expenditure**

- 44. The following graph shows the proposed 2024-25 Capital Expenditure levels for each activity and the amounts approved in the 2021-2031 LTP for 2024-25.
- 45. Again the vast majority of expenditure relates to core infrastructure and public services. Separate agenda papers (Agenda Papers 4.2, 4.3 and 4.11) provide more detail on the proposed Capital Expenditure programme.
- 46. Also included in the graph below is the total inflated level of planned capital expenditure over the entire period covered by the LTP compared to the amounts budgeted in the 2021-31 LTP. The total value of the programme in this LTP is \$85M higher than the previous LTP.

Graph 6: Capital Expenditure vs Previous LTP

**10 years 2024-34 LTP capital expenditure against 2021-31 LTP**

The 2024-34 AP budget is proposing an inflated capital expenditure budget of \$790M. This is \$85M higher than the \$705M capital budget approved in the 2021-31 LTP.



**The proposed 2024-2025 Increase in Rates and Charges**

47. The table below identifies the activities that have the greatest impact on the proposed increase in rates and charges and in summary the reasons why. It should also be noted that some of the increase results from the flow on effects of previous year’s decisions, particularly if in prior years expenditure was funded from reserves for a period of time but this year is fully rate funded Investment in infrastructure intensive activities such as sewerage, water and community facilities have a similar effect. These projects are now incurring a full year’s charge for depreciation, interest on loans and, for some, increased operating costs. Conversely, if budgeted Capital Expenditure has been deferred or delayed, then the corresponding depreciation and interest will not come to charge.
48. In addition to the already processed cost increases in the Draft Budget Council will consider replenishment of the Emergency Events Reserve as a paper and funding of Increased Depreciation from Three Waters Asset Revaluation, which will have a direct impact on Rates in future years if approved.
49. The total value of the rates increase from 2023-24 is \$11.7M, with the table below representing 96% of this increase.

General Rates and Charges:

General Revenues	4,500,000	Decrease in funds from the Covid Rates Relief reserve.
Roads and Footpaths	1,311,622	The majority of the increase is due to infrastructure costs.



Sewerage	1,228,780	The main increases are in insurance, power and depreciation costs due to high levels of capital expenditure in prior years.
Water Supply	876,019	The main increase is in depreciation costs due to high levels of capital expenditure in prior years.
Solid Waste Management	764,163	The majority of this increase is due to the increase in service with the roll out of the wheelie bins, which has been separately consulted on.
Flood Protection and Control Works	732,291	The additional loan costs due to high levels of capital expenditure in prior years.
Community Facilities	730,677	The main increases are in Repairs and Maintenance, Interest and depreciation costs due to increase in assets in prior years.
Resource Consents	482,028	Increased costs in personnel and corporate expenses, but no increases in fees shown in this budget.
Building Control	322,832	Decrease in building consent applications with a slight increase in overhead costs.

**Targeted Rates and Charges:**

Sewerage	1,228,780	The main increases are in insurance, power and depreciation costs due to high levels of capital expenditure in prior years.
Water Supply	876,019	The main increase is in depreciation costs due to high levels of capital expenditure in prior years.
Riverlands water supply	234,324	The main increases were treatment costs, backflow prevention costs and additional loan costs due to increase in assets in prior years.
<b>Total</b>	<b>11,182,738</b>	

**Additional Expenditure Requests**

50. A number of new initiatives with supporting papers are contained elsewhere in this Agenda. The table below shows the indicative impact on Rates should Council agree to proceed with the proposed initiatives. We will be keeping track of approvals throughout the budget meeting and will likely be in a position to provide an indication of the final position for rates by the end of, or shortly after, the meeting. NB, the indicative rates movement at the time will include the financial impact of any related staff positions, depreciation and debt servicing costs.

<b>Level of Service increases</b>	<b>Total \$</b>	<b>Indicative Rates Impact 2024-25</b>	<b>Comments</b>
Small Townships Programme	750,000	-	Prior years were rates funded so should be from rates in years 2029-2034.
Parks & Open Spaces – Capital Improvement Projects	4,221,500	95,997	Majority of items from Landsub, plus some Opex with the balance being debt funded from rates.
Resurface Riverside Park Boardwalk	452,500	-	From the Forestry and Land reserve in 2025/26.
Freedom Camping Monitoring	95,000	95,000	As this expenditure is ongoing it should be rates funded.
Public Convenience Capital renewal programme	1,480,000	11,595	Expenditure to be funded from Landsub and debt funded from rates.
Public Convenience operating expenditure	222,500	52,500	As this expenditure is ongoing it should be Rates funded expenditure.
Capital Expenditure Peninsula Road Stopbank Repair and Upgrade	8,700,000	20,766	Rates funding from loans, with the majority in future years.

Dam Safety Compliance	660,000	225,000	As this expenditure is ongoing it should be Rates funded expenditure.
Sediment Removal Taylor and Ōpaoa Rivers	800,000	150,000	All expenditure funded from rates.
Okiwi Bay remediation	-	-	No costs recommended.
Nautical & Coastal Activity	934,000	218,000	As this expenditure is ongoing it should be Rates funded expenditure.
Landslip Risk Assessment for the Marlborough Sounds	365,000	-	Funding from reassigned Better Off Funding.
Consumer spend data subscription	31,000	31,000	As this expenditure is ongoing it should be Rates funded expenditure.
Marlborough Research Centre Funding Review	(150,000)	(50,000)	Reduction in a rates funded grant. To be used to offset the Nautical & Coastal activity expenditure.
Marlborough Events Centre Funding	250,000	250,000	As this expenditure is ongoing it should be Rates funded expenditure.
Heritage Strategy and Funding	196,000	78,000	As this expenditure is ongoing it should be Rates funded expenditure.
Arts Strategy and Funding	200,000	50,000	As this expenditure is ongoing it should be Rates funded expenditure.
Marlborough Art Gallery Funding	55,000	55,000	As this expenditure is ongoing it should be Rates funded expenditure.
Council's District Administration Buildings - Detailed Seismic Assessment	80,000	-	From the Emergency Events Reserve.
Picton Truck Parking	382,438	(2,438)	Profit from parking 1/2 year
Remote Transfer Stations			For & Land Dev
Open Spaces Contract cost increase		249,000	As this expenditure is ongoing it should be Rates funded expenditure.
Stormwater - option G	2,700,000	139,136	All expenditure debt funded from rates.
<b>Total Additional Expenditure Requests</b>	<b>\$22,623,938</b>	<b>\$1,668,556</b>	1.89% average rates increase
<b>Fee Reviews – Rates Savings</b>			
Cemeteries		(134,000)	
Parking Fees		Nil	
Animal Control		(28,200)	
Dam safety regulations		TBC	
Building Control Fees		(159,876)	
Resource Consents		(89,432)	
Environmental Health		(23,215)	
Resource Consent Monitoring		(105,738)	
GIS Fees		(2,000)	
Land Information Memorandum Fees		(25,560)	
<b>Total Fee Reviews – Rates Savings</b>		<b>(\$568,021)</b>	0.64% average rates decrease

**Reserve Funds**

51. The forecast balances (\$000) of Council's discretionary Reserves are shown in the table below. Further detail on the allocations already approved from these Reserves are shown in Agenda Paper 4.9:

Table 3: Reserve Balances

<b>Discretionary Reserves</b>	<b>2024-25 \$M</b>	<b>2025-26 \$M</b>	<b>2026-27 \$M</b>	<b>2027-28 \$M</b>	<b>2028-29 \$M</b>	<b>2029-30 \$M</b>	<b>2030-31 \$M</b>	<b>2031-32 \$M</b>	<b>2032-33 \$M</b>	<b>2033-34 \$M</b>
<b>Forestry and Land Development</b>	2.66	2.73	2.08	1.82	1.58	1.33	1.08	2.27	4.02	4.22
<b>Infrastructure Upgrade</b>	15.66	14.84	13.74	12.00	9.88	8.60	7.42	7.22	7.98	8.76
<b>Emergency Events</b>	0.96	(0.20)	(0.61)	(1.39)	(1.68)	(2.77)	(4.32)	(7.09)	(9.19)	(10.60)
<b>Total</b>	<b>19.27</b>	<b>17.37</b>	<b>15.22</b>	<b>12.43</b>	<b>9.77</b>	<b>7.17</b>	<b>4.18</b>	<b>2.40</b>	<b>2.80</b>	<b>2.38</b>

Author	Geoff Blake, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

## 4.2 Water and Sewerage Capital Budgets

(Report prepared by S Donaldson/R Coningham)

F230-L24-03

### Purpose of report

1. To provide an overview of Water and Sewerage projects and capital budgets<sup>1</sup> over the 2024-34 LTP period.

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### RECOMMENDATION

**That the water and sewerage budget and programme for the 2024-34 period be received and the information be adopted as supporting information.**

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### Water

#### Awatere - Rural

2. The Awatere Water Supply provides water to rural properties and to the Seddon Water Treatment Plant (WTP). The Seddon WTP treats water that meets the requirements of the Drinking Water Standards for NZ (DWSNZ). Water supplied to rural customers is only treated with MIOX (chlorine) disinfection and does not meet the DWSNZ.
3. The water regulator (Taumata Arowai) has advised Council that it must have effective chlorine residual disinfection and a protozoa barrier for rural households by 31 December 2024. To have an effective chlorine disinfection residual would require treatment of the whole of the Awatere water supply.
4. A review is underway of treatment options that will provide rural households with water that complies with the DWSNZ. \$2.15M is budgeted in 2024-25 to provide treated water to rural households not served by the Seddon Water Treatment Plant. The budget is based on a small treatment plant at each rural household.
5. The Lions Back tanks are in poor condition. They were going to be replaced by a single steel or stainless steel reservoir, however the price received exceeded the estimate and budget. Options are again being scoped in an effort to find a suitable and affordable solution. There is \$1,270,000 budgeted in 2024-25.
6. A reservoir is planned for the Dashwood (north side of the Awatere River) and there is budget provision of \$170,000 in 2027-28 and \$455,000 in 2028-29. Winery redevelopments in this area have queried whether additional capacity could be added to the reservoir for their requirements. Any increase reservoir size for this would need to be funded by the winery developments.
7. Computer hydraulic modelling has been used to assess the performance of the reticulation. Pipelines that require upgrading to increase their capacity have been identified. Upgrades are prioritised and programmed.
8. There is a budget of \$1,086,414 for water mains over the period 2025-34.

#### Seddon

9. \$340,322 is budgeted in 2025-26 for water pipeline upgrades to service currently undeveloped urban zoned land in Seddon. The timing for the work will depend on when the land is developed.
10. In 2024/25 there is \$190,000 budgeted to reduce backwash volumes and reduce the discharge to the sewage treatment plant. It is important now that the sewage treatment plant is to be changed to land disposal, that the volume discharged to the ponds is reduced.

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<sup>1</sup> All capital budgets in this paper exclude overheads and inflation.

11. Seddon Water Treatment Plant was constructed with a single reservoir with provision of a prepared site and pipework for an additional reservoir of the same capacity. It is proposed to construct the second reservoir in 2032-33 with a budget of \$1,270,000. Summer peak demand will be monitored to confirm the timing of the second reservoir.

## **Blenheim**

### Reticulation Upgrades

12. Computer hydraulic modelling has been used to assess the reticulation. Pipelines that require upgrading to increase their capacity have been identified and budget has been made for \$3.433M over the period 2024-31.

### Pump Stations and Reservoirs

13. In 2028-29 there is budget of \$220,000 for the supply and installation of a standby generator for the secondary Blenheim water treatment plant at Middle Renwick Road. \$190,000 is budgeted in 2025-26 for upgrades to reservoirs. There is budget of \$2.32M in 2027-29 for replacement of the Wither Road booster pump station.

### Chlorination

14. Chlorination is required for Blenheim. The water regulator has given Council until 31 December 2024 to have residual chlorination throughout the reticulation. Obtaining land for chlorination and fluoridation is an issue for the Central Water Treatment Plant in Blenheim.
15. There is \$4,065,000 budgeted for chlorination and some other treatment improvements of the Blenheim supply in 2024-25.
16. The Chief Executive has proposed an additional project engineer be employed and their costs to be capitalised (refer Staffing Paper) to enable drinking water projects to be advanced.

### New Wells and Treatment

17. New wells to the north of Blenheim are proposed to increase the resilience and capacity of the supply.
18. \$4,630,000 is budgeted for new wells, investigations, land and design in the period 2024-32. Pipelines for the new wells are budgeted in 2030-32 for \$9.75M. A budget of \$7.5M is allocated to a distribution pump station and treatment plant in 2032-33.

### Universal Metering

19. Budget of \$17,375,000 is provided for universal metering in 2028-30.

## **Havelock**

### Water Treatment

20. Havelock does not have treatment for protozoa. The water regulator has advised Council that treatment for protozoa is required by 31 December 2025.
21. There is \$9.041M in 2024-26 for a water treatment plant and pipelines to provide compliant water.

### Reticulation Upgrades

22. There is budget of \$458,000 over the period 2025-32 for reticulation upgrades.

### New Source

23. Havelock's existing water source is a shallow aquifer near the Kaituna River. The groundwater has been affected by saltwater intrusion in dry summers, in particular in 2015 when restrictions on water use had to be imposed.
24. Reports have been received on the issue of salinity and potential alternative water sources. A new source in the high yielding Pelorus River catchment will be a significant cost, primarily because of the distance from the town to an abstraction point that is reliable and free from the risk of saltwater intrusion.
25. Budget is provided for in 2032-33 of \$12.545M for an additional source and treatment.

26. A new well has been drilled at Readers Road by the Kaituna River, 1750 metres further inland from the existing wells. This well has been shown to produce a good supply of water with less risk of saline intrusion. Resource consent has been granted to use this well in conjunction with the current supply wells.

## **Picton**

### Speeds Road Additional Wells and Treatment and Pipeline

27. New wells were drilled on land next to State Highway 1 with a view to improving resilience. The water quality of these new wells is in some important respects different from the current supply wells. These differences in water quality suggests some separation of water source which could be useful in case of an event that caused contamination of the existing supply wells, however the new wells by the state highway would require additional and relatively expensive treatment.
28. Council purchased the paddock opposite the Speeds Road Water Treatment Plant in December 2023. Wells will be drilled on this land and if sufficient water is available, it is proposed to use these wells to supply the existing water treatment plant. Wells on this new property will enable the required set back from livestock now required by the Ministry for the Environment, something that is not possible for the existing supply wells. Access to the new wells will also be improved for drilling rigs and cranes.
29. There is budget of \$1,500,000 in 2024-25 for new wells, pumps and pipelines, and some additional treatment.

### Universal Metering

30. Only commercial and industrial connections in Picton are currently metered. It is planned to meter all connections and there is budget of \$2,725,000 in 2027-28.
31. Metering has been shown to reduce consumption. Picton is at the limit of its existing two sources and a third source would be a substantial cost (likely > \$19.0M). Demand management using metering and using reclaimed water for non-potable uses is considered a better option than a third source. Treatment of sewage treatment plant effluent for reuse is discussed in paragraph 87 below.
32. Given recent water restrictions, Council may wish to bring this forward. The Renwick and Havelock metering project required significant staff resources. Given the larger scale of Picton and the state of water infrastructure records, additional staff resources will be needed to implement metering.
33. The Chief Executive has proposed an additional two staff be employed and their costs to be capitalised (refer Staffing Paper) to enable this project to be advanced.

### Pressure Management Zone

34. A pressure management zone is proposed for the lower parts of Waikawa. The zone will reduce usage and leakage. Budget is provided of \$503,303 in 2026-27. The Waikawa Pressure Management Zone is subject to resolving some difficulties maintaining sufficient pressure to several elevated properties.

### Essons Valley Raw Water Pipeline

35. There are two existing pipelines from Barnes Dam to Essons Valley water treatment plant, one cast iron, the other steel. The steel pipeline was installed for the supply of water to the Picton freezing works and has had to be taken out of service due to the increasing rate of failure. There is budget of \$1,200,000 in 2028-29 to re-line the cast iron pipeline. This investment will depend on whether the dam can continue to operate following the structural assessment as discussed in paragraph 37 below.

### Essons Water Treatment Plant Upgrade

36. The Essons Valley water treatment plant complies with the Drinking Water Standards, but there is an aesthetic issue with taste and odour. A significant upgrade would be required to resolve this which is not budgeted for at present. There is budget provision of \$160,000 for replacement of the filter media in 2025-26.

### Barnes Dam

37. Consultants are currently assessing the structural integrity of the dam. Budget provision has been made for \$280,000 in 2024-26. One possible outcome of the investigation is that the dam has to be decommissioned.

## Reservoirs

38. There is budget of \$850,000 in 2027-28 to replace a set of plastic tanks.

## New Source

39. There is a budget of \$19,300,000 in 2033-34 for a new source including pipelines and treatment. The new source could be put back several years depending on how successful the proposed demand management is (Refer to paragraph 31).
40. The preferred location of a third source is the Wairau Aquifer, however it may be difficult to obtain a resource consent. There is a possibility that highly treated effluent from the Blenheim Sewage Treatment Plant could in future be used for irrigation, thereby freeing up groundwater for Picton. Refer to paragraph 64.

## Renwick

### Water Pump Stations

41. There is budget of \$250,000 in 2024-25 for the completion of the upgrade to the Renwick water pump station.

### Reticulation Upgrades

42. Groundwater used to supply Renwick is of low alkalinity, and because of that the water corrodes the asbestos cement (AC) reticulation piping. As a result the AC pipelines are being replaced.
43. A contract was awarded in January 2024 for \$1.046M and a final contract is budgeted for \$880,000. Work replacing AC water pipelines is expected to be completed by October 2024.

## Riverlands

44. Riverlands Water Supply does not have treatment for protozoa or bacteria, nor does it have chlorine residual disinfection. The water regulator has advised Council that:
- a) treatment for bacteria and chlorine disinfection residual is required by 31 December 2024 and
  - b) treatment for protozoa is required by 31 December 2025
45. If the current wells supplying water to Riverlands were to be retained, relatively involved treatment would be required to reduce the concentration of manganese and to meet the Drinking Water Standards. The preferred option is an alternative source within the same freshwater management unit that is low in manganese. Low manganese simplifies treatment significantly.
46. New wells have been drilled further inland close to Blenheim. The pump testing of the two new wells shows they are suitable for supplying Riverlands.
47. Budget is provided for upgrading of \$15.8M in 2024-26 to bring the new wells in to operation with treatment meeting the drinking water standards.
48. In future it is proposed that the Blenheim and Riverlands Water Supplies are combined. There is an additional budget of \$1.188M in 2029-30.

## Wairau Valley

49. Properties on the south east side of the highway are using groundwater which is elevated in arsenic and allowance has been made in the budget for connecting these properties to the Wairau Valley Water Supply subject to consultation. The supply would be limited to household usage. Budget is provided in 2025-26 of \$412,205.

**Sewerage**

**Blenheim**

Sewage Treatment Plant

- 50. The current resource consent expires in 2025. Council is currently working with Mana Whenua Iwi on consultation to include in the options evaluation process for the consent application in 2025. Public consultation will also take place as part of the consent application process.
- 51. The current budgets are for modest upgrades to further improve the current discharge and to begin some application of effluent to land.
- 52. The following proposed budgets assume the BSTP remains on the current site for at least the next 30 years.
- 53. The BSTP is within a large area of land that is close to sea level and will be affected by sea level rise.

Sewage Treatment Plant – Industrial Upgrade (Riverlands)

- 54. There is continued growth in vineyards in Marlborough and increasing wine production at Riverlands is forecast.
- 55. There is a budget in 2026-27 of \$9M for sludge management and treatment capacity upgrades. This will take industrial sludge out of the ponds system and thereby reduce future pond desludging requirements.
- 56. The sum of \$450,000 is included in 2025-26 for upgrades.
- 57. Capital upgrade costs are recovered from users by tradewaste charges.

Sewage Treatment Plant – Domestic Upgrades

- 58. There is a budget of \$2,235,000 in 2028-29 for the construction of a large high flow buffer pond as part of the strategy to reduce overflows from the sewer network.
- 59. \$4,500,000 is budgeted in 2028-29 to desludge Domestic pond 2.

Sewage Treatment Plant – Land Application of Effluent

- 60. Land application of effluent on two properties in the vicinity of the BSTP has been budgeted as follows:

	2024-25	2025-26
Domestic	\$2,500,000	\$2,500,000
Industrial - Riverlands	\$1,075,000	\$1,075,000

- 61. Both property owner are keen to use effluent for irrigation.

Sewage Treatment Plant – Domestic and Industrial - Resource Consent Upgrading

- 62. The sewage treatment plant will require upgrading for the next resource consent. The details of the upgrade will not be known until options are reviewed, consultation completed, Council approval is given and a resource consent granted. Assumptions have been made for budgeting, however the range in potential costs is large.
- 63. Industry in Riverlands and other users of the scheme (domestic) share the cost. The following budgets are included:

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Domestic	\$490,000	\$840,000	\$840,000	\$21,125,000	\$125,000	\$125,000
Industrial - Riverlands	\$210,000	\$360,000	\$360,000	\$9,150,000	\$150,000	\$150,000



64. The \$30M budgeted for treatment in 2027-28 (paragraph 63 above) is an allowance for an upgrade for the next resource consent. It assumes a high standard of treatment so that the effluent can be safely used for irrigation and other non-potable uses.
65. There is \$5M budgeted in Blenheim sewer in 2026-28 for pipelines to deliver highly treated effluent for reuse.

#### Purkiss Street Reticulation and Pump Station

66. There is \$4,410,000 budgeted in 2024-26 for upgrading of the Purkiss Street north pump station and pipelines.

#### Reticulation – Sewer Relining

67. The Kaikoura Earthquake on 14 November 2016 caused damage to a significant portion of Blenheim's earthenware sewer mains. The sewers are being relined where practicable.
68. The final package of work is approximately 60% complete. 1025m out of 1685m of sewer mains and 79 of 118 service connections to the boundary (laterals) have been relined. The work is expected to be completed by 30 June 2024.

#### Main Terminal Pump Station – Alabama Road (MOPS)

69. This station pumps all of the sewage from Blenheim, Woodbourne, Renwick and Marlborough Ridge through a 5.1km long pipeline to the Blenheim Sewage Treatment Plant. The station is built in an area that is susceptible to liquefaction. Consideration was given to ground improvement and strengthening but that proved impractical. A new station will provide improved seismic and hydraulic performance.
70. \$260,000 is budgeted in 2024-25 for investigations and design. \$7,250,000 is budgeted in 2025-26 and \$7,250,000 in 2026-27 for construction.
71. Relining of the original MOPS to treatment plant pipeline is budgeted in 2024-26 for \$1,975,000. This is part of the plan to provide for growth and limit overflows.

#### Battys Road South Pump Station

72. If the population of Blenheim keeps growing, an additional large pump station will be needed in Battys Road. Council has already purchased the land and an interim small pump station is on the site.
73. There is budget of \$6,690,000 in 2028-29 but the timing is very much dependent on growth.
74. Budget has been provided in 2027-29 for \$6,830,000 for high flow storage as part of the strategy to reduce sewage overflows.

#### Other Works

75. \$1.45M is budgeted in 2026-30 for sewage pump station upgrades and reticulation.
76. Provision is made for sewerage in Burleigh in 2027-29 with a budget of \$2,464,000
77. There is \$300,000 budgeted in 2026-27 and in 2029-30 for increasing resilience of smaller sewage pump stations.

#### Havelock

78. A new sewage treatment plant is planned for Havelock. The new treatment plant will significantly improve the quality of the effluent discharged to the Kaituna River.
79. A detailed geotechnical study identified significant issues with the land around the existing ponds which means the site is unsuitable for further development.
80. The budget over 2024-27 for the new treatment plant at a new site and the construction of a new terminal pump station is \$19,710,000.
81. Budget provision of \$6,025,000 is provided in 2029-31 for a land treatment system. This system would be an add on to the new sewage treatment plant. Land treatment will have many challenges in this location.

**Picton**

Trunk Sewer

82. There is budget in 2028-29 of \$2,312,000 for an overflow storage tank.

Reticulation – Sewer Replacements

83. \$3,410,000 is budgeted over 2027-29 for sewers in Picton and Waikawa.

Reticulation – Sewer Relining

84. Earthenware sewers are in poor condition. Relining work is expected to be completed by end of February 2024 and will see 6585m of sewer mains and 187 service connections to the boundary (laterals) relined.

Treatment

85. Major maintenance work is planned for 2024-25. The expenditure for these works is being expensed.

86. Upgrade works are planned for the treatment plant and there is budget of \$650,000 in 2024-25.

87. A reclaimed water treatment plant is budgeted in 2028-29 for \$8,062,000. This system will treat effluent from the Picton Sewage Treatment Plant to a high standard for non-potable uses. This will take pressure off the water supply which is extended during summer.

88. There is \$2.15M budgeted for upgrades to the treatment process in 2029-30.

89. In 2030-31 there is \$6.7M budgeted for a second aeration basin. The timing of this project will depend on growth.

**Renwick**

90. There is budget of \$150,000 in 2024-25 for a standby generator and in 2029-30 there is \$1,600,000 for a high flow storage tank which will allow Renwick to grow beyond the original design area. Timing will depend on population growth.

**Seddon**

91. The Seddon sewage treatment plant requires major upgrading. The ultimate aim is to eliminate the discharge to Starborough Creek. A significant volume of winter storage and large area of land is required for land treatment.

92. The preferred option for the initial upgrade includes: storage, high level treatment, irrigation of the golf course and other sites adjacent to the highway.

93. Budgets have been provided for the upgrade as follows:

Year	2022-23	2023-24	2024-25
<b>Budget</b>	\$5,250,000	\$10,540,000	\$6,990,000

**Spring Creek**

94. A budget of \$80,000 is provided in 2024-25 for aerators on the existing ponds.

**St Andrews**

95. Part of St Andrews is now served by a grinder pump system. There is budget of \$900,000 in 2025-26 and \$152,000 in 2027-28 to complete the scheme.

Author	Stuart Donaldson, Planning & Development Engineer
Authoriser	Richard Coningham, Manager Assets & Services and Geoff Blake, Chief Financial Officer

## 4.3 Road and Footpaths Budget

(Report prepared by Steve Murrin/Richard Coningham)

F230-L24-03, R800-006-002-02

### Purpose of report

1. Roothing is Council's single biggest item of expenditure at around 20% of total expenditure. This paper gives an overview of that expenditure.

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### RECOMMENDATION

That the report be received.

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### Background

2. Roothing expenditure is broken down into three categories, Maintenance, Renewals and Capital expenditure (improvements).
3. Councils Roothing Programme is split into two categories subsidised and unsubsidised. Subsidised expenditure attracts a subsidy from NZTA. Currently subsidy for Council's standard rooding programme is set at 51%.

### Maintenance

4. The NZTA subsidised Roothing Programme is funded in a 3 year block and is referred to as the 2024-27 National Land Transport Programme (NLTP). The 2024-25 year is the first year of the new NLTP.
5. Following the Levels of Service workshops held in late 2023 a bid of \$76,374,243 has been submitted to the 2024/27 NLTP. Councils rooding budgets have been aligned to this bid. Table 1 (attached as Attachment 4.3) compares the 2020/24 NLTP to the 24/27 NLTP bid.
6. Council will not know if it has been successful with its bid until late April. Early indications from NZTA are that the Local Road Maintenance Allocation has been considerably oversubscribed by Council bids. This means the Government will need to provide additional funding or Maintenance programmes will need to be cut to meet budget.
7. Some Councillors may recall with the 2021/24 NLTP that Councils bid of around \$53m was cut by \$10m. However later in the year the government provided additional funding and an extra \$8m was added into the programme.
8. At this stage we can only assume that Councils bid will be approved. If changes do need to be made to the Roothing Programme this will need to be addressed later in the year.
9. The table below shows the significant items of budgeted maintenance expenditure for the 2024-25 financial year. Expenditure for subsequent years is similar with only inflation adjustments budgeted.
10. Subsidised Maintenance:
  - a) Sealed pavement maintenance - \$2,176,786;
  - b) Unsealed pavement maintenance - \$742,891;
  - c) Environmental maintenance - \$991,000;
  - d) Network services maintenance - \$1,170,320;
  - e) Footpath maintenance - \$541,655;
  - f) Network and Asset Management - \$2,065,997.
11. The total subsidised maintenance programme is \$9,695,410 for this year.

12. Sitting within the Roding budgets is an allocation of \$15,390,000 for Emergency Works. This allocation is \$13.9m to complete Stage 1 and 2 storm repairs, as well as \$2m for the Emergency Works Reserve to fund councils share of any Emergency Works that may happen through the year. Funding for repairs following the Marlborough Sounds Future Access Study is not included in this paper.
13. Major items of unsubsidised maintenance are:
  - a) Street cleaning - \$369,680;
  - b) Cycle Path Maintenance- \$100,000;
  - c) Jetties- \$60,000.

## Renewals

14. The significant subsidised renewals budgeted for 2024-25 are listed below. Again, only inflation adjustments are budgeted for subsequent years.
  - a) Unsealed road metalling - \$2,407,797
  - b) Sealed road resurfacing - \$5,827,360
  - c) Sealed pavement rehabilitation - \$1,958,880
  - d) Structural Component Replacements - \$448,848
  - e) Drainage renewals - \$1,697,325
  - f) Footpath renewals - \$580,783
  - g) Traffic services renewals - \$788,480
15. The total subsidised renewal programme for the year is \$14,275,993
16. The main unsubsidised renewals are:
  - a) Cycle Facilities-\$622,000
  - b) Seal extensions - \$320,000

## Capital Improvements

17. The only major roading capital improvements proposed in the long-term plan are bridges. There is \$1m budgeted in 2026-27 for design for the replacement of the High Street bridge and \$13m in 2028-30 for construction. There is also \$6.5m budgeted in 2030-31 for an additional crossing of the Taylor River in Blenheim.
18. Subsidised capital improvements are generally funded under the 'Low Cost, Low Risk' (LCLR) work category. This work category permits the funding of projects up to a total of \$2m without the need to go through the NZTA Business Case process.
19. In the past this work category was known as Minor Safety projects and the focus was on road safety improvements. However, with the reclassification of the Work Category all Roding Projects including Walking and Cycling Projects are eligible.
20. The LCLR budget is also a three-year programme to align with the 2024-27 NLTP.
21. The proposed budget for the current three-year programme is \$6,075,000.
22. Significant project budgets over the period are:
  - a) Speed Management Plan and Implementation- \$2,000,000
  - b) Kent St Revocation Works-\$800,000
  - c) Kent Street Footpath Improvements iReX - \$250,000
  - d) Various Seal Widening Projects - \$600,000
  - e) Elmslie Bay Jetty Replacement- \$1,000,000

- 23. Also funded within the roading budgets are small townships at \$625,000 per year and the 2024-25 Blenheim CBD (\$1m) and Picton CBD (\$900,000) budgets, as well as the Blenheim Northwest zone at \$92,532.

**Risks not Currently Budgeted**

- 24. The Blenheim Integrated Transport Study is currently underway. It is very likely this process will identify improvements required across the network. These improvements would need to be budgeted in future years.
- 25. The Waitaria Bay Jetty was damaged in the August 2022 storm. Marine infrastructure cannot be funded from Emergency Works. Council did have insurance cover on the jetty, but it is unlikely full replacement cost will be paid as the jetty was at end of life.
- 26. Peoples' expectations for improved Levels of Service, particularly on our Low Volume Access Roads are increasing. Pressure is coming from some communities to review these Levels of Service.

**Attachment**

Attachment 4.3 – Table 1: Comparison of the 2020/24 NLTP to the 2024/27 NLTP

Page 26

Author	Steve Murrin, Marlborough Roads Manager
Authoriser	Richard Coningham, Manager Assets & Services

## Attachment 4.3

**Table 1: Comparison of the 2020/24 NLTP to the 2024/27 NLTP**

Work Category	21/24 NLTP Budget	24/27 Provisional NLTP Budget	Difference	Reason for Change
OPEX				
Sealed Pavement Maint	\$4,161,497	\$6,761,586	\$2,600,089	Contract Rate reset
Unsealed Pavement Maint	\$1,980,192	\$2,307,675	\$327,483	
Drainage Maint	\$1,547,025	\$2,243,716	\$696,691	Changed from unsub K&C Cleaning
Structures Maint	\$1,070,479	\$1,181,683	\$111,204	
Environmental Maint	\$3,016,700	\$3,077,000	\$60,300	
Traffic Services Maint	\$3,410,478	\$3,635,277	\$224,799	
Operational Traffic Management	\$866,334	\$1,158,622	\$292,288	New legislative changes
Cycle Path Maint	\$194,780	\$214,891	\$20,111	
Footpath Maint	\$532,176	\$1,679,889	\$1,147,713	Changed from unsub CBD Cleaning
Level Crossings	\$123,762	\$136,559	\$12,797	
Minor Events	\$1,500,000	\$1,285,409	-\$214,591	Reduced budget to past need
Network & Asset Management	\$7,670,150	\$15,019,592	\$7,349,442	Previously 40% of cost budgetted in renewals. Includes MR fee , \$1m for Sounds studies
<b>Sub Total</b>	<b>\$26,073,573</b>	<b>\$38,701,899</b>	<b>\$12,628,326</b>	
CAPEX				
Sealed Road Resurfacing	\$12,623,724	\$14,764,713	\$2,140,989	
Unsealed Road Metalling	\$4,006,794	\$6,052,763	\$2,045,969	Increase in LOS
Drainage Renewals	\$2,016,764	\$4,266,766	\$2,250,002	Increase in LOS
Pavement Rehab	\$4,146,027	\$4,924,268	\$778,241	
Structures Component Replacement	\$1,021,036	\$1,126,662	\$105,626	
Bridge Renewals	\$1,547,025	\$2,880,677	\$1,333,652	Budget to match need
Environmental Renewals	\$0	\$80,000	\$80,000	
Traffic Services Renewals	\$804,453	\$1,982,095	\$1,177,642	Need to replace siesmic risk concrete poles
Footpath Renewals	\$1,321,159	\$1,457,834	\$136,675	
Cycle Path Renewals.	\$123,762	\$136,566	\$12,804	
<b>Sub Total</b>	<b>\$27,610,744</b>	<b>\$37,672,344</b>	<b>\$10,061,600</b>	
<b>Low Cost Low Risk Projects</b>	<b>\$1,189,525</b>	<b>\$6,075,000</b>	<b>\$4,885,475</b>	Includes \$1.5m per year for Sounds Improvements
<b>Total 3 year Cost</b>	<b>\$54,873,842</b>	<b>\$82,449,243</b>	<b>\$27,575,401</b>	

## 4.4 Marlborough Sounds Future Access Works Programme

(Report prepared by Mark Wheeler)

E210-007-29-05

### Purpose of Report

1. To provide a recap on the Programme Business Case (PBC) for the Marlborough Sounds Future Access Study (MSFAS), and an outline of the process which will be used to finalise a detailed works programme for implementation of the MSFAS.
2. To seek Council approval to include the recommended conceptual works programme and financial assistance rate assumptions from the PBC in the Long Term Plan (LTP) budgets, which will then be subject to consultation through the LTP process.
3. To support the recommended conceptual works programme and financial assistance rate assumptions as the basis for the Sounds roading access project (including the preferred option), which will then be the subject of consultation through the LTP process (refer Martin Fletcher's item which follows this, refer item 4.5 below).

### Executive Summary

4. Council embarked on the MSFAS to support the case for funding safe and resilient long-term access solutions for the Sounds transport network, following the major storm events of 2021 and 2022. The purpose of the PBC was to identify the combination of activities (network repairs, replacement and improvements, etc) that represent the best-value-for-money response to the case for change.
5. The PBC development process took place over the course of approximately ten months, starting in November 2022. The process included several key steps as follows:
  - a) Investment Logic Mapping
  - b) Community engagement
  - c) Iwi engagement
  - d) Technical assessments
  - e) Economic case
  - f) Emerging preferred options and hazard adaptation pathways
  - g) Further community engagement
  - h) Development of commercial and management cases
6. The draft PBC was reviewed by an independent expert engaged by Council, who considered that the PBC was fit for purpose.
7. Council endorsed the PBC and submitted it to Waka Kotahi for consideration in October 2023. The PBC was reviewed in detail by Waka Kotahi's investment team and a senior management group before being presented to their Board in December 2023.  
 Council was advised by Waka Kotahi staff on 14 December 2023 that the PBC had been endorsed in full, and that applications for final funding could be submitted subject to more detailed design work, site investigations, option optimisation and a decision of Council to proceed and provide its share of funding through the LTP process.  
 The endorsement of the PBC by Waka Kotahi is what has led to this report, and the following report on rating options, being prepared. In order to secure Waka Kotahi's funding contribution, and seek to achieve the benefits of the wider works programme (subject to further detailed design), the Council needs to advance its own funding options and decision-making in order to make up the balance of the total costs required.
8. Final funding decisions will be able to be made by each of the respective funders following the culmination of the 2024-34 LTP process, and more detailed design and site investigation work. It is anticipated that this will be from June/July 2024 onwards.

9. Budgets will be reviewed annually as part of Annual Plan processes. Budget changes may initiate amendments to Sounds roading access cost allocation, depending on the final funding option / system adopted.
- 

## **RECOMMENDATIONS**

That Council:

1. **Reconfirms the findings of the PBC now endorsed by Waka Kotahi.**
  2. **Approves the PBC recommended conceptual works programme, with the addition of annual inflation estimates provided by BERL, for inclusion in the Long Term Plan budget to be consulted on during the 2024 to 2034 Long Term Plan process.**
  3. **Supports the PBC recommended conceptual works programme and financial assistance rate assumptions as the basis for the Sounds Roding Access proposal to be consulted on as part of the Long Term Plan process.**
- 

## **Background/Context**






10. Severe weather events in 2021 and again in 2022 closed roads in the Sounds leaving people with limited or no access for prolonged periods, and in some cases with no feasible, safe, long-term alternative access. Whilst road access to residents has been reinstated, the Sounds roads remain fragile in places.
11. Council embarked on the MSFAS to support the case for funding safe and resilient long-term access solutions for the Sounds, both for itself and to obtain funding assistance from Waka Kotahi and other funders. Consulting, engineering and construction company Stantec led the development of the MSFAS. The Waka Kotahi business case process guides the study, and advised Council that a Programme Business Case should be developed.
12. Council established a Governance Advisory Group in December 2022 made up of Council staff and councillors, iwi partners and representatives of relevant government agencies including Dept of Internal Affairs, Waka Kotahi, Ministry of Social Development, Dept of Conservation, National Emergency Management Agency. This group has met four times to date. The Governance Advisory Group helps to oversee the progress of the project, to provide comment on the various options identified, and to ensure that the wider government has been kept apprised of the development of the Programme Business Case so all of government support can be considered.

## **Programme Business Case**

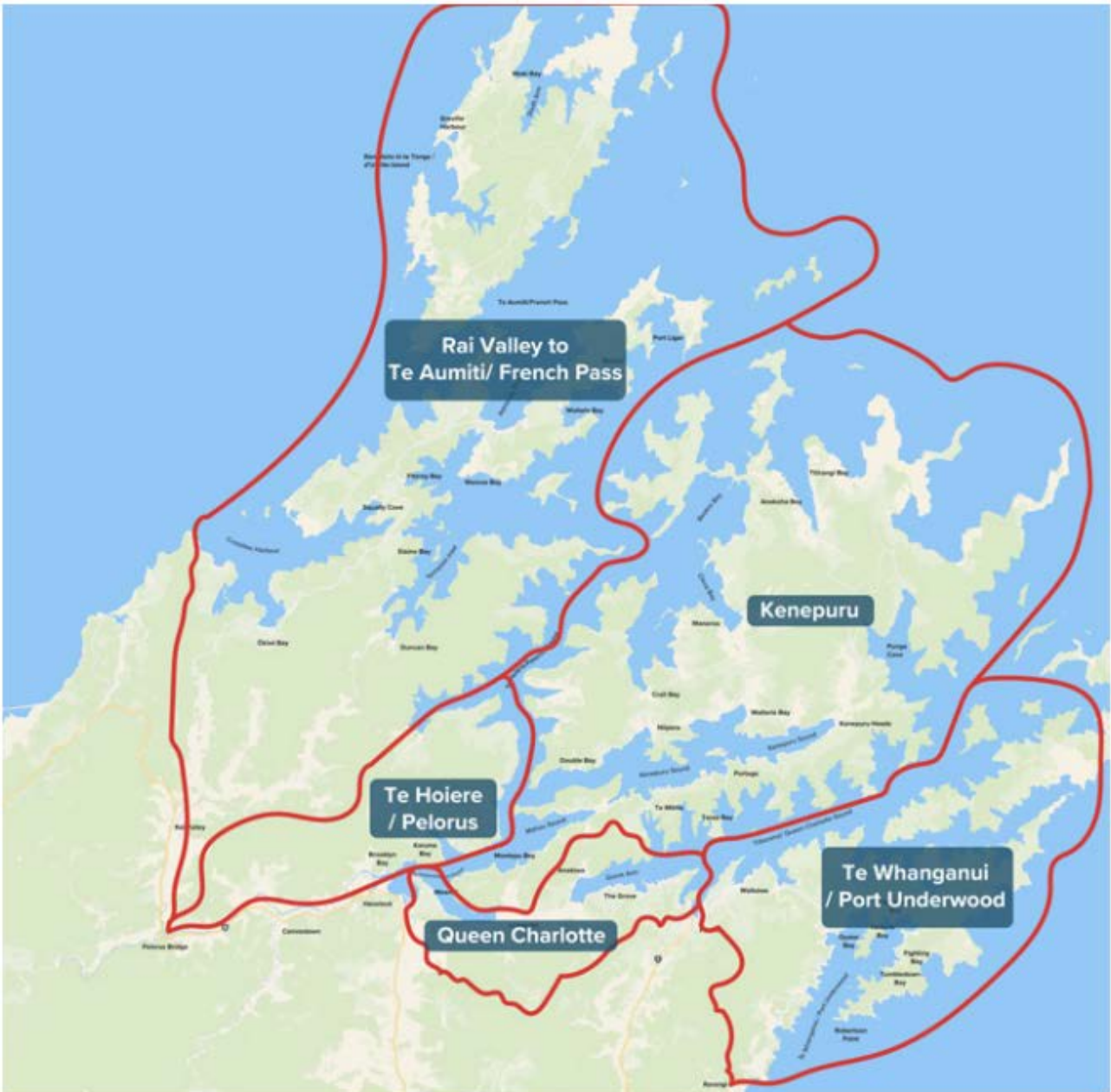
13. The purpose of a programme business case (PBC) is to identify the combination of activities that represents the best-value-for-money response to the case for change identified in the strategic case. A robust PBC provides Waka Kotahi, Council and all stakeholders with assurance that:
  - an appropriately broad range of options are being considered at a system level.
  - the proposed programme, developed in light of the options available, represents the best whole-of-life, value-for-money approach (allowing for any trade-offs across different outcomes and risk).
  - relevant legislative requirements to consider alternatives and options have been met.
  - opportunities for innovation have been adequately explored.



14. The PBC needs to follow the key Business Case Approach (BCA) principles, developed by Waka Kotahi, of investing for benefits, fit-for-purpose effort, clarity of intent, progressive development and informed discussion. The Waka Kotahi BCA is based on New Zealand Treasury’s Better Business Cases (BBC) methodology, which is a five-case model. The table shows the focus of the five cases in a PBC phase.

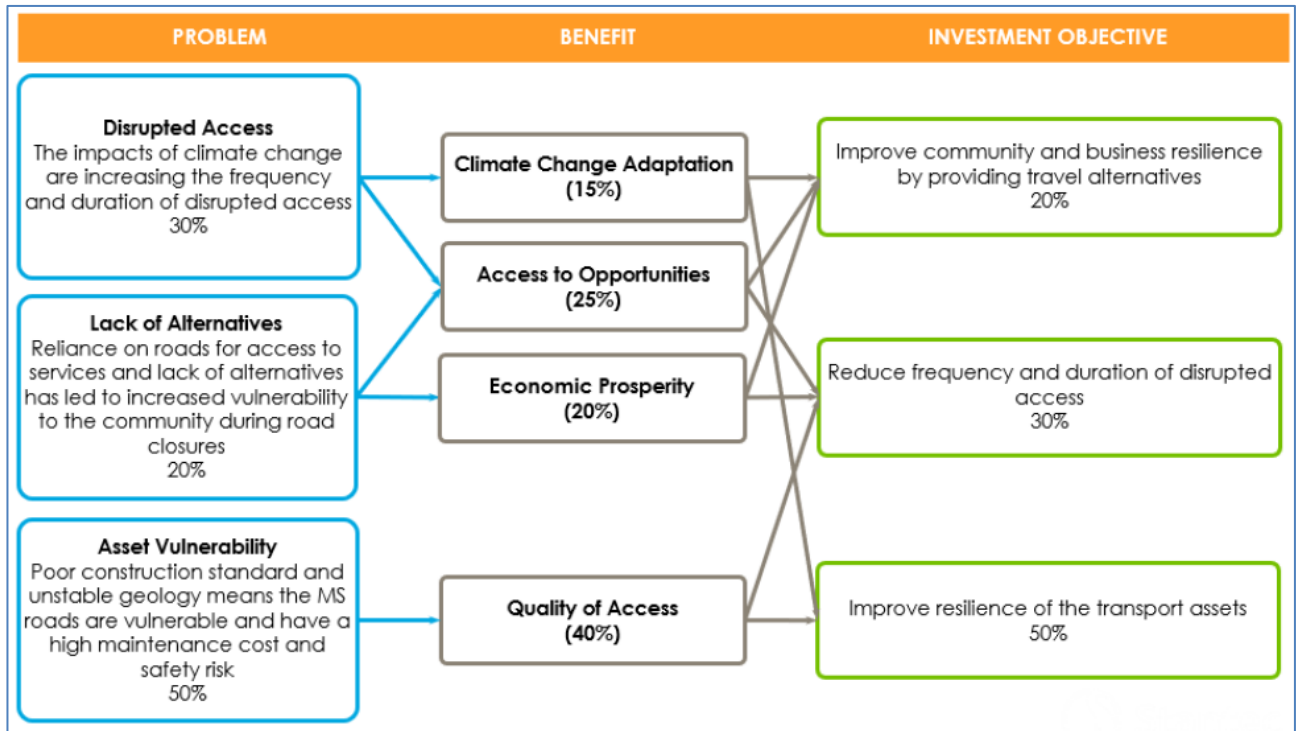
Strategic case What is the compelling case for change?	Economic case Does the preferred option optimise value for money?	Commercial case Is the proposed deal commercially viable?	Financial case Is the investment proposal affordable?	Management case How can the proposal be delivered successfully?
				
Develop (or refine)	Develop	High-level only – completed in activity-level business case	High-level only – completed in activity-level business case	High-level only – completed in activity-level business case

15. Other business case processes may be required prior to implementation of the works. Council’s Significance and Engagement Policy and s.97 Local Government Act will need to be considered should these Business Case processes identify work programmes or projects within those which require budget increases or significant changes to the levels of service proposed in the PBC.
16. The MSFAS identifies five geographical areas, recognising their own distinct access issues.
- 16.1 **Rai Valley to Te Aumiti / French Pass.** Ronga Road (Rai Valley), Tennyson Inlet, Croisilles-French Pass Road, Te Towaka-Port Ligar Road, Bulwer Road, including Rangitoto ki te Tonga / d’Urville Island and surrounding areas.
  - 16.2 **Te Hoiere / Pelorus.** Kaiuma Bay Road including Daltons Road / Track and Te Hoiere Road and surrounding areas – Linked to Te Hoiere/Pelorus Catchment linking back to Te Hoiere/Pelorus River.
  - 16.3 **Kenepuru.** including Kenepuru Road and the Outer Sounds.
  - 16.4 **Queen Charlotte Drive** including Anakiwa Road (Havelock to Picton).
  - 16.5 **Te Whanganui / Port Underwood.** Te Whanganui / Port Underwood and Tumbledown Bay roads (to Rārangi campground).



### Development of the MSFAS PBC

17. The PBC development process took place over the course of approximately ten months starting in November 2022. The process included several key steps as follows:
  - a. **Investment Logic Mapping** – this process took place at the outset of the project to define and agree the problems that the case was seeking to solve, and the causes and effects of them. Benefits from finding solutions and investment objectives were then derived.



- b. **Community engagement** – a key component of the PBC was gathering detailed information from the Sounds community in the study area about:
- i. where they live,
  - ii. the businesses they operate,
  - iii. how and why they use the road network in the Sounds, and
  - iv. the impact of the storms on their lives, properties etc.

Several community meetings were held in January 2023, and a survey received over 900 replies with a number of further written responses received. This helped build a picture of the way in which Sounds communities were impacted, to inform PBC development.

- c. **Iwi engagement** – iwi have been involved during the development of the PBC via the project Governance Advisory Group, direct discussions with some iwi GM's, and an iwi hui in March. Further discussions are taking place and will continue beyond the completion of the PBC, as part of the consultation process required through the LTP process, and then as the project moves into implementation (if it is confirmed).
- d. **Technical assessments** – a detailed analysis of the geotechnical conditions of the Sounds and its susceptibility to trigger events such as weather or earthquakes was undertaken alongside the condition of the roading networks following the storms. Climate Change impacts were part of that assessment.
- e. **Options identification and evaluation** – a detailed process was undertaken to develop the potential programmes of response using a range of data sources, including estimated costs for implementation. Six options for each of the five areas were developed: do minimum, road focus, road access, balanced, marine access and marine focus. A multi-criteria analysis of the options, with a sensitivity test and benefit cost ratio was completed.
- f. **Emerging preferred programme and hazard adaptation pathways** – an emerging preferred programme and hazard adaptation pathway for each of the areas was selected and the cost was then estimated. Nett Present Value calculations (NPV) with sensitivity analysis and benefits assessment were undertaken and tested against the investment objectives.

	Road Focus	Road Access	Balanced	Marine Access	Marine Focus
Rai Valley to Te Aumiti/French Pass		●		▲	
Te Hoiere/Pelorus	●			▲	
Queen Charlotte	●			▲	
Kenepuru			●		▲
Te Whanganui/Port Underwood		●		▲	

● Emerging preferred    ▲ Adaptation pathway

- g. **Further community engagement** – a ‘roadshow’ was undertaken in June 2023 to explain the developed options, the emerging preferred programme and the hazard adaptation pathways. Meetings were held across the Sounds and in Nelson, Blenheim, Picton and online. A survey seeking community input on the options and the potential rating impacts was developed. This attracted over 1,700 responses and 42 written responses.
- h. **Commercial and management cases** – the commercial case outlines the procurement strategy and possible repairs delivery model, and the management case provides an outline programme plan and risk management.
- i. **Updated cost estimates** – further work was undertaken on the estimated cost of the conceptual works programme options. This included changed contingencies and some adjustments to the proposed works to take into account community feedback on the proposed programme received in the June/July consultation. The estimated costs, including contingencies increased from \$160m to \$237m. Some minor changes have subsequently reduced this to \$234.75m which was endorsed by Waka Kotahi through the PBC process.

	P50 estimate summary (includes contingencies)			
	Repairs	Road improvements	Marine improvements	Total
<b>Sounds wide studies</b>	-	\$3,000,000	\$6,750,000	\$9,750,000
<b>French Pass</b>	\$26,000,000	\$15,000,000	\$9,000,000	\$50,000,000
<b>Pelorus</b>	\$2,000,000	\$4,000,000	-	\$6,000,000
<b>Queen Charlotte</b>	\$14,000,000	\$6,000,000	\$6,000,000	\$26,000,000
<b>Kenepuru</b>	\$94,000,000	\$12,000,000	\$18,000,000	\$124,000,000
<b>Port Underwood</b>	\$11,000,000	\$8,000,000	-	\$19,000,000
<b>Total</b>	<b>\$147,000,000</b>	<b>\$48,000,000</b>	<b>\$39,750,000</b>	<b>\$234,750,000</b>

- j. **Peer review** – the draft PBC has been peer reviewed by an independent expert engaged by Council. The peer reviewer provided the following overview:
  - *The documentation provided to date provides a strong strategic case, with clarity around the cause and effect of the problems related to the area.*
  - *The optioning process that has been undertaken is robust, with a clear process of filtering from a long list to the identified preferred option in the different components and also a process that has allowed revisiting of options when new information and consultation feedback has been received.*
  - *The business case provides a strong case for the preferred option, providing benefits sought from the projects investment objectives and sets out a clear long term programme of works to enhance the resilience of the wider transport system given the increasing vulnerability of the system.*
  - *Based on the above review it is considered that the PBC is fit for purpose.*

18. Council staff and Stantec have worked closely with Waka Kotahi throughout the process to date to ensure alignment with the relevant standards for a PBC. Waka Kotahi have undertaken an internal quality assurance process and identified no issues before submission was made to their Board who endorsed the PBC without change.

### **Option One (Recommended Option)**

19. That Council reconfirms the PBC for the MSFAS and approves the inclusion of the conceptual works programme financial assistance rate assumptions and budgets, with the addition of inflation, in the Long Term Plan consultation document.

#### *Advantages*

20. To enable Council to develop and consult with the community through the Long Term Plan process on options to provide for Council's financial contribution.
21. To implement the Special Consultative Procedure (SCP) for the Long Term Plan process in accordance with Part 6 of the Local Government Act 2002 (LGA) ensuring that the entirety of Marlborough's communities views are able to be expressed, and genuinely considered in relation to Council's financial contribution and development of Rating options.
22. The PBC is also useful to assist Council to make a case for funding from other sources as it outlines the impact and benefits of investment in restoring access to Sounds communities.

#### *Disadvantages*

23. The costs of funding the works programme.

### **Option Two – Status Quo**

24. This option would involve Council not approving or funding the PBC works programme.

#### *Advantages*

25. Council would avoid incurring approximately \$100M of debt.

#### *Disadvantages*

If the project did not proceed:

26. The economic and social benefits identified in the business case would not be realised;
27. The improved resilience that would result from the conceptual works programme would not occur, leading to an acceleration of future deterioration in the road network and further economic and social disbenefit; and
28. Council would not have access to in excess of \$125M of Waka Kotahi funding for the works programme.

### **Next steps**

29. If the recommendations are approved, Council will consult with its community on the preferred conceptual works programme, the assumed Levels of Service and proposed funding options (via rates), through the LTP process.
30. This is required because the Council's Significance and Engagement Policy 2021 identifies "The local roading network as a whole" as one of the Council's strategic assets. Any decision to significantly alter the intended level of service provision for any significant activity, can only be made if the decision is "explicitly provided for" in Council's LTP. As the proposals will be consulted on through the LTP process, the SCP provided under section 83 of the LGA must be used. As all Marlborough ratepayers will be asked to contribute to the Council's funding contribution for the works programme (to varying degrees, based on the different options developed by Council officers), engagement will be with the whole Marlborough community.
31. If these recommendations are approved by Council, the proposed decisions (i.e. the conceptual works programme and funding option) will be outlined in a consultation document for the LTP that complies

with the requirements of sections 93B, 93C and 93E of the LGA. While the Council can (and should) consult on the range of options for the achievement of the relevant objective, the consultation document must identify a “proposal” for the purpose of consultation i.e. a preferred option.

32. Final funding decisions will be made by each of the respective funders following the culmination of the LTP process, including public consultation. It is anticipated that this will be from June/July 2024 onwards.

### **Separate Attachment**

Separate Attachment – Programme Business Case (report is available on Council's website via the following link:

[https://www.marlborough.govt.nz/repository/libraries/id:2ifzri1o01cxbymxkwz/hierarchy/documents/services/roads-and-transport/msfas-background-list/Marlborough\\_Sounds\\_Future\\_Access\\_PBC\\_v4\\_Final.pdf](https://www.marlborough.govt.nz/repository/libraries/id:2ifzri1o01cxbymxkwz/hierarchy/documents/services/roads-and-transport/msfas-background-list/Marlborough_Sounds_Future_Access_PBC_v4_Final.pdf)

Author	Mark Wheeler, Chief Executive and Neil Henry, Manager, Strategic Planning and Economic Development
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<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
This implementation of the PBC would have wide ranging impacts on Council, some services and the community. The restoration of more resilient, higher standard access would be a positive change for the community compared to the current situation but would require significant financial contribution from Marlborough ratepayers.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water. Iwi/Māori have been involved in the development of the PBC and will continue to be involved beyond the completion towards implementation.			
<b>Financial considerations</b>			
This matter will be subject to future a Special Consultative Procedure as part of the 2024-34 Long Term Plan.			
<b>Significance</b>			
Council will be required to undertake a Special Consultative Procedure (either standalone or as part of 2024-34 Long Term Plan) because decisions on Levels of Service and Rating, in relation to a strategic asset, will be significant and potentially engage section 97 of the LGA.			
<b>Engagement</b>			
Significant initial engagement has taken place already as part of the development of the PBC, including two rounds of public meetings with over 1,000 attendees in total, two surveys with a combined response of 2,600, and a detailed communication plan. Further formal engagement will be undertaken through the LTP process, and use of the Special Consultative Procedure.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
Further, more detailed site investigation, design work and option optimisation and procurement will be required before all funding can be finalised. However, the PBC includes significant engineering input, peer review and cost contingencies.			

## 4.5 Marlborough Sounds Roding Funding Recovery

(Report prepared by Martin Fletcher)

E210-007-29-05

### Purpose of report

1. To outline and seek approval to consult on funding options for the Council's contribution to the estimated costs of the recovery works for the Marlborough Sounds transport network.

### Summary

2. As a result of two major weather events that occurred in July 2021 and August 2022, there was extensive damage to the Sounds roding network, and a need for significant repairs and improvements, generating a consequential funding need.
3. While a large portion of the circa \$140M Tranche one and two funding approved by Waka Kotahi at a 95% Financial Assistance Rate has been applied to necessary Sounds repairs, there is a need for further recovery works and for additional Council funding.
4. The uninflated estimated total cost of the remaining repair and improvement works are identified in the Programme Business Case (PBC) for the Marlborough Sounds Future Access Study (MSFAS) at \$234M over a 25-year period, with the majority of costs planned for the 2024-34 period. Waka Kotahi have agreed in principle to fund 71% of repair costs, 51% of improvements and at present 0% of maritime expenditure.
5. The challenge for Council is to develop an appropriate funding mechanism for its share of the cost (which amounts to approximately \$106M). **NB.** Council will not have access to Waka Kotahi's funding contribution unless it contributes the balance of the funding.
6. The approach contained in this paper firstly looks at the costs involved, a set of principles for determining which Zone a property belongs in, and then the potential benefit for properties within each Zone, Sounds Admin Rural and Non-Sounds.
7. Also examined are the rating implications for each of the identified funding options.
8. Of the options outlined in this paper, officers consider that option "5" provides the best balance between the benefits and who pays, and it is recommended that the Council consult with option "5" as its preferred option.

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## RECOMMENDATIONS

### That Council:

1. **Agree to consult on the five options contained in this paper, including the do minimum option and four funding options as part of the Long Term Plan consultation process; and**
2. **Agree that option "5" is the Council's preferred option, for the purpose of LTP consultation.**

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## Background

9. This paper outlines the steps used to develop options to fund the Sounds Roads Recovery costs.
10. Essentially a three-step process has been followed, as outlined under the following three headings.
  1. Determining the costs to be recovered;
  2. Determining the areas over which costs will be recovered; and
  3. Developing different rating options.



## Determining the costs to be recovered

11. Council has relied on the cost estimates provided by Stantec (as peer reviewed by Bond Construction Management) as part of the preparation of the draft business case for Waka Kotahi. This PBC was endorsed by the Waka Kotahi Board on 12 December 2023.
12. Council has also relied on the business cases:
- categorisation of expenditure between repairs, improvements, marine and strategy studies, noting that strategy studies are subsequently allocated to Zones based on their expected expenditure levels.
  - cost estimates in \$M for the work required in the five Zones identified in the business case (note, in \$M), i.e.:
    - Te Aumiti/French Pass
    - Te Hoire/Pelorus
    - Tōtaranui/Queen Charlotte
    - Kenepuru
    - Te Whanganui/Port Underwood

**NB,** The cost of Sounds Wide Studies have been allocated to the Stantec Zone costs in proportion to the amounts proposed to be spent in each Zone on Road Improvements and Marine Improvements.

Allocation of Sounds wide study costs to Zones based on projected expenditure	Road Repairs	Road Improv	Alloc of Study	Total Imp	Marine Improv	Alloc of Study	Total Imp	Total Roads & Marine	Total
<b>Sounds Wide Studies</b>		3.00	-3.00		6.75	-6.75		0.00	0.00
<b>Te Aumiti/French Pass</b>	26.00	15.00	1.00	16.00	9.00	1.84	10.84	26.84	52.84
<b>Te Hoire/Pelorus</b>	2.00	4.00	0.27	4.27		0.00	0.00	4.27	6.27
<b>Tōtaranui/Queen Charlotte</b>	14.00	6.00	0.40	6.40	6.00	1.23	7.23	13.63	27.63
<b>Kenepuru</b>	94.00	12.00	0.80	12.80	18.00	3.68	21.68	34.48	128.48
<b>Te Whanganui/Port Underwood</b>	11.00	8.00	0.53	8.53		0.00	0.00	8.53	19.53
<b>Total</b>	<b>147.00</b>	<b>48.00</b>	<b>0.00</b>	<b>48.00</b>	<b>39.75</b>	<b>0.00</b>	<b>39.75</b>	<b>87.75</b>	<b>234.75</b>

- estimated timing of each type of work. Please see table below:

June	Studies	Road Repairs	Road Improvements	Marine Improvements	Total Cost
2024	-	5,000,000	-	-	5,000,000
2025	3,000,000	47,137,000	696,000	-	50,833,000
2026	3,000,000	47,137,000	696,000	-	50,833,000
2027	3,000,000	47,137,000	696,000	-	50,833,000
2028	750,000	-	696,000	2,700,000	4,146,000
2029	-	-	2,785,000	2,700,000	5,485,000
2030	-	-	2,785,000	345,000	3,130,000
2031	-	-	2,785,000	345,000	3,130,000
2032	-	-	2,785,000	345,000	3,130,000
2033	-	-	2,785,000	345,000	3,130,000
2034	-	-	2,785,000	345,000	3,130,000
2035	-	-	2,785,000	2,574,000	5,359,000
2036	-	-	2,785,000	2,574,000	5,359,000
2037	-	-	2,785,000	2,574,000	5,359,000
2038	-	-	2,785,000	2,574,000	5,359,000
2039	-	-	2,785,000	2,574,000	5,359,000
2040	-	-	2,785,000	1,500,000	4,285,000
2041	-	-	2,785,000	1,500,000	4,285,000
2042	-	-	2,785,000	1,500,000	4,285,000
2043	-	-	2,785,000	1,500,000	4,285,000
2044	-	-	-	1,500,000	1,500,000
2045	-	-	-	1,500,000	1,500,000
2046	-	-	-	1,500,000	1,500,000
2047	-	-	-	1,500,000	1,500,000
2048	-	-	-	1,500,000	1,500,000
2049	-	-	-	-	-
<b>Total</b>	<b>9,750,000</b>	<b>146,411,000</b>	<b>44,559,000</b>	<b>33,495,000</b>	<b>234,215,000</b>

#### Summary Table

	Council	Waka Kotahi	Total
Studies	8,218,000	1,532,000	9,750,000
Road Repairs	42,460,000	103,951,000	146,411,000
Road Improvements	21,836,000	22,720,000	44,559,000
Marine Improvements	33,495,000	-	33,495,000
	<b>106,009,000</b>	<b>128,203,000</b>	<b>234,215,000</b>

**NB**, the funding options contained in this paper and the associated rating impact cover the 10 years of the 2024-34 Long Term Plan or \$182.78M of the \$234.215M contained in the above schedule. As a result, post 20234 further rates increases will occur, but as can be seen from the above table, will be smaller as the annual value of work drops significantly compared to the programme to June 2027.

13. In addition:

- It has been assumed:
  - that the cost of future years' work will face inflation as forecast by BERL as part of the standard inflation forecasts it supplied in October 2023. The BERL forecasts are used by virtually all local authorities to prepare the 10-year financial forecasts contained in their Long Term Plan documents.
  - Waka Kotahi will provide Financial Assistance at the rate of 71% for repairs, 51% for improvements and no financial assistance for Marine.

- No allowance has been made for growth in property numbers or possible valuation changes resulting from triennial revaluation. Any increase in property numbers should reduce the rates and or charges calculated in this paper.
- All financial modelling has been on the basis that Council will debt fund its share of the cost, with repayment over 20 years at an assumed interest rate of 5.5%. (NB the assumed interest rate will be reviewed annually as is normal practice.) Budgets will also be reviewed annually as part of Annual Plan processes. Budget changes may initiate amendments to Sounds roading access cost allocation to individual Sounds access rating Zones.

**Determining the areas over which costs will be recovered.**

14. To assist in this process a set of principles for determining whether or not a property should be in a Zone and if so, what Zone, have been developed. The principles are listed below:
- All properties should sit within the Zone of the road used to access that property.
  - Where practicably possible the boundaries to Zones will be based on either a ridge line, river or other relevant geographic feature that provides separation between Zones.
  - Where a geographic feature cannot be used as a boundary, the location of road faults will be used.
  - Where practicably possible the boundary of any Zone should align with property boundaries. Consistent with this principle, where the legal/surveyed boundary differs from the physical, the legal/surveyed boundary will prevail. NB: The exception to this may be non-rateable DOC land where the size of the property may traverse geographic features. Where privately owned properties significantly traverse a geographic feature, an apportionment may be made as a last resort. One apportionment has occurred, which related to a \$10M multi block, single title property.
  - Picton will be excluded until to the beginning of Port Underwood Road in the east and 7 Gravesend Place on Queen Charlotte Drive in the west.
  - Havelock will be excluded until the Kaituna River on Queen Charlotte Drive.

A separate “Smart Map” has been developed which is on Council’s website. This “Smart Map” identifies the respective Zones and can identify which Zone a particular property is in.

**Developing different rating options**

15. Currently General Roding has a weighting of 100 for all Geographic Rating Areas except for Sounds Admin which has a weighting of 25. While in the judgement of Council this is appropriate for the normal operations of the roading network, it has a view that because of the significance of the damage caused by the weather events, concentration of the benefit and the marine component, a different approach is required. With reference to the considerations in section 1013(a) and (b) of the Local Government Act 2002:

Legislative Reference	Comment
<p>The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:</p> <p><b>s101(3)(a) in relation to each activity to be funded:</b></p>	
<p>(i) the community outcomes to which the activity primarily contributes; and</p>	<p>The business case identifies the three problems this project aims to solve, which can also equate to the outcomes that it is aiming to achieve.</p>

	<ul style="list-style-type: none"> <li>• <b>Disrupted Access:</b> The impacts of climate change are increasing the frequency and duration of disrupted access.</li> <li>• <b>Lack of Alternatives:</b> Reliance on roads for access to services and the lack of alternatives has led to increased vulnerability to the community during road closures.</li> <li>• <b>Asset Vulnerability:</b> Poor construction standards and unstable geology means that the Marlborough Sounds roads have a high maintenance cost and ongoing safety risk.</li> </ul> <p>Addressing the above issues will provide improved resilience and overall social and economic well-being of the Sounds community, with the benefits expected to be generated by this project.</p>
<p>(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and</p>	<p>The business case identifies four main benefits in its Investment Logic Map:</p> <ol style="list-style-type: none"> <li>1. Climate Change adaptation;</li> <li>2. Access to opportunities;</li> <li>3. Economic prosperity; and</li> <li>4. Quality of access.</li> </ol> <p>These will directly benefit Zone residents and provide an indirect benefit to properties in the remainder of Marlborough. They will also provide an indirect benefit to those properties in the Sounds Admin Rural Geographic Rating Area. These properties have no direct road access.</p>
<p>(iii) the period in or over which those benefits are expected to occur; and</p>	<p>As the proposed work includes many elements that improve the resilience of the roading network it is expected that the benefits identified in the PBC will accrue over that the longer term. As a result, in calculating the costs to be recovered Council has assumed that its share of the costs will be debt funded and repaid over a period of 20 years. Council has selected this term because it is consistent with the repayment terms for majority of Council debt and provides an appropriate balance between affordability and the time over which the benefits of the asset will accrue. Infrequently Council has extended the term to 30 years where affordability is an issue.</p> <p>Bearing in mind the recent frequency of weather events in the Sounds, a shorter 10-year period was</p>

	also considered, but discarded because of the rates affordability issue it created and while the two recent events have only been one year apart, a similar scale of event had not occurred for many years prior.
iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and	The need to undertake this work has been driven by two significant weather events, so no actions or inactions by particular individuals or groups have contributed to the need to undertake this project.
(iv) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and	This project is the largest that Council is proposing to undertake following the major weather events that occurred in July 2021 and August 2022 unique events. As the options affect all Marlburians, it is considered appropriate to examine funding of this project as stand alone.
<b>S101(3)(b) 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.</b>	At the conclusion of the evaluation of the options, Council will consider the rating impact across the whole of the Marlborough District in regard to the impact on the Community's current and future social, economic, environmental, and cultural well-being. This will include affordability.

16. To that end a number of options for financing the required works have been developed, as discussed below.

### Do Minimum Option

17. The first option is the do minimum option. In other words, do not proceed with this work and let the level of service drop to that which will exist post the expenditure funded by Tranche 2 of the funding agreed to by Waka Kotahi.
18. While this option will avoid Council facing a significant increase in debt, circa \$100m by 30 June 2034 and have no impact on rates, the community will not receive the economic and social benefits identified in the business case or the contribution from Waka Kotahi for repair and improvements as identified above.
19. Council has formed the preliminary view that this option should not be pursued in its support of the PBC endorsed by Waka Kotahi. This option is being further considered in the paper that immediately precedes this paper on the Agenda. The recommendation contained therein is,
- That Council:*
1. *Reconfirms the findings of the PBC now endorsed by Waka Kotahi.*
  2. *Approves the PBC recommended conceptual works programme, with the addition of annual inflation estimates provided by BERL, for inclusion in the Long Term Plan budget to be consulted during the 2024-34 Long Term Plan Process.*
  3. *Supports the PBC recommended conceptual works programme and financial assistance rate assumptions as the basis for the Sounds Roading Access rating proposal to be consulted as part of the Long Term Plan process.*
20. On the assumption that the recovery works contained in the PBC will proceed, several options for how Council will fund it share of the cost of the works and the repayment of related debt have been developed, noting that the shape of the final funding options will be determined by Council following consultation.

## Funding options for Project Costs

21. Four funding options have been identified:

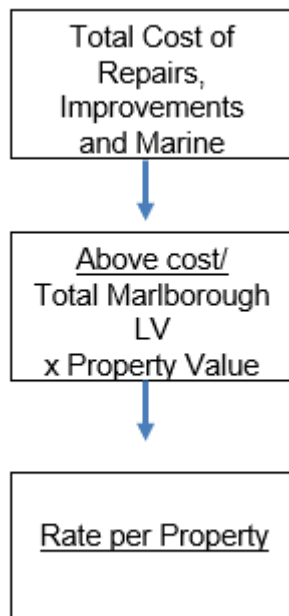
2. Apply a weighting of 100 for all properties in Marlborough (including Sounds Admin Rural).
3. Attach a different weighting to those affected properties in the Sounds as a block, i.e. all Zones are amalgamated and treated separately from those properties in the rest of Marlborough based on the potential benefit to the Sounds area (as a whole, but excluding Picton and Havelock).
4. Further develop the approach in (3) above to allocate the Sounds portion of the costs in proportion to the forecast value of work to be undertaken in each Zone (i.e. a Zone based allocation and recovery).
5. The above options have been developed assuming a pure land value rating approach. There is also the option of applying a Uniform Annual Charge (UAC) to all Non-Zone properties in Marlborough and then having the remainder of the costs recovered by way of option (4) above.

**Note:** Waka Kotahi has already approved the funding of two tranches of Expenditure totalling just under \$140M at a Financial Assistance Rate (FAR) of 95%. Council's 5% share (circa \$7M) has been funded by a combination of the District-wide Infrastructure Upgrade and Emergency Events Reserves.

22. A broad analysis of options 2 to 5 follows.

**2. Apply a weighting of 100 for all properties in Marlborough (including Sounds Admin Rural).**

This option is similar to the current mechanism for recovering the cost of roading to that which applies now, except that Sounds Admin Rural are weighted the same as all other properties in Marlborough.



The underlying premise for this approach is that every Marlburian has an equal opportunity to travel over the roading network. However, what this approach doesn't recognise is:

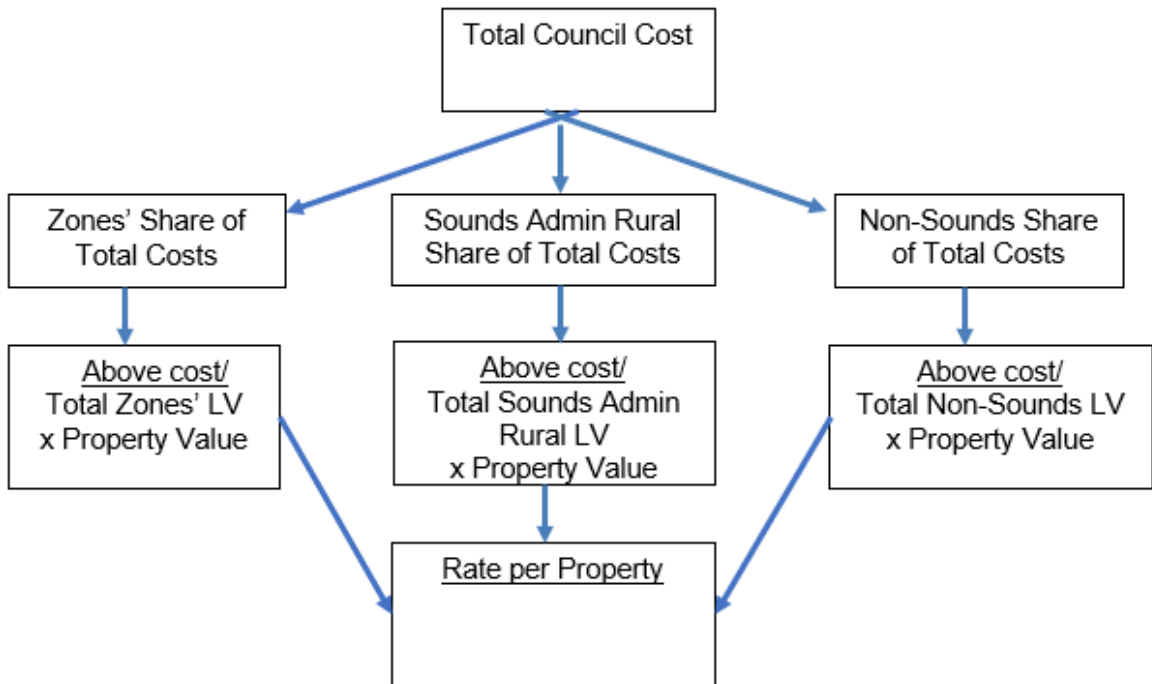
- The damage caused by the 2021 and 2022 events is magnitudes higher than the normal level of storm damage paid for by rates;
- that the recovery expenditure will likely provide significant social and economic benefits to Sounds residents, above what can be expected for the balance of Marlborough residents, as identified in the Business Case approved by Waka Kotahi. In fact, it could be argued that much of the benefit accruing to Non-Sounds residents can be achieved following the circa \$140M expenditure of Tranche one and two funding as approved by Waka Kotahi at a 95% Financial Assistance Rate.
- It does not recognise that properties in the Sounds Admin Rural Geographic Rating Area have a reduced weighting, because they have no direct roading access.

The table below identifies the average rate for each property in Marlborough for Repairs over the 2024 to 2034 years.

Average Rate	Propertes	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	44.68	111.27	176.46	217.00	258.14	270.95	279.02	287.26	295.63	304.17

**3. Maintain the current rates weighting of 100 for all properties within the five Sounds Zones and a reduced weighting for the balance of Marlborough and Sounds Admin Rural Properties**

This approach recognises that there is a difference in benefits received by Zone residents as compared to Sounds Admin Rural and Non-Sounds properties. Under this approach the rates weightings applied to Zone properties would remain at 100, while Sounds Admin Rural and Non-Sounds properties would be reduced to somewhere between 20 and 50, depending on Council’s judgement. This recognises that all of Marlborough will receive some benefit from repairing the Sounds roading network back to previous Levels of Service. The options of using weightings of 20, 25 and 40 were also explored. The “20” was discarded because under option “3” as it further challenged the affordability of the Keneperu Zone rates. The 40 was discarded because under option “c” it yielded a result whereby the average rate for one of the directly benefitting Sounds Zones was lower than the indirectly benefitting Non Sounds properties. For the purpose of developing the indicative financial impact tables, a weighting of 25 has been assumed as it aligned with the already used weighting of 25 for Sounds Admin Rural roads.



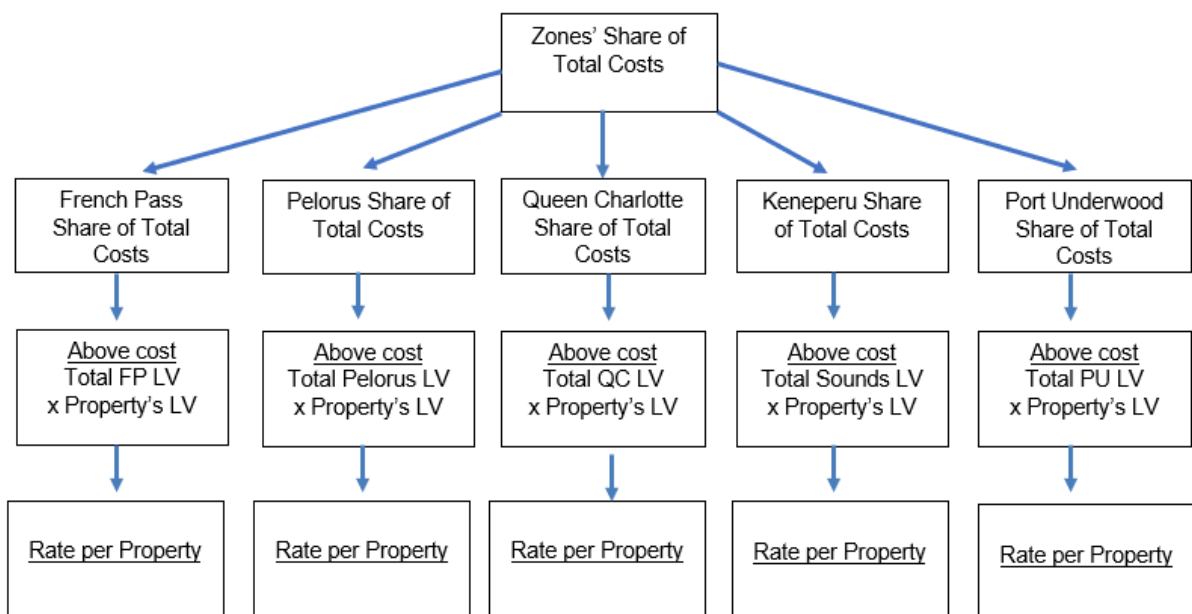
This option proposes that Sounds properties (Zone and Sounds Admin Rural) rates be determined using the traditional Land Value approach. The reasoning for this is that in Council’s view it better captures the relevant benefit (social and economic) to individual Sounds properties. The alternative of using a UAC is not recommended as the benefits to properties vary considerably depending on use, size and economic activity. Another way of looking at this is to compare the differences and potential to benefit between a residence (permanent or holiday), forestry block and farm. Capital Value is also not recommended, as Council has consistently (and over many rating reviews) retained Land Value for rating purposes. The only exception has been the use of Capital Value for the Wairau River Rate which is a carry over of the rating system used by the former Marlborough Catchment Board.

The table below identifies the average rate for Sounds verses other properties (with a weighting of 25 for non-Sounds) for the 2024 to 2034 years. Even applying a weighting of 25 to Non-Sounds properties will still mean that they pay over 70% of the total cost, because of the number and value of the properties concerned

Average Rate	Propertes	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	103.78	258.47	409.89	504.06	599.62	629.36	648.10	667.25	686.67	706.52
Sounds Admin Rural	1,451	22.53	56.10	88.97	109.41	130.15	136.61	140.67	144.83	149.05	153.35
Non-Sounds	22,297	38.07	94.80	150.34	184.88	219.93	230.84	237.72	244.74	251.87	259.15

**4. A further developed weighting approach, but with Zone costs to be recovered at a Zone Level**

This approach builds on the approach outlined in “3”, in that it continues with weightings of 100 for Zone residents and the assumed 25 for Sounds Admin Rural and Non-Sounds residents. Where it differs, is that the total cost to be recovered from Zone residents is apportioned to each Zone based on the total expected expenditure within each Zone. This means that the amount paid per annum by equally valued Zone properties would vary according to the total repairs, roading and marine improvements expenditure in each Zone and the total land value in that Zone. The effect of this approach is that Zones with low repairs expenditure will pay less.



The table below identifies the average rate for each Zone for the 2024 to 2034 years, based on a Sounds Admin Rural and Non-Sounds residents weighting of 25.

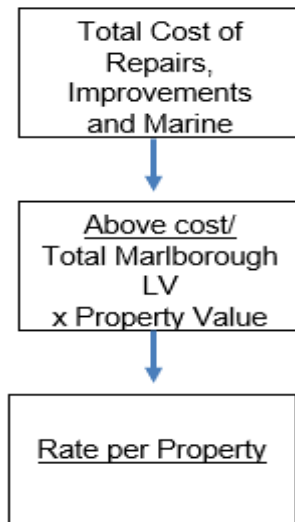
Average Rate	Propertes	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	67.80	171.78	274.03	343.87	417.35	447.44	466.12	485.19	504.58	524.38
Te Hoire/Pelorus	162	34.80	91.07	146.86	190.93	239.57	265.55	281.50	297.77	314.35	331.26
Tōtaranui/Queen Charlotte	712	45.43	114.87	183.11	229.20	277.51	296.78	308.75	320.98	333.41	346.10
Keneperu	930	206.67	509.32	804.70	976.89	1146.85	1186.45	1211.90	1237.95	1264.30	1291.24
Te Whanganui/Port Underwood	339	72.16	181.07	287.89	357.18	428.71	454.29	470.27	486.60	503.18	520.12
Sounds Admin Rural	1,451	22.53	56.10	88.97	109.41	130.15	136.61	140.67	144.83	149.05	153.35
Non-Sounds	22,297	38.07	94.80	150.34	184.88	219.93	230.84	237.72	244.74	251.87	259.15

**5. UAC for the remainder of Marlborough**

This option further builds on option “4”. Under this option a uniform charge is proposed to recover the share of the costs of the Sounds Roads recovery, not being recovered from Zones 1-5 as identified above and Sounds Admin Rural. This approach is proposed as properties in these areas are in general not expected to gain a significantly greater or lesser benefit because of their use, size and value.

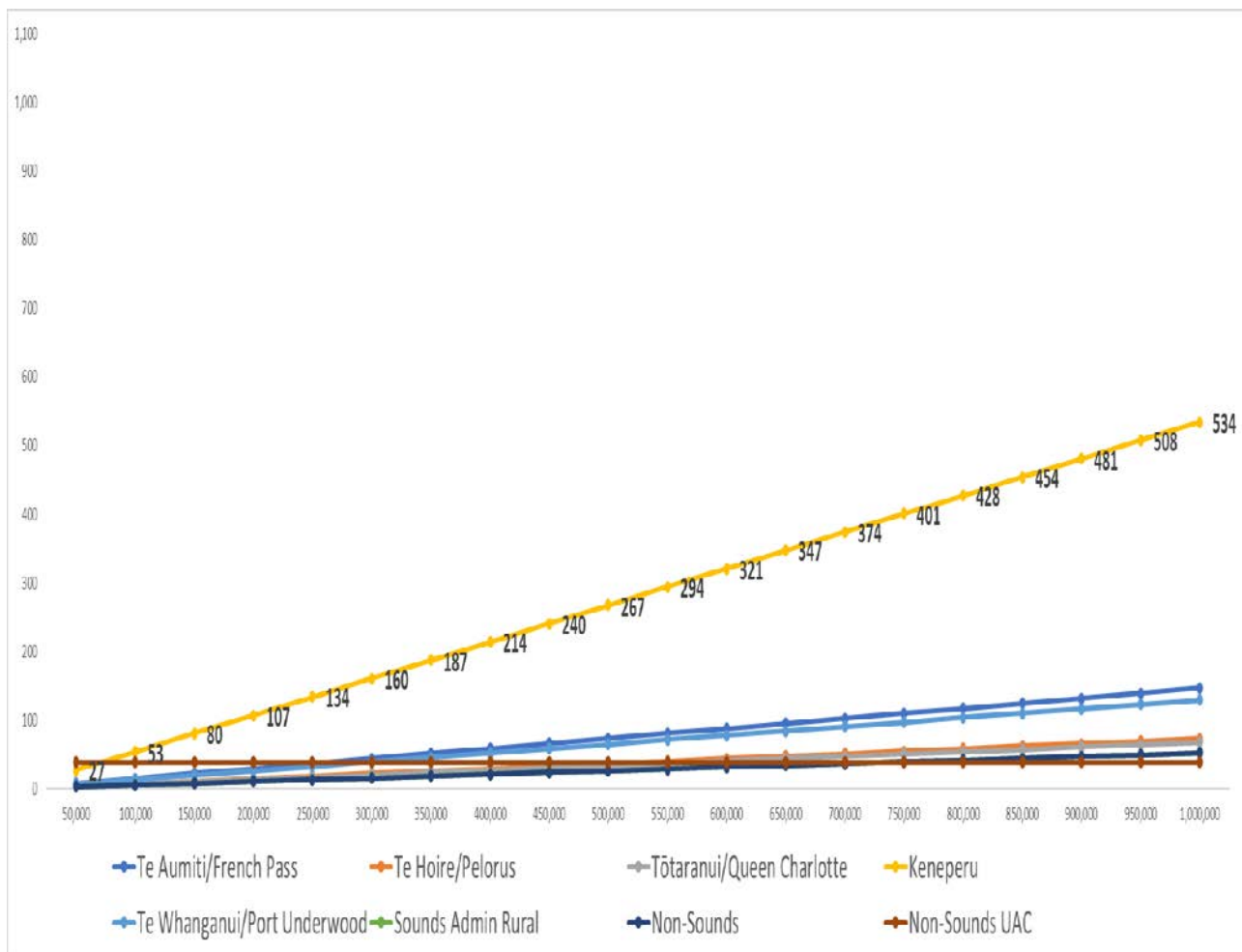
Under this option, the average value for non-Sounds properties rates identified in the table above becomes the UAC, i.e., starting at \$38.07 in 2025 and rising to \$259.15 for 2034.



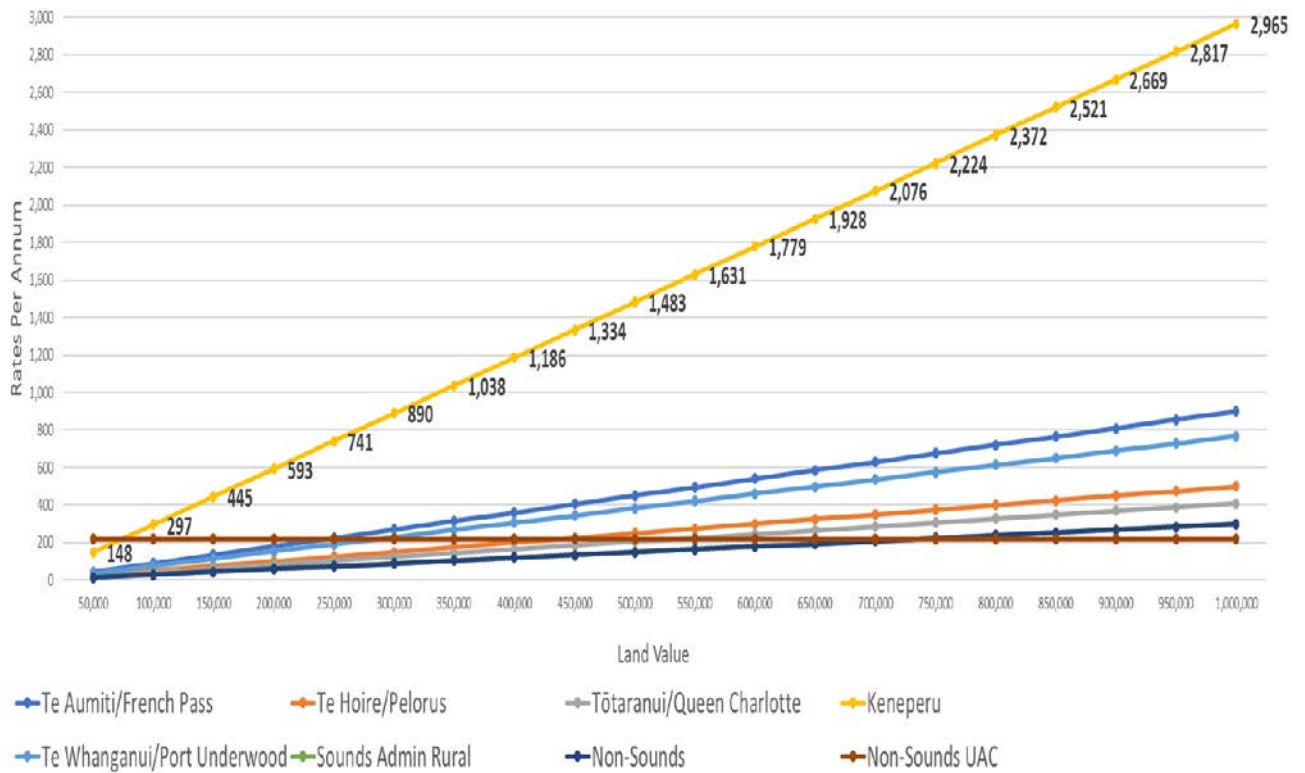


**Rating Implications based on Land Values**

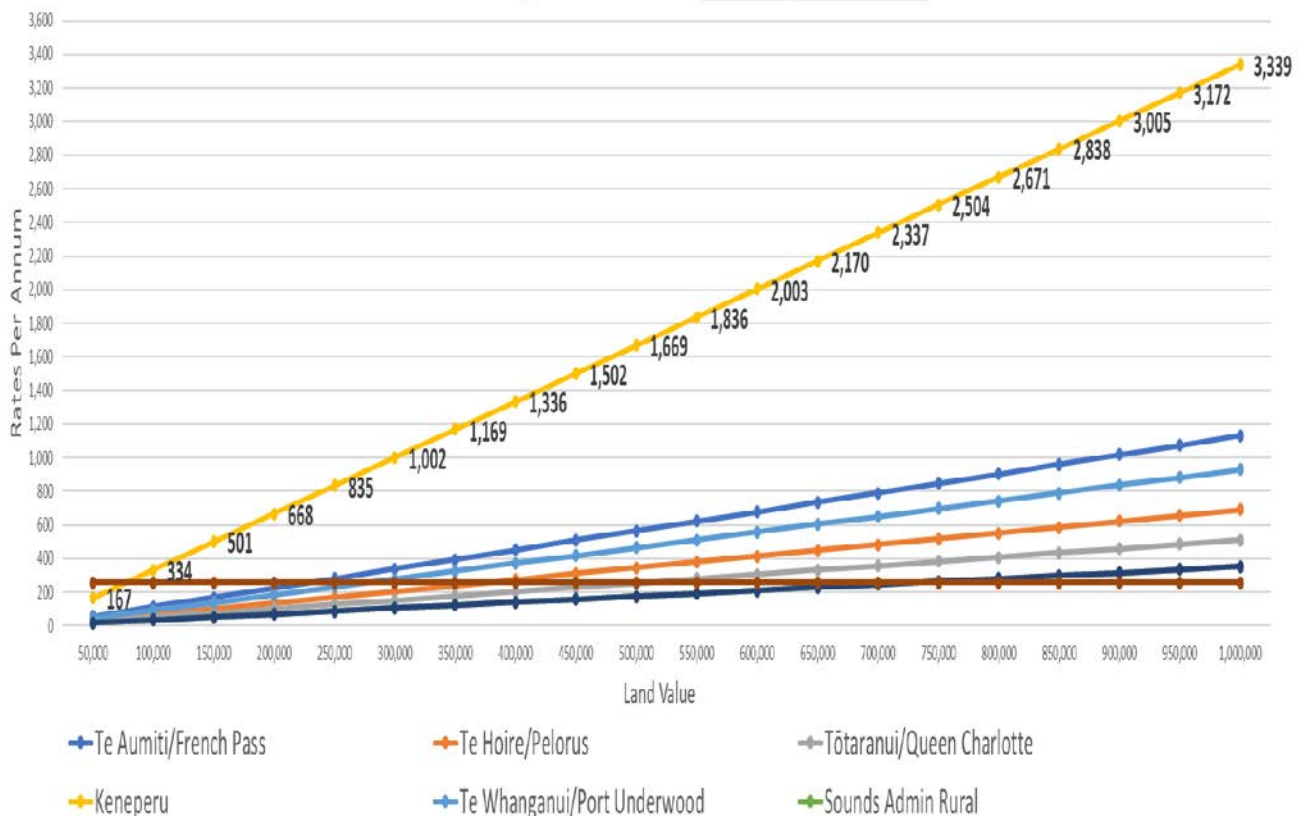
- 23. Below are three graphs, showing the possible rates movement and UAC for Non Sounds properties with a land value of up to \$1M for the first, fifth and last year of the LTP, i.e. 2024-25, 2028-29 and 2033-34.
- 24. **One very important thing for Councillors to note is that rates values shown in these graphs have been inflated by the BERL index.**
- 25. Also, for properties with a land value, for example a \$5M property take the value for \$500,000 and multiply by 10.



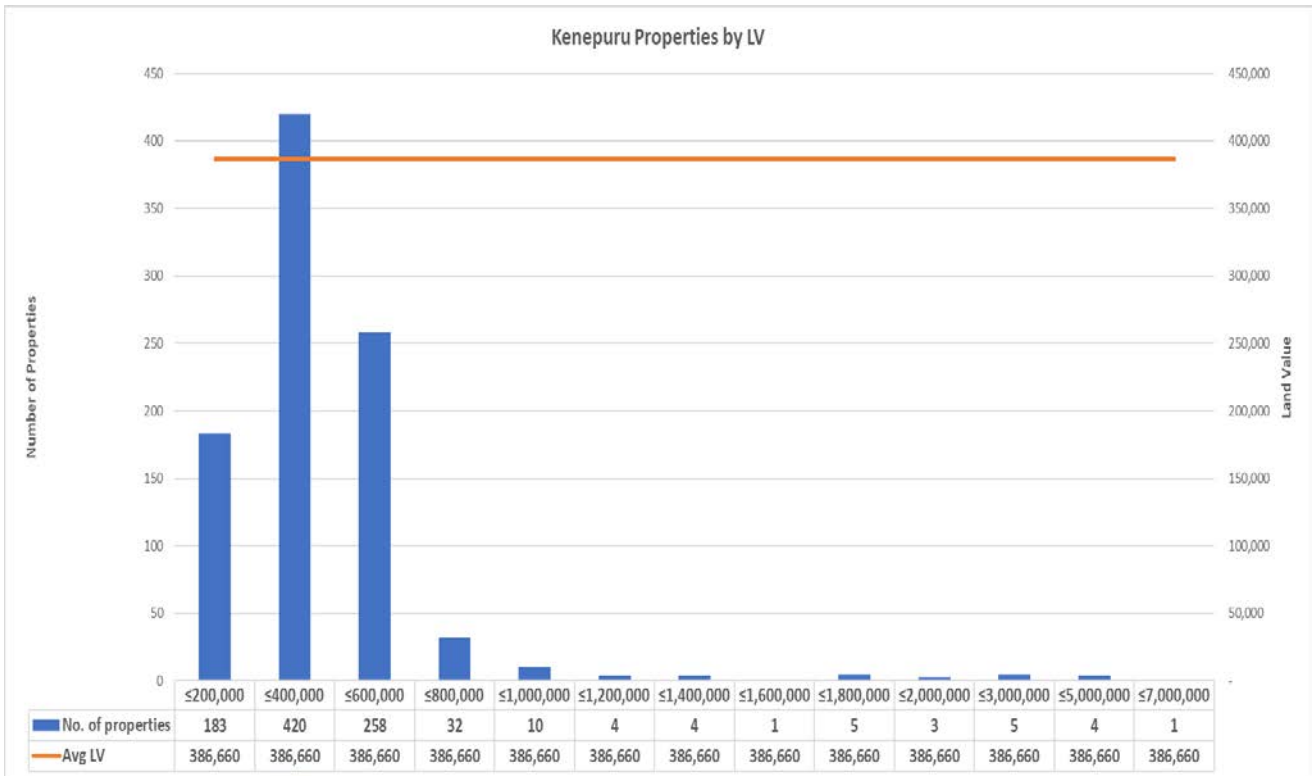
Additional Rates per Year in 2029 - The fifth year of the LTP



Additional Rates per Year in 2034 - The last year of the LTP



26. The Kenepuru is higher than other areas, so it is important to understand the number of properties under each valuation grouping. The larger value properties are typically large farms and forestry holdings. For example the highest valued property in the Kenepuru is a 1,472 hectare farm at the very end of the Kenepuru Road. Also, the vast majority of properties are valued at less than \$600,000.



**Consideration against section 101(3)(b), LGA**

27. The earlier sections of this report looked at the requirements contained in section 101(3)(a) of the Local Government Act 2002. Section 101(3)(b) also requires Council to 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.
28. This section requires Council to effectively take a high-level view of the impacts on the community of what it is proposing following its deliberations under section 101(3)(a). Throughout this process we have been conscious of the potential impacts each option may have on ratepayers. As affordability has a significant impact on the community’s social, economic, environmental and cultural well-being, we have sought to fully understand the rating impacts these proposals will have on ratepayers and used Council’s current benchmark property list (extended version) to identify the rating impact at a property level. Council’s benchmark properties are a set of properties that Council has consistently used over many years, to identify the rating impact of various proposals and the impact of triennial property revaluations. A short list of these properties is published with each Long Term and Annual Plan.
29. Following consideration of the rating impact on benchmark properties, it’s anticipated that the funding proposals recommended in this paper will not result in significant adverse effects on the community, relative to the matters addressed in section 101(3)(b).

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Finance Officer

## **4.6 Levels of Service Increases COVID-19 Rates Relief Reserve**

(Report prepared by Martin Fletcher)

F230-L24-03

### **Purpose of report**

1. To propose a means by which the rating impact of the COVID-19 Rates Relief Reserve (Reserve) can be reversed.

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### **RECOMMENDATIONS**

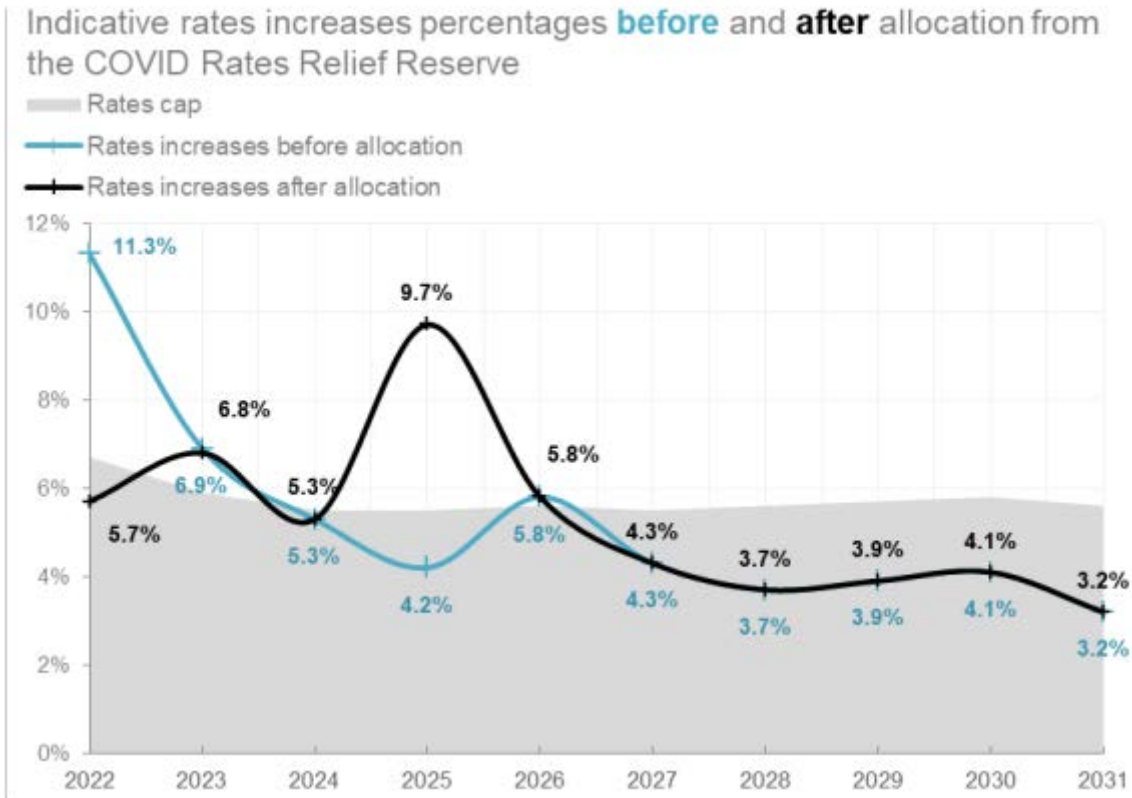
**That Council:**

1. **Adopt Option 5 to transition away from using the COVID-19 Rates Relief Reserve to manage Rates;**
2. **Agree to sell \$3.0M of carbon credits; and**
3. **Agree to enter into a forward sales agreement for \$1.5M of carbon credits.**

---

### **Background/Context**

2. With the advent of COVID-19 and its potential economic and financial impact on ratepayers, Council decided to establish the COVID-19 Rates Relief Reserve to reduce rates by \$4.0M or over 5% in 2021.
3. Council further decided to maintain this level of financial assistance until 30 June 2024, creating a deficit balance (loan) in the Reserve of \$12.8M. Continuing to reduce rates by further running this Reserve into deficit is not sustainable. In fact, continuing to operate unbalanced budgets is contrary to s100(1) of the Local Government Act 2002.
4. When Council first approved the use of the Reserve it also had a plan to transition away from using the Reserve to reduce rates and to repay the deficit balance of the Reserve.
5. This plan centred around the 3 Waters Reform promoted and legislated by the previous Labour Government. Under this reform 3 Waters related debt and assets transferred to the new to-be-created entities. This meant that the revenue used to service much of the debt would be no longer required for that purpose and could be used to repay the Reserve's Deficit over a 3-4 year period.
6. This proposal was consulted upon as part of finalising the 2021-31 LTP. As part of that consultation the following graph was included which identified the 2021 forecast rates movement before and after the application of the COVID-19 Rates Relief Reserve. The graph also identified the large 2024 rates increase following the removal of the Reserve Contribution.



7. The results of consultation identified strong support for this proposal.
8. As we know the Government changed following the last election and the transfer of debt and assets will no longer occur on 1 July 2024 or 1 July 2025 as subsequently legislated.

### Moving Forward

9. There are two issues to be addressed:
  - i. To repay the deficit balance of the Reserve; and
  - ii. How to minimise the affect on ratepayers of removing the Reserve's assistance.

Several options have been developed with one recommended.

### Repay the Deficit Balance

10. It is proposed to convert the \$12.8M deficit balance to a 20-year loan for repayment over a 20 year period.
11. While this proposal addresses the repayment issue, it does result in a 1.22% increase in rates assuming an interest rate of 5.5%.

### Transitioning away from the COVID Rate Relief Reserve Assistance

#### Option One - Transition in one year

12. The first option is to make the transition in one year. This would generate a rates increase of 5.16% plus a further 1.22% from the repayment loan making a total of 6.38%. On top of this would be any rates increases to meet the cost of inflation and requests for increased Levels of Service from central government and the community.

### **Option Two - Transition over three years**

13. Under this option the \$4.5M of assistance provided in 2023-24 would be reduced by \$1.5M per annum over three years. Under this option, the rates increase would be 3.22% in 2024-24 and a further 2.15% in 2025-26 and 2026-27.

### **Option Three - Transition over four years**

14. Under this option the \$4.5M of assistance would be reduced by circa \$1.1M per annum over four years. Under this option would be 2.8% in 2024-25 and a further 1.8% and 1.9 in 2025-26 and 2026-27.

### **Option Four - Sell Carbon Credits and reduce the \$12.8M Loan**

15. Currently at current unit prices, Council's share of Marlborough Regional Forestry Carbon Credits is valued at \$9.4M at the date of writing this paper. Under this option Council would sell the Carbon Credits it holds to repay the \$12.8M loan. The MRF credits were received on the establishment of the scheme to recognise the emissions absorption factor of our forests. Virtually all MRF credits are pre-1990, which means that so long as the existing area of forest is maintained there is no obligation on MRF to sell these credits on harvest.
16. This option reduces the 1.22% rates increase needed to repay the \$12.8M to 0.33%. Under this option, the rates increase would be 5.49% in 2024-25. This option would also mean that Council will have the opportunity to sell these units to fund other potential investment opportunities.

### **Option Five - Transition over three years and Sell Carbon Credit to finance the remainder**

17. Under this option the \$4.5M of assistance would be reduced by \$1.5M per annum. To cover the other \$3.0M for 2024-25 and \$1.5M for 2025-26 Council would sell its share of the Carbon Credits it holds as part of Marlborough Regional Forestry.
18. Under this option, the rates increase would be 2.94% in 2024-25 and a further 1.72% and 1.72% in 2025-26 and 2026-27.
19. Also, circa \$4.9M of credits would remain to provide a potential source of funds for future investment opportunities.

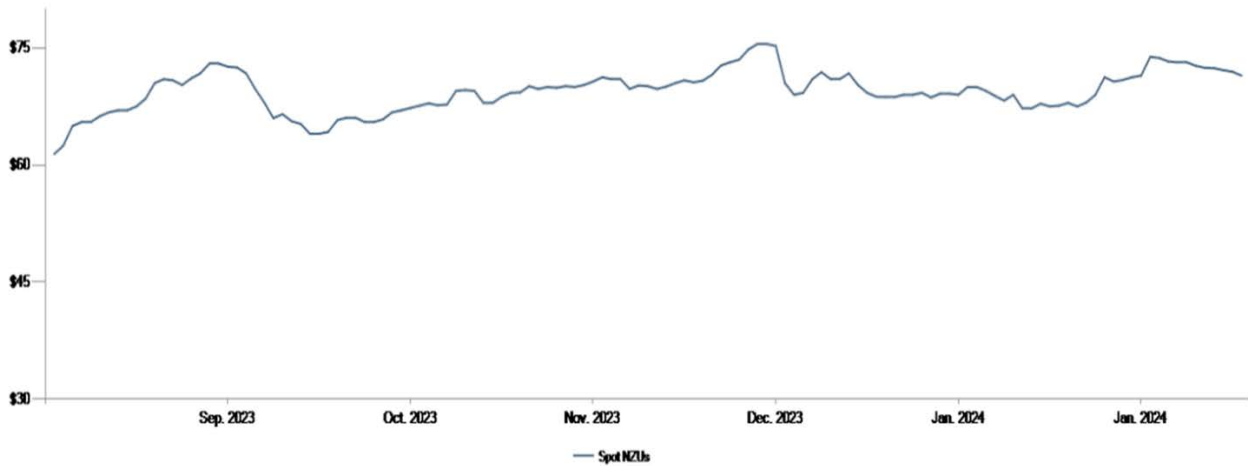
### **Preferred Option**

20. It is considered that Option 5 provides the best balance between the options in that it has the lowest levels of rates increase and while it does require the sale of some carbon credits, approximately \$4.9M remains for future investment opportunities.

### **When to Sell Carbon Credits**

21. Carbon Credits are tradeable similar to shares. As a result the unit price can vary quite substantially, ranging in price from \$45 in July 2023 to circa \$75 in December.
22. The current price is \$71.45 at the date of writing this paper.

Price History



23. Looking forward prices are forecast to increase, however, there is no guarantee of this.

CONTRACT	BEST BID	BEST OFFER	LAST / FIX
NZUs - April 2024 ⓘ	🔒	🔒	71.54
NZUs - April 2025 ⓘ	🔒	🔒	76.19
NZUs - April 2026 ⓘ	🔒	🔒	81.14
NZUs - April 2027 ⓘ	🔒	🔒	86.42
NZUs - April 2028 ⓘ	🔒	🔒	92.06

Forward pricing is indicative only

- 24. The option, is to enter into an agreement to sell credits at a future date (forward sales agreement) at the rates indicated above. However, while Jarden’s (the source of this table) advise, that they make every effort to sell to reputable purchasers, their remains a risk that the purchaser could default. This is more likely to happen if there is a significant price reduction.
- 25. The question then becomes does Council sell its credits now, wait until the proceeds from unit sales are needed or enter into a forward sales agreement. Based on recent history and future forecasts the downside risk is potentially greater, i.e. \$45/unit versus \$90.22/unit after four years compared to the current \$67.50.
- 26. Therefore, to minimise the risk of significant downward movement in prices, it is recommended that Council sell a minimum of \$3.0M of credits to cover the year one transition and enter into a forward sales agreement for the remaining \$1.5M of credits to meet the funding requirement for year two.
- 27. Adopting this approach provides a balance of certainty to Council for the larger transaction in year one and a better price for year two, albeit at a slight increase in risk, as it transitions away from using the Reserve to reduce rates.

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables <i>democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.</i>			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	✓
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
There are no known negative financial implications.			
<b>Significance</b>			
The decision is considered significant under Council's Significance and Engagement Policy and should be included in the 2024-34 LTP Consultation Document because of the impact on Rates.			
<b>Engagement</b>			
Via the 2024-34 LTP Consultation Document process.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			



## 4.7 Depreciation Funding

(Report prepared by Martin Fletcher/Geoff Blake)

F230-L24-05

### Purpose of report

- To brief Councillors on the results of the WSP Valuation of Three Waters assets as at 30 June 2023 and resulting impact on depreciation.

### Executive Summary

- WSP has completed an independent valuation of Council's Three Waters assets, including irrigation.
- This valuation has yielded a significant increase of \$260.4M in the valuation and corresponding \$13.8M increase in depreciation. Recommended best practice is that Councils fully fund depreciation to fund renewals and avoid increased debt.
- To achieve best practice, it is recommended that Council transition to this position over the period of the Long Term Plan, commencing in the 2026-27 financial year.

### RECOMMENDATIONS

- That Council receive the WSP Valuation Report.
- That Council agree to progressively move to fully funding depreciation over the period of the Long Term Plan commencing in the 2026-27 financial year as per Option 3.

### Background

- Each year Council revalues its Three Waters assets. It does this to ensure that the valuation is up to date and that the resulting depreciation also remains current. Adopting this approach means that we are less likely to receive a significant uplift in rates funded depreciation particularly in times of high inflation.
- Due to a combination of factors, particularly staff vacancies, the 2022 revaluation was not completed satisfactorily and Council received a qualified audit opinion. Councillors may recall that due to Audit NZ staffing issues that final Audit opinion was not received until 24 April 2023.
- As a result of continuing staff vacancies (the position has recently been filled), WSP was engaged to complete the valuation of Council's Three Waters assets as at 30 June 2023. Unfortunately due to the late engagement date, the valuation was not completed in time for the finalisation of the 30 June 2023 Annual Report.
- The valuation has now been completed, showing a significant uplift in values and resulting depreciation.
- The following increases have occurred in three waters asset values:

#### Three Waters Valuation

Asset Category	WSP Replacement Cost (\$000)	WSP Optimised Depreciated Replacement Cost (\$000)	2023 Annual Report (\$000)	Increase (\$000)
Water (Incl irrigation)	433,395	249,871	177,575	72,296
Stormwater	218,972	110,847	94,713	16,134
Sewer	647,323	361,501	189,550	171,951
<b>Total</b>	<b>1,299,690</b>	<b>722,219</b>	<b>461,838</b>	<b>260,381</b>

10. Largely as result of the increases in asset values the following change in depreciation has been identified:

### Three Waters Depreciation

Asset Category	WSP (\$000)	2024-25 Budget (\$000)	Increase (\$000)
Water (Incl irrigation)	7,002	5,081	1,921
Stormwater	3,229	2,174	1,055
Sewer	15,677	4,826	10,851
<b>Total</b>	<b>25,908</b>	<b>12,082</b>	<b>13,826</b>

11. The increase in valuation is regarded as a positive as it strengthens Council's balance sheet, i.e. its ratio of total assets to debt. However, it also increases the value of depreciation. In the past Council has fully funded (rated) for Three Waters depreciation. This is in accordance with recommended best practice. However, to move to that position immediately would yield a potentially unsustainable rates increase of circa 15% on its own.
12. The full funding of depreciation has proven to be a challenge for other Councils too, with Tasman District Council halting its transition to fully funding depreciation in 2023-24. Nelson is also facing similar challenges as are a number of other councils throughout New Zealand.
13. While not fully funding depreciation has a short term rating benefit it does translate to an increase in debt. Increasing debt reduces Council's future flexibility, especially in the case of adverse events and investment opportunities ultimately risking Council's credit rating which increases the cost of debt.

### Proposed Course of Action

14. The key recommendation is that Council return to fully funding Three Waters Depreciation. To do this three options are proposed.

#### Option 1

15. Fully fund the additional depreciation in 2024-25 at a cost of \$13.8M. This option is not considered affordable.

#### Option 2

16. Progressively move to funding the additional depreciation over the period of the Long Term Plan at a cost of \$1.4M per annum with the first year being in 2024-25. This option would avoid approximately \$77M of debt.

#### Option 3 (Preferred)

17. Progressively move to funding the additional depreciation from 2026-27 and the remaining seven years of the Long Term Plan at an annual cost of circa \$1.75M per annum. While the annual amount is higher, because it is over a shorter 8 year period, this option would avoid approximately \$63M of debt.

### Next steps

18. Of Options 2 and 3, Option 3 is preferred for the following reasons:
- i) There will be two further revaluations during which time many of the recommendations contained in the Valuation Report can be implemented and a greater level of confidence gained in the accuracy of the valuation. Currently there is still some residual concerns placed on the valuation of pump stations.
  - ii) This would allow time to further understand Central Government's "Water Done Well" programme.

- iii) The COVID pricing and supply chain issues should have worked their way through the system. There are already indications that pricing has stabilised and even an indication that some prices are correcting downwards.
- iv) The interpretation of the Traffic Management Act is currently being reviewed with a strong recommendation to adopt a risk based assessment for traffic management rather than the current prescriptive generic approach. Traffic Management is a significant element in our waters costs.
- v) There are indications that measures introduced to control cost of living increases are taking effect.
- vi) Funding of depreciation would coincide with the planned review of Trade Waste Charges.

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Finance Officer

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	✓
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
Three Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
The financial impacts are contained in the paper.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No separate engagement is proposed.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## 4.8 Emergency Events Reserve Funding

(Report prepared by M Fletcher/G Blake)

F230-L24-12-03

### Purpose of report

1. To consider the funding of the Emergency Events Reserve.

### Executive Summary

2. The Emergency Events Reserve is forecast to move into deficit over the course of the LTP.
3. Council has other Reserves, cash deposits and lending facilities to call upon if required whilst the Reserve remains in deficit.
4. It is proposed that a \$0.5M addition to rates be applied each year from the 2026-27 year to replenish this Reserve.
5. A balance of \$10M to \$15M is targeted, the level of which was subject to prior consultation.

## RECOMMENDATIONS

That Council:

1. Agree to establish a new General Rate of \$0.5M in 2026-27 and then a further \$0.5M per annum to fund the Emergency Events Reserve; and
2. Agree to review the decision in (a) if three waters debt is transferred to a new entity as part of implementing "Local Water Done Well".

### Background/Context

6. Without any further allocations from the Emergency Events Reserve the balance is forecast to progressively move to a deficit position as shown in the following table:

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
0.96	(0.20)	(0.61)	(1.39)	(1.68)	(2.77)	(4.32)	(7.09)	(9.19)	(10.60)

7. This contrasts with the figures identified following consultation as part of the 2018-28 Long Term Plan (LTP) as the 84 submitters suggested balances as follows:

\$3M	\$10M	\$15M	\$30M	\$45M
12	21	23	16	12

8. A small majority and the median value of responses sit in the \$10-\$15M range. If these figures were inflation adjusted using the Reserve Bank's calculator this equates to \$12.4M and \$18.6M.
9. The remainder of the paper will address the following questions:
  - How did the forecast balance of the Emergency Events Reserve move to a deficit?
  - How can this issue be addressed?
  - What would happen if an emergency occurs before the Reserve balance is built up?

### How did the forecast balance of the Emergency Events Reserve move to a deficit?

10. As shown in the Reserves paper, the Emergency Events Reserve is funded primarily from surpluses in the General Revenues Account. Over recent years there has also been a number of draw downs from the Reserve as detailed in the Reserves paper.

11. However, moving forward, the main issue is that the General Revenues Account has not been generating surpluses as the Account has continued to fund a long standing annual transfer to reduce General Rates. Also, there is an annual allocation made from the Emergency Events Reserve for roads.

**How can this issue be addressed?**

12. In the 2021-31 LTP this issue had already been identified and at that time, as part of the Government’s Three Waters reforms, Three Waters debt was to be transferred to the new entities. This released much of the funding going to the Infrastructure Upgrade Reserve to firstly repay the COVID Rates Relief Reserve and secondly to establish an adequate balance in the Emergency Events Reserve.
13. The Labour Government’s reforms did not take place so an alternative option needs to be developed. The new Government has an alternative for delivering Three Waters – “Local Water Done Well”, but the detail is as yet uncertain, including whether or not a debt transfer will occur.
14. To allow time for greater certainty to emerge, if there is no debt transfer, it is proposed that from 2026-27 an additional \$500,000 per annum be added every year to rates as a separate Land Value based rate applying equally across the whole district. Assuming no significant event/allocation occurs the balance of the Emergency Event Reserve will accrue the following balances.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
June	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Current Forecast Balance	0.96	-0.20	-0.61	-1.39	-1.68	-2.77	-4.32	-7.09	-9.19	-10.60				
Additional Rates	-	-	0.50	1.00	1.50	2.00	2.50	3.00	3.50	4.00	4.50	5.00	5.50	6.00
Revised Forecast Balance	-	-	-0.11	0.11	1.32	2.23	3.18	3.41	4.81	7.40	11.90	16.90	22.40	28.40

15. While still not at the desired levels by 2034, the end of the LTP, the balance increases rapidly post 2034 if the additional \$0.5M is continued.

**What would happen if an emergency occurs before the Reserve balance is built up?**

16. Except for the Land Sub Reserve, Council can determine the use of its other Reserves. As a result, for example, it can change the purpose of the Infrastructure Upgrade and use the debt servicing capability of that Reserve to secure finance.
17. Also, Council has access to cash by either:
- i) Realising its term deposits earmarked for emergencies - \$13M;
  - ii) Drawing on its facility with Westpac – up to \$20M;
  - iii) Insurance and Local Authority Protection Programme;
  - iv) Government assistance;
  - v) Raising debt from the LGFA. As advised in the Budget Summary paper, significant head room remains.

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	✓	<input type="checkbox"/>	<input type="checkbox"/>
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
A possible rates increase of \$500,000 per annum.			
<b>Significance</b>			
This decision will be consulted upon part of the LTP process.			
<b>Engagement</b>			
Engagement will take place as part of the LTP Consultation process.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## 4.9 Reserve Balances

(Report prepared by C Lake/G Blake)

F230-L24-12-03

### Purpose of report

- The purpose of this agenda item is to outline the forecast balances for Council's significant Reserves.

### RECOMMENDATION

That Council receive and adopt this paper as supporting information.

### Background/Context

#### 2. Emergency Events Reserve

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
0.96	(0.20)	(0.61)	(1.39)	(1.68)	(2.77)	(4.32)	(7.09)	(9.19)	(10.60)

In the Budget Meeting version of the budget the Emergency Events Reserve falls into deficit. A separate paper in this agenda provides an option to replenish this reserve.

The budget provides for:

- Projection for 2023-24**
  - \$0.98M annually for Council's share (net of NZTA subsidy) of roading flood damage
  - \$1.71M Flood damage to rivers in July 2021 – 50% of the balance of costs after insurance claim income
  - \$1.19M for Combined Sewer
- 2024-25**
  - \$0.50M for the balance for the Combined Sewer
- Annually over ten years**
  - \$1.07M annually (plus LGCI) for Council's share (net of NZTA subsidy) of roading flood damage
  - \$0.58M annually (plus LGCI) for rivers flood damage

**Councillors should note the forecast balance of this Reserve excludes the impact of any unforeseen drawdowns and the value of the remaining Kaikoura earthquake claim proceeds because of their high level of uncertainty.**

#### 3. Forestry and Land Development Reserve

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
2.66	2.73	2.08	1.82	1.58	1.33	1.08	2.27	4.02	4.22

The significant revenue sources are:

- Distribution from Marlborough Regional Forestry which is dependent on harvesting targets being achieved and current log prices being maintained. Harvesting ceased in 2020-21 with budgeted income starting again in 2030-31. Funding is budgeted to start in 2031-32 for this reserve once the loans for cashflow have been repaid.

This reserve is typically used for one-off projects, to enable Rates to be smoothed, or where the revenue is uncertain.

The budget provides for:



**Projection 2023-24**

- \$0.84M for The Whale Trail
- \$0.26M Marlborough Events Centre fixed costs
- \$0.26M Equestrian Park, balance of stage 2
- \$0.22M for various projects previously approved by Council
- \$0.06M Picton Innovative streets
- \$0.25M for the Flaxbourne hall building construction, museum fitout etc
- \$0.31M for the Remote Transfer Stations
- \$1.50M College Park relocation
- \$0.10M Renwick Sports Centre lift
- \$0.20M River Rating Review
- \$0.25M Building Control fixed term staff
- \$0.36M Demolition of the Art Gallery and 6 Russell St.

**2024-25**

- \$0.90M Picton Innovative streets
- \$0.25M Building Control fixed term staff
- \$1.08M funding for Awatere rural water supply
- \$0.11M for various projects previously approved by Council

**Future years**

- \$1.10M Maritime smart monitoring in 2025-26 & 2026-27
- \$0.20M for various projects previously approved by Council

**Annually over ten years**

- \$0.22M per annum for the Council's central computer systems.

4. Infrastructure Upgrade Reserve

See Agenda Paper 4.10 for further information on this Reserve.

5. Wairau Rivers Operating Reserve

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
(1.52)	(2.13)	(1.67)	(1.99)	(1.14)	(0.37)	0.70	1.74	3.14	4.53

This Reserve is primarily used to assist with maintaining Council's rivers and flood protection system and for land purchases for river protection works.

The significant revenue sources are:

- River Leases
- Gravel Extraction

The Reserve will be used for greenscape contracts, rock & gabion protection, drainage channels, road maintenance and to maintain the stopbanks on the lower Wairau.

This Reserve went into deficit in 2020-21 and will remain so until returning to a surplus in 2030-31. This building of the Reserve will continue to ensure the Activity has sufficient Reserves to meet the development of river control assets and to meet any unplanned expenditure. This Reserve is credited/debited with interest.

## 6. Land Sub Reserve

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
3.12	4.34	4.80	5.53	6.24	7.18	8.17	9.20	10.24	11.25

The funding source for this Reserve is the Reserves and Community Facilities Development Contributions - \$2.51M in 2024-25 with an average of \$2.82M over the next nine years. The Local Government Act 2002 requires these funds to finance growth driven capital expenditure.

The budget provides for:

- **Allocations**
  - Minor allocations for various parks and reserves
  - \$1.05M Taylor pass landfill development as a community recreation area.
  - \$0.27M Resurface netball courts – Lansdowne Park in 2028-29
  - \$0.22M Upgrade to Picton Tracks
  - \$2.26M Relocation of College park
  - \$0.55M Rose Manor Reserve Playground
  - Unspecified allocation averaging \$1.6M

## 7. Depreciation Reserves

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
3.99	13.48	23.91	38.40	29.01	28.72	20.99	30.61	39.52	55.85

These amounts represent the depreciation funded to Reserves from each activity of Council net of any transfers funded from the Reserve (*eg; funding of capital or debt repayment*). Depreciation Reserves have built up as a result of activities funding their Depreciation Reserves without major capital expenditure being planned within the 10 year Plan. This occurs when assets are new and won't have to be upgraded or renewed for some time. The Infrastructure Strategy identifies that renewals will become an increasingly important issue over time.

A previous Audit New Zealand Long Term Plan Management Report included the following comment:

“the key for the District Council is that in fully funding its operating costs including depreciation, its funding is at a level that is sufficient for long term sustainable funding of asset renewals. This is essential for maintaining levels of service in the long term. Over the 10 years of the LTP, expenditure on renewals (\$133.00M is at a substantially lower level than depreciation (\$221.00M)..... at a future point the situation will reverse and renewals will exceed depreciation.”

Of note, in 2024-25 renewals expenditure is \$35M and the forecast depreciation for that year is \$37M, which is broadly in balance.

## 8. Covid-19 Rates Relief Reserve

2023-24 \$M	2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M
(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)

This reserve was established to mitigate some of the effects of Covid-19.

The COVID Rates Relief Reserve unwinding and repayment is addressed in another paper in this agenda.

Author	Chris Lake, Financial Services Manager
Authoriser	Geoff Blake, Chief Financial Officer

## 4.10 Infrastructure Upgrade Reserve

(Report prepared by T Dever/G Blake)

F230-L24-03

### Purpose of report

1. To provide the Council with an update on the Infrastructure Upgrade Reserve.

### RECOMMENDATION

That Council receive and adopt this paper as supporting information.

### Background/Context

2. This Reserve was originally established to assist funding (up to 50%) of essential infrastructural assets (e.g. Combined Sewerage schemes (including Grovetown), Picton water, now part of Combined Water schemes, and the Aquatic Centre). Infrastructural assets are defined in the Long Term Plan as fixed assets that are not generally regarded as tradable and which provide a continuing service to the community – such as Reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
3. The Reserve has the following income streams:
  - MDC Holdings Limited dividend (full value) - \$3.36M for the first year then an average of \$4.81M for the next 9 years.
  - Property lease income - \$2.57M to \$5.01M per annum based on projections supplied by APL.
4. The property lease income is derived from three leases at Conders Bend with varying review frequencies (five or six years) and differing bases for calculation, consistent with the Long Term Plan.
5. This Reserve and its associated income streams have been set up to service debt for 20 year loans. That is, the Reserve will be paying debt costs to 2053-54 for any drawdowns made in 2033-34 year.
6. The Reserve balance over the ten years of the plan is as below:

2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M	2032-33 \$M	2033-34 \$M
15.66	14.84	13.74	12.00	9.88	8.60	7.42	7.22	7.98	8.76

7. The Reserve is sensitive to changes in Council's internal interest rates.
8. If the interest rates trend down, as is expected, this Reserve could look better in the future.
9. By way of comparison for the 2021-31 LTP the 2030-31 balance was forecast to be \$8.50M and in the 2023-24 AP the 2030-31 balance was forecast to be \$1.5M.
10. Further allocations from this reserve need to consider whether debt servicing costs in any given year exceed the income streams. In the 2024-34 LTP we have taken steps to reduce the allocations in future years to ensure the Reserve remains sustainable into the future.
11. For Council's information, previous Council decisions have provided the following guidance as to the use of Infrastructure Upgrade Reserve:
  - (a) that it is applied to essential infrastructure;
  - (b) that it assists funding new assets (to a maximum of 50%) after taking account of subsidies provided by Central Government; and

- (c) that it assists significant capital upgrades required to increase the targeted level of service supplied to the community (to a maximum of 50%) after taking account of other subsidies supplied by Central Government.

12. Below is a table of all items that have been approved to be funded by the Infrastructure Upgrade Reserve. The borrowed column shows the funds that have already been borrowed from this fund, while the other column shows the amounts approved, that have not yet been taken up.

<b>Project</b>	<b>Borrowed</b>	<b>Allocated but not yet borrowed</b>
Lansdowne Park	\$2.51M	-
Blenheim Library	\$6.13M	\$0.19M
Picton Library	\$1.82M	-
Aquatic Centre	\$4.00M	-
Combined Water	\$10.21M	\$50.46M
Awatere Water	-	\$1.42M
Combined Sewer	\$29.71M	\$34.22M
Grovetown Sewer	\$0.51M	-
St Andrews Sewer	\$0.11M	\$0.48M
General Roothing	\$1.83M	-

Author	Tessa Dever, Financial Reporting and Funding Manager
Authoriser	Geoff Blake, Chief Financial Officer

## 4.11 Capital Expenditure Schedule

(Report prepared by Rainbow Zhao/Geoff Blake)

F230-L24-03

### Purpose of report

1. To present a summary of the proposed Capital Expenditure Programme for 2024-34 Long Term Plan (as attached).

### Executive Summary

2. The majority of the larger items are either commented on in Agenda Papers 4.2 and 4.3. The figures in the schedule (refer **Attachment 4.7.1**) will differ from those contained in the above items, due to the budget adjustments made to broadly align with the funding envelope agreed in the Long Term Plan.

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### RECOMMENDATION

That the information be received and adopted as supporting information.

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### Attachment

Attachment 4.11.1 – Council Activities

Page 66

Author	Rainbow Zhao, Systems Accountant
Authoriser	Geoff Blake, Chief Financial Officer

## Attachment 4.11.1

## Inflated Capital Expenditure (\$000's)

## 2024-34 Long Term Plan

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	10 year total
Arts	-	-	-	-	-	-	-	-	-	-	-	-
Culture and Heritage	-	-	-	-	-	-	-	-	-	-	-	-
Housing for Seniors	3,000	210	-	219	-	228	-	259	-	269	-	1,186
Housing for Seniors	3,000	210	-	219	-	228	-	259	-	269	-	1,186
Passenger Transport	23	23	23	23	24	24	25	25	26	26	27	247
Community Support	23	23	23	23	24	24	25	25	26	26	27	247
Library Services	479	360	374	389	405	449	437	453	468	594	485	4,417
Library Services	479	360	374	389	405	449	437	453	468	594	485	4,417
Emergency Management	9	57	52	9	10	10	10	38	10	87	11	294
Emergency Management	9	57	52	9	10	10	10	38	10	87	11	294
<b>People Total</b>	<b>3,510</b>	<b>650</b>	<b>449</b>	<b>641</b>	<b>439</b>	<b>712</b>	<b>472</b>	<b>776</b>	<b>505</b>	<b>977</b>	<b>523</b>	<b>6,144</b>
Cemeteries	498	65	62	92	64	76	81	85	64	88	72	750
Memorials	43	8	8	336	9	9	9	9	9	9	10	416
Street berms, trees and plots	38	38	39	40	41	42	43	43	44	45	46	422
Halls	20	20	20	21	21	22	22	23	23	23	24	219
Public Toilets	575	475	2,570	708	53	60	66	44	63	86	21	4,147
Reserves	12,963	2,702	5,920	2,450	4,194	2,138	2,113	1,847	1,930	2,526	1,933	27,753
Swimming Pools	200	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	14,338	3,309	8,619	3,647	4,382	2,346	2,334	2,051	2,133	2,778	2,106	33,707
<b>Community Facilities Total</b>	<b>14,338</b>	<b>3,309</b>	<b>8,619</b>	<b>3,647</b>	<b>4,382</b>	<b>2,346</b>	<b>2,334</b>	<b>2,051</b>	<b>2,133</b>	<b>2,778</b>	<b>2,106</b>	<b>33,707</b>
Roading	35,758	26,433	25,128	22,337	21,419	31,520	29,787	30,960	24,019	25,359	24,180	261,141
Roads and Footpaths	35,758	26,433	25,128	22,337	21,419	31,520	29,787	30,960	24,019	25,359	24,180	261,141
<b>The Provision of Roads and Footpaths Total</b>	<b>35,758</b>	<b>26,433</b>	<b>25,128</b>	<b>22,337</b>	<b>21,419</b>	<b>31,520</b>	<b>29,787</b>	<b>30,960</b>	<b>24,019</b>	<b>25,359</b>	<b>24,180</b>	<b>261,141</b>
Rivers Outside Wairau Floodplain	73	93	20	21	22	22	23	23	24	24	25	297
Wairau Floodplain Drainage	2,390	1,980	2,378	421	691	365	645	35	319	36	333	7,204
Wairau Floodplain Rivers	2,310	945	2,912	3,210	2,808	1,571	1,042	3,324	473	1,958	493	18,736
Flood Protection and Control Works	4,773	3,018	5,310	3,652	3,521	1,959	1,710	3,382	816	2,018	851	26,237
<b>Flood Protection and Control Works Total</b>	<b>4,773</b>	<b>3,018</b>	<b>5,310</b>	<b>3,652</b>	<b>3,521</b>	<b>1,959</b>	<b>1,710</b>	<b>3,382</b>	<b>816</b>	<b>2,018</b>	<b>851</b>	<b>26,237</b>
Combined Sewerage	16,687	12,069	20,168	24,400	18,882	30,846	24,851	26,441	12,353	12,558	6,007	188,574
Riverlands Sewerage	154	1,377	1,957	10,241	10,268	172	180	-	-	-	-	24,195
Sewerage	16,840	13,446	22,124	34,641	29,149	31,018	25,031	26,441	12,353	12,558	6,007	212,769
<b>Sewerage Total</b>	<b>16,840</b>	<b>13,446</b>	<b>22,124</b>	<b>34,641</b>	<b>29,149</b>	<b>31,018</b>	<b>25,031</b>	<b>26,441</b>	<b>12,353</b>	<b>12,558</b>	<b>6,007</b>	<b>212,769</b>
Blenheim Stormwater	1,992	5,456	2,301	3,994	7,393	6,413	844	718	734	296	919	29,068
Other Stormwater Schemes	81	781	929	54	56	57	58	60	61	62	63	2,182
Stormwater Drainage	2,073	6,237	3,230	4,048	7,448	6,470	902	778	794	359	983	31,249
<b>Stormwater Drainage Total</b>	<b>2,073</b>	<b>6,237</b>	<b>3,230</b>	<b>4,048</b>	<b>7,448</b>	<b>6,470</b>	<b>902</b>	<b>778</b>	<b>794</b>	<b>359</b>	<b>983</b>	<b>31,249</b>
Awatere Water	2,279	4,231	616	853	199	531	407	9	11	10	205	7,073
Combined Water	8,749	9,604	10,899	9,399	10,642	7,654	22,088	7,373	8,486	28,251	26,346	140,742
Riverlands Water	8,737	9,620	6,861	1	1	288	1,431	1	2	1	1	18,207
Water Supply	19,766	23,455	18,375	10,254	10,842	8,473	23,926	7,384	8,498	28,262	26,553	166,021
<b>Water Supply Total</b>	<b>19,766</b>	<b>23,455</b>	<b>18,375</b>	<b>10,254</b>	<b>10,842</b>	<b>8,473</b>	<b>23,926</b>	<b>7,384</b>	<b>8,498</b>	<b>28,262</b>	<b>26,553</b>	<b>166,021</b>
Landfills	3,642	550	461	105	108	398	2,729	2,803	213	169	173	7,709
Transfer Stations	-	422	-	-	-	-	-	-	-	-	-	422
Waste Minimisation	-	50	-	-	-	-	-	-	-	-	-	50
Solid Waste Management	3,642	1,022	461	105	108	398	2,729	2,803	213	169	173	8,182
<b>Solid Waste Management Total</b>	<b>3,642</b>	<b>1,022</b>	<b>461</b>	<b>105</b>	<b>108</b>	<b>398</b>	<b>2,729</b>	<b>2,803</b>	<b>213</b>	<b>169</b>	<b>173</b>	<b>8,182</b>
Environmental Science & Monitoring	722	415	637	437	204	279	170	234	177	431	247	3,232
Environmental Science and Monitoring	722	415	637	437	204	279	170	234	177	431	247	3,232
Environmental Protection	-	-	44	-	-	-	-	-	-	50	-	94
Environmental Protection	-	-	44	-	-	-	-	-	-	50	-	94
Resource Consents	-	-	42	-	-	-	-	-	-	48	-	90
Resource Consents	-	-	42	-	-	-	-	-	-	48	-	90
<b>Environmental Management Total</b>	<b>722</b>	<b>415</b>	<b>723</b>	<b>437</b>	<b>204</b>	<b>279</b>	<b>170</b>	<b>234</b>	<b>177</b>	<b>530</b>	<b>247</b>	<b>3,416</b>
Building Control	-	24	251	-	-	-	-	27	-	288	-	590
Building Control	-	24	251	-	-	-	-	27	-	288	-	590
Environmental Health	3	29	4	4	4	4	4	4	4	4	4	63
Environmental Health	3	29	4	4	4	4	4	4	4	4	4	63
Biosecurity	-	-	174	-	-	99	-	-	-	205	-	479
Biosecurity	-	-	174	-	-	99	-	-	-	205	-	479
Harbours	250	217	964	315	641	241	334	200	267	321	181	3,681
Harbours	250	217	964	315	641	241	334	200	267	321	181	3,681
<b>Regulatory Total</b>	<b>253</b>	<b>269</b>	<b>1,392</b>	<b>319</b>	<b>645</b>	<b>344</b>	<b>338</b>	<b>231</b>	<b>271</b>	<b>818</b>	<b>185</b>	<b>4,813</b>
Economic Development	-	-	-	10	-	-	-	-	-	-	-	10
Irrigation Schemes	1,118	119	121	652	3,909	10,479	138	146	174	150	154	16,042
Parking	86	116	120	131	113	150	118	143	137	149	128	1,305
Regional Development	1,204	235	242	794	4,022	10,629	256	289	311	298	282	17,357
<b>Regional Development Total</b>	<b>1,204</b>	<b>235</b>	<b>242</b>	<b>794</b>	<b>4,022</b>	<b>10,629</b>	<b>256</b>	<b>289</b>	<b>311</b>	<b>298</b>	<b>282</b>	<b>17,357</b>
Corporate Management	-	-	58	-	-	-	-	-	-	66	-	124
Information Services	2,475	1,445	1,914	1,273	772	788	803	818	834	849	864	10,359
Office Services	60	230	61	104	64	65	66	333	69	70	71	1,135
Land Development	-	-	2,955	-	-	-	-	-	-	-	-	2,955
Regional Development	-	-	-	-	-	-	-	-	-	-	-	-
Assets + Services Management	-	-	928	49	40	-	49	-	-	1,044	-	2,112
Plant Operations	164	371	168	267	393	414	486	334	229	277	66	3,005
<b>Grand Total</b>	<b>105,579</b>	<b>80,536</b>	<b>92,138</b>	<b>82,569</b>	<b>83,448</b>	<b>95,414</b>	<b>89,060</b>	<b>76,813</b>	<b>51,223</b>	<b>76,433</b>	<b>63,090</b>	<b>790,725</b>

## 4.12 Forecast Financial Statements

(Report prepared by T Dever/G Blake)

F230-L24-03

**Please note the full report and attachment will be provided prior to or at the Council meeting on 26 February 2024**

### Purpose of report

1. To present to Council forecast Financial Statements reflecting the income, expenditure and funding decisions in the 2024-34 Long Term Plan.

### Executive Summary

2. This report includes the following forecasts:
  - Statement of Comprehensive Revenue and Expense;
  - Statement of Changes in Net Assets / Equity;
  - Statement of Financial Position;
  - Statement of Cash Flows; and
  - the accompanying Financial Statement Notes.

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### RECOMMENDATION

**That the information presented be received as supporting documentation.**

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### Attachment

Attachment 4.12.1 – Council Financial Statements

Author	Tessa Dever, Financial Reporting and Funding Manager
Authoriser	Geoff Blake, Chief Financial Officer

## 4.13 Council Activities (also refer to the separate attachment)

(Report prepared by G Blake)

F230-L24-03

### Purpose of report

1. The purpose of this paper is to present for Councillors' information on each of Council's Activities and provide a guide to the structure of each the Activity Statements in the **separate Attachment**. The intention is that this information will be made available to the public during the consultation process as supporting information.

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### RECOMMENDATIONS

That Council:

1. Note the availability of the information contained in the separate Activity Attachment.
2. Receive and adopt the information as supporting information.

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### Attachment

Separate Attachment 4.13 – Council Activities

Author	All Departmental Managers
Authoriser	Geoff Blake, Chief Financial Officer



## 4.14 Levels of Service Increases Small Townships Programme

(Report prepared by Heather Graham/Jamie Lyall)

E105-002-01

### Purpose of report

1. The purpose of the report is for Council to consider whether to continue with funding the Small Townships Programme after 2028.

### Executive Summary

2. Council approved funding for a new Small Township Programme (STP) in the 2015 – 2025 Long Term Plan. STP arose from the Growing Marlborough Strategy with a focus on enhancing existing settlements and supporting defined communities.
3. Debt funding was approved across the 2015-25 LTP period, with an annual budget approved through to 2028. In the 2021-31 LTP staff sought a continuation of the programme through to 2031 but were requested to table a continuation request at the 2024-34 LTP.
4. STP is all about linking the aspirations of communities with good outdoor public space design. The community is the key stakeholder in this process and establishes a vision and priorities for localised projects. Developing a sense of place and unique identity supported by connectivity and accessibility is critical to achieving the right result.
5. Small Townships Programme annual budget is debt funded at a cost of approximately \$6 per ratepayer per annum across Blenheim Vicinity and General Rural rating areas.
6. Options for the future of STP include ending the programme in 2028, continuing the programme in its current form or repositioning STP within a Council department and allocating a fixed project related capital budget.
7. The STP programme was developed as rural and small communities felt that they were falling under the Council radar. The programme that is in place now appears to be addressing that matter.

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### RECOMMENDATION

1. **That Council approve the Small Townships Programme activity being incorporated into the Community Facilities Department of Council from the 2024/25 financial year.**
2. **That Council approve a continuation of funding for the period of the 2024-34 LTP to the 2033/34 financial year.**

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### Background

8. The Small Townships Programme stems from the Growing Marlborough Strategy and it is expected that by 2028 STP will have delivered projects in a number of small towns and communities.
9. STP offers a gateway to the rural communities of Marlborough with engagement that captures the aspirations and vision residents hold for their community. Projects are often low-cost but high-value. Small Townships has grown an identity and kaupapa of its own which is positively received by the community.

### Funding

10. Funding is rated from the Blenheim Vicinity and General Rural areas and includes small townships of Anakiwa/Tirimoana, Canvastown, Grovetown, Havelock, Okiwi Bay, Rai Valley, Rāangi, Renwick, Seddon, Spring Creek, Tua Marina, Wairau Valley, Ward along with a number of sounds settlements.

11. Operating, overhead and interest costs are all funded from the annual budget of \$750,000. Currently, approximately 51% of this funding is spent on the above items which long term is not sustainable due to the decreasing amount available to spend on projects.
12. The cost of debt using the Council's internal borrowing is calculated at 8.3% per annum including an allowance for principal repayments.
13. The impact on rates over the lifetime of the programme across the Blenheim Vicinity and General Rural rating areas is \$41.50 per ratepayer.

### Options

14. Option 1 – Council has funding in place until 2028. It is expected that by then all of the small settlements would have received funding and completed projects based on the first allocation of funding. The programme could stop at that point.
15. Option 2 – Council could consider continuing the Programme in its current form. The annual budget is currently set at \$750,000 which includes the funding of operating costs, overheads and interest costs on the programme capital spend. This is not sustainable in the long term due to the decreasing amount available to spend on projects. This model requires regular budget increases to off-set the increasing operating, interest and overhead costs.
16. Option 3 – Council could consider incorporating the programme into the departmental funding model and rating for the activity accordingly. This would provide a fixed projects budget and certainty over programme delivery.

Author	Heather Graham, Small Townships Project Manager
Authoriser	Jamie Lyall, Property and Community Facilities Manager

## 4.15 Levels of Service Increases Community Facilities: Structures and Recreational funding

(Report prepared by Jane Tito/Jamie Lyall)

R510-021-01

### Purpose of report

1. To request funding for improvements to Council's recreational facilities to maintain and/or to increase current levels of service to meet safety requirements.

### Executive Summary

2. Funding of \$4,221,500 is sought for 10 projects which involve new development, replacements and upgrades to aged equipment, an increase in asset use and asset planning reports.
3. A number of these projects meet the growth criteria for funding from the Land Subdivision Account. It is proposed for the balance to be debt funded.
4. The opening balance of the Land Subdivision Account as at 1 July 2023 is **\$6,413,407**. The proposed budget for projects to be funded from this Reserve is **\$2,195,050**. The remaining balance of the Land Subdivision Account balance will be **\$4,123,357** per Table 1 below.

Opening Balance of Land Subdivision Account (1/7/2023)	Projects to be funded by Land Subdivision Account	Closing balance of Land Subdivision Account
\$6,413,407	\$2,195,050	\$4,123,357

Table 1- Land Subdivision Account

5. It is proposed that the balance of \$1,931,450 for the projects identified, be debt funded.

### RECOMMENDATIONS

1. That Council approve \$2,195,050 from the Land Subdivision Account over the 2024-2029 financial years per table 2 (below) to fund the growth components of the works required.
2. That Council approve \$1,931,450 of rate funded debt to fund the non-growth component of the works required to upgrade the community recreational facilities to meet level of services safety and demand requirements.
3. That Council approve OpEx of \$95,000 for the 2024/25 financial year to be funded from general rates.

### Background/Context

6. The Land Subdivision Account funds are obtained from development contributions levied on new residential activity that takes into consideration the effect of growth on the capacity of current Parks and Open Spaces facilities and areas.
7. The projects involve new development, replacements and upgrades to aged equipment, an increase in asset use and asset planning reports. The Land Subdivision Account had an opening balance of \$6,413,407 as of 1 July 2023. Funding of \$2,195,050 is sought from the Account with the balance of \$1,931,450 to be funded by rates. Table 2 (below) sets out a summary of the proposed new developments and upgrades to community facility areas with a more detailed assessment and analysis following.

Table 2: Proposed projects

<b>Name of park and description of proposed project</b>	<b>Cost</b>	<b>Growth Driven (Percent)</b>	<b>Land Subdivision Account</b>	<b>Debt-funded</b>	<b>OpEx</b>	<b>LTP Year Commencement</b>
Safety Audit with Plan for Barnes Dam Track <i>A safety audit with plan of action for improving the Barnes Dam Track.</i>	\$15,000	100%	0	0	\$15,000	FY 2024/25
Safety Audit with Plan for Mt Takorika and Waterfall Tracks (Havelock) <i>A safety audit with plan to develop the Mt Takorika Track to NZ Standard specification</i>	\$20,000	100%	0	0	\$20,000	FY 2024/25
Mountain Bike Park carpark <i>Upgrade to entry to WHFP / MTB Track</i>	\$80,000	100%	\$80,000	0	0	FY 2024/25
Rutherford/Pickering memorial <i>Update to audio system and dated panelling.</i>	\$80,000	70%	\$56,000	\$24,000	0	FY 2024/25
A&P Park Pavilion <i>New pavilion to replace aging and deteriorating facility</i>	\$3,700,000	50%	\$1,850,000	\$1,850,000	0	FY 2026/27 to FY 2027/28
Structures Report <i>A maintenance inspection report (every 3 years) specifically of Parks and Open Spaces structures.</i>	\$60,000	100%	0	0	\$60,000	FY 2024/25
Renwick Pump Track <i>Additional funding to allow for price increases and size increase to area</i>	\$75,000	100%	\$75,000	0	0	FY 2024/25
Auckland Street Skate and Basketball Park <i>Upgrade to skate park features to suit wider range of participation</i>	\$191,500	70%	\$134,050	\$57,450	0	FY 2025/26 to FY 2026/27
<b>Total:</b>	<b>\$4,221,500.00</b>		<b>\$2,195,050.00</b>	<b>\$1,931,450.00</b>	<b>\$95,000.00</b>	

## Assessment/Analysis of Proposed Projects

### Audit with Plan for Barnes Dam Track

\$15,000

8. The Barnes Dam Track in Essons Valley was originally constructed to lay a pipe to carry water to Picton. Over time it has developed into a popular walking track, along with the Humphries Dam Track.
9. The track itself has some very narrow parts with severe drop offs and several parts require users to effectively *straddle walk* the pipeline because of the limited width of the track. The track has also had several subsidence issues over the past year, caused by weather events. It has been closed for a number of weeks due to these safety issues.
10. Before any remediation work is undertaken, an audit is required for the full length of the track to identify safety concerns and whether the track meets (or is able to meet) *Standards NZ HB 8630:2004 Tracks and outdoor visitor structures* for track construction. The audit report will include a plan of what would be required to remediate the track to ensure it is safe for public use.
11. Once the audit is complete a report will be prepared for the Assets and Services Committee setting out associated costs of remediation work and ongoing maintenance.



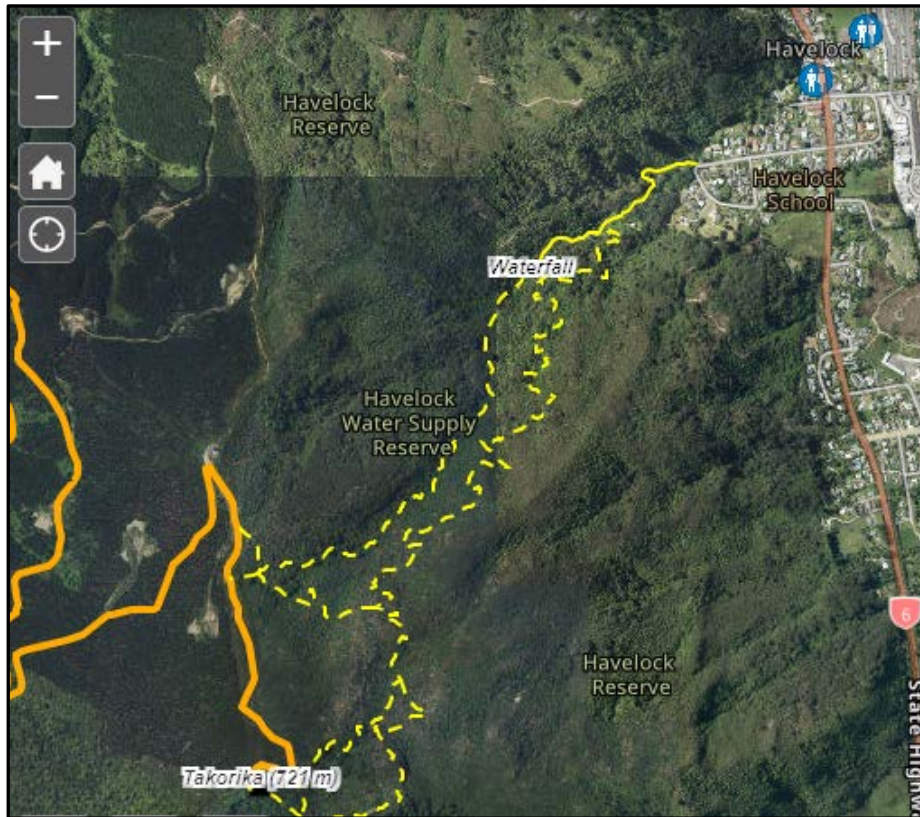
### Audit with Plan for Mt Takorika Track

\$20,000

12. The Mt Takorika Track network in Havelock has been developed by volunteers with the assistance of the Havelock Vision 2020 project. The couple who have been responsible for the creation and maintenance of the track network have indicated they are retiring shortly and will not be able to continue providing maintenance of this track. An approach has been made to Council to take over maintenance of the track network.
13. In order for the track network to come under the Council umbrella, an audit needs to be undertaken to assess them against the *Standards NZ HB 8630:2004 Tracks and outdoor visitor structures* for track construction to ensure compliance and what may be required to meet the respective standard.
14. The track network which extends further up Mt Takorika from Havelock's current Waterfall Track has become particularly popular in Havelock and the wider Marlborough community as a more challenging walk. The area has also had a growth in users and more regular walkers on the track since the Mount

Everest Challenge started in 2021. Current data shows the daily average of use has increased by 46% on previous years count.

15. The tracks are also publicised as a Nelson trail in literature providing information about Nelson tracks and trails. The image below shows the location of the Mt Takorika Track network in a dashed yellow line while the Council maintained Waterfall Track is shown as a solid yellow line.



16. The track currently winds its way through conservation land, with a large portion on Council-owned land and unformed legal road (paper road). The adjacent forestry block area is also a popular mountain biking destination for both Nelson and Marlborough riders. These forestry tracks do at times intersperse with the walking tracks.
17. Once the report is received it is envisaged that this track will be brought into the Council's walking network and there would be associated development costs and eventual maintenance. A report on the outcomes of the audit will be reported to the Assets and Services Committee.

***Blenheim Mountain Bike Carpark – chip seal carpark*** **\$80,000**

18. The carpark servicing the main entry point for the Mountain Bike Park located on the Wither Hills has received a lot of use and a more robust surface is required to ensure it remains in good condition. Data collected from the Calorie Killer Mountain Bike Track shows an increase in use of 43.8% on mountain biking over the last 12 months in this area.
19. While there are a number of other entry points for mountain biking in the Farm Park, this carpark is regarded as the main entry point to the Mountain Bike Park. A toilet is also planned adjacent to the carpark in response to requests for such a facility by those using the entry. Information on this is included in a separate LTP paper on a renewals programme for public toilet facilities.



*Rutherford/Pickering Memorial (Havelock)*

**\$80,000**

20. The memorial in Havelock has an audio system that informs the public about two internationally renowned Marlborough scientists who were born or lived in Havelock during their childhood. Both Lord Ernest Rutherford and Sir William Pickering were schooled at the local Havelock school before going on to high school elsewhere and eventually higher education.



21. The memorial has a dated sound system that needs to be replaced due to expired technology. Additionally, the panels that showcase the area, the township and the two scientists is also in need of updating and replacement.
22. Havelock is an ever-increasing popular area for visitors and has the highest used public convenience facility in Marlborough over the summer period with over 600 users each day.

*A&P Park Pavilion*

**\$3,700,000**

23. In 2019, Council commissioned a feasibility study into the repair or replacement of the existing pavilion building at A&P Park. The building had been damaged in the 2016 Kaikoura earthquake and an engineering assessment deemed the building hazardous with only limited use advised until 2017-2018 when the building received strengthening work to make the building safe and available for user groups.
24. A 2020 feasibility study that consulted with all tenants and users of the Park recommended the replacement of the Pavilion as it was no longer deemed fit for purpose due to the age and difficulties in redeveloping the facility. The Council agreed with these findings.
25. Council had allocated funding through the 2021-31 LTP of \$2.2 million for the development of a pavilion at A&P Park as a multipurpose hub, supporting local sports and community groups including the A&P Association and Marlborough Football.
26. In 2022 Council tasked staff with developing a master plan for the Park including options on where to locate the multipurpose hub. The consultation included stakeholders, Mana whenua and community

groups. A masterplan was subsequently presented to a Councillor workshop in 2023. At that time the majority of Councillors preferred locating the building as a central hub on the site of the former grandstand.



27. The master plan reviewed different layouts for the sport codes, the weekly Farmers Market and the A&P Association. With a revised layout there will be some groups displaced from the Park, including Foodbank, the Slot Car Club and the Blenheim Canine Training Club. However, staff will work with the groups to identify suitable new locations for their activities.
28. The former groundsman's house onsite will be demolished and a new storage area for user groups will be developed on the vacant site.
29. Funding of \$643,000 for car parking \$33,000 for secondary storage units and \$150,000 for a new toilet has also been included in the budget. These items are part of the A&P Park development plan.
30. A budget of \$5.9 million has been assessed as the budget required to demolish the existing building and construct and fit out the new building There is \$2.2 million in the FY 2025/26 budget year, the balance requested of \$3,700,000 is sought for approval in the FY 2026/27 budget year.
31. Should the request be approved, the budget would be funded from both the Land Subdivision Account and also be debt funded with a split of 60/40 respectively.





Indicative plan for the 2020 Sports Facilities Plan.

**Marlborough Structures Report**

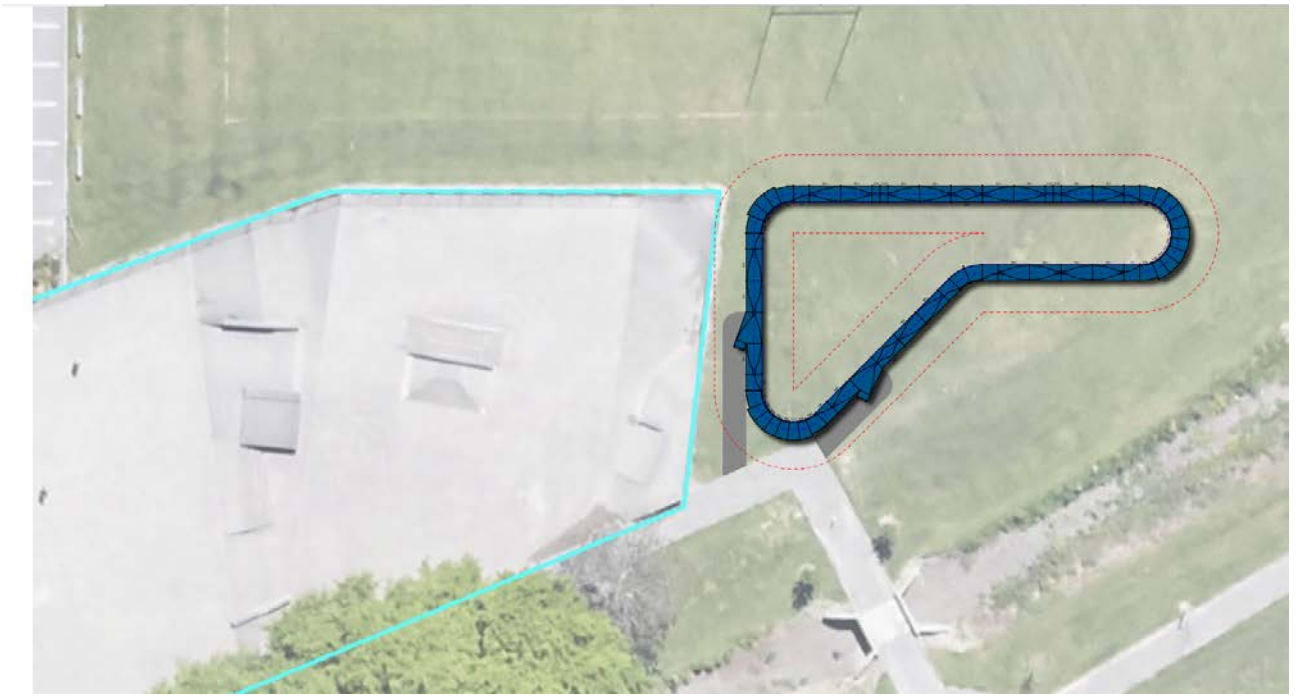
**\$60,000**

- 32. Council commissions an independent engineering report on Council-owned structures every three years to provide a conditional assessment of those structures. The report provides recommendations and prioritises assets for maintenance works based on findings. The report specifically covers Parks and Open Spaces structures such as bridges, platforms and boardwalks.
- 33. In the most recent report in 2021, there were 94 structures inspected, an increase of 20% on the previous assessment in 2018. Council allocated funding on 24 February 2022 over four years until FY 2026/27 for the repair works identified in the budget paper.
- 34. The next engineering report would cover 139 structures with 45 being new structures which have been added in the last three years.
- 35. The report has in the past been funded from different operational budgets, however staff are looking to reduce the impact of repairs and maintenance budgets with a specific funding budget for this work in the longer-term. The cost of the report is \$20,000 and this would be required every three years from FY2024/25. As well as meeting health and safety legislation this report also ensures Council assets are maintained and improved to the level of service that meets both safety standards and public use.

**Renwick Pump Track**

**\$75,000**

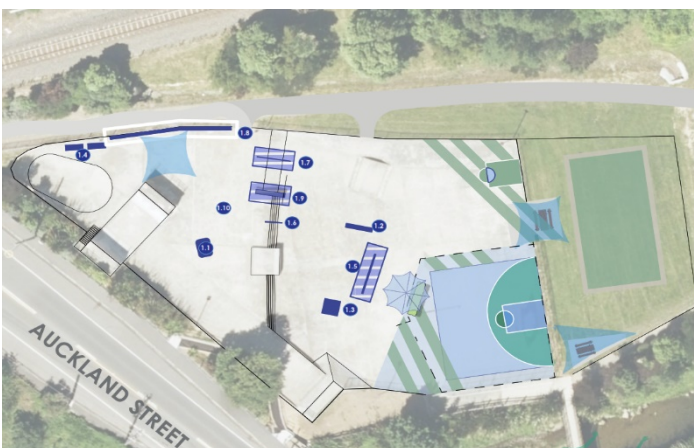
- 36. Funding for a modular pump track for Renwick was approved in the 2022/23 Annual Plan with 100% funding from the Land Subdivision budget.
- 37. Staff had budgeted the install on the cost to construct the Havelock Pump Track which was \$75,000. This style of pump track in Havelock has been very popular and attracted a range of youth of different age groups. The size of the Renwick track is to be one third larger than the Havelock one and will fit the space next to the current skate park.
- 38. Since 2021 prices have significantly increased for this type of track and further funding to install the track will be required to complete the job.
- 39. Budget of \$75,000 is sought in addition to the already budgeted \$75,000 from the Land Subdivision Account.



**Picton: Auckland Street Skate and Basketball Park**

**\$191,500**

- 40. Funding to upgrade the skate park to introduce new features more suitable to a growing number of younger-aged participants. The park's skating features cater to a more intermediate to expert age group of users and with recent improvements in the area there is an opportunity to reconfigure and add in elements to improve the functionality for a wider user group.
- 41. Facilities with an active youth focus are limited within the Waitohi urban area with existing features not supporting beginners to engage with space or lean a small-wheeled sport like skating or using a scooter.
- 42. The project will be developed in two stages with an activate area in the initial stage and an enhancement phase in the second phase. The project works will be constructed over two financial years from FY 2025/26.
- 43. There has been a consultation project with Sport Tasman in the last 18 months addressing the outdoor activities needs of Rangatahi and this park area has had some recent enhancement with basketball and volleyball activities installed, new tables and furniture and shade areas.
- 44. This second phase will address the improvements to the skating area and provide a younger participant with activities that will provide some challenges to suit their age group.



1.8 FIXED: CORTEN STEEL GARDEN SLAPPIES



1.5 FIXED: LONG ROUND BAR

**Funding**

- 45. One of the challenges for funding of Council assets for recreational areas is that the Council currently does not have depreciation as a funding source when it comes to replacing existing assets. This policy is currently under review.
- 46. Council, however, is able to use development contributions received through the Land Subdivision Account as a funding source for recreation and community facility projects. The criteria for use of this Account are restricted to service levels of growth. In Table 2 the projects identified with a higher level of growth show 100% of funding is sought through the Land Subdivision Account.
- 47. Where projects involve renewal and replacement this is also in part to service increased levels of growth, however the need is not solely in response to growth. In these circumstances a lower level of funding is sought the Land Subdivision Account with the balance to be rate funded debt.

**Next steps**

- 48. If Council confirms the funding sought for these projects, then staff will begin the planning, design, consenting, contract and tendering processes.

Author	Jane Tito, Parks & Open Spaces Manager
Authoriser	Jamie Lyall, Property & Community Facilities Manager

## **4.16 Levels of Service Increases Freedom Camping Monitoring**

(Report prepared by Jane Tito/Jamie Lyall)

R510-005-05

### **Purpose of report**

1. To seek annual funding to manage monitoring of responsible camping across the Marlborough District.

### **Executive Summary**

2. Following a review of the 2018/2019 responsible camping season and the increasing numbers of visitors it was agreed that a contractor be engaged to specifically manage responsible camping on a seasonal basis. This activity was jointly funded by Council's operational budgets and a fund set up (at the time) by central government.
3. Between 2018 to 2021 Council applied for and received funding from central government that allowed for a comprehensive monitoring programme of responsible camping across Marlborough. In 2021 the government advised that funding for freedom camping monitoring would be discontinued.
4. From 2021 to 2023 Council approved funding for the monitoring of freedom camping each year.
5. While Covid-19 pandemic did have a significant impact on international visitor numbers there was an increase in New Zealanders travelling and camping at responsible camping sites.
6. Currently there is no funding within Council budgets for the responsible camping monitoring and enforcement function. Staff are seeking approval of a \$95,000 budget each year to allow the contracted service to continue.
7. The budget would provide for 8 hours a day (2 shifts of 4 hours) between 1 December and 31 March each year to be provided by a contractor. Staff believe that this resource will meet the current demands of the Responsible Camping Control Bylaw 2022.
8. It is suggested that the funding be provided from rates due to the community good aspect of the activity and the need for the ongoing service.

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### **RECOMMENDATION**

**That Council approve funding of \$95,000 annually from rates to cover responsible camping monitoring across the Marlborough District.**

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### **Background**

9. In 2019 following an internal resourcing review, it was agreed that the monitoring and enforcement for responsible camping be provided by an external contractor for the peak period from 1 December to 31 March each year.
10. At other times during the year, Parks and Open Spaces Rangers undertake periodic monitoring of responsible camping sites as part of their work-plan and respond to issues as they arise.
11. Council successfully applied for funding from central government from 2018/19 until 2021/22 to provide educational and enforcement services for responsible camping.
12. The Government funding support stopped in 2022 and Council has funded the service annually since.

### **Comments**

13. The Council's Responsible Camping Control Bylaw 2022 approved on 2 March 2023 with effect from 1 May 2023 introduced 6 new sites to the previous 5 approved sites. A number of the new sites in the Bylaw are more remote and require further travel to reach sites than in the previous Bylaw.

14. To meet the requirements of the new Responsible Camping Control Bylaw 2022, Council also applied for resource consents to permit responsible camping at four of the new sites. Two of these sites have been approved, with the remaining consents still being processed.

**Assessment**

15. Staff recently reviewed the previous 3 years of responsible camping monitoring and have found that the current contracted approach works well and meets the needs of the visitors, the local community and also Marlborough’s Responsible Camping Control Bylaw 2022.
16. Council’s responsible camping monitoring format is as below:
  - a) a set period of time from 1 December to 31 March,
  - b) daily monitoring,
  - c) two shifts of 4-hours, one in the morning and one in the late afternoon
  - d) complaint based, if outside of those hours.
17. Council data (from the contractor monitoring responsible camping sites) shows a continual flow of new visitors to the District with only a few visitors staying more than 1 night. The data also shows an increase by approximately 50 percent on last year’s visitor numbers who were using Council’s responsible camping sites.
18. Council is yet to reach pre-Covid visitor numbers staying at responsible camping sites. An example of the increase in visitors to our responsible camping sites is the Wairau Diversion site, roughly between Picton and Blenheim.
19. In the pre-Covid years it was not uncommon to have about 130 to 160 vehicles overnighing, our data has recorded our highest overnight stay this season at 57 visitors. In the 2022/23 season the number at this particular site were closer to 25 visitors per night. This site is however closed presently due to fire damage.

Table 1

Visitors to Responsible Camping Sites (2021 to 2024)	
Monitoring Period 1/12 to 31/3	Number of Total Vehicles
2021 to 2022	2866
2022 to 2023	7144
2023 to 2024	5796 (to 30 Jan 2024)

Source: MDC Field Data Capture

20. Council anticipates progressing the Wairau Diversion responsible camping project in 2024/25, when the rock revetment works have been completed by Council/Rivers Department.
21. Council will continue to maintain an educational focus for visitors to the region, a focus that has worked well with few complaints and low infringement numbers.
22. Staff do not believe a reduction in the current service would be a good idea given the increasing numbers of visitors who are responsible camping.

**Budget**

- 23. The budget required to manage responsible camping in Marlborough is now \$95,000. In 2022/23 Council approved \$90,000 to provide this service. With the revised Bylaw now in place, Council now have additional sites to monitor in more remote areas and the additional \$5,000 is sought to cover the increased monitoring cost of the contractor.
- 24. There is now a three-year trend of an increasing number of visitors to our responsible camping sites and staff believe pre-Covid levels will be met within the next 24 months.
- 25. There is no permanent Council budget allocation to manage responsible camping monitoring / enforcement and no guarantee of future central government funding assistance. Approval has been sought annually to fulfil requirements.
- 26. It is suggested that budget for the monitoring and enforcement of responsible camping come from rates.

**Next steps**

- 27. Staff will also continue to seek central government funding support at every opportunity.
- 28. Council's data capture of visitors to sites will support planning and budgeting purposes to meet future needs.

Author	Jane Tito, Parks & Open Spaces Manager
Authoriser	Jamie Lyall, Property & Community Facilities Manager

## 4.17 Levels of Service Increases Public Conveniences Facility Renewals Programme

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(Report prepared by Grahame Smail/Jamie Lyall)

R510-011-07-001

### Purpose of report

1. To seek Council approval to undertake a public conveniences facility renewals programme as proposed in Tables 1 (below) and 2 (below) of this report.

### Executive Summary

2. It is proposed to replace four (4) existing public toilet facilities to meet current demand and establish 12 (twelve) new facilities to provide for future demand over the next 10 years.
3. The delivery of these public toilet facilities is proposed across the 10-year cycle of the 2024-34 Long Term Plan (LTP), with an estimated capital cost of \$3,685,000 which includes individual projects approved of \$2,205,000 in previous LTP and Annual Plan cycles (see Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme).
4. In total there is already \$4,015,000 capital approved of which \$2,205,000 relates to the programme referred to in this budget paper. The additional approval contained herein would take the total budget to \$5,495,000.
5. The cumulative annual estimated operational costs for day-to-day availability and use of these facilities is included in Table 2: Operational Budget Estimate. Also included in the Operational Budget Estimate is the 4 new Whale Trail facilities, which Council may choose to accept management and maintenance responsibility for. Council is the logical provider in this case.
6. Council currently operates 71 public toilet facilities with a wide range of site locations, formats, age and use demand.
7. 33 facilities are within urban locations and connected to usual 3-waters and power reticulated services with the remaining 38 facilities in rural small town or remote locations. These are non-reticulated and connected to in-ground septic wastewater dispersal systems or wastewater containment holding tanks.
8. Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme identifies the timing of the proposed delivery and the changes against the previous budget, with an increased budget of \$1,480,000 proposed over the full LTP period. Later years have been grouped as they are largely additions to the programme.
9. Council has previously received co-funding (approximately 50%) for public toilet renewal projects through central government's Tourism Infrastructure Fund. It is considered unlikely that this funding source will be available in the foreseeable future.

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### RECOMMENDATIONS

1. That Council approve an additional \$1,480,000 for the capital budget requirement of the public conveniences facility renewals programme as per Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme and as detailed in Table 3: Replacement and New Facility Information.
  2. That Council approve the operational budget requirement of the public conveniences facility renewals programme as per Table 2: 2024-34 LTP Operational Budget Estimate.
-

## Background/Context

10. Over the past six years a range of public toilet facility renewal projects have occurred that support best practice environmental measures and provide strategically located, fit for purpose and safe to use toilet facilities to meet current and future demand for our communities and visitors.
11. These projects were delivered through the 2018-28 and 2021-31 LTP budgets with combined co-funding received 2017 to 2023 through central government's Tourism Infrastructure Fund. This enabled 16 significant Council public toilet facility renewals to be completed.
12. In the 2022-23 Marlborough District Council annual resident satisfaction survey, the public toilet activity attained a 73% level of satisfaction rating, which compares well with the national average satisfaction rating of 67%.
13. In many respects Marlborough is a 'through traveller' visitor region and as such good public toilets are a key aspect in presenting the district favourably and additionally helps engender community and civic pride.

### *What we have*

14. Council currently operates 71 public toilet facilities across Marlborough. These facilities vary widely in location, format, age and use demand.
15. Forty-six percent (46%) of the facilities are located within urban areas and are fully reticulated. The remaining fifty four percent (54%) are located in rural small town or remote locations. These facilities are non-reticulated and connected to in-ground septic wastewater dispersal systems or wastewater containment holding tanks, which are pumped out as required.

### *How is the activity operated?*

16. The district public toilets activity is managed within Council's Parks and Open Spaces section. Cleaning of most facility sites is provided through a Marlborough wide cleaning contract except for seven (7) rural remote sites where local or community-based resources are engaged.
17. Repairs, maintenance, and improvement works including plumbing, drainage, electrical, mechanical, and building services are provided by specialist preferred suppliers. This also includes dealing with vandalism (wilful damage and graffiti), and the removal and disposal of wastewater from containment tanks.

## Assessment/Analysis

### *Funding*

18. From 2017 to 2023, Council received co-funding (approximately 50%) from central government's Tourism Infrastructure Fund (TIF) for public toilet renewal projects. To date all of Council's public toilet facility renewals that met the requisite TIF application criteria and were funded, have been completed.
19. Capital expenditure for public toilet facility renewals is loan funded, with the associated debt servicing, depreciation and day to day operational costs funded through rates year on year.
20. The delivery of proposed replacement and new public toilet facilities through the 2024-34 Long Term Plan is set out in Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme.
21. Capital funding to establish toilet facilities for the Whale Trail as per the table below, is via a grant contribution from Council to the Marlborough Kaikoura Trail Trust.

Facility Location	Facility Proposal	Project Estimate	2024-34 LTP Delivery
Rural: Whale Trail – Blind River	New	35,000	Year 2: 2025-26
Rural: Whale Trail – Taimate Road	New	35,000	Year 2: 2025-26
Rural: Whale Trail – Waima River	New	35,000	Year 2: 2025-26
Rural: Whale Trail - Wharanui	New	35,000	Year 2: 2025-26



22. The Redwood Pass Road – Whale Trail toilet has already been established and is operational. The annual operational budget for the cleaning, servicing and repairs and maintenance for this toilet facility and the 4 (four) other Whale Trail toilets yet to be established, has been included in the district public toilets activity operational budgets as set out in Table 2: 2024-34 LTP Operational Budget Estimate.
23. Capital budget funding to establish freedom camping facilities at the Wairau Diversion as per the table below, was approved in the district public toilets activity capital budgets through the 2021-31 LTP.

Facility Location	Facility Proposal	Project Estimate	2024-34 LTP Delivery
Rural: Wairau Diversion	New	450,000	Year 1: 2025-26
Rural: Wairau Diversion	New	450,000	Year 2: 2026-27

24. Once established, the annual operational budget for the cleaning, servicing and repairs and maintenance of this freedom camping related facility has been included in the district public toilets activity operational budgets as set out in Table 2: 2024-34 LTP Operational Budget Estimate.

*What is Planned – Capital Budget Estimate*

25. As below, Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme is a summary of the proposed replacement and possible new public toilet facilities and the associated capital budget estimate and delivery programme across the 2024-34 LTP cycle.

Facility Location	Facility Proposal	Project Estimate	2024-34 LTP Delivery (by FY, in \$000s)								
			24-25	Budget Change	25-26	Budget Change	26-27	Budget Change	27-34	Budget Change	
Blenheim: Horton Park	Renewal	\$225,000	\$ 225K	\$ 75K		\$ -		\$ -	\$ -	\$ -	\$ -
Blenheim: Oliver Park	Renewal	\$180,000	\$ 180K	\$ 30K		\$ -		\$ -	\$ -	\$ -	\$ -
Blenheim: Taylor River Reserve - Dog Park	New	\$200,000	\$ 200K	\$ 200K		\$ -		-\$ 100K	\$ -	\$ -	\$ -
Blenheim: Taylor River Reserve - Pony Club	New	\$200,000		\$ -	\$ 200K	\$ 200K		-\$ 100K	\$ -	\$ -	\$ -
Blenheim: Westwood	New	\$330,000		\$ -	\$ 330K	-\$ 70K		\$ -	\$ -	\$ -	\$ -
Havelock: Havelock Domain	New	\$50,000		\$ -	\$ 50K	\$ 50K		\$ -	\$ -	\$ -	\$ -
Flaxbourne: Ward	New	\$300,000		\$ -		\$ -	\$ 300K	\$ 300K	\$ -	\$ -	\$ -
Blenheim: Mountain Bike Park Carpark -WH	New	\$100,000		\$ -		\$ -	\$ 100K	\$ 100K	\$ -	\$ -	\$ -
Blenheim: Pollard Park	Renewal	\$375,000		\$ -		-\$ 400K		\$ -	\$ 375K	\$ 375K	
Blenheim:Omaka Cemetery	New	\$200,000		\$ -		-\$ 150K		\$ -	\$ 200K	\$ 200K	
Blenheim: Withers - Redwood St Carpark	New	\$200,000		\$ -		-\$ 100K		\$ -	\$ 200K	\$ 200K	
Picton: Endeavour Park	New	\$300,000		-\$ 25K		\$ -		\$ -	\$ 300K	\$ 300K	
Rural:Fairhall Cemetery	Renewal	\$275,000		\$ -		-\$ 275K		\$ -	\$ 275K	\$ 275K	
Blenheim: Pollard Park - Churchill Glade	New	\$300,000		\$ -		\$ -		\$ -	\$ 300K	\$ 300K	
Picton: Essons Valley	New	\$150,000		-\$ 55K		\$ -		\$ -	\$ 150K	\$ 150K	
Blenheim: Eastern CBD	New	\$300,000		\$ -		-\$ 300K		\$ -	\$ 300K	\$ 300K	
<b>LTP 2024-34 - Total</b>		<b>\$3,685,000</b>	<b>\$ 605K</b>	<b>\$ 225K</b>	<b>\$ 580K</b>	<b>-\$ 1045K</b>	<b>\$ 400K</b>	<b>\$ 200K</b>	<b>\$ 2100K</b>	<b>\$ 2100K</b>	
Existing Approved Budget - for these projects		\$2,205,000									
<b>Additional Budget Required</b>		<b>\$1,480,000</b>									

Table 1: 2024-34 LTP Capital Budget Estimate and Delivery Programme

26. The proposed 2024-34 LTP public toilet facility renewals programme proposes the replacement of four (4) existing facilities to provide improvement for community use and help maintain current levels of service, and the possible establishment of 12 (twelve) new facilities to meet future demand.
27. For Horton Park and Oliver Park, a new location within the respective parks is proposed for the replacement facility. This is to improve accessibility, reduce vandalism and better meet community needs while enhancing the use and enjoyment of these two significant park and open space areas.
28. Supporting detail for the proposed replacement and new facility renewals, is outlined in Table 3: Replacement and New Facility Information with for example the new facilities proposed for Westwood Shopping Precinct and Redwood Street - Wither Hills Farm Park being in response to community feedback and or requests from past LTP or Annual Plan submissions.

**Operational Budget Estimate**

29. The cumulative annual operational cost estimate for cleaning, servicing and repairs and maintenance for the proposed replacement and new toilet facilities is set out in Table 2: 2024-34 LTP Operational Budget Estimate. Attachment 4.16.1 shows individual operational budget required for each facility.
30. There will be 19 new facilities developed over the next 10-year period, including the four Whale Trail toilet facilities that Council will also manage and maintain. The existing facilities that are being redeveloped do not have additional cleaning costs than what is currently budgeted.
31. Operational costs include the likes of cleaning, servicing, and repairs, and maintenance including dealing with vandalism (wilful damage and graffiti), and wastewater removal and disposal.
32. At Year 10, the operational budget will have increased by \$222,500 annually.

2024-34 LTP Year	Operational Additional Budget Estimate	Cumulative Year Total – Additional Budget
FY 2024/25	52,500	52,500
FY 2025/26	92,000	144,500
FY 2026/27	27,000	171,500
FY 2027/28	0	171,500
FY 2028/29	9,500	181,000
FY 2029/30	11,000	192,000
FY 2030/31	0	192,000
FY 2031/32	10,500	202,500
FY 2032/33	8,500	211,000
FY 2033/34	11,500	222,500

Table 2: 2024-34 LTP Operational Budget Estimate

**Replacement and New Facility Proposals**

33. Table 3 below outlines the proposed replacement or new facility establishments with other key information such as community requests for a new facility, alignment with management plans and such like, and general technical or background contextual information re the facility proposal.

Table 3: Replacement and New Facility Information

Facility Name	Proposed Toilet Facility Information
Blenheim: Horton Park Replacement Facility Year 1	<p>Proposal: Establish a new replacement public toilet facility for Horton Park</p> <ul style="list-style-type: none"> <li>- Provide a new fully accessible, stand-a-lone auto door toilet facility at new Redwood Street location, just south of the cricket pavilion entrance and playground.</li> <li>- The proposed Redwood Street site is a more centrally located main thoroughfare location when compared with the current Stephenson Street location with good convenience for sports park users and accessibility for everyday community use.</li> <li>- The proposed new location will have much improved natural surveillance and CPTED (Crime Prevention through Environmental Design) considerations and hopefully will result in reduced vandalism.</li> <li>- The existing Stephenson Street facility will be demolished.</li> </ul>

	<ul style="list-style-type: none"> <li>- Sports field layout boundaries will not be affected, and the overall use of Horton Park as an open space area will be enhanced. Cricket Association representative was briefed on site and could see no issues with the proposed location and felt it favourable in terms of overall accessibility to park users.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Oliver Park Replacement Facility Year 1</p>	<p>Proposal: Establish a new accessible public toilet facility for Oliver Park</p> <ul style="list-style-type: none"> <li>- Provide a new fully accessible, stand-a-lone auto door toilet facility on Cleghorn Street, just west of the Redwoodtown Community Centre building.</li> <li>- The new facility will replace the existing small, non-accessible old toilet facility on the Weld Street side of the Community Centre.</li> <li>- The proposed Cleghorn Street location will better serve Oliver Park sports ground and everyday community use.</li> <li>- The new location will have much improved natural surveillance and other CPTED considerations and be accessible to visitors to the Redwoodtown Village shopping precinct.</li> <li>- The existing Weld Street facility will be disestablished.</li> <li>- Sports field layout boundaries will not be affected and the overall use and enjoyment of Oliver Park as a significant open space area will be enhanced.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Taylor River Reserve - Dog Park – (George Conroy Drive) New Facility Year 1</p>	<p>Proposal: Establish a new public toilet facility for the Taylor River Reserve – Dog Park area</p> <ul style="list-style-type: none"> <li>- Council has approved the development of an events area on the former Taylor Landfill site near George Conroy Drive including to provide a dog park. A toilet facility at this location here will support these activities and enhance everyday use of the Taylor River Reserve walkway network.</li> <li>- The Taylor River Reserve, Recreation and Amenity Plan does not specifically provide for a toilet at this location but does include policy direction to provide public toilets where necessary.</li> <li>- The Plan indicates a recreation activity area for this location and a public toilet to support recreational use and enjoyment would be appropriate and of benefit to the community.</li> <li>- Location to be confirmed.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Taylor River Reserve - (Former Pony Club Site) New Facility Year 2</p>	<p>Proposal: Establish a new public toilet facility on Taylor River Walkway (at the former pony club site)</p> <ul style="list-style-type: none"> <li>- The former Pony Club site is now available for wider public use. The existing very old circa 1970s small breeze block style public toilet at this location is no longer fit for purpose.</li> <li>- A new modern accessible toilet facility at this location will strategically enhance the recreational use and enjoyment of the Taylor River Reserve walkway network.</li> <li>- The Taylor River Reserve, Recreation and Amenity Plan does not specifically provide for a toilet at this location but does include policy direction to provide public toilets where necessary.</li> <li>- The Plan encourages and supports recreational activity for the area, and as such a public toilet at this location is appropriate and would be of benefit to the community.</li> <li>- Location to be confirmed.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Westwood New Facility Year 2</p>	<p>Proposal: Establish a new public toilet facility at Westwood Shopping Precinct</p> <ul style="list-style-type: none"> <li>- Provide a fully accessibly, stand-a-lone auto door toilet facility to serve the Westwood shopping precinct area in response to community requests both informally and formally via Annual Plan submissions.</li> <li>- The Westwood developer has previously approached staff indicating a willingness to provide a site at southeastern/SH 6 end.</li> <li>- Services connections available.</li> </ul>

<p>Havelock: Havelock Domain Pavilion New Facility Year 2</p>	<p>Proposal: Establish a new public toilet facility for the Havelock Memorial Park</p> <ul style="list-style-type: none"> <li>- Provide a new single cubicle public toilet for Havelock Memorial Park to better cater for sport park users, other community events and walkers using local pathway network and other wider use of the Havelock Domain.</li> <li>- There is an existing small toilet facility at southeastern end of the pavilion building, but this is often inadequate for larger sports or other event use.</li> <li>- A toilet facility at this location has been requested through the Annual Plan process.</li> <li>- Location – convert an existing suitable small space on south-western corner of the pavilion building that currently houses the hot water cylinders.</li> <li>- Services connections available.</li> </ul>
<p>Flaxbourne: Ward Township New Facility Year 3</p>	<p>Proposal: Establish a public toilet facility for the Ward Township</p> <ul style="list-style-type: none"> <li>- Provide a 24/7 fully accessibly, auto door toilet facility to serve the Ward Township and visitor to the Flaxbourne and wider South Marlborough area.</li> <li>- A dedicated township public toilet is a high priority for the community and has been considered as a point of discussion with the Flaxbourne Settlers Association.</li> <li>- Ward is the only remaining small township that has yet to have a dedicated township public toilet facility. The need for such a facility was signalled (with additional budget support through the TIF) in the 2018 public toilets positional report to Council.</li> <li>- With the establishment of the heritage centre, it seems sensible to future proof the township with budget provision for a dedicated stand-a-lone modern public toilet facility to best serve the community and regional tourist visitors.</li> <li>- Location to be confirmed, however a location has been suggested at or nearby the corner of Ward and Seddon Streets.</li> <li>- Services connections - to be confirmed with wastewater potentially linked to the new Heritage Centre/Hall septic system.</li> </ul>
<p>Blenheim: Wither Hills - Mountain Bike Park Car Park New Facility Year 3</p>	<p>Proposal: Establish a new public toilet facility at the Wither Hills Mountain Bike Park carpark</p> <ul style="list-style-type: none"> <li>- Provide a public toilet facility at the car park entry point of the Whither Hills Mountain Bike Park for mountain bike and other users entering the farm park at this location.</li> <li>- There have been requests through the Annual Plan process for a toilet facility at this location.</li> <li>- Service connections available.</li> <li>- Location likely adjacent to carpark.</li> <li>- Possible repurpose of the existing MDC port-a-com relocatable toilet unit.</li> <li>- Service connections - possible connection to nearby services.</li> </ul>
<p>Blenheim: Pollard Park Destination Playground Replacement Facility Year 4</p>	<p>Proposal: Establish a new public toilet facility for the Pollard Park destination children's playground</p> <ul style="list-style-type: none"> <li>- Provide a new fully accessibly, stand-a-lone auto door toilet facility to better serve the destination children's playground and visitors to this premier park.</li> <li>- The current toilet facility has a very poor layout and cramped configuration. Poor ventilation which restricts efficient pleasant usage can be particularly problematic, especially during high demand use.</li> <li>- Policy actions in the Pollard Park Management Plan directs infrastructure such as toilets to be provided to encourage and support recreational activity for the park.</li> <li>- As a destination playground and premier park, the location is a key attraction site for families, community groups and tourist visitor regional tourism, and as such a high-capacity modern public toilet at this location is appropriate.</li> <li>- Reconfiguring of the existing facility footprint will not provide any improvement.</li> <li>- Part of the existing toilet facility could be utilised to provide a specialist change facility space if desired.</li> </ul>

	<ul style="list-style-type: none"> <li>- Additionally, the existing facility area could be repurposed to help future proof the day-to-day operations of Pollard Park.</li> <li>- Location to be confirmed - likely near/adjacent to the children's playground.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Omaka Cemetery New Facility Year 5</p>	<p>Proposal: Establish a new public toilet facility at Omaka Cemetery</p> <ul style="list-style-type: none"> <li>- Previously there was a small public toilet facility on Taylor Pass Road located near the former Omaka Cemetery Sexton's house site, but this was very old and demolished about 10 years ago.</li> <li>- Council has undertaken considerable redevelopment and improvement to the whole cemetery and particularly the former Sexton house site.</li> <li>- This has included the installation of shelters, seating, parking and new burial and ashes beams. A new interpretive story board and cemetery orientation map sign panel is planned.</li> <li>- The Omaka Cemetery Plan identifies the need of a small toilet facility to better serve cemetery visitors and school groups and provide for everyday community use of people moving about in the western Witherlea area.</li> <li>- Location to be confirmed - likely adjacent to new public shelters carpark area on Taylor Pass Road.</li> <li>- Services connections available.</li> </ul>
<p>Blenheim: Wither Hills - Redwood Street Carpark New Facility Year 5</p>	<p>Proposal: Establish a new public toilet facility at the Redwood Street entry point to the Wither Hills Farm Park</p> <ul style="list-style-type: none"> <li>- Provide a new public toilet at the southern 'top' end of Redwood Street entry point to the Wither Hills Farm Park.</li> <li>- A toilet facility at this location has been requested through the Annual Plan process.</li> <li>- Location likely adjacent to Redwood Street road end carpark.</li> <li>- Services connections available.</li> </ul>
<p>Picton: Endeavour Park New Facility Year 6</p>	<p>Proposal: Establish a new public toilet facility for the Endeavour Sports Park</p> <ul style="list-style-type: none"> <li>- Provide a new fully accessible, stand-a-lone auto door public toilet for Endeavour Park to better cater for sport park users, sports and other community events and walkers using the Mariana to Marina track or wider Victoria Domain.</li> <li>- There is an existing small toilet facility at under the pavilion building, but this is often inadequate for larger sports or other event use.</li> <li>- Location to be determined.</li> <li>- Services connections available nearby.</li> </ul>
<p>Rural: Fairhall Cemetery Replacement Facility Year 7</p>	<p>Proposal: Establish a new replacement accessible public toilet facility at Fairhall Cemetery</p> <ul style="list-style-type: none"> <li>- Provide a modern fit for purpose fully accessible toilet facility will better provide for cemetery users and visitors. This is as noted as an improvement action in the Fairhall Cemetery Master Plan.</li> <li>- The Plan identifies there should be improvements to the toilet facility including to its location (alongside the service and maintenance area) as well as improving links between the toilet facility and interment areas.</li> <li>- Redevelopment of the exiting cemetery storage/sexton's shed and public toilet space could potentially be reconfigured to better utilise this facility and enable the provision of a public shelter at this key cemetery site.</li> <li>- Location to be confirmed - likely at or adjacent to existing location.</li> <li>- Septic system, power, and water connections available.</li> </ul>
<p>Blenheim: Pollard Park - Churchill Glade New Facility Year 8</p>	<p>Proposal: Establish a new public toilet facility at Churchill Glade</p> <ul style="list-style-type: none"> <li>- Provide a new fully accessible, stand-a-lone auto door toilet facility at Churchill Glade to support ongoing use of this area as a popular key event space.</li> <li>- Recognition of Churchill Glade as an events area is included in the Pollard Park Management Plan. Policy in the Plan also directs that infrastructure such as toilets be provided to support events.</li> </ul>

	<ul style="list-style-type: none"> <li>- Location to be confirmed.</li> <li>- Services connections available - there was previously a toilet facility at this location that was destroyed by fire some years ago</li> </ul>
<p>Picton: Essons Valley New Facility Year 9</p>	<p>Proposal: Establish a new public toilet facility for the Essons Valley area</p> <ul style="list-style-type: none"> <li>- Provision of a small toilet facility at this location has been requested over several years to serve walkers and day visitors to the Essons Valley area.</li> <li>- Location to be determined.</li> <li>- No services connections are available.</li> </ul>
<p>Blenheim: Blenheim Eastern Side New Facility Year 10</p>	<p>Proposal: Establish a new public toilet facility on the eastern side of the Blenheim Township/CBD</p> <ul style="list-style-type: none"> <li>- Provide a new public toilet facility on the main south road/eastern/ New World side of the Blenheim CBD.</li> <li>- Location to be determined.</li> <li>- Services connections likely to be available.</li> </ul>

**Attachment**

Attachment 4.17.1 – Operational Budget – Detail per each Facility

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Author	Grahame Smail, Parks and Open Spaces Officer
Authoriser	Jane Tito, Parks & Open Spaces Manager and Jamie Lyall, Property & Community Facilities Manager

## Attachment 4.17.1

**Operational Budget – Detail per each Facility**

Facility Location	Facility Delivery Status	Cleaning & Servicing Cost Estimates	R & M Cost Estimates	LTP Year Commencement
<b>Year 1</b>				
Blenheim: Horton Park	Replacement	0	0	Year 1: 2024-25
Blenheim: Oliver Park	Replacement	0	0	Year 1: 2024-25
Blenheim: Taylor River Reserve - Dog Park	New	7,500	1,500	Year 1: 2024-25
Rural: Whale Trail - Redwood Pass Rd	New	12,500	1,500	Year 1: 2024-25
Rural: Wairau Diversion Freedom Camping Site Facilities	New	20,000	5,000	Year 1: 2024-25
Rural: Ferry Bridge Picnic Area	New	3,000	1,500	Year 1: 2024-25
<b>Total</b>		<b>43,000</b>	<b>9,500</b>	
<b>Year 2</b>				
Blenheim: Taylor River Reserve – Former Pony Club Site	New	7,500	1,500	Year 2: 2025-26
Blenheim: Westwood	New	10,500	2,500	Year 2: 2025-26
Havelock: Havelock Domain Pavilion	New	6,000	1,500	Year 2: 2025-26
Rural: Whale Trail - Blind River	New	12,500	1,500	Year 2: 2025-26
Rural: Whale Trail - Taimate Road	New	12,500	1,500	Year 2: 2025-26
Rural: Whale Trail - Waima River	New	15,500	2,000	Year 2: 2025-26
Rural: Whale Trail - Wharenui	New	15,000	2,000	Year 2: 2025-26
<b>Total</b>		<b>79,500</b>	<b>12,500</b>	
<b>Year 3</b>				
Blenheim: Withers' - Mountain Bike Park Carpark	New	10,500	2,000	Year 3: 2026-27
Flaxbourne: Ward Township	New	12,500	2,000	Year 3: 2026-27
<b>Total</b>		<b>23,000</b>	<b>4,000</b>	
<b>Year 4</b>				
Blenheim: Pollard Park Playground	Replacement	0	0	Year 4: 2027-28
<b>Total</b>		<b>0</b>	<b>0</b>	
<b>Year 5</b>				
Blenheim: Omaka Cemetery	New	3,000	1,500	Year 5: 2028-29
Blenheim: Withers' - Redwood St-Carpark	New	3,500	1,500	Year 5: 2028-29
<b>Total</b>		<b>6,500</b>	<b>3,000</b>	
<b>Year 6</b>				
Picton: Endeavour Park	New	9,000	2,000	Year 6: 2029-30
<b>Total</b>		<b>9,000</b>	<b>2,000</b>	
<b>Year 7</b>				
Rural: Fairhall Cemetery	Replacement	0	0	Year 7: 2030-31
<b>Total</b>		<b>0</b>	<b>0</b>	
<b>Year 8</b>				
Blenheim: Pollard Park - Churchill Glade	New	9,000	1500	Year 8: 2031-32
<b>Total</b>		<b>9,000</b>	<b>1,500</b>	

<b>Year 9</b>				
Picton: Essons Valley	New	7,000	1500	Year 9: 2032-33
<b>Total</b>		<b>7,000</b>	<b>1,500</b>	
<b>Year 10</b>				
Blenheim: Eastern side Blenheim CBD	New	9,500	2,000	Year 10: 2033-24
<b>Total</b>		<b>9,500</b>	<b>2,000</b>	



## 4.18 Resurface Riverside Park Boardwalk

(Report prepared by Robert Hutchinson/Jamie Lyall)

R510-009-R06-01

### Purpose of report

1. To seek Council funding from the Forestry and Land Development Reserve to resurface the Riverside Park boardwalk and replace the lighting system.

### Executive Summary

2. With realignment of the state highway through Blenheim in 2001, the removal of the Symons Street bridge created an opportunity for the redevelopment of Riverside Park. As part of the redevelopment, a boardwalk was built along both sides of the Taylor River, and this has been an incredible asset to the town as both a commuting option and a recreational space.
3. Over several years however, the boardwalk decking has begun to breakdown with the decking being under water at times either during flood events or when water levels remain high. The decking boards once clear of the Taylor River now sit on the silt that has built up and are slowly rotting and decaying. Ad hoc repairs to the boardwalk decking have occurred with the cost to repair increasing each year as more of the decking fails.
4. Staff have undertaken an assessment of the boardwalk with advice from an engineer who has confirmed the pine treated beams and bearers supporting the boardwalk are in good condition.
5. In considering what the macrocarpa boards should be replaced with staff have considered a board that is made of sustainable recycled plastic. The synthetic product has a longer life than natural timber, is suitable in a marine environment, does not deteriorate with prolonged immersion in water and will result in less maintenance cost. Consequently, using this product rather than continued use of macrocarpa timber is recommended.
6. The electrical system and lights on the boardwalk have deteriorated due to the long-term immersion in water and this system will need to be replaced at the same time as the boards are replaced. The lighting system will have a water resistance capacity.
7. Council/Rivers are planning some sediment removal work along the waterway in the next few years, dependant on budgetary funding.
8. The cost to resurface the boardwalk decking and replace the lighting system is \$493,600.

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### RECOMMENDATION

**That Council approve funding of \$493,600 from the Forestry and Land Development Reserve in the 2025/26 financial year to resurface the Riverside Park boardwalk (with synthetic boards) and replace the existing lighting and cabling.**

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### Background/Context

9. With realignment of the state highway road system through Blenheim in 2001, a new road bridge and roundabout were constructed and the old bridge (Symons Street bridge) that led into the CBD, was demolished. The removal of this bridge created opportunities for Council to redevelop the Riverside Park area to establish a greater connection with the Taylor River and the CBD.
10. The redevelopment included a modern landscaping concept, trees and vegetation, grassed areas and a boardwalk, with work beginning in early 2002. Work was halted at times by the archaeologists on site as items such as clothing, leather, crockery, original jetty timbers and an ancient Roman coin were found and excavated. Riverside Park was officially opened in June 2004.

11. A significant component of the development was a 350-metre long boardwalk, topped with macrocarpa decking that partially hung out over the Taylor River. At completion of the project the River flowed approximately 35cm below the boardwalk and engineering advice of the day did not recommend that the boardwalk needed to be constructed at a higher level.
12. Since 2007 there has been significant silt build up within the River possibly from a change in the land use in the upper Taylor River area and increased weed growth. This appears to have increased the River level at times with the boardwalk being submerged for several weeks at a time.
13. In addition, following the earthquakes of 2013 and 2016, large sections of boardwalk, together with the lights and cables, have remained under water for longer periods of time. The long periods of immersion have caused significant rot to a well-used and popular asset and have become a safety issue.
14. The lights and electrical system that are part of the boardwalk have also failed completely and are not repairable. The lighting system that was installed, was rated for short term water immersion but not rated to be underwater for long periods of time.
15. Since 2015, several boards or sections of boards have rotted and have had to be replaced. This brings a slightly untidy or inconsistent appearance to parts of the boardwalk. While the rot is not as apparent on the top surface of the boards, when repairing sections after river levels fell, it has become apparent the rot in the macrocarpa boards is significant across all areas of the boardwalk, requiring a full resurfacing.



16. Staff were also concerned about the beams and bearers supporting the boardwalk decking and whether these structures could be compromised. Council sought advice from an engineer who undertook inspections and advised the beams and bearers are in good condition and are safe.
17. Council expenditures show that repairs to the boardwalk have been consistently high with the last 2-3 years showing a higher spend.

FY 2016- 2018	\$ 8,344
FY 2019- 2022	\$17,600
FY 2022-2023	\$36,000
FY 2023-2024 (to date)	\$27,069

**Assessment/Analysis**

18. The Riverside Park amphitheatre has become a highly visible site for those entering the township, and now with the development of the new library Te Kahu o Waipuna, the Quays and Marlborough Line's Pocket Park, this area is a focal point for locals and visitors. The boardwalk also provides important connections with other parts of Blenheim and proposed improvements to these connections from

Riverside Park are set out in the Marlborough Walking and Cycling Strategy 2019. Given this staff consider the boardwalk timbers should be replaced to ensure the connections remain viable.

19. The length of the boardwalk to be replaced is 4,110 linear meters. Two different types of board are being considered. The first is macrocarpa, the current product, which is not prone to bending, warping or popping out in the sun. However, use of macrocarpa will require ongoing monitoring and maintenance once the boardwalk is replaced, particularly if river levels remain high and there are periods where the boardwalk remains immersed.
20. The second product is a synthetic board made from recycled plastic – see image below. The advantage with this type of product is that it is guaranteed for 80 years and does not deteriorate with prolonged immersion in water. This means there would be less maintenance required on the boardwalk in future years. While the product does not have the same natural appearance as macrocarpa, the longevity of the product and low maintenance requirements makes it the logical choice for replacing the boardwalk timbers.



21. The sustainable recycled plastic product has been used in other New Zealand Councils walkway projects that border waterways and was selected for its suitability in a marine environment and low maintenance costs.
22. The lighting along the boardwalk is both a safety feature for those using this area at night and also adds to the ambience of the area.
23. Resurfacing and replacement costs using either macrocarpa or a synthetic board are the same and the cost of this, along with replacement of the lighting and cabling, is as follows:

Full replacement of boards	\$286,400
Electrical work (cables and lighting)	\$207,200
<b>Total cost</b>	<b>\$493,600</b>

**Option One**

24. Complete replacement of both the existing boardwalk (with synthetic board) and of the lighting system.

*Advantages*

25. Boardwalk is in a safe condition without concerns of boards collapsing.
26. Will stop the ad-hoc replacement of boards and the costs of doing this work.
27. Clear illumination of the boardwalk at night for users and night-time ambience is returned to the area.

*Disadvantages*

28. Disruption to users while replacement occurs.
29. Significant cost to replace the lights and boardwalk timbers.

**Option Two**

30. Continue to replace boards as they degrade and remove the lighting system.

*Advantages*

31. Boardwalk remains safe and has minimal disruption to users.

32. Cost savings from not replacing lighting.

*Disadvantages*

33. Boardwalk has a patchwork look.

34. Replacement boardwalk will require constant monitoring and maintenance.

35. Possible safety issue with no lighting.

**Option Three**

36. Complete replacement of boardwalk and remove the lighting system.

*Advantages*

37. Boardwalk is in a safe condition without concerns of boards collapsing.

38. Will stop the ad-hoc replacement of boards and the costs of doing this work.

39. Cost savings from no replacing lighting.

*Disadvantages*

40. Disruption to users while replacement occurs.

41. Possible safety issue with no lighting.

**Next steps**

42. Should funding be confirmed, develop a contract for supply and replacement of boardwalk timbers and lighting.

**Attachment**

Attachment 4.18.1 – Photos

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Author	Robert Hutchinson, Parks and Open Spaces Officer
Authoriser	Jane Tito, Manager, Parks and Open Spaces and Jamie Lyall, Property & Community Facilities Manager

Attachment 4.18.1

Left – State Highway bridge in middle of photo

Right – Riverside Park prior to redevelopment



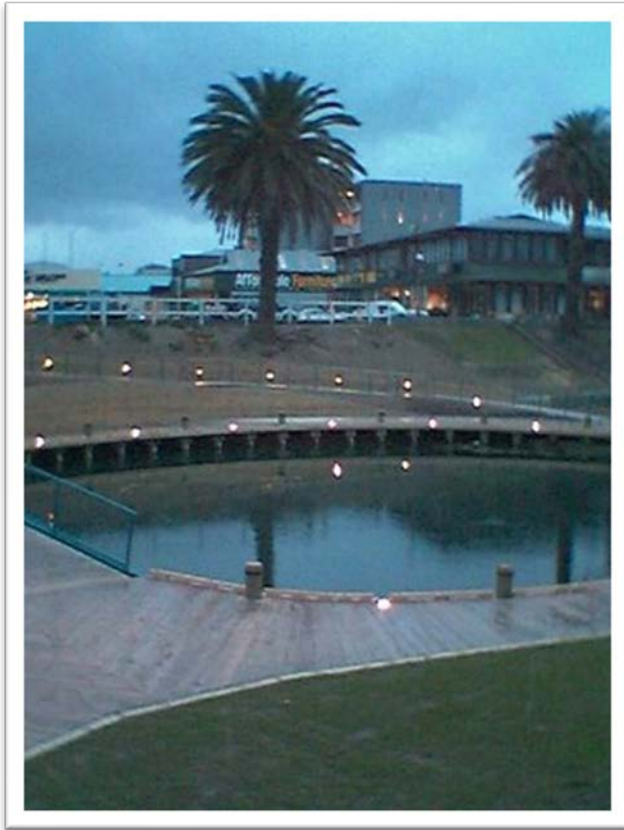
**Construction**



**26 June 2004 Opening Night**



**Boardwalk lights**



## 4.19 Community Facilities: Cost Increase to Open Spaces Contract

(Report prepared by Jane Tito/Jamie Lyall)

R510-021-01

### Purpose of Report

1. To seek approval to increase the annual budget of the open space contract "Maintenance of Carpark Plots and Trees" by two hundred and forty-eight thousand, eight-hundred and seventy-five dollars (\$248,875) for the period of the contract (seven years) from 1 July 2024.

### Executive Summary

2. The Property and Community Facilities / Parks and Open Spaces section are responsible for managing the maintenance of open space areas within the District including street trees and street plots.
3. The contract for the "Maintenance of Carpark Plots and Trees" was recently tendered in the open market. The criteria for evaluating the tenders includes track record; methodology, resources, management and technical skills and price.
4. Council received five tenders. The tender range was \$841,845 to \$1,588,655 annually. The preferred tenderer has the lowest price. The current contract price is \$592,970.
5. The major difference in price range is primarily due to low availability of arborists for specialised tree work at heights and additional traffic management requirements (health and safety) since the tender last went to market.
6. If funding is approved the new contract will commence on 1 July and will continue to meet the Council's current level of service criteria.
7. Council is working with the preferred tenderer to see if they can identify any cost savings for Council that would not impact on current service levels.

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### RECOMMENDATION

**That Council approve additional funding of \$248,875 per year from rates to meet the increased cost of the Parks and Open Spaces Maintenance of Carpark Plots and Trees contract.**

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### Background

8. The Parks and Open Spaces contract "Maintenance of Carpark Plots and Trees" was tendered in the open market. Council received five tenders in February 2024.
9. A panel of four evaluated the tenders. The evaluation criteria used included: track record; methodology; resources; management; technical skills; and price.
10. The range in tender price received was between \$841,845 to \$1,588,655 annually. The additional costs are due to the introduction of the code of practice for temporary traffic management and the low availability of trained and qualified arborists within Marlborough.
11. Council have been negotiating with the preferred tenderer to identify costs reductions that will not impact on current service levels. Nothing has been finalised at this point in time.

### Budget

12. The current contract cost is \$592,970.
13. The new tender price is \$841,845.

**Funding**

14. It is suggested that this increase should be funded from rates.

**Next steps**

15. Subject to funding approval staff will work with the preferred contractor to finalise the tender process and work with the new contractor to assist in their start up.

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer



## 4.20 Levels of Service Increases Council's District Administration Buildings – Detailed Seismic Assessment

(Report prepared by Jamie Lyall)

PN256722

### Purpose of report

1. The purpose of this report is to seek funding of \$80,000 to carry out a Detailed Seismic Assessment (DSA) of two of Council's administration buildings located in Seymour Street, Blenheim.

### RECOMMENDATION

That Council approve funding of \$80,000 from the Emergency Events Reserve to complete detailed seismic assessments of Council's District Administration Buildings located in Seymour Street, Blenheim and constructed in 1995 and 2005.

### Background/Context

1. A new national system for managing earthquake-prone buildings in New Zealand came into effect on 1 July 2017. The seismic assessments of existing buildings (SAEB) provide for assessing potentially earthquake-prone buildings when required by the Building Act 2004 and for property risk identification.
2. The SAEB provide methods for two levels of assessment: Initial Seismic Assessment (ISA), for a broad indication of the likely level of seismic performance of a building, and a Detailed Seismic Assessment (DSA), for a more comprehensive assessment. Both assessment methods rate a building as a percentage of the new building standard (NBS) applied to an equivalent new building on the same site.
3. Council's district administration building (DAB) is made up of three separate buildings constructed between 1975-2005 (Figure 1 below). The 1975 building has had a DSA completed and has a NBS rating of 70%. In mid-2023 an ISA was carried out on the 1995 and 2005 buildings. They were assessed at 50% and 60% of NBS respectively. It was recommended that both buildings have a detailed seismic assessment (DSA) carried out on them to confirm their rating and the level of risk.



Figure 1 – Council District Administration Buildings (DAB).

4. The cost to carry out this work is estimated at \$35,000-\$40,000 per building. It is suggested that funding could be provided from the Emergency Events Reserve.
5. The DSA will confirm if any remedial work is necessary based on the original design and construction methodology of the buildings. If the DSA results in the need for additional work then that will be brought back to Council with associated costings to complete the work.
6. Figure 2 (below) provides a copy of the relative risk profile for all buildings and will assist Council in determining what level of risk is acceptable. The buildings currently sit in the Earthquake Risk Building category with likely building damage in a moderate earthquake.

%NBS	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
Seismic Grade	E		D		C			B	A		A+	
Relative Risk	> 25 times		10-25 times		5-10 times			2-5 times	1-2 times		< 1 times	
Designation as per Building Act 2004	Earthquake Prone Building (%NBS <=33)				Earthquake Risk Building (%NBS <67)			Low Potential Earthquake Risk (%NBS >=67)				

Figure 2 – Building Categories

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive

## 4.21 Levels of Service Increases

### Capital Expenditure Increase – Peninsula Road Stopbank Repair & Upgrade

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(Report prepared by Andy White/Richard Coningham)

R710-03-002

#### Purpose of report

1. To request Capital Expenditure (CapEx) budget of \$8.7m for the design, repair, and upgrade of Primary stopbanks LW05 and LW06, along and under Peninsula Road, Spring Creek.

#### Executive Summary

2. Primary stopbanks LW05 & LW06 are two critical pieces of flood protection infrastructure that prevent deep-fast moving water from flooding the township of Spring Creek, SH1, and KiwiRail's Main North Line.
3. In recent years, LW05 has become compromised in several locations due to internal instability following the 2016 Kaikōura earthquake, and erosion of its unprotected foundations during the July 2021 and August 2022 flood events. Where faults in these discrete locations have been revealed they have been repaired, however a picture is emerging that the stopbank is vulnerable along its entire length.
4. Post-event analysis of the July 2021 flood event has also highlighted a need to increase the flood capacity safety margin of both LW05 and LW06 to ensure that the assets are able to function as intended and provide the level of service required of them during a future 1% AEP (1 in 100yr ARI) event.
5. In summary, action is required with some urgency to repair and upgrade sections of LW05 and LW06. Until the work is undertaken the stopbanks will remain at an elevated risk of failing before reaching their design limits, comprising the safety of Spring Creek township and key transport links during a flood event.

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#### RECOMMENDATION

**That Council approve CapEx budget of \$8.7m for the design, repair, and upgrade of Primary stopbanks LW05 and LW06 and associated works, under and adjacent to Peninsula Road, Spring Creek.**

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#### Background/Context

6. The true-right of the Wairau River between SH1 and Ferry Road, is protected by two Primary stopbanks LW05 & LW06. These two critical pieces of flood protection infrastructure prevent deep-fast moving water from flooding the township of Spring Creek, SH1, and KiwiRail's Main North Line.
7. The 2016 Kaikōura earthquake resulted in lateral spread along much of LW06, requiring the full reconstruction of a large section of bank in 2017 (Figures 1-4 below). Whilst both LW05 and LW06 were assessed post-earthquake, lateral spread was only identified along the grassed sections of bank (LW06) where surface cracking was clearly visible on the bare ground. LW05 differs from LW06, in that Peninsula Road runs along much of its length and the flexible chipseal surfacing can mask the visual identification of lateral spread.
8. During the July 2021 flood event, surface cracking became evident in LW05 opposite 18 Dodson Street (Figure 5 below). At the peak of the flood, Rivers Engineers reported feeling a swelling movement in the bank, suggesting an internal loss of stability. It is most likely that a latent failure has lain dormant since the 2016 earthquake and not materialised until the bank was fully loaded. This is not to suggest any wrongdoing during the post-earthquake inspection, it is simply a limitation of any visual assessment.

9. It is evident therefore, that LW05 has retained latent failures from the 2016 earthquake that need to be properly assessed and remedied, as these will only continue to develop and further compromise the stopbank, through the ingress of water, and further flood, traffic and seismic loading.



*Figure 1 - Surface cracking of LW06 caused by lateral spread from the 2016 Kaikōura earthquake*



*Figure 2 - Surface cracking of LW06 caused by lateral spread from the 2016 Kaikōura earthquake*



*Figure 3 - 2017 Reconstruction of LW06*



*Figure 4 - 2017 Reconstruction of LW06*



Figure 5 - Surface cracking of LW05 observed during July 2021 flood event, indicating internal failure

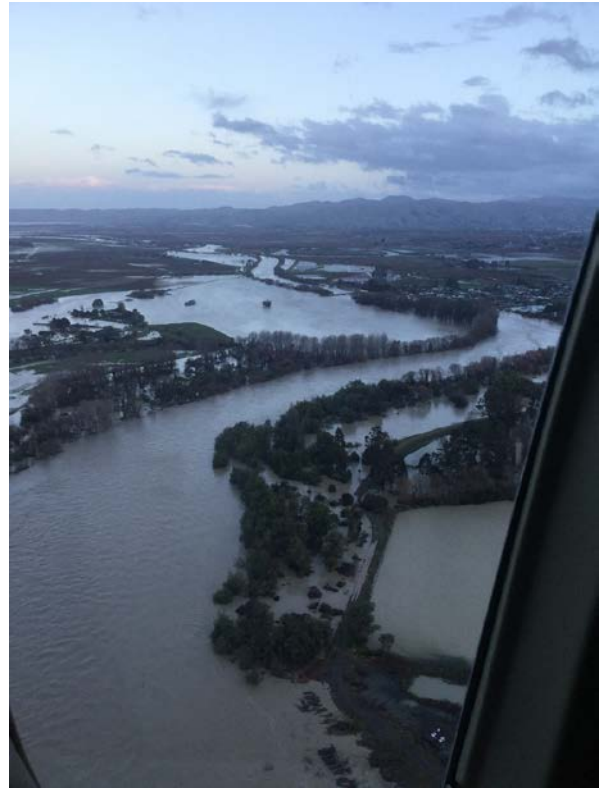


Figure 6 – July 2021 flood event showing LW006 on beginning to overtop at the peak of the flood

10. In August 2022, the Wairau experienced a 4250 cumecs flood, equivalent to a 4% AEP (1 in 25yr ARI) event. Subsequent inspection identified damage along the toe of LW05 which was signalled to Council in November 2022 as high priority:

*“several sections of river bank slumped and will require repair. Two slumps adjacent to the Peninsula Road stopbank are a high priority for permanent or temporary repair to secure the stopbank” (Dick, 2022, p. 64)*

As no erosion protection asset (rock armouring) existed prior to the flood, it was communicated to Council that the required remediation works would need to be Council funded, separate from the Flood Recovery Programme which is funded through the Local Authority Protection Programme Disaster Fund (LAPP) and NEMA.

11. The earlier July 2021 flood event, loaded the Wairau scheme to its full design capacity, providing a unique opportunity for the rivers engineering team to analyse the schemes performance, and update underlying assumptions about its design and modelling. This post-event analysis, shared with Council in August 2023, highlighted the urgent need for continued investment in scheme upgrades that increase flood capacity safety margin (freeboard), particularly from SH1 downstream, and Peninsula Road (Dick, 2023, p. 35). Figure 6 (above) shows LW006 beginning to overtop at the peak of the event demonstrating how there is insufficient safety margin over and above the design limit at this location. Figures 7 and 8 (below) show there is some safety margin left in LW005, however with a compromised toe from the later August 2022 flood event, and internal instability issues, there is a high degree of uncertainty about its ability to handle an in-design event.
12. In summary, action is required to repair and upgrade sections of LW05 and LW06; without which, the banks are at risk of failing before reaching their design limits, comprising the safety of Spring Creek township and key transport links during a flood event. Without a timely response, the situation will only worsen, both in repair/upgrade costs, and risk of catastrophic failure (stopbank giving way to flood water) when loaded.



Figure 7 – July 2021 flood event showing LW05 still overtopping an hour after the peak of the flood. Scour damage to the rear face of the bank occurred as a result – the first stage in an overdesign event bank failure



Figure 8 - July 2021 flood event showing LW05 on the right side of the photo close to design limit with minimal flood capacity safety margin (freeboard) remaining, photo taken at the peak of the flood

### Assessment/Analysis

13. Basic breach modelling was completed by the rivers engineering team in late 2023 to better understand the consequences of a bank failure at this location during a 1% AEP (1 in 100yr ARI)

flood. Initial results, shared with Councillors in November 2023, show widespread flooding across Spring Creek, with depths of fast-flowing water up to 1.66m in places. The key transport corridors of SH1 and Main North Line would also be flooded between Spring Creek township and Spring Creek by up to 1.11m of slow-moving water.

14. It is evident therefore, that a failure of stopbanks LW05 and/or LW06 during a design event like that of July 2021, would be catastrophic to Spring Creek township, both economically, and in risk to life; as well as causing significant disruption to the national and regional transport network during an already heightened state of emergency management.
15. The combination of new toe protection, stopbank repair, and vertical upgrade, cannot be easily achieved as independent projects at this location, owing to the depth of water and steep berm along this reach. Onsite assessment by the team in consultation with the projects engineering consultant and rivers maintenance contractor, suggests that the most cost-effective solution is undertake the work as a single project, avoiding a lot of double handling and rework if undertaken as separate works across multiple years.
16. Engineering consultants Beca, and Land River Sea, were engaged in June 2023 to review the hydraulic modelling, and complete the required site investigation and survey work, ahead of concept design. At which point, it has been agreed with mana whenua, that consultation will be held to codevelop the preferred design option to ensure that tikanga are properly considered and observed such as taniwha associated with this reach.
17. Initial estimates suggest approximately 30-35,000t of rock will be required for armouring purposes alone, equating to over half the budget requested herein. Reconstruction and upgrade of the stopbanks is expected to cost the remainder of the budget after accounting for design costs and enabling works. There is a high degree of confidence that the budget is appropriately set, and that an engineered solution is viable from what has been requested herein.
18. The quantity of toe rock required is equivalent to a year's worth of production from commercial quarries in the district, which would not have been viable in recent years. However, with Council's Pukaka Quarry now beginning to produce rock for the Flood Recovery Programme, there will sufficient capacity to generate the rock required from July 2025, aligning with the intended programme of works for LW005 and LW006.
19. Given the risk to infrastructure of national importance, the proposed works were, and continue to be submitted to Government as part of the "Before the Deluge" business case for co-investment. Whilst the case has been unsuccessful at the previous two budgets, there remains much optimism among Regional and Unitary Councils for the 2024 budget given recent conversations with Treasury. If successful, the proposed works could potentially see up to a 60% contribution from Central Government, however, Council must demonstrate a commitment within their LTP's to fund projects alone in order to be eligible.
20. In summary, the benefits of the proposed works far outweigh the costs in terms of risk to life, property, and infrastructure. Postponing the necessary repair and upgrade works only increases this risk, making the works harder and more expensive to complete in the future.
21. The Rough Order Cost Estimate (ROC) to complete the works is \$8.7 Million including a 10% allowance for professional services. This ROC also includes a 50% contingency to allow for cost uncertainty and any physical works unforeseen at this early stage of project development.

### **Option One (Recommended Option) – Approve CapEx budget request**

22. Approve CapEx budget of \$8.7m for the design, repair, and upgrade of Primary stopbanks LW05 and LW06 and associated works under and adjacent to Peninsula Road, Spring Creek.

#### *Advantages*

23. Reduced risk to life, property, and infrastructure.
24. Revenue stream to assist with offsetting development costs of Pukaka quarry.
25. Confidence in security of stopbanks LW005 and LW006.

*Disadvantages*

- 26. Effect on rates in the short term.

**Option Two – Status Quo**

- 27. Postpone or decline CapEx budget request.

*Advantages*

- 28. Ease financial strain during this LTP period.

*Disadvantages*

- 29. Postponing inevitable works, with associated escalation in the scope of work required and costs.
- 30. Incremental increase of risk over coming years arising from uncertainties about stopbank performance.
- 31. Increased maintenance costs until a capital upgrade is possible.
- 32. Significant risk to life, property, and infrastructure should the bank fail prematurely during a design event.
- 33. Reputational harm to Council through the “Court of Public Opinion”.

**Next steps**

- 34. Approval of CapEx budget.
- 35. Complete investigation and design work with Engineering consultant.
- 36. Commence rock production at Council’s Pukaka quarry in preparation for the main works.
- 37. Undertake berm re-shaping and gravel removal on river true-left to ease pressure on compromised stopbanks LW05 and LW06.
- 38. Construct new footprint of stopbank LW05 including rock armouring.
- 39. Reconstruct and upgrade LW05 including new stormwater outfall for Goulard Road.
- 40. Riparian planting, Whale Trail reconstruction, and site preparation for new toilet block.

**Presentation**

- 41. A short presentation was provided within the Rivers and Drainage Engineering Level of Service Update to Councillors on 30 November 2023.

**Attachments**

Attachment 4.21.1 – 100Yr Overtopping and Breaching	Page 110
Attachment 4.21.2 – Map (Concept) - Rev 0.1	Page 111
Attachment 4.21.3 – Map (Stopbanks)	Page 112

Author	Andy White, Rivers & Drainage Engineering Manager
Authoriser	Richard Coningham, Manager Assets & Services



## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal is consistent with the ongoing fulfilment of Rivers and Drainage Engineering Objective 1 – Lower Wairau flood protection, in continuing to provide a capacity for flood sizes up to a 1% AEP (1 in 100yr ARI) in the Wairau (below Waihopai),

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proposal contributes to the LTP through the continuing provision of Rivers and Drainage Engineering Objective 1 – Lower Wairau flood protection

### **Nature of the decision to be made**

The options do not involve a significant decision in relation to land or a body of water.

### **Financial considerations**

This CapEx request is unbudgeted, with financial authority being requested through this LTP review.

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

No engagement is proposed.

### **Risks: Legal / Health & Safety etc**

Significant risk to life, property, and infrastructure should the bank fail before repair and upgrade works are completed.

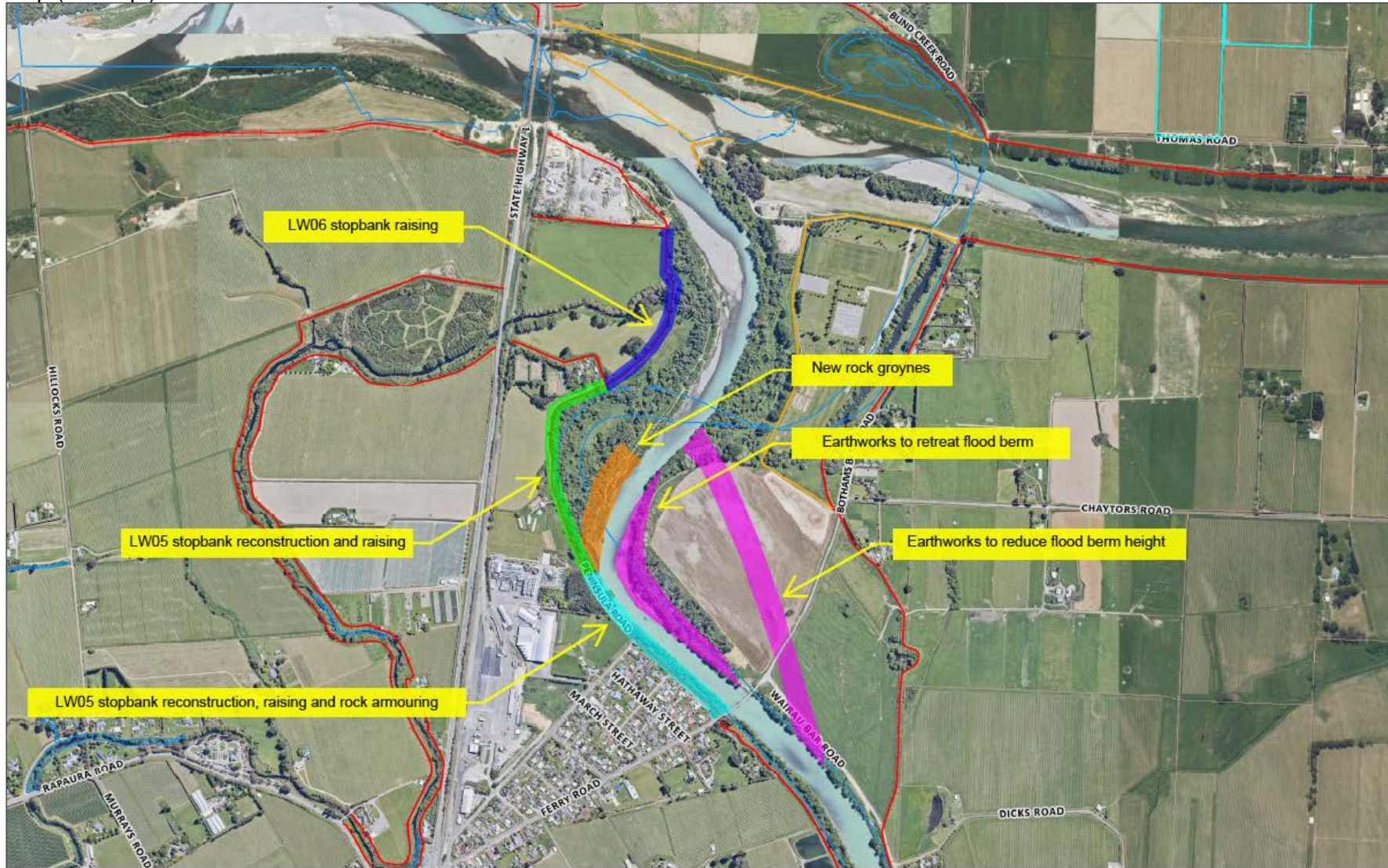
### **Climate Change Implications**

There are no known climate change implications to this decision.



Attachment 4.21.2

Map (Concept) - Rev 0.1



1:10,000

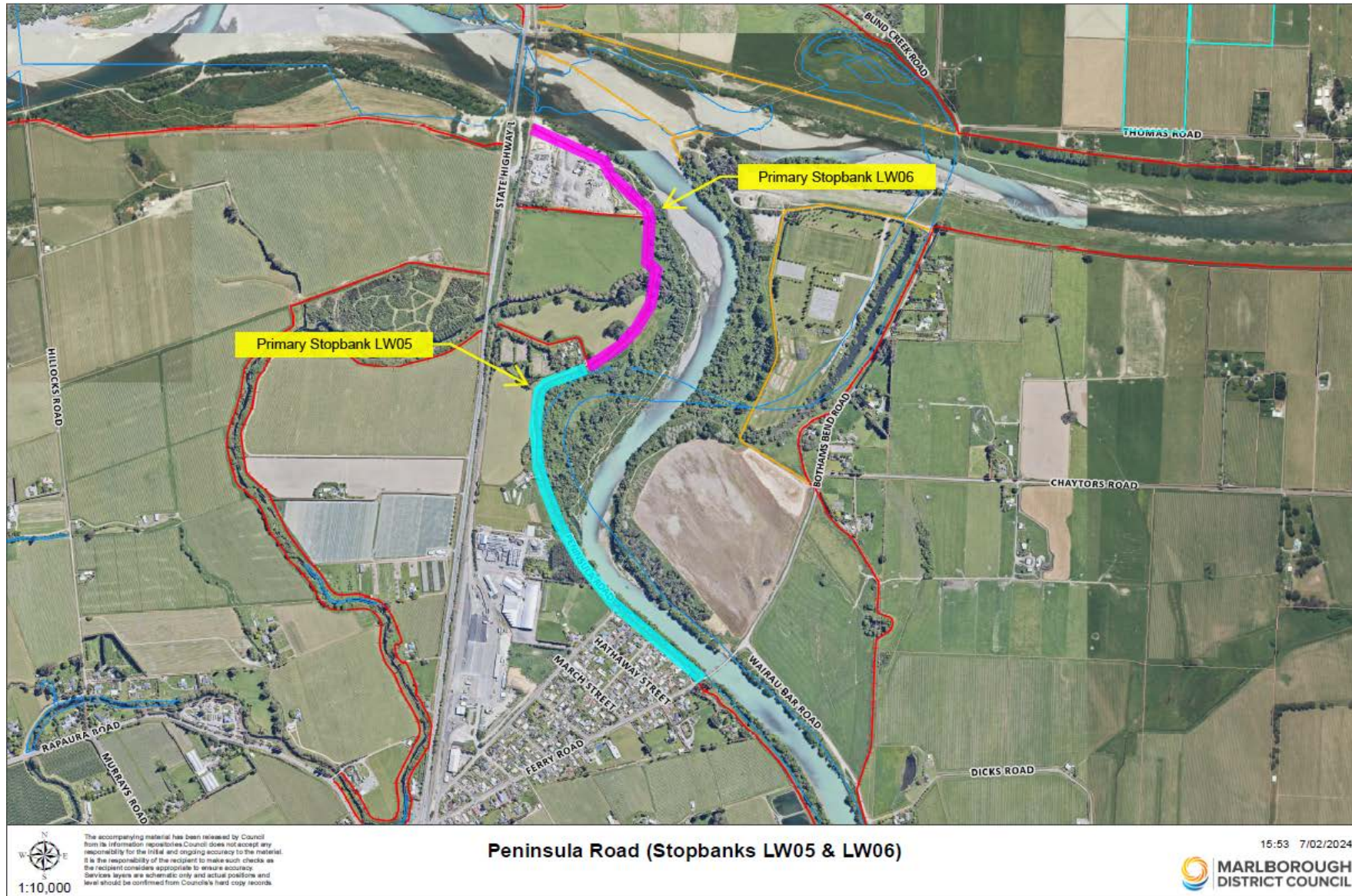
The accompanying material has been released by Council from its information repositories. Council does not accept any responsibility for the initial and ongoing accuracy to the material. It is the responsibility of the recipient to make such checks as the recipient considers appropriate to ensure accuracy. Services layers are schematic only and actual positions and levels should be confirmed from Council's hard copy records.

Peninsula Road (Stopbanks LW05 & LW06)

15:53 7/02/2024



Attachment 4.21.3  
Map (Stopbanks)



## 4.22 Levels of Service Increases

### Dam Safety Compliance

(Report prepared by Andy White/Richard Coningham)

R450-002-T01

#### Purpose of report

1. To request increased Operating Expenditure (OpEx) budget for the Taylor Dam, in order to meet legislative requirements brought in under the newly enacted Building (Dam Safety) Regulations 2022.

#### Executive Summary

2. The newly enacted Building (Dam Safety) Regulations 2022 require Dam Owners to fulfil a number of new compliance activities to ensure that High Potential Impact Dams like the Taylor Dam, are well operated, maintained, regularly monitored, and that potential risks of dam incidents and failures are reduced. The Taylor Dam is inadequately funded to meet these incoming compliance requirements, requiring a significant increase in its annual OpEx budget. Staff believe the compliance requirements will improve Councils understanding of and response to the risk of dam failure.

#### RECOMMENDATION

**That Council approve an increased OpEx budget of \$660k over the LTP period 2024 - 34, spread as per Table 1 (attached as Attachment 4.18.1) to meet the Dam safety compliance requirements for the Taylor Dam.**

#### Background/Context

3. The Building (Dam Safety) Regulations 2022 (the Regulations) were enacted in May 2022 as a means of pulling together post-construction regulatory requirements into a single, consistent nationwide framework; helping to ensure that classifiable dams are well operated, maintained and regularly monitored, and that potential risks of dam incidents and failures are reduced (MBIE, 2023, p. 10).
4. The Rivers and Drainage Engineering function of Marlborough District Council, owns and operates a single classifiable dam, the Taylor Flood Detention Dam (Taylor Dam), completed in 1965 (Tonkin & Taylor, 2014, p. 1). Under the Regulations, the Rivers and Drainage Engineering Team is therefore defined as the Dam Owner.
5. Council's Building Control is the designated regional authority department responsible for administration and monitoring of the Regulations, as defined by the Building Act 2004. Therefore, Council has a shared interest both as a Dam Owner and the Regional Authority, to ensure that the Taylor Dam is compliant at all times.
6. The last Comprehensive Safety Review (CSR) of the Taylor Dam, completed in 2013 by consultant Tonkin and Taylor, recommended, that in order to meet future legislative changes, "*a Dam Safety Assurance Programme including Operation, Maintenance and Surveillance and an Emergency Action Plan should be implemented*" (Tonkin & Taylor, 2014, p. 34). The review made a total of 22 Dam Safety and Asset management recommendations, including the need for a DSAP; to date only a handful of the minor recommendations have been completed, the DSAP was not one of these.
7. In preparation for the forthcoming changes, the Rivers and Drainage Engineering team engaged Dam Safety Intelligence (DSI) to undertake a high level review of the Taylor Flood Detention Dam (Taylor Dam) Dam Safety Management System (DSMS), assessing its alignment with the new Building (Dam Safety) Regulations 2022 and NZ Industry Recommended Practice (NZ Dam Safety Guidelines).

#### Assessment/Analysis

8. The DSI report, received in October 2023, found that whilst MDC does have a safety management plan it does "*not have a Taylor Dam Dam Safety Management System (DSMS) or a Taylor Dam Dam*

*Safety Assurance Programme (DSAP), which is a subset of the DSMS elements” (DSI, 2023, p. iv). I.e. It does not comply with the regulations.*

9. The current OpEx budget for the Taylor Dam comprises three elements – Consultancy, Insurance, and, Greenscape and minor works contracts. **Table 1** (attached as Attachment 4.18.1), shows current OpEx budget for the Taylor Dam, along with the anticipated compliance budget needed to meet the new legislative requirements.
10. The Regulations and Building Act 2004, set out clear deadlines for submission of the aforementioned compliance elements to the Regional Authority; namely:
  - 13 August 2024 - Potential Impact Classification (PIC)
  - 13 August 2025 - Dam Safety Assurance Programme (DSAP) (MBIE, 2023, p. 12)
11. In summary, the Taylor Dam is currently inadequately funded to meet incoming compliance requirements, requiring a significant increase in its annual OpEx budget.

### **Option One (Recommended Option) – Increase OpEx budget**

12. Increase OpEx budget for the Taylor Dam to meet in full, the anticipated annual costs set out in Table 1 (attached as Attachment 4.18.1) of this report.

#### *Advantages*

13. Legislative requirements brought in under the newly enacted Building (Dam Safety) Regulations 2022 are met within the legal timeframes, ensuring Council as Dam Owner is compliant.
14. Confidence in the structural integrity, and ongoing functionality of the Taylor Dam to handle in-design events.
15. Ability to develop the Dam’s CapEx programme in line with the new legislative requirements, using asset risk management techniques.
16. Reduced risk of dam insurability being compromised, and/or increased premium.

#### *Disadvantages*

17. Increased annual OpEx to meet compliance requirements.

### **Option Two – Status Quo**

18. No increase in OpEx for Taylor Dam

#### *Advantages*

19. No increase in OpEx for Taylor Dam

#### *Disadvantages*

20. Legislative requirements brought in under the newly enacted Building (Dam Safety) Regulations 2022 are not met.
21. Uncertainty about asset integrity and future asset management costs.

### **Next steps**

22. Approval of OpEx Increase to support Proposed Costs and Budget Proposal
23. Undertake and submit Potential Impact Classification (PIC) Assessment to Regional Authority by 13 August 2024.
24. Undertake Comprehensive Dam Safety Review (CDSR) in order to develop DSAP.

25. Undertake Survey and monitoring in order to develop DSAP.
26. Develop and submit Dam Safety Assurance Programme (DSAP) to Regional Authority by 13 August 2025.
27. Establish ongoing monitoring and compliance programme

**Presentation**

28. A short presentation was provided within the Rivers and Drainage Engineering Level of Service Update to Councillors on 30 November 2023.

**References**

- DSI. (2023). *Marlborough District Council Taylor Dam DSMS Review for Alignment with NZ Dam Safety Regulations*. Dam Safety Intelligence.
- MBIE. (2023). *Guide to complying with the Dam Safety Regulations*. Ministry of Business, Innovation & Employment. <https://www.building.govt.nz/assets/Uploads/managing-buildings/building-safety/guide-to-complying-with-the-dam-safety-regulations.pdf>
- Tonkin & Taylor. (2014). *Taylor Dam: Comprehensive Safety Review 2013* (26898.003 C).

**Attachment**

Attachment 4.22.1 – Table 1 - Anticipated Compliance costs over and above existing Minor Maintenance Budget

Page 117

Author	Andy White, Rivers & Drainage Engineering Manager
Authoriser	Richard Coningham, Manager Assets & Services

## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables the continuing safe use of the Taylor River Dam in accordance with all applicable legislative requirements.

### **Fit with Council policies and strategies**

<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proposal contributes to the LTP and Infrastructure Strategy through the continuing provision of Rivers and Drainage Engineering Objective 1 – Lower Wairau Flood Protection.

### **Nature of the decision to be made**

The options do not involve a significant decision in relation to land or a body of water.

### **Financial considerations**

This OpEx increase is unbudgeted, with financial authority being requested through this LTP review.

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

No engagement is proposed.

### **Risks: Legal / Health & Safety etc**

There are no known significant risks or legal implications in proceeding with the preferred option.

### **Climate Change Implications**

There are no known climate change implications to this decision.



Attachment 4.22.1

Table 2 - Anticipated Compliance costs over and above existing Minor Maintenance Budget

Operational Expenditure (Summarised)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<b>Minor Maintenance</b>											
Consultancy	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Insurance	\$20,208	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544	\$19,544
Greenscape and minor works contracts	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260	\$19,260
<b>Compliance with Building (Dam Safety) Regulations 2022</b>											
Potential Impact Classification (PIC) Assessment	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0
Intermediate Dam Safety Review	\$0	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$0	\$20,000	\$20,000	\$20,000	\$20,000
Comprehensive Dam Safety Review (CDSR)	\$0	\$65,000	\$0	\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$0
Dam Safety Assurance Programme (DSAP)	\$0	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dam Safety Assurance Programme (DSAP) Audit	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Survey and monitoring	\$0	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Budget</b>	<b>\$51,468</b>	<b>\$275,804</b>	<b>\$90,804</b>	<b>\$90,804</b>	<b>\$90,804</b>	<b>\$90,804</b>	<b>\$165,804</b>	<b>\$90,804</b>	<b>\$90,804</b>	<b>\$90,804</b>	<b>\$90,804</b>

## 4.23 Levels of Service Increases Sediment Removal – Taylor and Ōpaoa Rivers

(Report prepared by Andy White/Richard Coningham)

R730-06-001, R730-08-001

### Purpose of report

1. To request increased Operating Expenditure (OpEx) budget for sediment removal of the Taylor and Ōpaoa Rivers, between Alfred Street bridge and Marshall Place.

### Executive Summary

2. The Taylor and Ōpaoa Rivers between Hutcheson Street Bridge and Marshall Place have aggraded an average of 1m since 2013. This will begin to affect Council's ability to provide channel capacity for a 1% AEP (1 in 100yr ARI) flood event if allowed to continue beyond this next LTP period.
3. The most appropriate course of action in the midterm is for Council to engage in sediment removal of the Taylor and Ōpaoa Rivers during FY24-25 and FY25-26 followed by a period of monitoring to determine future sediment removal requirements and its frequency.

It is also recommended that efforts be made during the next LTP period to co-develop a comprehensive Taylor and Ōpaoa River management plan with Council's Environmental Science and Parks & Open Spaces teams, providing a longer-term sustainable approach to the problem through a combination of engineering and nature-based solutions.

---

### RECOMMENDED

**That Council approve an increased OpEx budget as set out in Table 1 (see Attachment 4.19.1) of this report, for sediment removal of the Taylor and Ōpaoa Rivers, between Alfred Street bridge and Marshall place.**

---

### Background/Context

4. In recent years the Taylor and Ōpaoa Rivers have aggraded significantly in response to a mixture of high sediment loading, seismicity, aquatic vegetation, and large flood events (see attached Map in Attachment 4.19.2). The confined nature of both rivers, particularly hard landscaping within the floodway zone further aids the process of aggradation, as well as creating challenges for economical and sustainable river management practices within the affected reaches.
5. Channel aggradation is one of many river system processes that influence channel geometry, and changes across time and space (Fryirs & Brierley, 2013, pp.116-117). Aggradation occurs when bed material accumulates more rapidly than is exported, much of this being from the deposition of suspended load carried from upstream sources (Pollock et al., 2014, p. 280).
6. Whether or not a river channel aggrades or degrades, is primarily the result of four interrelated components - Sediment Size, Stream Slope, Sediment Load, and Discharge (Fryirs & Brierley, 2013, p.66). For the lower reaches of the Taylor and Ōpaoa Rivers, sediment size and stream slope are reasonably static owing to the soil types of the upper and middle catchments, and, their shallow, low sinuosity channel profiles. Therefore, the remaining components of sediment load and discharge, have the largest natural influence upon vertical adjustment in the channel bed.
7. Suspended sediment load is recognised by Council as one of many water quality issues affecting the Taylor and Ōpaoa rivers, with both classified as degraded water bodies under the MEP (MDC, 2023a, p.15-6). As a result, the Marlborough Environment Plan (MEP) requires Council to take action to enhance water quality in these degraded waterbodies (MDC, 2023a, p15-3) for the purposes of:  
*"protection of aquatic ecosystems; contact recreation (primary and secondary); where identified as having these values; community water supply (where water is already taken for this purpose); and for cultural and aesthetic purposes...and in all cases further decline in water quality is prevented so that*

*the health and wellbeing of water bodies and freshwater ecosystems is maintained'* (MDC, 2023a, p15-10).

8. In recent years, turbidity (as a proxy measure of suspended sediment load) has seen a slight decline in both rivers (MDC, 2023b, p. 24), largely due to Council efforts such as the Taylor Catchment Improvement Project, and current Catchment Care Project (MDC, 2023b, p. 44). These monitoring results confirm the ongoing trend observed in river channel cross-sectional surveys, which show an average 1m aggradation between Hutcheson Street Bridge and Marshall Place from 2013 to 2023, but at a slower rate of deposition during these Council initiatives; suggesting an ongoing need for reduction in sediment load from upper catchment areas.
9. The 2016 Kaikōura earthquake resulted in lateral spread along sections of both the Taylor and Ōpaoa Rivers, requiring sediment removal works downstream of Marshall Place to recover lost channel capacity. It is reasonable to assume that bank slumping may account for part of the aggradation observed upstream of Marshall Place, given that no sediment removal was undertaken.
10. Deposition of a suspended load typically requires a decrease in flow velocity (Pollock et al., 2014, p. 281), largely due to changes in channel bed roughness. For the Taylor and Ōpaoa Rivers, aquatic and terrestrial vegetation have the greatest impact upon bed roughness and thus the rate of deposition, hence why weed management is such a critical activity within the River's lower reaches.
11. The prioritisation of water quality through the MEP, particularly ecosystems, has brought significant changes to the way in which river management is practiced by Council. In particular, the observance of weed-cutting restrictions in tidal reaches of the Taylor and Ōpaoa rivers for an extended period during the height of summer.
12. The positive effects of these changes upon water quality and ecosystems cannot be understated, however the reduction in discharge caused by more prominent vegetation over longer periods of time, evidently affects the rate of aggradation as observed in recent channel surveys.
13. The effects of aggradation have become more acute in recent years, with Council's weed-cutting boat no longer able to operate in certain reaches due to the limited draft available; and a shallower bed also serving to accelerate vegetation growth.
14. Aggradation since 2013 is not considered to have compromised the system's capacity to safely convey a 1% AEP (1 in 100yr ARI) flood event; however, without mechanical intervention commencing in the next couple of years, and continuing on a periodic basis, the deposition will begin to affect channel capacity, as well as Council's ability to adequately manage vegetation in the future.
15. In summary, the Taylor and Ōpaoa Rivers between Hutcheson Street Bridge and Marshall Place have aggraded an average of 1m since 2013. This will begin to affect Council's ability to provide channel capacity for a 1% AEP (1 in 100yr ARI) flood event if allowed to continue beyond this next LTP period. Mechanical intervention is the only option given the river system is in a state of aggradation; this will continue to be required as a periodic activity for the foreseeable future.

### **Assessment/Analysis**

16. Mechanical intervention in the form of gravel/sediment removal, is the only viable response to aggradation if Council is to uphold the Policies and Standards set by the MEP. Even if the standards were relaxed to enable weed-cutting throughout the year, it is highly unlikely to resolve the issue of sediment deposition.
17. Excavation of the channel bed between Alfred Street Bridge and Marshall Place, presents a number of challenges due to its confined nature, limiting access and berm width for temporarily storing excavated material.
18. A number of options are being considered within the budget requested, with the most likely solution being to excavate using an amphibious excavator and towed barge. Excavated material would be loaded onto the barge and towed to Marshall Place, where it would be dried and then carted offsite.

19. Whilst the proposed activity is permitted for river control and drainage works when carried out by Council, the works are being planned in consultation with MDC Environmental Science & Monitoring team, mana whenua, and MDC Parks & Open Spaces team, given the sensitive nature of the work.
20. In summary, the most appropriate course of action in the midterm is for Council to engage in periodic sediment removal of the Taylor and Ōpaoa Rivers in order to maintain channel capacity for a 1% AEP (1 in 100yr ARI) flood event. The recommendation herein, is for increased budget during FY24-25 and FY25-26 followed by a period of monitoring to ascertain the necessary interval between successive sediment removal activities and the associated OpEx budget for this.

It is also recommended that efforts be made during the next LTP period to co-develop a comprehensive Taylor and Ōpaoa River management plan with Council's Environmental Science and Parks & Open Spaces teams, providing a longer-term sustainable approach to the problem through a combination of engineering and nature-based solutions.

### **Option One (Recommended Option) – Increase OpEx budget**

21. Increase OpEx budget as set out in Table 1 (see Attachment 4.19.1) of this report, for sediment removal of the Taylor and Ōpaoa Rivers, between Alfred Street bridge and Marshall place.

#### *Advantages*

22. Recover channel capacity lost since 2013 in order to help maintain current level of service.
23. Enable weed-cutter boat to resume operations upstream of Marshall Place.
24. Improve aesthetics of waterway, particularly during the fish-spawning season.
25. Reduce risk of amphitheatre and footpaths being inundated for long durations.

#### *Disadvantages*

26. Short-term impacts upon water quality and habitat.
27. Short-term recreational and aesthetic impacts during the works.
28. Increase in OpEx on a periodic basis.

### **Option Two – Status Quo**

29. No increase in OpEx for Taylor and Ōpaoa Rivers.

#### *Advantages*

30. Reduced financial strain on ratepayers.

#### *Disadvantages*

31. Continued aggradation affecting channel flood capacity and further inundation of reserve.
32. Continued aesthetic issues.
33. Weed-cutter boat increasingly unable to work, requiring alternative, costlier solutions to vegetation management.

### **Next steps**

34. Approval of OpEx Increase to support Proposed Costs and Budget Proposal.
35. Develop proposed options in consultation with MDC Environmental Science & Monitoring team, mana whenua, and MDC Parks & Open Spaces team.
36. Award contract and undertake priority works in FY24-25, with the bulk completed in FY25-26.
37. Establish ongoing monitoring programme.

**Presentation**

- 38. A short presentation was provided within the Rivers and Drainage Engineering Level of Service Update to Councillors on 30 November 2023.

**References**

- Fryirs, K. A., & Brierley, G. J. (2013). *Geomorphic Analysis of River Systems: An Approach to Reading the Landscape*. Wiley-Blackwell.
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- Pollock, M. M., Beechie, T. J., Wheaton, J. M., Jordan, C. E., Bouwes, N., Weber, N., & Volk, C. (2014). Using Beaver Dams to Restore Incised Stream Ecosystems. *BioScience*, 64(4), 279–290. <https://doi.org/10.1093/biosci/biu036>.

**Attachment**

- Attachment 4.23.1 – Table 1 - Anticipated OpEx budget required to accommodate requested change in Level of Service Page 123
- Attachment 4.23.2 – Map 1 - Sediment Removal Taylor and Ōpaoa Rivers Page 124

Author	Andy White, Rivers & Drainage Engineering Manager
Authoriser	Richard Coningham, Manager Assets & Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal is consistent with the ongoing fulfilment of Rivers and Drainage Engineering Objective 1 – Lower Wairau flood protection, in continuing to provide a capacity for flood sizes up to a 1% AEP (1 in 100yr ARI) in the Taylor.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the LTP and Infrastructure Strategy through the continuing provision of Rivers and Drainage Engineering Objective 1 – Lower Wairau Flood Protection.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This OpEx increase is unbudgeted, with financial authority being requested through this LTP review.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No engagement is proposed.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications in proceeding with the preferred option.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

Attachment 4.23.1

Table 3 - Anticipated OpEx budget required to accommodate the requested change in Level of Service

Operational Expenditure (Summarised)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<b>Minor Maintenance</b>											
Taylor below Burleigh – Operating Costs	\$65,487	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335	\$66,335
Lower Ōpaoa – Operating Costs	\$117,787	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394	\$117,394
<b>Taylor &amp; Lower Ōpaoa Dredging</b>											
Alfred Street to Marshall Place	\$0	\$150,000	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Budget</b>	<b>\$183,274</b>	<b>\$333,729</b>	<b>\$833,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>	<b>\$183,729</b>





## 4.24 Levels of Service Increases Kaimiko Stream, Ōkiwi Bay

(Report prepared by Andy White/Richard Coningham)

R750-16-001

### Purpose of report

1. To consider a budget for FY24-25 to fund gravel removal and erosion protection (including consenting), at the mouth of the Kaimiko Stream, Ōkiwi Bay.

### Executive Summary

2. In recent years, Ōkiwi Bay residents have requested a higher level of service to protect several waterfront houses from coastal flooding, and gravel removal/erosion protection at the mouth of the Kaimiko Stream.
3. Gravel extraction and erosion protection at the mouth of the Kaimiko, are the only activities consistent with the Rivers and Drainage Engineering Objectives; however, these are discretionary outside of built up Sounds Areas in terms of Council's current levels of service. There is however no legal requirement to undertake such works and significant precedent issues would arise should such works be undertaken.
4. The Sounds Watercourse OpEx budget is primarily focused on flood response and emergency works, across the whole Marlborough Sounds area, and, is insufficient to fund the proposed works without a single increased budget to cover the anticipated costs.
5. The beneficiaries of this work are one or two properties only.

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### RECOMMENDATION

**That Council does not approve funding to remove gravel and provide erosion protection.**

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### Background/Context

6. In recent years, Ōkiwi Bay residents have requested a higher level of service to protect waterfront houses from coastal flooding, and gravel removal/erosion protection at the mouth of the Kaimiko Stream.
7. The current level of service awarded to Ōkiwi Bay residents, is limited to Objectives 3 (Sounds watercourses flood management), 10 (Flood hazard and river management advice) , and 11 (Flood response) of the Long Term Plan. This is reflected in the small discretionary annual budget provided for Sounds Watercourses of \$26,750, spread across the Marlborough Sounds area.
8. Historically, this limited budget has been employed in works that maximise its utility to the Sounds community, rather than individual landowners. Past expenditure has been primarily focused on flood response and emergency works, across the Marlborough Sounds area.
9. Residents have also requested improvements at the mouth of the Kaimiko stream, through the removal of gravel, and provision of minor erosion protection. Consideration of such waterway improvements is consistent with Objective 3, however its implementation is at Council's discretion.
10. Undertaking such coastal protection works would create a precedent which is likely to be unsustainable. The Climate Change Action Plan includes coastal erosion as a future work stream and Central Government is also grappling with such issues.

### **Assessment/Analysis**

11. Recent NIWA coastal inundation modelling suggests that the area of concern to Ōkiwi Bay residents, is already highly vulnerable to sea-level rise. Any flood and/or erosion protection works need to be considered against a much-limited ROI period for residents.
12. Gravel removal and small scale erosion protection works at the mouth of the Kaimiko Stream, may provide limited short-term relief for a small number of adjacent landowners.
13. The proposed activities of gravel extraction and erosion protection works, require resource consent as they are discretionary activities only under the MEP.
14. The sensitive nature of the Kaimiko, location of the proposed works, and limited benefits, will present challenges in obtaining the necessary consents for the works to proceed. The assessment of effects in itself may require monitoring/survey/analysis, as well as broader consultation.
15. The anticipated OpEx budget (Table 1) is a one-off increase of \$50k to undertake these works. The proposal allows \$25k for the consenting work, and \$25k for the physical works.
16. In summary, the small discretionary annual budget provided for Sounds Watercourses is not intended for the type of works proposed at the mouth of the Kaimiko Stream; this is a standing budget primarily reserved for flood response and emergency works across the whole of the Marlborough Sounds. The proposed works are nearly 200% of the annual Sounds Watercourse budget, and therefore require a time-limited increase in OpEx budget to undertake the requested works. Undertaking such works would create some future legal obligation to continue to maintain the protection which may be unsustainable given climate change pressures.

### **Option One (Recommended Option) – Status Quo**

17. No increase in budget.
18. Does not establish future expectations from other Coastal landowners for unsustainable improvement or any legal obligation to continue to provide such protection at the Kaimiko mouth.

#### *Advantages*

19. No increase in budget.

#### *Disadvantages*

20. Continuing erosion at the mouth of the Kaimiko Stream, that may eventually affect a small number of adjacent residential buildings.
21. Reputational harm to Council through the “Court of Public Opinion”; i.e. Council not responding to concerns, irrespective of their alignment with LTP Objectives.

### **Option Two – Increase budget**

22. Funding from Forestry and Land Development Reserve for FY24-25 to fund gravel removal and erosion protection (including consenting), at the mouth of the Kaimiko Stream, Ōkiwi Bay

#### *Advantages*

23. Limited relief for a small number of adjacent landowners at the mouth of the stream, from river erosion.
24. Partial appeasement for Ōkiwi Bay residents aggrieved by recent flood events and future coastal inundation.

#### *Disadvantages*

25. May establish further expectations from Ōkiwi Bay residents for unsustainable improvements in levels of service
26. Risk of sunk costs should resource consent fail to be granted.

**Next steps**

- 27. If a budget increase is approved:
- 28. Apply for Resource Consent
- 29. Undertake gravel removal and erosion protection subject to Resource Consent approval.

**Presentation**

- 30. A short presentation was provided within the Rivers and Drainage Engineering Level of Service Update to Councillors on 30 November 2023.

Author	Andy White, Rivers & Drainage Engineering Manager
Authoriser	Richard Coningham, Manager Assets & Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal is consistent with the ongoing fulfilment of Rivers and Drainage Engineering Objective 3 – Sounds watercourse flood management.			
<b>Fit with Council policies and strategies</b>			
<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the LTP through the continuing provision of Rivers and Drainage Engineering Objective 3 – Sounds watercourse flood management			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This OpEx increase is unbudgeted, with financial authority being requested through this LTP review.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No engagement is proposed.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
Risk of sunk costs should resource consent fail to be granted.			
<b>Climate Change Implications</b>			
There are climate change implications to this because future expectations that Council will provide Coastal erosion protection works would be created.			

## 4.25 Levels of Service Increases

### Waitohi Domain Truck Park – Port Marlborough Lease Exit

(Report prepared by Richard Coningham)

PN527605#08

#### Purpose of report

1. To gain Council approval for budget to terminate the Port Marlborough lease of the Waitohi Domain Truck Park.

#### Executive Summary

2. Post the 2016 Kaikoura Earthquake Council obtained partial funding from Central Government to construct a temporary truck park on Waitohi Domain. Post SH1 reopening, Council leased the land to Port Marlborough on a long-term lease in order to recover costs involved with the construction of the truck park. Due to increasing issues with trucks parking on the roads in Picton, Council now needs to terminate the existing lease of the truck park to Port Marlborough, who require compensation for the termination of the lease and also lost income from subleases the Port has entered into. Once Council takes back the land, further investment is required to instal an ablutions block to cater to truck drivers who will use the truck park. Currently there are no ablutions available on the site.
3. Income will be generated from Trucks parking and drivers using the facilities. Based on early financial modelling it is expected a return on capital of 7.5% on the facility investment, before cost of funding, is achievable.

#### RECOMMENDATIONS

That Council:

1. **allocates \$209,500 from the Parking Reserve (Account) to allow for the termination of lease payment to Port Marlborough**
2. **allocates \$400,000 from the Parking Reserve (Account) for the construction of a suitable ablutions block on the Waitohi Domain Truck Park for truckies to use**
3. **budget for revenue from use of the facility commencing from 1 January 2025 at an initial 50% of the eventual projected income for 12 months, 75% for the next 12 months increasing to 100% thereafter.**

#### Background/Context

4. Truck and trailer unit parking in Picton increased post the 2016 Kaikōura Earthquake when SH1 was closed for just over 12 months. With trucks being diverted via the inland route between Christchurch and Picton, this created a backlog of truck and trailer units having to park in Picton while waiting to board ferries.
5. At the time Council was able to obtain funding from central government to build a temporary truck park in Picton which could hold 26 truck and trailer units to help ease parking congestion on Picton streets. After SH1 had reopened and time had passed, the temporary Picton truck park and the land was leased as it was felt the issue of truck and trailer units parking in Picton was reduced as regular traffic was flowing again on SH1.
6. Since then, the issue of truck and trailer units parking on the residential and central business streets of Picton has been a constant. Council has been approached by residents about noise from refrigerated trucks at night keeping residents awake and safety concerns with sight lines being blocked for drivers by truck and trailer units parking on residential and central business streets.
7. Council staff have conducted nighttime surveys to confirm the numbers and locations of truck and trailer units parking in Picton streets. Some nights, particularly when a ferry is delayed, counts have shown over 50 truck and trailer units parked in Picton streets.

8. Staff have had discussions with representatives of Transporting New Zealand, which is the representative body for road freight transport in NZ, to find out what truckers need in terms of suitable truck park areas. The trucking fraternity need toilets and showers, a laundry, and a place to have a meal.
9. Transporting New Zealand says "Currently the Riverlands Truck Stop is the only place that offers suitable facilities in a practical sense, and at no fault of Riverlands Truck Stop, the current situation is inadequate. While ferries are still arriving and departing at Picton, there are a number of trucks and other passengers that overnight there and therefore it would be highly desirable to have as a minimum, parking and toilet facilities available there. Transporting New Zealand believe local authorities should be taking a comprehensive eco-system view when providing resource consent for key infrastructure such as ferry terminals. There is a high degree of certainty that routinely, trucks and cars will need somewhere in close proximity to the terminal to park and require the use of public convenience amenities. Therefore, such amenities should be provided for as a matter of course and having an alternative inherently provides greater resilience. Upcoming changes, such as the new KiwiRail ferries (should they still eventuate) with significantly more capacity and the new inland Port at Riverlands, are other factors that show the importance of developing a well thought through and integrated infrastructure plan."
10. It is considered viable to charge for the use of the parking facility and associated services. A model similar to that used at the Riverlands Truck Stop, which has swipe card access as part of a nationwide programme, is proposed to be implemented. It is estimated that income of \$130,000 is achievable generating a profit of \$30,000 after operating costs, a return on invested capital of 7.5% before costs of funding.
11. The long-term lease that Council entered into with Port Marlborough for the truck park land only has a termination clause if another earthquake occurs that blocks SH1 similar to the 2016 Kaikoura Earthquake. The lease also includes clauses to reimburse Port Marlborough for the book value of any improvements they have made to the land in order to be able to operate a business on it. The book value of the improvements made by Port Marlborough currently sits at \$112,000.
12. Port Marlborough have also entered into business arrangements on the land which will need to be terminated early should the land be returned to Council. The value they have placed on the early termination of their business arrangements is \$97,500.
13. The total amount payable to Port Marlborough for the early termination of their lease of the truck park land is \$209,500.
14. Council staff have also had in depth discussions as can be seen in paragraph 8 of this paper in relation to the type of facilities that would be required for truckies to use the Waitohi Domain truck park rather than parking on the streets of Picton. An ablutions block to cater for these needs with "swipe card" technology similar to that already used at the Riverlands Truck Stop is estimated to cost \$400,000.
15. Currently there is no budget allocated for any of these items, prior to any consultation on a potential truck parking bylaw for Picton, a suitable alternative needs to be put in place to allow truckies to park somewhere.
16. Council's assessment of the number of truck parks needed is circa 50 truck parks, this proposal in conjunction with the Riverlands Truck Stop goes some way to addressing the issue.

### **Option One (Recommended Option)**

17. That Council allocates \$209,500 from the Forestry and Land Development Reserve to allow for the termination of lease payment to Port Marlborough, and that Council allocates \$400,000 from the Forestry and Land Development Reserve for the construction of a suitable ablutions block on the Waitohi Domain Truck Park for truckies to use.

### *Advantages*

18. This will allow the provision of a suitable alternative truck parking area in Picton, which will allow truck and trailer units to park elsewhere besides the public streets of Picton.
19. This will allow the Council to then develop a truck parking bylaw for Picton with a suitable alternative in place.

- 20. Reduced noise issues at night with refrigerated units parked on public streets in Picton.
- 21. Reduced safety concerns from Picton residents over site lines on public streets with trucks no longer parking in those areas.

*Disadvantages*

- 22. The cost for this initiative is \$609,500.
- 23. It will not fully remove the need for some street parking in Picton.

**Option Two – Status Quo**

- 24. No off street truck park option for Picton.

*Advantages*

- 25. Cost of \$609,500 will not be incurred.

*Disadvantages*

- 26. Continued issues with noise complaints and safety concerns for the resident of Picton.

Author	Richard Coningham, Manager Assets & Services
Authoriser	Mark Wheeler, Chief Executive

## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓

This proposal contributes to the categories identified about relating to increasing infrastructure in Picton and also reducing stress caused by trucks parking on streets in Picton.

### **Nature of the decision to be made**

The options do not involve a significant decision in relation to land or a body of water.

### **Financial considerations**

There are no known financial implications.

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

If the budget request is approved a communications plan will be developed in relation to subsequent event of a truck parking bylaw consultation.

### **Risks: Legal / Health & Safety etc**

There are no known significant risks or legal implications with this proposal.

### **Climate Change Implications**

There are no known climate change implications to this decision.



## 4.26 Capital Budget Adjustment – Stormwater – Option G: Boyce Street, Springlands

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(Report prepared by Jon Cunliffe/Richard Coningham)

W410-001-02-03

### Purpose of report

1. To approve an additional \$2.7m in capital funding for the Springlands stormwater infrastructure project known as Option G

### Executive Summary

2. Option G is a stormwater infrastructure project in the Springlands area of Blenheim. It was approved by Council in April 2017, based on cost estimates at that time. Work commenced on implementing Option G in July 2023. For a variety of reasons costs have risen steeply since the project was approved. An additional \$2.7m is required to complete the project.
- 

## RECOMMENDATIONS

That Council:

1. Approve an additional \$2.7m in capital funding for the completion of the stormwater infrastructure project known as Option G.
  2. Allocate this funding for the 2024-25 financial year.
- 

## Background/Context

### Option G – Origins and Commitments

#### Levels of Service Workshop – 30<sup>th</sup> November 2023

3. The origins of and Council commitments to the Option G project were explained in some detail during the Rivers and Stormwater Levels of Service workshop for Councillors held on Thursday 30<sup>th</sup> November 2023.
4. To refresh:
  - in March 2017 Option G emerged as the preferred option for stakeholders to mitigate longstanding stormwater management issues that had persisted in Springlands/Murphys Creek area over many years prior.
  - an independently facilitated structured decision making process (SDM) involving a group known as the Murphys Creek Collaborative Stakeholder Group (MCCSG) had commenced in March 2016.
  - 5 workshops and a site visit later, Option G from among Options A-H, H+ and H++ was selected as the preferred option.
  - the options selection process was rigorous and included a range of considerations including investment levels required.
  - though not a unanimous choice Option G was accepted by all members of MCCSG as its preference. This was presented to Council and accepted by Council in April 2017.
  - on advice Council subsequently included funding within its LTP to provide for the capital works implicit in the recommendation

## Assessment/Analysis

### Option G – Requirements – 2017

5. Option G established the design principle/requirement for stormwater neutrality for all new developments in the catchment.
  6. Translated this means stormwater runoff after the development of a site (for urban use) should be no greater than stormwater from the site in a “greenfields”, i.e. a pre-development condition or state.
-

7. Relevant to this paper Option G also had the following requirements:
  - (targeted) treatment of stormwater prior to discharge
  - Interception and redirection of stormwater from the Murphys Road stormwater catchment to Aston Street. Starting from a discharge point (to Murphys Creek) at Middle Renwick Road to a discharge site further downstream within McKendry Park.
  - Diversion of stormwater from the Springlands business/light industry area from a discharge direct to Murphys Creek (as at present) to a discharge to the Taylor River, via Boyce Street and the Boyce Street Pump Station.
  - Funding of \$3.8m was required to implement the above.
8. \$3.75 m was allocated within the LTP (2018), \$3.45m of which spread over the 2023-24 and 2024-25 financial years.

### **Option One (Recommended Option) – [Approve funding as sought]**

#### **Option G – Current Requirements - 2024**

9. Design work on the Option G project commenced in earnest from July 2023.
10. The project team comprises members from within Davidson Goup, Stantec and MDC.
11. An early priority was updating previous estimates for the project.
12. Davidson Group (DG) updated the estimates for design and civil works components during October and November 2023.
13. DG's re-estimate was informative and rigorous. It compared content, like for like, and was informed by current design, materials and contractor rates (not PCI adjustment).
14. The prevailing present day environment/requirements around aspects such as traffic management have been taken into account as well.
15. The outcome from the re-estimation exercise for the overall project has determined that the project requires a further \$2.7m in funding to complete it.
16. The details surrounding the re-estimation exercise and the updated funding requirements for the project were included in the presentation to the Levels of Service workshop on 30<sup>th</sup> November 2023.

#### *Advantages*

17. A concerned Community is satisfied.
18. Council continues to provide an infrastructure service in step with Levels of Service and current statutory requirements.
19. Council retains integrity.

#### *Disadvantages*

20. Additional costs to Council.

### **Option Two – Status Quo**

21. Cease work on Option G, allow status quo to remain. Meaning no treatment of stormwater, no flow diversions away from Murphys Creek.

#### *Advantages*

22. None.

#### *Disadvantages*

23. Severe adverse backlash from the Community.

24. Downgraded Levels of Service, renegeing on statutory obligations contained within the discharge consent for Springlands.

**Next steps**

25. Approve funding, complete design, let tenders, award contracts, complete works.

Author	Jon Cunliffe, Stormwater Lead
Authoriser	Richard Coningham, Manager Assets & Services

## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables completion of a public service agreed to by both the community and the Council at an earlier time and notwithstanding cost increases since 2017 is *considered good-quality and cost effective*

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Infrastructure Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<b>X</b>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>

This proposal contributes to upgraded stormwater infrastructure and environmental quality/restoration prospects within the greater Springlands area of Blenheim.

### **Nature of the decision to be made**

Option 1 involves a significant decision in relation to a land and water body.

The relationship of Maori and their culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna, and other taonga have been identified, explored and integrated:

- first through the Structured Decision Making process carried out during 2016 and early 2017
- subsequently through the Springlands Stormwater Management Area Plan (SSMAP in 2019/20 and
- latterly in the membership and activities of the Springlands Stormwater Governance Group (SSGG).

### **Financial considerations**

This proposal/project has been budgeted for in *the Blenheim Stormwater Activity Group for the 2024-25* budgets. This is in anticipation of the proposal being approved

### **Significance**

The decision is considered significant under Council's Significance and Engagement Policy.

### **Engagement**

Since 2013 there has been active engagement with multiple and affected stakeholders on various stormwater related issues. Issues which gave rise to this proposal. More specifically on this particular proposal with the MCCSG on the Structured Decision Making process during 2016/17. Since July 2023 this has continued with the formation of and ongoing activities of the Springlands Stormwater Governance Group (SSGG).

### **Risks: Legal / Health & Safety etc**

Any Legal/Health and Safety risks are being managed through the professional project management presence (Stantec) on the project team

### **Climate Change Implications**

In assessing the design parameters for the Option G project, staff have been actively considering the effects of climate change. For instance, a design rainfalls workshop for professionals working in stormwater within Blenheim was held in November 2023. A re-evaluation of current design procedures to incorporate climate change in a more uniform way is being carried out. This will have application Blenheim wide; ie beyond the scope of the Option G project.

## 4.27 Remote Transfer Station (RTS) Funding

(Report prepared by Mark Lucas/Richard Coningham)

W300-006-009-9

### Purpose of Report

1. To seek approval for funding to construct the remaining five RTS compounds, and the funding mechanism to be used.

### Executive Summary

2. As a result of the letting of Contract 21-077 Waste Management and Minimisation contract and the community consultation it was decided that the Council will install 10 remote transfer sites. It was hoped at the time that these would be covered via a waste minimisation fund grant. As a result of the grant being declined these sites now require Council funding. The funding for the first five sites was approved on the 14 December 2023 (refer: **Cncl-1223-213**)

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### RECOMMENDATION

**That Council approves the expenditure to construct the remaining five RTS compounds on the approved sites of \$460,806 (GST exclusive) for the 2024/25 financial year, funded from the Forestry and Land Development Reserve.**

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### Background/Context

3. As part of the tender and acceptance of Contract 21-077 - Waste Management and Minimisation it was decided that the current coin skips and recycling bins that are located remotely are replaced with a Remote Transfer Station.
4. During the consultation phase of the above-mentioned contract an application to the Waste Minimisation fund was submitted to cover the construction of the RTS compounds. This application has been declined.
5. The application was for \$550k or \$50k per RTS, for the proposed 11 sites.
6. This application was declined as the focus area for the fund is now on organic waste.
7. The agreed 11 sites are Awatere Valley Road, Ohingaroa Quarry, Port Underwood, Portage, Rai Valley, Rapaura, Linkwater, Titirangi, Waihopai Valley, Waitaria Bay, Ward.
8. It is proposed to include kerbside collection to Rapaura, which will negate the requirement for this site to be constructed.
9. The costs to construct this site have been removed, however it is to be noted that if after the consultation mentioned in the paper is negative this site will need to be constructed.
10. The concept design of the new RTS compound has been completed, with an emphasis on aesthetics, practicality, ability to contain the waste, and ease of keeping clean.
11. The design has several recyclable products, including repurposed vineyard posts and mussel ropes. They are considered as an asset that will have a 40+ year life span, with appropriate maintenance.
12. All the sites have been designed so people with reduced mobility will be able to use the sites, including wheelchair access.
13. All the sites have been costed to have a 24/7 CCTV camera to cover the site.
14. The CCTV cameras are intended, if required, to be used to identify people who refuse to follow the terms and conditions of use of the RTS.

15. At the time of completing this paper, no tender requests have been sought, however the estimated costs to build the 10 sites is \$769,911 +GST, with \$309,105 + GST already approved. The remainder of the cost is made up of the following. This has increased by \$38,400 due to the current volatility experienced with contracting these types of activities.

<b>Site name</b>	<b>Budgeted Costs</b>	<b>Year of Construction</b>
Port Underwood	\$ 62,251	FY2024-25
Portage	\$ 87,564	FY2024-25
The Grove	\$ 59,064	FY2024-25
Titirangi	\$ 87,564	FY2024-25
Waitaria Bay	\$ 87,564	FY2024-25
Contingency (20%)	\$76,800	
<b>Total</b>	<b>\$ 460,806</b>	

### **Assessment/Analysis**

16. As part of the process to confirm the new kerbside collection contract, full community consultation was completed, and the above-mentioned sites were agreed.
17. During a site investigation several of the current sites were found not fit for purpose because of their size, H&S issues, and a lack of suitable sub grade. The footprint of the new RTS compounds is bigger than the current footprint.
18. All the site designs and locations, prior to construction, will be discussed with the local community.
19. Due to site finalisation and preparation details, there is potential for construction not being completed until after 1 July 2024.
20. Once it is clear which sites will be delayed and for how long the affected communities will be advised interim arrangements will be required.

### **Option One (Recommended Option)**

21. Council approves the expenditure for the construction for the remaining five RTS sites.

#### *Advantages*

22. We have a fully functional site that can be kept clean and retains all the waste spillage.
23. All sites will have CCTV cameras to add in identifying people who deposit waste that is outside what is acceptable at the RTS.
24. This is another step in the journey of Council working with the rural communities in achieving a circular economy and the overall goal of reducing waste to landfill.

#### *Disadvantages*

25. A cost of \$460,806.00 + GST to complete the site constructions.

### **Option Two – Status Quo**

26. We do not build the compounds and we run the sites as they are.

#### *Advantages*

27. Little too no cost

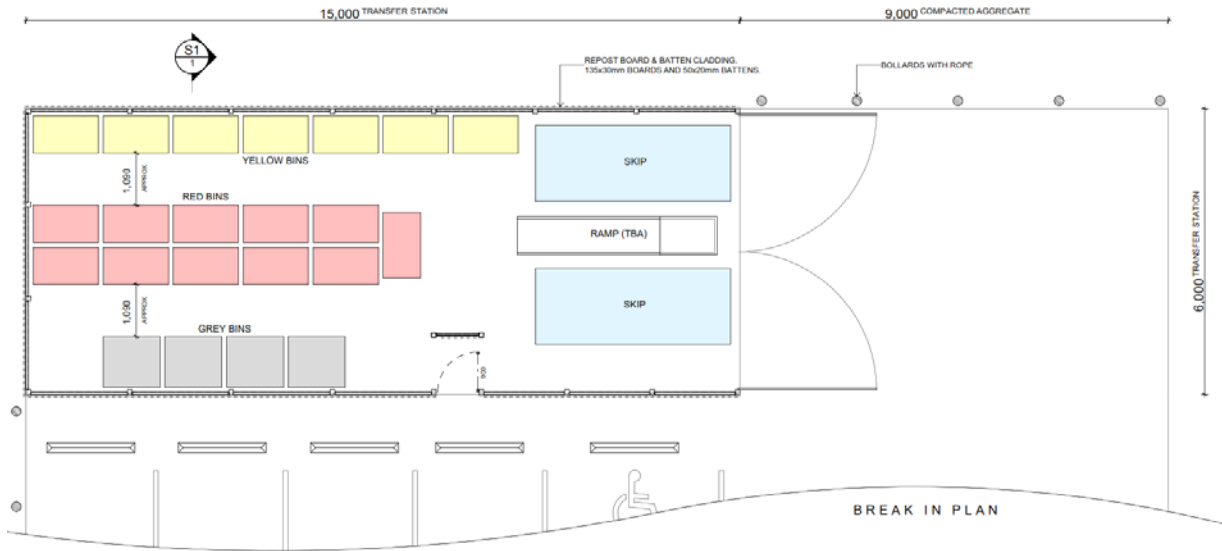
#### *Disadvantages*

28. Potential contract variations as the sites have been priced as per the contract utilising new RTS.

- 29. We have sites that cannot offer the services that were agreed during the consultative process.
- 30. The sites have no restrictions to the waste that can be deposited there.

**Attachments**

- 31. Below is the concept design of the RTS compound. The design is based on the Picton Marina compound.



Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer

## 4.28 Levels of Service Increases Nautical and Coastal Activity

(Report prepared by Katie Littlewood & Jake Oliver/Hans Versteegh)

H100-001-01

### Purpose of Report

1. To seek approval of the proposed budget increases to the Nautical and Coastal Activity.

### Executive Summary

2. Harbours and Coastal Science activities were combined to form the Nautical and Coastal Science activity. The merger of these two teams has created numerous efficiencies, providing Council with effective means to monitor and manage both navigational safety and the environment in Marlborough's coastal marine area (CMA).
3. Marlborough's CMA is approximately 725,00 hectares and 18,000km of coastline, equating to about 10% of New Zealand's coastline. Almost 40% of the Marlborough district falls within the CMA, with 90% of Marlborough's coastline located within the Marlborough Sounds.
4. Council faces numerous challenges in the CMA with increasing pressures in navigational safety, increase in both industry and recreational boat traffic, environmental stressors, land use practices and climate change. Several other challenges are approaching with central government legislation adding extra burden through changed requirements for monitoring and reporting.
5. Council's Nautical and Coastal Science team give effect to the Maritime Transport Act 1994, Local Government Act 2002, Resource Management Act 1991, New Zealand Coastal Policy Statement 2010 and the proposed Marlborough Environment Plan.
6. This report outlines Nautical and Coastal Science budget increase requests, including a detailed breakdown of the work focus and justifications for budget increases in the following areas: Nautical & Coastal Central Budget, Harbour Operations, Aids to Navigation, Climate Change Resilience, Coastal Water Quality, Intertidal Monitoring, Ecologically Significant Marine Sites and Ship Wake Monitoring.
7. Elsewhere in this agenda, and subject to Council decision, is a proposed reduction in Marlborough Research Centre funding which is proposed to be reallocated to the Coastal Science activity and costs represented in this paper.

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### RECOMMENDATIONS

1. That Council approves Operating budget increases to meet existing levels of service of \$139,000 in 2024/25 and \$23,000 in 2025/25, as per Table 1 below.
  2. That Council approves Operating budget increases for additional levels of service Of \$79,000 in 2024/25, \$118,000 in 2025/26, \$175,000 in 2026/27, \$245,000 in 2027/28 and \$30,000 in 2028/29, as per Table 2 below.
  3. That Council approves a Capital budget increase of \$75,000 in 2024/25 for Harbours to design, commission and build a suitable system for monitoring ships wake.
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## Nautical & Coastal – Summary of Opex Increases

Table 1: Opex Increases – Existing Levels of Service

	<b>24/25</b>	<b>25/26</b>
Nautical & Coastal – Central	\$79K	
Harbours	Nil	
Coastal Science	\$60K	\$23K
<b>Total</b>	<b>\$139K</b>	<b>\$23K</b>

Table 2: Opex Increases – Increased Levels of Service

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>
Nautical & Coastal – Central		\$53K	\$23K		
Harbours	\$17K	\$35K	\$47K	\$155K	\$30K
Coastal Science	\$62K	\$30K	\$105K	\$90K	
<b>Total</b>	<b>\$79K</b>	<b>\$118K</b>	<b>\$175K</b>	<b>\$245K</b>	<b>\$30K</b>

### Nautical & Coastal - Central Budget

Year 1	79,000	Meet market inflation and increased costs (detailed in para 11 below)
Year 2	53,000	Vehicle and vessel repairs and maintenance, health and safety costs (i.e., training, PPE, audits) and includes employment of a 0.5 Fte Maritime Officer (detailed in para 12 below)
Year 3	23,000	Vessel and vehicle leases, repairs, maintenance and increase to education and advertising (detailed in para 12 below)
Year 4	0	No budget increases identified at this stage
Year 5	0	No budget increases identified at this stage

8. Prior to 2021 the Nautical and Coastal Manager also held the function as Harbourmaster, binding the teams Central Budget and Harbours Budget as one. Without centralizing the budget after the previous Manager left, the central budget still sits in the control of the Harbourmaster, which means coastal science must “borrow” off harbours for resourcing, which is foundational to completing the required work.
9. The central budget area is designed to cover the joint costs of maintaining the team and assets (e.g., wages, fuel and maintenance costs for vessels and vehicles, rent, communications, advertising, office supplies, maintenance, training, travel). With the Nautical & Coastal Manager position vacant we propose the Central Budget be split from the Harbourmaster function and shifted to the Nautical & Coastal Team Co-ordinator with direct involvement and support from the Principal Coastal Scientist and Harbourmaster until such time that a Nautical Coastal Manager is appointed.
10. The request for a central budget increase is to align the required expenditure with current market inflation, meet the increasing demand on vessels and asset use and allow the team to better meet their work obligations.

11. The Central Budget is funded by ~\$184,800 per year (not inclusive of staff wages). There has been no increase to this budget despite rising inflation, increased work requirements and an increase in the use of assets such as office space, vessels, and vehicles, forcing increased maintenance and fuel costs. For example, in 2022/2023, costs to fuel, oil, vehicle and vessel maintenance increased from \$73,800 to \$143,000 (an increase of \$69,200). Similarly, office and shed rent increased from to \$60,000 to \$122,500 (an increase of \$62,500).
12. Increases to personnel and the merging of the two teams has increased efficiencies, allowing work programmes to expand to better meet levels of service, while maintaining current budgets. With the increased use of vessels, the upgrade of outdated/broken navigational aids and the increase to the Coastal Science’s workload through the pMEP, we will continue to see increased costs to fuel, oil, vehicle and vessel maintenance and increased pressure on the team to meet work obligations. Additionally, working on the water poses significant health and safety risks, requiring continued monitoring and reporting, H&S training, and Personal Protective Equipment for staff.

**Harbour: Operations**

Year 1	0	No budget increases required
Year 2	0	No budget increases required
Year 3	25,000	Increase to project budget to meet health and safety requirements (detailed in para 15 below)
Year 4	150,000	Increase to project budget for independent risk assessment (detailed in para 15 below)
Year 5	30,000	Increase to project budget to meet health and safety requirements (detailed in para 15 below)

13. Harbour operations are governed by the Maritime Transport Act 1994 (the Act), and Local Government Act 2002. The Act s33C enables Regional Councils to regulate the ports, harbours, and waters in their regions and maritime related activities in their regions for the purpose of ensuring maritime safety. Section 33D of the MTA permits Councils to appoint Harbourmasters for any port, harbour, or waters of their region. The function of the Harbourmaster is laid down in s33E of the Act. In addition, the Proposed Marlborough Environment Plan (PMEP) identifies policies, AERs, and methods of monitoring effectiveness that the team needs to comply with.
14. The foundation of all Harbours Operations is the Harbour Safety Management System and Harbour Risk Assessment. This risk-based approach to managing all known hazards and risks in the harbour and the system is constantly evolving to meet the changing risk profile of the harbour. The risk assessment identifies factors that have or may have led to increased risk in the harbour and identifies the controls that need to be in place or adjusted to ensure maritime safety and protection of the environment.
15. The budget for Harbour Operations is \$828,500, (funded from rates and port levy charges). While this budget does not require any additional funding for 2024/25 or 2025/26, an increase in 2026/27 onwards will be required to continue being able to fund projects with the harbour such as external risk assessment reviews, increased health and safety compliance costs for sites.

**Harbour: Aids to Navigation (AtoN)**

Year 1	17,000	Increase to project budget to meet health and safety requirements and continue to upgrade and future proof aids to navigation. (detailed in para 19 below)
Year 2	20,000	Increase to project budget to meet health and safety requirements and continue to upgrade and future proof aids to navigation. (detailed in para 19 below)

Year 3	22,000	Increase to project budget to meet health and safety requirements and continue to upgrade and future proof aids to navigation. (detailed in para 19 below)
Year 4	5,000	Increase to project budget to meet health and safety requirements and continue to upgrade and future proof aids to navigation. (detailed in para 19 below)
Year 5	0	No budget increases identified at this stage

16. The Aids to Navigation system (e.g., navigation lights, buoys, sensors, cameras, ) forms part of the critical risk management for shipping and on water activities in the Marlborough region. Council currently owns, operates, and maintains approximately 200 aids to navigation dispersed throughout the region.
17. Aids to Navigation have been categorised, according to IALA (International Association of Lighthouse Authority) standards. This provide users and Council with confidence that the systems are maintained and reliable.
18. The budget for Aids to Navigation budget is ~\$231,000, funded through navigation levies and rates. While the AtoN network is extensive, continually expanding and requiring updates to ensure long-term reliability, there have been no budget increases for several years.
19. Much of the AtoN Network requires extensive upgrade, replacement, and repairs to meet compliance and requirements under The Act and as part of Councils obligations. Additionally, some sites where work must be carried out poses significant health and safety issues, requiring H&S training, site inspections and modifications to ensure staff are safe when working in these sites.

**Harbour: Ship Wake Monitoring**

Year 1	75,000	Capital investment (to design, commission and build a suitable system for monitoring ships wake (detailed in paras 22 and 23 below)
Year 2	15,000	Yearly operational expenditure for ongoing maintenance, analysis, and visualisation (detailed in paras 23 and 24 below)
Year 3	0	No budget increases identified at this stage
Year 4	0	No budget increases identified at this stage
Year 5	0	No budget increases identified at this stage

20. The proposed Marlborough Environment Plan outlines AER 13.9 requiring that: waves generated from ships do not create adverse effects on the environment.
21. The Coastal Science team currently have a ship wake monitoring programme that focuses on cobble and bedrock community and shoreline impacts from ship wake (see Coastal: Ship Wake for more information). In addition to this programme, active monitoring of the size and energy of wakes generated by ships passing through the Sound needs to be better understood.
22. This project would establish a LiDAR based system to monitor the size of the waves generated by a passing vessel and tag this using AIS data, therefore allowing us to assign a wake to a particular ship.
23. To establish monitoring of the wave heights, new set of structures will need to be designed, approved, and built in the Sounds. A new digital platform will also be required to enable the data to be visualised.
24. Certain areas of the Harbour have ship tracking and monitoring established through Transit Analyst. The monitoring for ship speed is carried out in areas with a constant speed limit for all vessels over 500 Gross Registered Tonnage (GRT). The system is being developed to identify individual ferry traffic transits against the permitted transit speeds. This will provide an indication of how close to the

permitted speeds the ferries are transiting at. To achieve this the Transit Analyst contract will need to be held with the higher level of service.

**Coastal Science: Climate change resilience programme:**

Year 1	50,000	Planning and implementation phase of project (detailed in paras 28 and 29 below)
Year 2	10,000	Further alignment with policy and strengthening programme expansion (detailed in paras 28 and 29 below)
Year 3	35,000	Expand programme (increased level of service – detailed in paras 28 and 29 below)
Year 4	0	No budget increases identified at this stage
Year 5	0	No budget increases identified at this stage

25. The symptoms of climate change are one of the biggest threats to the marine environment. Council's state of the environment monitoring is documenting the wide-ranging impacts of climate change across multiple ecosystems in the Marlborough coastal marine area.
26. Whilst climate change and its impacts are driven largely by forces outside the Marlborough region, we can increase the resilience of the coastal marine area to its impacts through state of the environment monitoring, protection and restoration.
27. The ministry for the environment national adaptation plan to climate change (2020) reports that coastal environments are the most at risk to the impacts of climate change. The best action we can take to protect these environments is to improve its health as much as possible to increase resilience.
28. Climate change policy in the Marlborough Sounds Environment Plan (pMEP), highlights the need for education, adaptation and restoration in the Marlborough Sounds. Specifically, AER's from Chapter 6 (Natural Character), Chapter 8 (Indigenous Biodiversity) and Chapter 19 (Climate Change) which outline the following AER's:
  - a. The natural character of Marlborough's coastal environment and of lakes, rivers and their margins is restored where it has already been degraded.
  - b. Maintenance and enhancement of the condition of ecosystems, habitats and areas with indigenous biodiversity value.
  - c. The community's understanding of the effects of climate change, sea level rise and ocean acidification improves over time.
  - d. Coastal ecosystems, habitats and species are able to adapt to the effects of climate change.
  - e. Primary producers are able to adapt to the effects of climate change and ocean acidification.
29. This workstream proposes funding of \$50,000 to implement and support ecological restoration efforts and climate change resilience in the Marlborough coastal marine area. The first year of funding will support planning and implementation in line with policy and central government requirements.

**Coastal Science: Water Quality monitoring**

Year 1	33,000	To meet market inflation (detailed in para 32 below)
Year 2	20,000	To include pH monitoring at all current sites (increase level of service - detailed in paras 35 and 36 below)
Year 3	0	No budget increases identified at this stage
Year 4	50,000	Expand programme (increased level of service – detailed in para 36 below)

Year 5	0	No budget increases identified at this stage
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30. Council must carry out water quality monitoring as part of their statutory obligations under the RMA 1991 and NZCPS 2010, particularly Enhancement of water quality (Policy 21), Integration (Policy 4), Aquaculture (Policy 8) and Discharge of contaminants (Policy 23).
31. Water Quality monitoring was established in 2011, with monthly monitoring occurs in 22 sites across Totaranui/ Queen Charlotte Sound, Kura Te Au/Tory Channel and Te Hoiere/ Pelorus Sound. Several biological and physical parameters are measured, including temperature, salinity, turbidity, Chlorophyll concentrations, dissolved oxygen, and phytoplankton communities.
32. The current water quality monitoring is effective in picking up changes in water quality in the areas it occurs and for monitoring long term data trends (see WQ report card 2023). All species, ecosystem and habitats within the Coastal Marine Area depend on good water quality. Poor water quality can have negative impacts on ecosystem health, community and industry.
33. Monthly water quality monitoring is completed inhouse, with Coastal Science staff completing the fieldwork and data analysis. Lab analysis is carried out by an independent contractor and boat/skipper services are utilised through Councils Harbourmaster boats.
34. The water quality programme is funded by \$110,800 per year. There has been no budget increase for this programme since 2011 despite rising costs from contractors and fuel expenses. In 2023, Monthly lab analysis charges have increased by \$11,500 per year and since 2022 boat charges have increased to \$30,600 per year. Currently, the programme forecasted budget for 2023/2024 is approximately \$143,940 a year, meaning a shortfall of \$33,140 funding.
35. Additionally, there are requirements in the pMEP to monitor pH for understanding the impacts of ocean acidification in our region. Specifically, the AER's for this policy state:
  - a. Coastal ecosystems, habitats and species are able to adapt to the effects of climate change.
  - b. Primary producers are able to adapt to the effects of climate change and ocean acidification.
36. To achieve these AER's Council must include monitoring pH levels as part of the Coastal Water Quality Monitoring programme.
37. WQ monitoring is currently limited to 22 sites across Totaranui/ Queen Charlotte Sound, Kura Te Au/Tory Channel and Te Hoiere/ Pelorus Sound. These areas are not representative of the wider CMA of our region. An expansion of monitoring to encompass areas such as Te Whanganui/Port Underwood, Croisilles Harbour and D'Urville Island is required.

**Coastal Science: Estuary/Intertidal monitoring:**

Year 1	27,000	To meet market inflation (detailed in para 40 below)
Year 2	0	No budget increase required; current level of service is maintained
Year 3	23,000	Spatially expand programme (increased level of service – detailed in para 44 below)
Year 4	0	No budget increases identified at this stage
Year 5	0	No budget increases identified at this stage

38. Council must carry out estuary/intertidal monitoring as part of their statutory obligations under the RMA 1991 and NZCPS 2010, particularly policies relating to indigenous biodiversity (Policy 11), Sedimentation (Policy 22) and Discharge of contaminants (Policy 23).
39. The Marlborough CMA includes over 65 estuaries and intertidal areas. These areas are biodiversity hotspots providing habitat and nursery grounds for many species and providing numerous ecosystem services. These areas are also receiving environments where the impacts of land use and activities

upstream are easily observed. Estuary/intertidal monitoring includes broadscale mapping, fine-scale mapping, seagrass and sediment monitoring, which give Council robust information about the changing state of each estuary, and of the intertidal areas in our CMA collectively.

40. Council has monitored estuaries across the region since 2001 as part of its State of the Environment (SoE) programme using methodologies described in New Zealand’s National Estuary Monitoring Protocol (NEMP). Over the years, Councils estuary monitoring programme has grown, as new sites have been identified and included in the monitoring programme. Many of the estuary/intertidal areas in Marlborough’s CMA have been identified as under significant threat and stress from a variety of causes.
41. In 2023 Council commissioned an Estuary Monitoring Strategy which outlines the state of the environment, monitoring requirements for each of the 65 estuaries/intertidal areas and set baselines for all estuaries within the CMA. The Strategy outlines monitoring requirements for the next 10 years, establishing priority areas and filling information gaps such as the extent of seagrass and salt marsh habitats and the impact of sediments on estuary health.
42. Estuary monitoring is labour intensive, time consuming and requires technical skills in mapping, GIS, species identification, analysis and reporting. Historically, this work was carried out by external contractors but with increased capacity within the team a large proportion of the monitoring outlined in the strategy (2023) can now be completed inhouse by MDC’s Coastal Scientists.
43. The Estuary/intertidal monitoring programme is funded by \$60,000 per year. There has been no increase to the budget since 2015 although contractor costs and the expanding work programme have continued to increase. The forecasted budget for 2023/2024 is approximately \$87,000, incorporating rising costs from contractors, lab analysis and boat/skipper hire and fuel, meaning a shortfall of \$27,000.
44. Additionally there are requirements in the pMEP to monitor estuaries/intertidal areas. Specifically, the AER’s for these policies state:
  - a. The natural character of Marlborough’s coastal environment and of lakes, rivers and their margins is retained. The intactness of the individual coastal marine and coastal terrestrial areas of the Marlborough Sounds is retained in order to preserve the natural character of the Sounds.
  - b. The natural character of Marlborough’s coastal environment and of lakes, rivers and their margins is restored where it has already been degraded. Maintenance and enhancement of the condition of ecosystems, habitats and areas with indigenous biodiversity value.

**Coastal Science: Ecologically Significant Marine Sites (ESMS):**

Year 1	0	No budget increase required – current level of service is maintained
Year 2	23,000	Market inflations and communications programme established (detailed in para 50 below)
Year 3	0	No budget increases identified at this stage
Year 4	40,000	Expert panel review of current and new ESMS (detailed in paras 50 and 51 below)
Year 5	0	No budget increases identified at this stage

45. Under the RMA 1991 Councils are obligated to protect and preserve marine areas with significant indigenous fauna and vegetation. For MDC, this is partly accomplished through the identification, monitoring, and protection of Ecologically Significant Marine Sites (ESMS).
46. Protection of ESMS falls under provisions outlined in the Marlborough Sounds Environment Plan (pMEP), specifically AERs:
  - a. An increase in the number and extent of ecosystems, habitats and areas with indigenous biodiversity value that are formally protected or covenanted (where practicable)

- b. Maintenance and enhancement of the condition of ecosystems, habitats, and areas with indigenous biodiversity value.
  - c. An increase in knowledge of Marlborough's indigenous biodiversity.
47. The ESMS programme has been active since 2010 and the ESMS 2011 report (Davidson et al., 2011) was published, identifying and ranking 129 ESMS. Since 2015, Council has been monitoring these 129 sites and working to identify and protect more areas. To date the ESMS programme has achieved the recognition of 142 ESMS which are protected in various forms under provisions in the pMEP.
  48. Effective monitoring of the 142 existing significant marine sites is important for understanding changes in benthic community composition over time. The condition of an ESMS is susceptible to decline due to both natural and human related stressors. This ongoing information gathering empowers decision-makers to evaluate the repercussions of these stressors on biodiversity and ecological health. Re-evaluation, continued monitoring, and identification of new ESMS is crucial. Such reassessment is vital to identify ecological shifts and assess the efficacy of existing management plans.
  49. Re-evaluation, continued monitoring, and identification of ESMS's have historically been carried out by external contractors due to the nature of this work (time consuming, specialised skills and equipment, underwater diving surveys). With increased staffing and a shift from in-water surveys to the use of an underwater Remote Operated Vehicle (ROV), we have shifted monitoring and re-evaluation inhouse, allowing greater efficiencies and coverage of sites.
  50. The ESMS programme has been funded by \$60,000 per year since the programme was established in 2015. There has been no increase in funding despite the rapid development and expansion of this programme in recent years. The forecasted budget for 2024/2025 is approximately \$82,000, this encompassed increased monitoring and fieldwork, rising costs from contractors and development of an education and communications programme to roll out new rules for recreational boaties under the pMEP.
  51. Additionally, the pMEP includes provisions to increase the number of protected areas. Much of this work must be done by external contractors and expert panels, of which, are becoming increasingly costly.

**Coastal Science: Ship wake monitoring**

Year 1	12,000	To meet market inflation (detailed in para 55 below)
Year 2	0	No budget increase required – current level of service is maintained
Year 3	47,000	Shift monitoring to yearly (increased level of service – detailed in paras 56 and 57 below)
Year 4	0	No budget increase required – current level of service is maintained
Year 5	0	No budget increase required – current level of service is maintained

52. The Marlborough sounds are low energy environments with very few waves. The introduction of high energy ship wakes can have wide ranging consequences for the shoreline in this area. There is a long history of the damaging impacts of ship wakes from fast ferries in Kura te Au/ Tory Channel and Totaranui/ Queen Charlotte Sounds. These ship wakes damage both the ecology and morphology of the shoreline.
53. In 2000, Council implemented a Navigation Bylaw restricting fast ferries inside the Sounds to a maximum speed of 18 knots unless they could adhere to a “wash rule”. Additionally, Council introduced an annual monitoring programme to investigate the effects of ferry ship wake on cobble and bedrock communities along the ferry route in Kura te Au/Tory channel and Totaranui/Queen Charlotte Sound.
54. Quantitative data for intertidal and shallow subtidal bedrock shores has been collected since 2000 and following the bylaw, many impact sites show ecological recovery. Subsequently, monitoring of cobble

and bedrock communities was shifted to alternate years since 2017. Additionally, deep subtidal bedrock monitoring was dropped as these sites appeared to suffer minimal effects due to their greater depths. However, some intertidal bedrock and cobble shores exhibited limited recovery, most likely because of continued waves from conventional ferries.

55. The Ship Wake programme has been funded by \$35,000 since its establishment in 2000 and since 2017, funded bi-annually. There has been no increase in funding despite increases to contractor costs. This programme forecasted budget for 2023/2024 is approximately at \$47,000 consequently putting the programme in a deficit funding of \$12,000.
56. There are requirements in the pMEP to monitor and restore natural character and maintain coastal margins. Specifically, the AER's for these policies state:
  - a. The natural character of Marlborough's coastal environment and of lakes, rivers and their margins is retained. The intactness of the individual coastal marine and coastal terrestrial areas of the Marlborough Sounds is retained in order to preserve the natural character of the Sounds.
  - b. The natural character of Marlborough's coastal environment and of lakes, rivers and their margins is restored where it has already been degraded.
  - c. Waves generated from ships do not create adverse effects on the environment.
57. Three factors may lead to a renewed impact of ship wakes on the coastal environment of Marlborough:
  - a. Increases in the size of shipping due to the iRex project (if reinstated).
  - b. An increase in the size of vessels associated with the aquaculture industry.
  - c. An increase in the number of cruise ships visiting the region.

Author	Katie Littlewood, Principal Coastal Scientist; and Jake Oliver, Harbourmaster
Authoriser	Hans Versteegh, Environmental Science & Policy Group Manager



## 4.29 Levels of Service Increases Funding Landslide Risk Assessment for the Marlborough Sounds

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(Report prepared by Alan Johnson/Hans Versteegh)

E385-002-002

### Purpose of report

1. To consider a funding provision for undertaking land slide risk assessment for the Marlborough Sounds.

### Executive Summary

2. The Resource Management Act places responsibility on Council for managing natural hazards and determining options for mitigation.
3. The July 2021 and August 2022 storm events severely impacted the Sounds environment causing extensive landslips. As an outcome of reporting on these events, landslip mapping and assessments alongside additional research and hazards risk analysis has been recommended as the next step in refining the council understanding of the potential risks.
4. The risk assessment process would involve fine scale mapping of relict landslips and geomorphology mapping, followed by a vulnerability risk assessment.
5. The outputs from the projects will better inform the community and Council of landslip hazards in the Sounds and enable better planning for the future.
6. The cost of the investigation is expected to be \$365k spread over 3 years and will be funded by the Better Off Funding programme.

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### RECOMMENDATION

**That Council agree to the budget of \$150k for 2024/25, \$130k for 2025/26 year and \$85k for 2026/27 to complete a landslide risk assessment for the Marlborough Sounds, to be funded with Better Off Funding.**

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### Background/Context

7. The Resource Management Act (Section 6) requires the management of natural hazards as a matter of national importance. Section 30 provides councils with the function to control the use of land for avoidance and mitigation of natural hazards. Section 35 requires that every local authority keeps information records of natural hazards to the extent that the local authority considers appropriate for the effective discharge of its functions. Council also holds obligations and functions related to natural hazards under the RMA.
8. Developing an understanding of potential natural hazards including landslide hazards has implications with regard to Land Information Memoranda, insurance of at-risk properties and potentially issues of managed retreat. Understanding of potential landslide hazards will support the existing approach in the PMP with respect to managing instability hazards and also support the implementation of the Building Act 2004, which contains specific direction with respect to processing building consent applications where the building work is subject to natural hazards.
9. Council will be aware that the July 2021 and August 2022 storm events impacted the Marlborough Sounds and caused numerous landslips. The Council elected to undertake investigations, mapped landslips and received a report entitled: "Remote mapping of Landslides triggered by the July 2021 and August 2022 Marlborough storms and selected field investigations of landslide impact" This report records and provides an overarching analysis of landslips and makes several recommendations for more detailed science investigations and modelling pertaining to landslide risk assessment for the

Marlborough Sounds. These recommendations have been developed into key work streams that can be implemented over a period of years.

10. A programme of work under the four work packages has been developed to complete investigations and prepare a landslip risk assessment model. The work packages are:
  - 10.1 Work package 1: Undertaking deeper statistical analysis of the data obtained from the 2021 and 2022 storms. Additional data will be included such as data from the Sounds Future Access Study. This work will be carried out by incorporating the storm data into the Rainfall Induced Landslide Model (RIL). Updating the RIL will lead to outcomes such as improved understanding of landslide causative factors within the Marlborough Sounds and identification of higher risk areas. The RIL tool can also be used to help develop emergency preparedness (both long- and short-term forecasts) and evaluate climate change scenarios. This could lead to improved land use practice.
  - 10.2 Work package 2: Mapping of near-surface geology and relic landslides. This work package will refine the existing geological mapping in the area utilising existing LiDAR spatial tools., radiometric and geomorphic analysis to identify sites where underlying geology may be highly weathered, overlying susceptible basement rocks, or have a history of prior movement (whole region). Completion of this work will enable refinement of the RIL, contribute to improved understanding of landslide hazard (especially in regard to existing residential land uses) and would contribute to improvements in soil mapping and Land Use Classification (benefits productive land uses)
  - 10.3 Work package 3: Establishing vulnerability functions determines the likelihood and extent of damage occurring when landslides occur. This enables prediction of landslide impacts (and costs) to buildings and infrastructure for RIL modelled landslide scenarios. This helps to inform the hazard risk identification and assists Council in determining the level of intervention that may be needed where hazards are identified (Mainly Sounds area).
  - 10.4 Work package 4: Applying the 3 previous work streams into a coherent assessment of risk. The intent of this would be to clearly identify where risk exists and the likely impacts of this. Similar work has been produced elsewhere in NZ including recently after the Kaikoura earthquake.
11. The outputs of the investigation would in the future inform hazard mapping for the PMEP (following appropriate plan development and consultation processes).
12. Work is aligned with recently developed national guidelines for landslide management:
  - 12.1 The work would seek to initially develop Level A & B-Susceptibility and Hazard analysis (WP1 &2).
  - 12.2 Areas identified as susceptible to landslides by WP 1&2 would then be subject to further analysis in work package 4. This work would match to guideline levels C to E (semi- to detailed- quantitative risk analysis) depending on the areas zoning or activity status. Work Package 4 is informed by Work package 3.
13. Estimated costs for these work streams are expected to cost in total \$365,000. This excludes the costs (\$30k) for WP1- Multivariate Analysis and RIL retraining which is to be funded through existing budget allocation. Staff have considered the sequencing of these costs to help spread the financial impact over three financial years and to allow the contractor capacity to deliver. The project costs are provided below.
  - 13.1 WP2- Relict landslide and geomorphology mapping \$150,000
  - 13.2 WP3- Vulnerability functions update \$40,000.
  - 13.3 WP4- Regional risk assessment \$175,000.
14. The Council has an option to spread the cost of the work programme over 3 years from 2024/25 as follows.

<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
\$150,000	\$130,000	\$85,000

**Option One**

15. To provide for additional funding to undertake a hazard risk assessment.

*Advantages*

- 16. Community better informed about hazard management pertaining to landslip risks.
- 17. The end product will enable Council to consider incorporating hazard land slip risks in the PMEP and for Building ACT purpose.
- 18. The work packages have elements of co-funding to help affordability.

*Disadvantages*

19. Additional impacts on rates.

**Option Two**

20. Discontinue or delay the hazard risk assessment project.

*Advantages*

21. No additional funding is required.

*Disadvantages*

- 22. Council and Community will not have the latest hazard risk assessment information to inform risks or enable the development of landslip hazards management in the Plan.
- 23. Delayed implementation risk losing current capacity within GNS to provide expert advice and co funding.

Author	Alan Johnson, Environmental Science & Monitoring Manager
Authoriser	Hans Versteegh, Environmental Science & Policy Group Manager

## 4.30 Levels of Service Increases

### Consumer Spend Data Subscription

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(Report prepared by Neil Henry)

E100-002-008-01

#### Purpose of Report

1. To request a permanent budget allocation to fund an annual subscription to electronic card spend data for Marlborough (\$31,000 in 2024/2025 for Marketview).

#### Executive Summary

2. Marketview is a service that presents consumer spending data (via electronic card transactions) to subscribers. It can provide data at region level, and also at sub-regional geographies.
3. Marlborough subscribed to Marketview in 2021 and 2022 calendar years funded by the COVID-19 'TEAM' Group to better understand the impact of lockdowns on retail and hospitality businesses in Marlborough. In 2023 and 2024 calendar years, Council has allocated carry forward funding to subscribe to Marketview. A permanent budget is not available to fund this subscription.
4. Consumer spend data is a key measure of visitor and consumer spend as most people use electronic cards (EFTPOS, credit cards) every day. It is a good measure of the impact of tourism and events as it covers accommodation, hospitality and retail spend. Limited data is available from national sources, such as monthly spend at a region or district level, but not daily or weekly spend at sub-regional level where it is most useful.
5. The data is used by Council to help assess the economic impact of events that have taken place in Marlborough. This data is useful for both post-event reporting, and for considering funding for events that have taken place where the previous impact can be measured.
6. Destination Marlborough has a login to the Marketview data and have regularly used the reporting to measure visitor spend in Marlborough and sub-regions. For example, the data indicates the spend in Picton and elsewhere on cruise ship visit days compared to days when they do not visit.

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#### RECOMMENDATION

**That Council approves a permanent budget allocation to fund an annual subscription for electronic card spend data for Marlborough (\$31,000 in 2024/2025 for Marketview).**

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#### Background/Context

7. Marketview is a service that presents consumer spending data (via electronic card transactions) to subscribers. It can provide data at region level, and also at sub-regional geographies selected by the subscribers. The data is drawn from around 70% of electronic card transactions which is then factored up to provide a 100% figure. It does not capture cash or invoicing spend so it is particularly useful in measuring consumer spend rather than business to business transactions.
8. The data includes a number of dimensions:
  - 8.1 Total card spend.
  - 8.2 Sub-regional spend - which is useful to show in more detail where money is spent. Marlborough's selected geographies are:
    - i) Blenheim Central.
    - ii) Rest of Blenheim.
    - iii) Renwick (including the Wairau Plains).
    - iv) South Marlborough (excluding Blenheim, Renwick and the Wairau Plains).
    - v) Picton.
    - vi) North Marlborough (excluding Picton).

- 8.3 Number of transactions.
  - 8.4 Average value per transaction.
  - 8.5 Cardholder regional origin and international to measure visitor spend and location.
  - 8.6 Category of spend - e.g. department store, accommodation, cafes & restaurants, groceries etc.
  - 8.7 Spend by day, week, month, year - this is useful for pinpointing spend around events or cruise ship days etc.
  - 8.8 Past data (2016 onwards).
9. Marlborough subscribed to Marketview in 2021 and 2022 calendar years funded by the COVID-19 'TEAM' Group to better understand the impact of lockdowns on retail and hospitality businesses in Marlborough. In 2023 and 2024 calendar years, Council has allocated carry forward funding to subscribe to Marketview. A permanent budget is not available to fund this subscription.
  10. The cost of the subscription in 2024 is \$31,000. It is likely that the price will increase over time but it is not possible to accurately predict future subscription prices.
  11. Marketview provides an online tool only accessible to those with a password so the data is not available to the general public. A summary report can be downloaded, and data can be downloaded upon request by password holders.

## Comments

12. Consumer spend data is a key measure of visitor and consumer spend as most people use electronic cards (EFTPOS, credit cards) every day. It is a good measure of the impact of tourism and events as it covers accommodation, hospitality and retail spend. Limited data is available from national sources, such as monthly spend at a region or district level, but not daily or weekly spend at sub-regional level where it is most useful.
13. There are some limitations with consumer spend data reporting. For example it excludes cash transactions, online prepayments made out of region such as accommodation bookings, online bank transfers and invoices. Confidentiality requirements prevent spend data being revealed about a particular business, so data must be aggregated to a larger geographical area where there are a certain number of business types to mask individual business spend information.
14. Marketview data for Marlborough was originally procured by the COVID-19 TEAM group in 2021. The lockdowns associated with the pandemic was having a serious impact on retail and hospitality businesses nationally and it was difficult to accurately measure this impact in Marlborough. A data sub-group of TEAM monitored these reports and other information and reported them up to TEAM.
15. The data is used by Council to help assess the economic impact of events that have taken place in Marlborough. This data is useful for both post-event reporting, and for considering funding for events that have taken place where the previous impact can be measured. Council also uses Infometrics' event calculator tool to estimate the potential impact of events. This tool requires input of data such as expected spend, number of visitors, length of stay whereas Marketview provides actual spend data.
16. Destination Marlborough has a login to the Marketview data and have regularly used the reporting to measure visitor spend in Marlborough and sub-regions. For example, the data indicates the spend in Picton and elsewhere on cruise ship visit days compared to days when they do not visit. Marketview data was also used by the Kenepuru economic group to measure the loss of visitors following the storm event in July 2021.
17. Data has been provided to local groups such as Blenheim Business Association upon request.

## Option One (Recommended Option)

18. Approve a permanent budget allocation to fund an annual subscription for electronic card spend data for Marlborough (\$31,000 in 2024/2025 for Marketview).

*Advantages*

- 19. Ongoing access to consumer spend data which is useful for monitoring visitor spend for tourism, events etc. Data is used to help decision making, and has also been used to measure impact of situations such as COVID-19, flooding etc.

*Disadvantages*

- 20. Rates funding required to fund the subscription cost.

**Option Two - Status Quo**

- 21. Discontinue subscription upon expiry in December 2024.

*Advantages*

- 22. No funding is required.

*Disadvantages*

- 23. Detailed visitor spend data no longer available for use by Council, Destination Marlborough and the community.

**Next steps**

- 24. If approved, continue Marketview subscription from 2025 onwards.

**Attachment**

Attachment 4.30.1 – Example of Marketview summary report

Page 156

Author	Neil Henry, Strategic Planning & Economic Development Manager
Authoriser	Dean Heiford, Manager Economic, Community & Support Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This implementation of the proposal would have a benefit to industries, and to Council in areas of common interest such as environmental performance and regional economic development.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This proposal is within existing budgets			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Engagement with existing Smart and Connected groups has taken place, and the proposal is supported.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
None identified.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

# Marlborough District Summary



## November 2023

### REGION

#### Marlborough District

Spend	\$73.1M	+2.0%
Transactions	1.4M	+3.7%

### NATIONAL

#### New Zealand

Spend	\$6,803.2M	+3.1%
Transactions	138.5M	+2.9%

## Last 12 Months

### REGION

#### Marlborough District

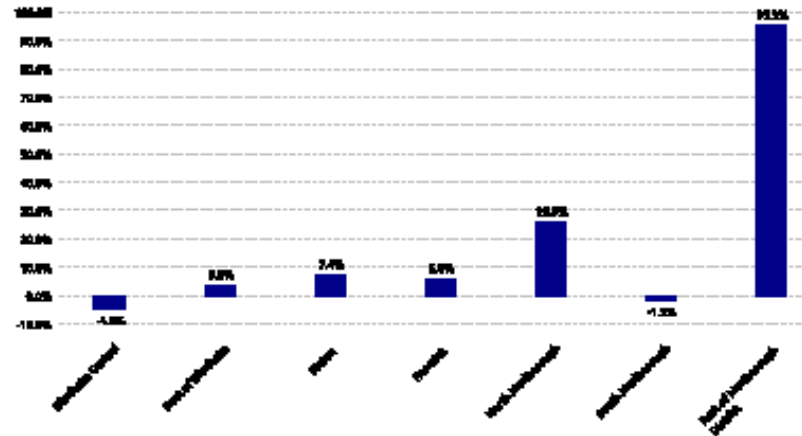
Spend	\$842.7M	+7.4%
Transactions	16.1M	+7.9%

### NATIONAL

#### New Zealand

Spend	\$77,497.0M	+5.0%
Transactions	1,605.0M	+8.0%

## PRECINCT SPEND GROWTH



Highest Growth:	Rest of Marlborough District	+95.3%
Lowest Growth:	Blenheim Central	-4.6%

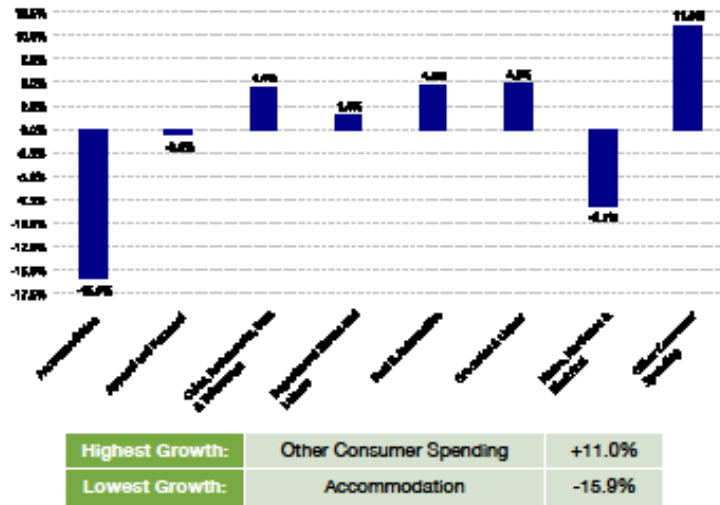
## NOTEWORTHY DATES DURING NOVEMBER 2023

Highest Day	Lowest Day	Average Day
Fri, 24 Nov	Sun, 05 Nov	\$2.4M
\$3.1M	\$1.9M	46.3K Transactions

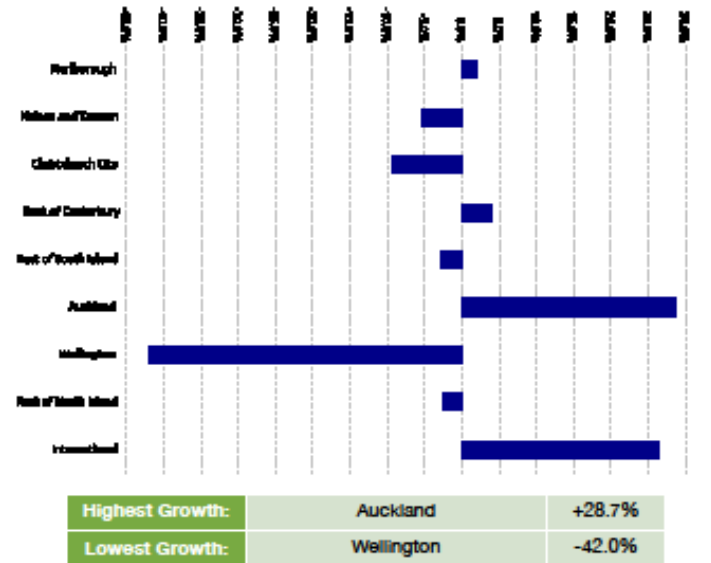
All growth rates are compared with equivalent period last year, unless stated otherwise



**STORETYPE SPEND GROWTH**



**CUSTOMER ORIGIN SPEND GROWTH**



**SPEND OVER LAST 5 YEARS. YE NOVEMBER**



**Reading the Report**

*Data Source: This data is derived from Worldline terminal electronic card spending and represents estimated total cardholder spending in New Zealand.*

*Exclusions: Spending figures include GST; no allowance has been made for non-card purchases, online purchases or inflation.*

*Definitions: All parameters have been mutually agreed with the client and are the same as that used in the online Tool.*

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## 4.31 Levels of Service Increases Marlborough Research Centre

(Report prepared by Neil Henry & Alan Johnson/Dean Heiford)

E100-011-01

### Purpose of report

1. To consider changes to the levels of service for Marlborough Research Centre (MRC) by exploring options for reduced funding and to consider a reallocation of that funding to Council's Environmental Science research budget.

### Executive Summary

2. The Marlborough Research Centre was established in 1984 to support the need for locally based scientific research to grow the regional economy. It was established with the financial support of the various Councils of the time within Marlborough.
3. The Research Centre received an annual grant of \$110,000 which was increased to \$250,000 (CPI adjusted) in 2018. By 2023/24 the grant totalled \$305,654.
4. Marlborough Research Centre allocates the grant funding provided by Council annually (alongside other funding) via a process managed by MRC. The funding is allocated to a range of organisations that undertake primary research related to Marlborough. Council does not currently seek alignment with Council research priorities related to primary industries.
5. The funding provided by Council for **primary research** does not directly support the operation of Marlborough Research Centre as MRC reallocate this funding to external partners to undertake primary research for the betterment of the region. Therefore, any changes to the level of funding provided for this purpose, or to the type of projects supported would not directly affect the financial viability of MRC itself. However, changes could impact on the operations of some of the tenants at the campus that receive any research funding, such as Plant and Food Research.
6. Marlborough Research Centre presented an evaluation it had undertaken of its economic benefit to Marlborough at the Economic, Finance and Community committee meeting on 28 November 2023. This included a calculation of how Council's grant funding since 1984 had been leveraged by other contributions – \$2.56 research and innovation funding in real terms for every \$ of Council funding.
7. To date Council has not sought to influence the focus of the research funded by MRC's research allocations, outside of the general expectation that it benefits Marlborough primary sectors.
8. Council is experiencing increasing pressure on its Environmental Science research budgets. In particular recent weather events (2021 & 2022) and emerging climate change and sea level rise concerns and issues with the ecological health of the Marlborough Sounds would justify significant additional research funding.
9. There is an opportunity to reallocate some or all of the funding to Council's Environmental Science research priorities.
10. A number of options have been identified and the following options are put forward for consideration:
11. Part A – level of grant funding:
  - 11.1 Continue current level of funding (\$305,654 in 2023/24).
  - 11.2 Reduce grant funding by \$50,000 per annum over 3 years, to reach \$150,000 p.a. by 2026/27.
  - 11.3 Provide no funding to MRC.
12. Part B – reallocation of grant funding (should funding be reduced):
  - 12.1. Reallocate reduced funding to support Council's environmental research priorities.
  - 12.2. Do not reallocate funding and take as saving.

13. Part C: Level of funding to support core operations (ground rent subsidy and Rowley vineyard discounted lease):
    - 13.1 Continue current level of funding of \$113,400 in total for 2024/25 (2023/24 - \$21,600 ground rent subsidy, \$66,825 discounted vineyard lease).
    - 13.2 Eliminate/reduce ground rent subsidy (i.e. charge for ground rent).
    - 13.3 Eliminate/reduce Rowley vineyard discounted lease (i.e. charge for vineyard lease).
- 

## RECOMMENDATIONS

### That Council:

1. **Agrees to reduce grant funding by \$50,000 per annum over three (3) years, to reach \$150,000 per annum by the 2026/27 financial year and reallocate that funding to Council's Environmental Science budgets with a focus on climate change adaption, NIWA sea level rise and coastal environmental work.**
  2. **Agrees to continue current level of ground rent and discounted lease funding of \$113,400 for 2024/25 onwards (2023/24 - \$21,600 ground rent subsidy, \$66,825 discounted vineyard lease)**
- 

## Background/Context

14. The Marlborough Research Centre was established in 1984 to support the need for locally based scientific research to grow the regional economy. It was established with the financial support of the various Councils of the time within Marlborough.
  15. The Research Centre received an annual grant of \$110,000 which was increased to \$250,000 (CPI adjusted) in 2018. By 2023/24 the grant totalled \$305,654. It should be noted that Council recently decided via the Long Term Plan Working Group that a freeze be applied to CPI adjustments from 2024/25 for three years for some organisations, including Marlborough Research Centre's grant.
  16. In addition, Council provides a ground rent subsidy (\$21,600 in 2023/24) and discounted lease for Rowley vineyard (\$66,825 in 2023/24). The funding for the ground rent subsidy and vineyard lease is not allocated for research projects. This has increased to \$113,400 in total in the 2024/25 year.
  17. Marlborough Research Centre allocates the funding provided by Council annually (alongside other funding) via a process managed by MRC. The funding is allocated to a range of organisations that undertake primary research related to Marlborough. Council does not currently seek alignment with Council research priorities related to primary industries.
  18. Council has the right to appoint a representative to Marlborough Research Centre Advisory Committee. Former councillor Mark Peters held this role from 2016 until October 2022. Alan Johnson (Environmental Science and Monitoring Manager) has represented Council since late 2023.
  19. Council requires Marlborough Research Centre to report to Council on its funding allocations as follows:
    - **July** each year: Report to Council confirming annual research allocations approved by MRC Board and Trust
    - **August** each year: Report to Council staff on any LTP performance indicators relating to the preceding financial year for inclusion in the Annual Report
    - **November** each year: Present audited annual report on MRC activities in research programme outcomes, MRC operations and new regional growth initiatives
  20. Council's Long Term Plan 2021-2031 includes a key performance indicator related to MRC, the results of which are included in each year's Annual Report. This target is usually met and exceeded.
-

Level of service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Manage Marlborough Research Centre contract to ensure service quality and value	% of MDC funded projects achieved	80%	≥80%	≥80%	≥80%	≥80%
Annual Report 2021-2023 reported performance			100%	83%	Current year	N/A

21. MRC has provided funding to a wide range of projects related to the primary sector.

- **Attachment 4.24.1** lists the projects that have been funded over the past five years to demonstrate the range and variety.
- **Table 1** below lists the total funding that has been allocated for projects. It should be noted that this relates to both the grant funding provided by MDC and other non-Council funding provided via MRC.
- **Table 2** below highlights the major areas of expenditure by project over the past five years (>\$50,000).

Year	Actual	Budget
2018-19	\$259,747	\$311,700
2019-20	\$261,422	\$331,500
2020-21	\$1,212,082	\$1,154,500
2021-22	\$291,025	\$297,000
2022-23	\$266,446	\$279,000
<b>TOTAL</b>	<b>\$2,290,722</b>	<b>\$2,373,700</b>

Table 1 – total funding allocated 2018-19 to 2022-23

New Zealand Wine Centre	\$1,136,729
Experimental Future Vineyard project	\$146,725
UC Davis, University of Bordeaux projects	\$135,000
Meteorological services	\$132,500
New Zealand Drylands Forest Initiative	\$62,832
Top of the South Waste Mapping	\$60,000

Table 2 – selected major expenditure areas (>\$50,000) over the past five years

### Council funding to support primary research via MRC

22. The funding provided by Council for **primary research** does not directly support the operation of Marlborough Research Centre as MRC reallocate this funding to external partners to undertake primary research for the betterment of the region. Therefore, any changes to the level of funding provided for this purpose, or to the type of projects supported would not directly affect the financial viability of MRC itself. However, changes could impact on the operations of some of the tenants at the campus that receive any research funding, such as Plant and Food Research.
23. As indicated earlier, Council does provide other funding for Rowley vineyard (\$66,825 in 2023/24) and ground rent subsidy (\$21,600 in 2023/24) which is related to MRC's wider operations.
24. MRC's recent report to Economic, Finance and Community committee on 28 November 2023 provided some detail on the wider operations of MRC and its financial picture (see Attachment 4.24.2). MRC is in a healthy financial position.
25. In 2018, Council undertook a review of its Economic Development, Tourism and Events Services. Council's support for Marlborough Research Centre was included in this review. The report noted that Marlborough is unique in directly funding primary research, and that the rationale for local government contributing ongoing funding to some of the research projects is questionable. However, it also stated that innovation support is more likely to result in commercial success when it is directed at primary sectors.

- Excerpt from Review of its Economic Development, Tourism and Events Services (2018), p75:  
*“As we noted earlier, the rationale for local government contributing ongoing funding to some of the research projects is questionable. The extent to which MDC’s funding has ensured projects have been able to be implemented, accelerated or improved is difficult to determine based on the reporting. We note that the Council agreed to a new reporting framework for MRC in 2017, which includes reporting on programme outcomes, new business development and an analysis and summary of MRC delivery toward regional growth.*

*However, MRC was clear when interviewed that even if some of the projects may have occurred without MRC involvement, their support accelerated the projects and/or made the projects easier to implement. One outcome they noted that would have been unlikely to happen without their support was the development of the relationship with Massey University, which has resulted in Massey expertise working with local businesses.*

*According to national evidence, innovation support is more likely to result in commercial success when, as is the case with MRC, it is directed at traditional (primary) primary sectors rather than in new or emerging industries. Evaluations of innovation and R&D initiatives also note that it is important to define the broader industry and economic benefits that are being sought at the front-end of the programmes to ensure they are targeting the right types of activities.”*

26. The change to reporting by MRC to Council in 2018 provided more detail on the outcomes associated with the research. This has been reported to Council annually since 2018 and largely received positively.

**Economic value of the research**

27. Marlborough Research Centre presented an evaluation it had undertaken of its economic benefit to Marlborough at the Economic, Finance and Community committee meeting on 28 November 2023. This included a calculation of how Council’s grant funding since 1984 had been leveraged by other contributions (see **Attachment 4.24.2** (Appendix A)).

Description	Nominal Terms	Real Terms
Since 1984 Local Government (e.g. MDC) has provided grants totalling to MRC	\$5 million	\$8.163 million
Government and Industry Research Funding received by MRC	\$9.143 million	\$11.954 million
<b>Total Operating Funding Received</b>	<b>\$14.143 million</b>	<b>\$20.117 million</b>

Description	Nominal Terms	Real Terms
Research, Innovation and Research Grants Provided	\$14.688 million	\$20.917 million
<b>Research and Innovation \$ for Every \$ of MDC Grant Funding</b>	<b>\$2.94</b>	<b>\$2.56</b>

*Note Real Terms are nominal amounts adjusted for inflation to enable a comparison to be made in today’s dollars.*

*Excerpt from EFC committee agenda 28 November 2023, pages 29 and 30*

28. The report stated that no research had been undertaken on the economic return from the research itself, and that an assessment of the value would be a significant piece of work. It noted the growth in the wine industry to \$2.4 billion per annum and indicated a connection with the research undertaken.
29. The evaluation also stated a wider benefit arising from the activities at the Marlborough Research Centre. Whilst this is useful information, this evaluation is not directly related to the MDC funded activity that is invested in primary sector research, which is the focus of this paper.

### **Reallocation of Funds to Council's research priorities**

30. To date Council has not sought to influence the focus of the research funded by MRC's research allocations (partially funded by Council's grant), outside of the general expectation that it benefits Marlborough primary sectors.
31. There is an opportunity to reallocate some or all of MRC's funding to Council's research priorities, particularly in relation to Environmental Science and to assist with necessary landslide and Climate Change work.

### **Option 1 (Recommended Option)**

32. The following options are put forward for consideration:
33. Part A – level of grant funding:  
**Reduce grant funding by \$50,000 per annum over 3 years, to reach \$150,000 p.a. by 2026/27.**
34. Part B – **Reallocate funding of \$50,000 per annum over 3 years to Council's Environmental Science research budgets.**
35. Part C: Level of funding to support core operations (ground rent subsidy and Rowley vineyard discounted lease):  
**Continue current level of funding at the 2024/25 value of \$113,400 (2023/24 - \$21,600 ground rent subsidy, \$66,825 discounted vineyard lease).**

#### *Advantages*

36. Parts A & B – Increases funding for Council's environmental research programme.
37. Part C: The maintenance of ground rent and discounted lease funding will enable MRC to continue to operate effectively.

#### *Disadvantages*

38. Part A – Reduced funding will be available for allocation to primary industry research.
39. Part B – None.
40. Part C – No opportunity for increased funding required for Council's Environmental Science.

### **Option Two**

41. Part A – level of grant funding:  
**Continue current level of funding (\$305,654 in 2023/24).**
42. Part C: Level of funding to support core operations (ground rent subsidy and Rowley vineyard discounted lease):  
**Council eliminates ground rent subsidy and discounted vineyard lease.**

#### *Advantages*

43. Part A – Funding level to support primary industry research is maintained.

44. Part C – Increased income/Rates saving.

*Disadvantages*

45. Part A – No grant funding saved to reduce the overall rates requirement for Council.

46. Part C – Increased costs for MRC may impact operations and viability.

**Attachment**

Attachment 4.31.1 – Marlborough Research Centre research projects 2018-19 to 2022-23 (funded by MDC <u>and</u> other funding)	Page 165
Attachment 4.31.2 – Marlborough Research Centre – Financial Overview and Highlights 2022/2023, including Appendix A 'Helping to Grow Marlborough's economy'	Page 168
Attachment 4.31.3 – Marlborough Research Centre – Abridged Financial Trends 2018 to 2023	Page 179

Author	Neil Henry, Manager Strategic Planning & Economic Development & Alan Johnson, Environmental Science and Monitoring Manager
Authoriser	Dean Heiford, Manager Economic, Community & Support Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This implementation of the proposal would have a benefit to industries, and to Council in areas of common interest such as environmental performance and regional economic development.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This proposal is within existing budgets			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Engagement with existing Smart and Connected groups has taken place, and the proposal is supported.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
None identified.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			



## Attachment 4.31.1

Marlborough Research Centre research projects 2018-19 to 2022-23 (funded by MDC and other funding)

**2022-23**

<b>Description</b>	<b>Actual</b>	<b>Budget</b>
Meteorological services	\$27,500	\$27,500
UC Davis, University of Bordeaux joint initiatives	\$18,000	\$18,000
Seminars and workshops	\$3,796	\$6,000
Adding value to Marlborough waste streams	\$25,000	\$25,000
Prototype Planter pots	\$65,500	\$65,500
Climate change simulation hardware and pilot project	\$25,000	\$25,000
Cost efficient establishment of lowgrowing indigenous plants	\$7,000	\$7,000
Biocontrol of Horehound (committed and carried forward to 2023/24)	\$0	\$5,000
NZ Dryland's Forest (NZDFI) \$25,000 advance for commercialisation recorded in the Balance Sheet.	\$25,000	\$35,000
Flavour volatiles	\$10,000	\$10,000
Vegetation Corridors (committed and carried forward to 2023/24)	\$4,650	\$35,000
Establishing protocols for transferring mature vines	\$20,000	\$20,000
Approved carryover to 2023/24	\$35,000	
<b>Total</b>	<b>\$266,446</b>	<b>\$279,000</b>

**2021-22**

<b>Description</b>	<b>Actual</b>	<b>Budget</b>
Meteorological services	\$27,500	\$27,500
UC Davis, University of Bordeaux joint initiatives	\$6,000	\$6,000
UC Davis, University of Bordeaux PhD support	\$27,000	\$27,000
Seminars and workshops	\$4,300	\$6,000
Adding value to Marlborough waste streams	\$20,000	\$20,000
Experimental Future Vineyard (EFV)	\$81,225	\$85,500
Climate change simulation hardware and pilot project	\$6,000	\$6,000
Cost efficient establishment of lowgrowing indigenous plants	\$5,000	\$5,000
Top of the South waste mapping project	\$60,000	\$60,000
Evaluating dried and milled grape marc for improving animal performance and production	\$37,000	\$37,000
Biocontrol of Horehound (committed and carried forward to 2023/24)	\$5,000	\$5,000
NZ Dryland's Forest (NZDFI)	\$9,000	\$9,000
Start-up weekend - MDC and Business Trust Marlborough	\$3,000	\$3,000
<b>Total</b>	<b>\$291,025</b>	<b>\$297,000</b>

**2020-21**

<b>Description</b>	<b>Actual</b>	<b>Budget</b>
Meteorological services	\$27,500	\$27,500
Seminars and workshops	\$0	\$2,000

Soil remediation - use of grape marc	\$10,000	\$10,000
Rapid Diagnostic UC Davis publication support	\$6,000	\$6,000
Supporting University of Bordeaux PhD 50% share	\$27,000	\$27,000
Adding value to Marlborough waste streams	\$32,500	\$35,000
To determine the Anthelmintic potential of Marlborough's dried grape marc for the control of gastrointestinal parasites in farmed animals	\$19,500	\$19,500
Wine sector labour demand survey (carryover from 19/20)	\$10,000	\$10,000
Cawthron Environmental Awards	\$5,000	\$5,000
NZDFI	\$8,832	\$12,500
Establishing NZ Wine Centre (NZWC)	\$1,065,750	\$1,000,000
<b>Total</b>	<b>\$1,212,082</b>	<b>\$1,154,500</b>
<i>NB: Total excluding NZWC</i>	<i>\$146,332</i>	

**2019-20**

Description	Actual	Budget
Meteorological services	\$25,000	\$25,000
Student stipend	\$3,000	
Tunnel House relocated for Rapid Diagnostic Disease Capability Initiative	\$100,276	\$105,000
UC Davis, University of Bordeaux support of Rapid Diagnostic Initiative	\$18,500	\$12,500
Seminars and workshops		\$2,000
Soil remediation - use of grape marc	\$25,000	\$25,000
New Zealand Drylands Forest (NZDFI)	\$10,000	\$10,000
Chilean Needle Grass (MPI measuring biosecurity risk post-earthquake)	\$25,000	\$25,000
Flaxbourne Earthquake Study	\$49,646	\$102,000
SSF Landcare Vespula Wasp control	\$5,000	\$5,000
Wine sector labour demand survey		\$10,000
Marlborough Food and Beverage Innovation Cluster		\$10,000
<b>Total</b>	<b>\$261,422</b>	<b>\$331,500</b>

*In addition to these activities \$200,000 was set aside for NZWC programme*

**2018/19**

Description	Actual	Budget
Meteorological services	\$25,000	\$25,000
Student stipend	\$6,000	\$6,000
Develop Rapid Diagnostic Capability for Grape Vine disease - tunnel house	\$9,235	\$35,000
UC Davis, University of Bordeaux support of Rapid Diagnostic Initiative	\$32,500	\$45,000
Seminars and workshops		\$2,000
Soil remediation - use of grape marc	\$25,000	\$25,000
NZ Wine Centre proposed development, establishment	\$70,979	\$80,000

New Zealand Drylands Forest (NZDFI)	\$10,000	\$10,000
Chilean Needle Grass (MPI measuring biosecurity risk post-earthquake)	\$25,000	\$36,000
SSF Landcare Vespula Wasp control	\$5,000	\$5,000
Sponsorship Environment Awards	\$2,500	\$2,700
Marlborough Food and Beverage Innovation Cluster	\$48,533	\$40,000
<b>Total</b>	<b>\$259,747</b>	<b>\$311,700</b>

Attachment 4.31.2

Marlborough Research Centre – Financial Overview and Highlights 2022/2023, including Appendix A ‘Helping to Grow Marlborough’s economy’

*Marlborough Research Centre – Financial Overview and Highlight’s 2022 / 2023*

- The Marlborough Research Centre Trust Annual Report received an unqualified audit opinion for the financial year ended 30 June 2023. The Annual Report has been circulated separately and is available online at [www.mrc.org.nz](http://www.mrc.org.nz)

Financial Overview and Highlights

- The following provide the key financial highlights for the year.

Description	Notes	2021/2022	2022/2023
		Actual	Actual
Operating Surpluses	a	\$342,630	\$375,350
Other Revenue	b	\$917,868	\$682,038
Total Grants	c	\$869,820	\$580,222
Net Surplus	d	\$116,233	\$58,559

- Surplus on operations from Budge Street Campus, Grovetown campus, Rowley Vineyard and Accommodation. Improved.
- Other revenue includes Council and other grant funding received. Reduced owing to reduced research in relation to NZDFI (Dryland forest).
- Grants – managed and provided by MRC. Reduced owing to reduced research in relation to NZDFI (Dryland forest).
- Net Surplus. Lower than previous years owing to interest on loans associated with capital development.

- The following highlights the changes in Trust Equity and Assets Employed:

Description	Note	30 June 2022	30 June 2023
		Actual	Actual
Fixed Assets	a	\$8.049 million	\$9.109 million
Loans (Suspensory)	b	\$2.452 million	\$3.487 million
Loans (ANZ)	c	\$900,000	\$1.400 million
Total Trustee’s Equity		\$5.288 million	\$5.346 million

- Fixed Assets – Growth in the value of Fixed Assets is due to the developments undertaken to create Te Pokapu Waina O Aotearoa (The New Zealand Wine Centre) on

the Budge Street campus. Refer the separate section in relation to the recent and planned developments.

- b. Suspensory Loans from Kanoa’s Provincial Growth Fund for the development works undertaken. These loans are suspensory provided the Wine Industry continues to invest in excess of \$2 million in research annually for the next two years. This is the equivalent to the current industry levy income applied to research.
- c. The Loan facility of \$2.8 million from the ANZ is guaranteed by Marlborough District Council. \$1,400,000 has been drawn as of 30 June 2023.

#### Financial Support Provided

4. The following provides a list of grants provided by MRC during the 2022/23 financial year.

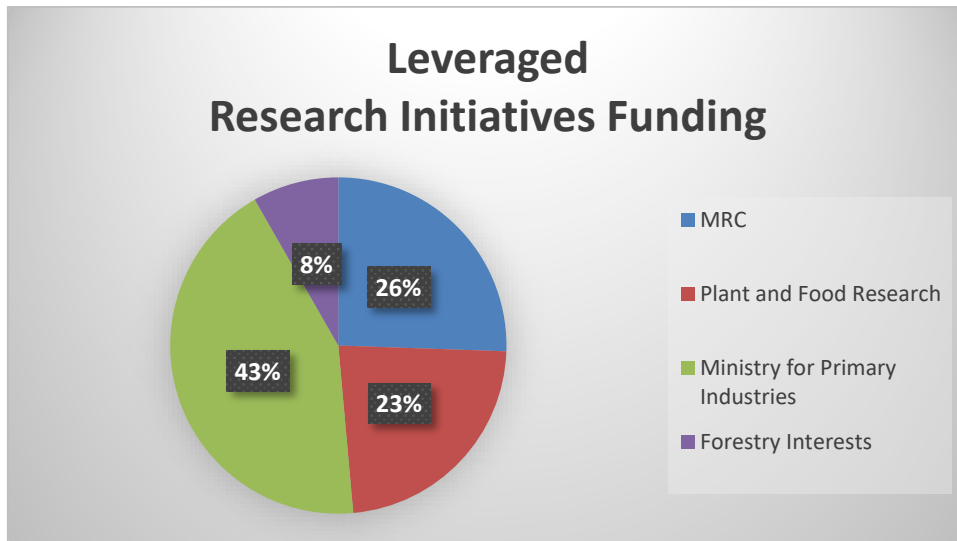
Description	Actual 2022/23	Budget 2022/23
Meteorological Services	\$27,500	\$27,500
UC Davis, University of Bordeaux joint initiative	\$18,000	\$18,000
Seminars and Workshops	\$3,796	\$6,000
Adding Value to Marlborough Waste Streams	\$25,000	\$25,000
Prototype Planter Pots (EFV)	\$65,500	\$65,500
Climate change simulation hardware and pilot project	\$25,000	\$25,000
Cost efficient establishment of low-growing indigenous plants	\$7,000	\$7,000
Biocontrol of Horehound (committed and carried forward to 2023/24)	\$0	\$5,000
NZ Dryland's Forest (NZDFI) \$25,000 advance for commercialisation recorded in the Balance Sheet.	\$25,000	\$35,000
Flavour volatiles	\$10,000	\$10,000
Vegetation Corridors (committed and carried forward to 2023/24)	\$4,650	\$35,000
Establishing protocols for transferring mature vines	\$20,000	\$20,000
Total	\$231,446	\$279,000
Approved Carryover to 2023/24	\$35,000	
<b>Total</b>	<b>\$266,446</b>	<b>\$279,000</b>

5. Explanation of the programmes is contained in the body of the Annual Report. In addition to the financial contributions MRC has managed the NZ Dryland Forest Initiative which has received \$390,766 in funding support via Government agencies.

#### Leverage of Funding

6. The contribution by MRC for the 2022/23 financial year amounting to \$231,446 attracted leveraged funding from Central Government and Crown Research Institute. The following

graphical representation shows the contributions made to trials and research expenditure totalling \$905,812.



7. For every \$1 of MRC funding provided \$3.91 was secured towards the research initiatives from third parties.

#### Economic Benefit from Local Government Investment and Support in MRC

8. There have been three key stages in the Marlborough Research Centre history:
  - a. The establishment of the Grove Road campus in 1984.
  - b. The establishment of the Budget Street campus in 2004.
  - c. The expansion of the Budget Street campus since 2019.
9. Each of these stages have led to a significant increase in research activity and has resulted in flow on economic benefit. The growth in FTE's from 7 in 1984 to 97.75 today is a good input for measuring the economic benefit associated with MRC's campus activity.
10. Attached as appendix A is a paper "MRC - Helping to Grow Marlborough's Economy" which provides some high level assessment of the economic benefit derived from the support provided to MRC over the years. The direct and indirect economic benefit from the expenditure has been assessed at \$159 million.
11. This assessment does not include the actual economic benefit derived from the research undertaken itself. As the wine industry is now a \$2.4 billion export industry it is reasonable to assess that research has had a significant impact in growing the industry and the industry returns over the years.
12. There are some interesting stats in the paper in relation to direct MRC investment in research and in campus assets which has attracted significant Central Government investment. As well

as the attraction of Government funds to establish the Bragato Research Institute and the annual research contributions by key tenants (Plant and Food Research, New Zealand Winegrowers and Bragato Research Institute).

Te Pokapu Waina O Aotearoa (The New Zealand Wine Centre)

13. Marlborough Research Centre has been developing the New Zealand Wine Centre over the last four years along with its partners Plant and Food Research, Bragato Research Centre (New Zealand Winegrowers) and Nelson Marlborough Institute of Technology (now Te Pukenga – New Zealand Institute of Skills and Technology).
14. Marlborough Research Centre secured \$3.8 million of suspensory loans, from the Provincial Growth Fund, as co funding towards the development of the New Zealand Wine Centre. This funding was additional to the Regional Research Institute funding that MRC assisted New Zealand Winegrowers secure for the establishment of the Bragato Research Institute on the Budge Street campus.
15. The campus development was officially opened by the Prime Minister on 29 September 2022 where she announced the creation of an Experimental Future Vineyard to sit alongside the BRI Research Winery which was opened in February 2020.
16. The experimental Future Vineyard development commenced in July 2023 and is expected to be completed in April 2024. The development budget is \$3.2 million.
17. MRC’s capital funding is a combination of reserve funding and loan funding (\$2.8 million) secured with a guarantee provided by Marlborough District Council.

Te Pokapu Waina O Aotearoa – Capital Development

Description	\$
Stage One – Integrated Hub and Offices	\$3.673 million
Stage Two – Shared Entrance, car parking and landscaping	\$1.340 million
Stage Three - Experimental Future Vineyard	\$304,000 (Work in Progress)
Stage Four – Accommodation	\$725,000

Key Performance Indicators

18. The following table provides a report against Outcomes and linkages.

Outcome	Sub Outcome	Linkages
Economy	Productivity	Connectivity between Marlborough Businesses and

Outcome	Sub Outcome	Linkages
	<p>Innovation</p> <p>Entrepreneurship</p> <p>International Outcomes</p> <p>Ability to Transform</p> <p>Ability to Connect</p>	<p>national and international Science markets encouraged.</p> <p>Particular focus on connectivity between Plant and Food Research, New Zealand Winegrowers and Bragato Research Institute.</p> <p>International linkages maintained with Tianjin, International Universities (France, Australia and USA) and organisations.</p> <p>Maintained support with new businesses in region and connection with existing businesses. e.g. Dryland's forest, DNATech.</p> <p>Government agency engagement and connection maintained.</p> <p>Refer Economic Benefit Analysis review (Appendix 1).</p>

19. Report against Level of Service agreed.

Level of Service – Regional Development	Indicator	Required Deliverable
<p>Operate a successful Research Centre campus</p> <p>Carry out initiatives to achieve regional economic benefit</p> <p>Support research initiatives associated with the regions primary sectors</p>	<p>Produce and present MRC Annual Report and report on:</p> <p>Initiatives and programmes undertaken.</p> <p>Research collaborations</p> <p>Network and market connections</p>	<p>The Audited Annual Report and a report on activities carried out by MRC was delivered to Council at the November Committee meeting.</p>



*Marlborough Research Centre  
Helping to Grow Marlborough's Economy*

*Appendix A*

1. The Marlborough Research Centre was established in 1984 to support the need for locally based scientific research to grow the regional economy. It was established with the foresight and financial support of the United Councils of the time.
2. The Research Centre received an annual grant of \$110,000 from Marlborough District Council which was increased to \$250,000 (CPI adjusted) in 2018. The grant received in 2023 was \$286,000.
3. With this support the Marlborough Research Centre has grown the scientific research carried out locally and provides a significant ongoing contribution to the regional economy.
4. The actual economic impact from the direct and indirect expenditure associated with MRC is significant, assessed in present value dollars as \$159 million. The full time equivalent staff numbers is a key component of the economic benefit assessment. These have grown from 7 FTE's, in 1984, to 97.75 FTE's today.
5. The return on investment from research undertaken has not been assessed in this analysis as significantly more work would be required to undertake this assessment. It is sufficient to note that over the last 20 years export revenue from the wine industry (which Marlborough represents 80%) is now \$2.4 billion per annum. Research will have played its role in growing the value of the industry and the flow on impacts to the economy. The economic impact from research undertaken is likely to be greater than the direct and indirect benefits assessed in paragraph 4.
6. It is reasonable to state that the economic benefit from MDC's annual contribution to MRC has had, and is having, a profound and significant economic impact on the regional economy.
7. The support by MDC, which is predominantly funded by the rural and commercial sector, is a key input into the continued growth of the economic benefits from locally based research investment.

*Interesting Facts*

8. The following table provides a factual summary in regard to the Marlborough Research Centre and its activity over the years.

**MRC Grant Funding and Research**

<b>Description</b>	<b>Nominal Terms</b>	<b>Real Terms</b>
Since 1984 Local Government (e.g. MDC) has provided grants totalling to MRC	\$5 million	\$8.163 million
Government and Industry Research Funding received by MRC	\$9.143 million	\$11.954 million
Total Operating Funding Received	\$14.143 million	\$20.117 million
Research, Innovation and Research Grants Provided	\$14.688 million	\$20.917 million

Description	Nominal Terms	Real Terms
Research and Innovation \$ for Every \$ of MDC Grant Funding	\$2.94	\$2.56

Note Real Terms are nominal amounts adjusted for inflation to enable a comparison to be made in today's dollars.

### MRC Assets and Equity Growth

9. Since the establishment of the Grovetown campus, in 1984, MRC has been able to grow its asset base and equity through support from Central Government capital funding and reinvestment of its property surpluses.
10. A key requirement to securing capital funding from Central Government has been the support of MDC and its ongoing operating grant funding.

Description	Nominal Terms	Real Terms
MRC Fixed Assets 1984	\$185,000	\$714,100
MRC Fixed Assets 2023	\$9.1 million	\$9.1 million
MRC Equity 1984	\$185,000	\$714,100
MRC Equity	\$8.8 million	\$8.8 million
Central Government <u>Capital</u> Grants Secured has enabled asset and equity growth	\$5.6 million	\$7.3 million
Government Capital funding as a ratio to MRC Equity	64%	83%

### Capital and Research Investment has enabled Campus Growth

11. Council's annual funding has provided security to MRC to enable it to:
  - Assist key organisations to establish and grow on MRC campus e.g. Plant and Food Research, New Zealand Winegrowers, Hill Laboratories, Bragato Research Institute
  - Provide leveraged research seed funding and secure funding to enable capital growth.
12. The existence of MRC and the support of MDC ensured that the wine industry and Marlborough were one of the four Regional Research Initiatives approved by Central Government. The Bragato Research Institute (established by New Zealand Winegrowers) are contracted by MBIE for \$17.5 million (excluding GST) to transform the New Zealand grape and wine industry through research,

innovation and extension<sup>2</sup>. This has seen the development on the Budge Street campus of the Research Winery (open February 2020) and growth in the Bragato Research Institute activity.

13. The growth in the campus's since 1984 is significant:

**Campus Growth**

Description	Amount
Full Time Equivalent Staff (FTE's) 1984	7
FTE's 2023	97.75
Increase in FTE's since 1984	90.75
Estimated Annual Salaries from MRC Campuses	\$7.82 million

Research Expenditure

14. MDC's support of the research community through MRC has led to significant research funding secured and expenditure from MRC's major research tenants, Plant and Food Research (since 2003) and Bragato Research Institute (since 2019).
15. Since the establishment of the Budge Street campus (in 2003) it has been assessed that industry and Government funding into research has totalled approximately \$66.5 million (Adjusted for inflation the real value is \$76 million). Of which Government funding has accounted for approximately 60% of this total.
16. The annual levy and non-levy funding controlled by BRI and Sustainable Wine New Zealand (SWNZ) (who reside on the Budge Street campus) totals \$9.1 million annually. The economic benefit from this research is two-fold firstly from the direct expenditure in the regional economy and secondly from the flow on benefits from the application of the research carried out. It is unknown how much of this funding is expended in Marlborough but it would not be unreasonable to suggest 50% is applied locally.
17. In addition to this funding Plant and Food Research also invest its own Crown Research funding and industry funding into research. PFR have been an anchor tenant on the Budge Street campus since 2003. The extent of research is expected to grow with the establishment of the Experimental Future Vineyard.

Economic Benefit

18. The economic benefit from the activities carried out on the MRC campus's falls into two categories:
- the direct and indirect impacts resulting from expenditure from the campus, and

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<sup>22</sup> Refer Ministry of Business Innovation and Employment website on Regional Research Initiatives

- the impact’s from the research and development (R&D) undertaken.
19. In order to carry out a full economic benefit assessment a more in-depth analysis would be required than undertaken in this report. However the assessment, of the direct and indirect impacts, carried out is reasonable and shows that the economic benefit from the campus is significant. The actual impacts from the research and development undertaken would require significantly more analysis to assess the impact, however it is likely given the growth in the value of the wine industry that the economic benefit would be even more significant.
20. In 2001 Peter Seed Limited undertook an economic benefit assessment of the impact of MRC. In this assessment Peter assessed:
- That the present value of the direct and indirect impacts of MRC as \$11.8 million, and
  - That the net present value from the impact of research and development undertaken as being between \$27 million and \$144 million. This was based on a range of assumptions on the impacts of research on the local economy. i.e. how does R&D impact on the value of the industry and the flow on impacts. Clearly the growth in the wine industry over the years would support that R&D has had a significant impact on the industry. As the wine industry is now a \$2.4 billion export producing industry the extent of present value benefit from research assessed by Peter at the time may well have been understated.
21. As the second part of determining economic benefit requires more in-depth analysis the assessment undertaken is a comparison of the analysis of the direct and indirect impacts from the expenditure associated with the campus.

<b>Economic Impacts</b>			
<b>Direct and indirect impacts</b>	<b>2001 (3)</b>	<b>2023</b>	<b>Adjusted (1)</b>
	<b>\$ per annum</b>	<b>\$ per annum</b>	
Salaries	273,000	7,820,000 (5)	4,692,000
Expenditure	154,000	1,073,974	1,052,495
<b>Total</b>	<b>427,000</b>	<b>8,893,974</b>	<b>5,744,495</b>
Multiplier	1.7		1.7
Estimated Indirect Benefits	298,900		4,021,146
<b>Total Annual Impact</b>	<b>725,900</b>		<b>9,765,641</b>
<b>Present Value</b>	<b>\$11,824,104</b>		
<b>Present Value of Economic Effects (2)</b>	<b>\$20,573,941 (4)</b>		<b>\$159,071,433</b>

1) Adjusted for tax and savings and other leakages (40%)

2) Risk Free discount rate used as social rate of time preference 4.50%

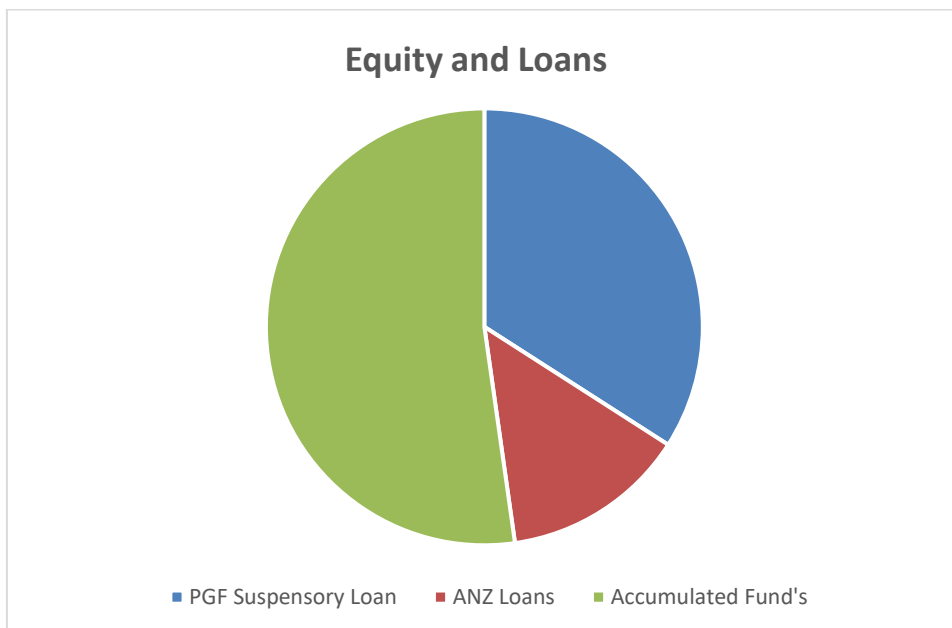
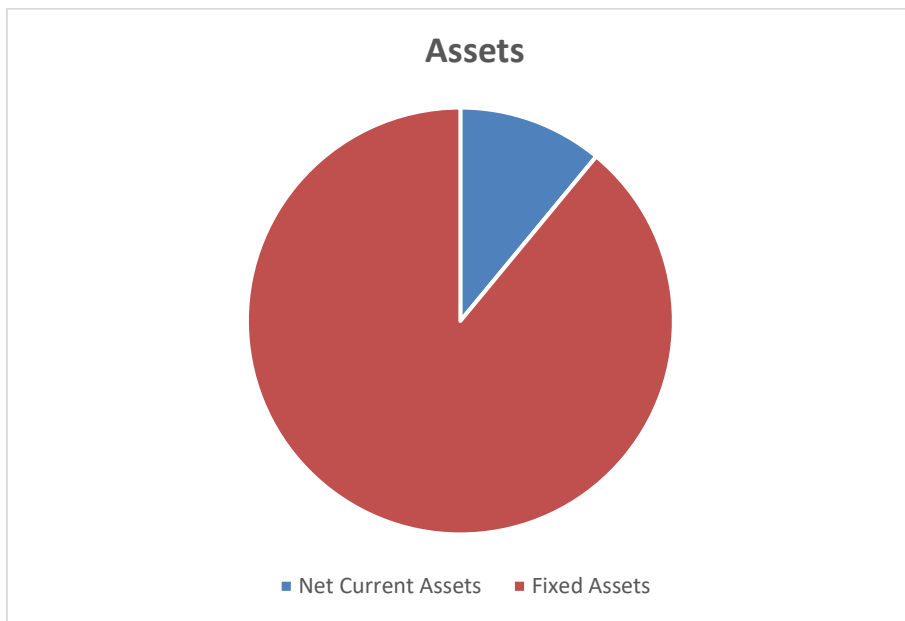
3) Economic Impact Assessment dated 13 December 2001 by Peter Seed Ltd,

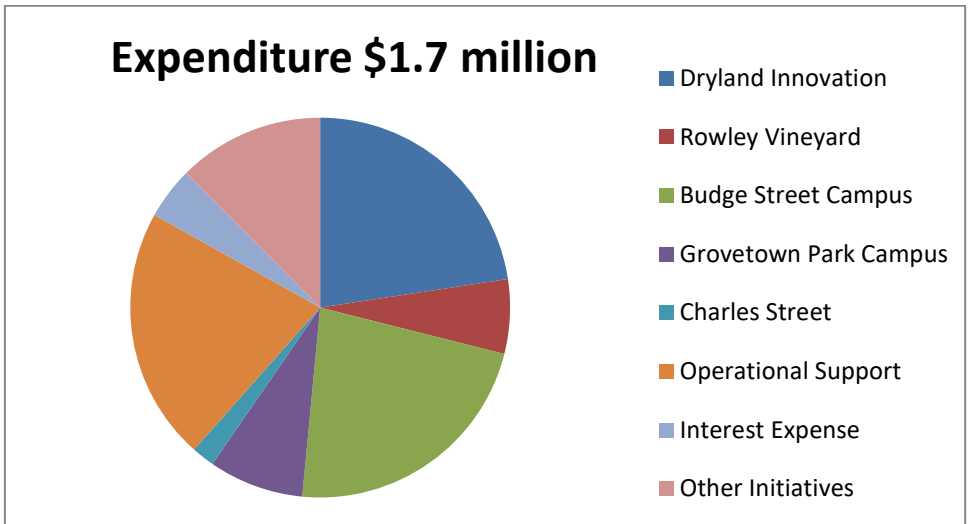
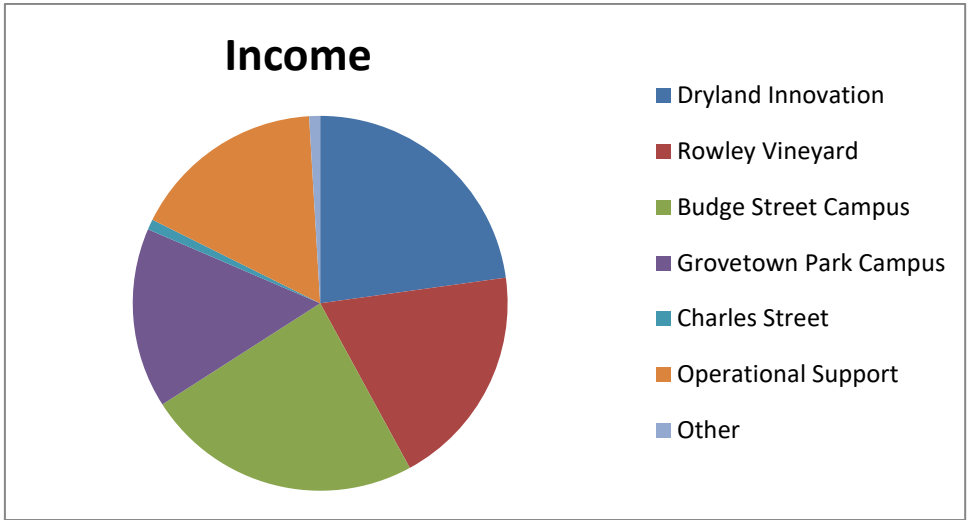
4) Adjusted for inflation to provide a real dollars comparison.

5) The salaries is assessed using the known FTE's and an average salary of \$80,000 per annum.

- 22. What this highlights is that the actual economic impact from the direct and indirect expenditure associated with MRC since 2001 has been significantly greater than assessed in 2001.
- 23. The assessed economic benefit has increased significantly as a result of the investment into the Budge Street campus in 2003 and the further investment in the campus since 2019. These investments give rise to significant activity and flow on benefits. It is not inconceivable that the economic benefit of the recent capital investment and flow on activity when assessed in twenty years' time will be found to similarly have been significantly understated.
- 24. It is reasonable to state that the economic benefit from MDC's annual contribution to MRC has had, and is having, a profound and significant economic impact to the Region.

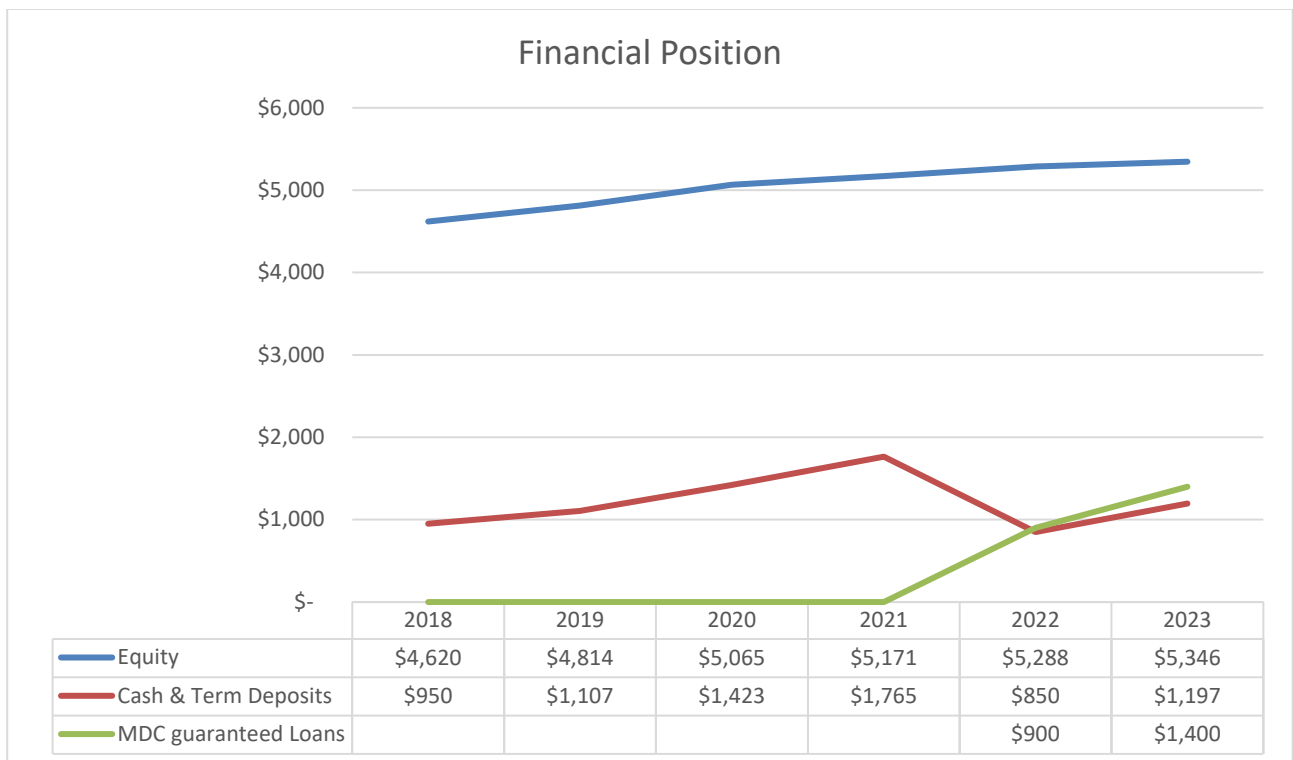
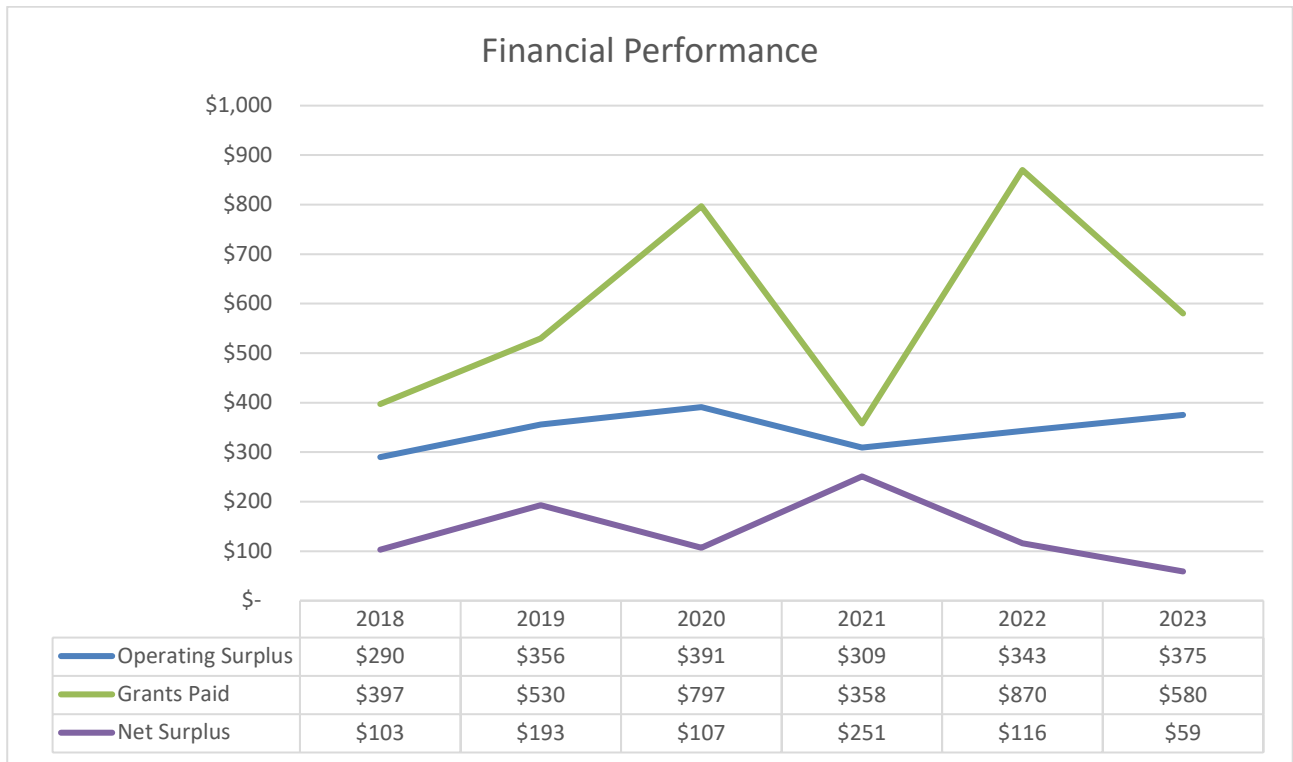
**Financial Overview (Graphical Representation of 2022/23 Annual Report)**





Attachment 4.31.3

Marlborough Research Centre – Abridged Financial Trends 2018 to 2023



## 4.32 Levels of Service Increases Marlborough Events Centre Funding

(Report prepared by Dean Heiford)

C600-005-C03-01

### Purpose of report

1. To approve funding for the operation of Marlborough Events Centre.

### Summary

2. The Marlborough Events Centre (MEC) has been operated by the Marlborough Civic Theatre Trust (MCTT) since February 2021.
3. Council staff have worked closely with the MCTT staff to transition the MEC to the new management structure while still maintaining existing bookings and pursuing new bookings.
4. Council staff have been assisting the Marlborough Civic Theatre Trust (MCTT) to review the operation of and systems at the MEC and formalise the ongoing management of the facility.
5. There is a sustained requirement for \$250,000 of operating cost funding in order for the MEC to breakeven.
6. Council provided funding in the 2021/31 Long Term Plan for one-off costs of refurbishment of the MEC and operating costs (*Minute No. Cncl-0221-249*).

*Cllrs Hope/Peters:*

1. *That Council approve the Marlborough Civic Theatre Trust as the managers of the Marlborough Convention Centre for three years with the option to extend.*
2. *That Council approve up to \$300,000 for the one-off costs of fitting out and undertaking deferred maintenance of the Marlborough Convention Centre to be funded from the Forestry and Land Development Reserve.*
3. *That Council agree to fund the fixed operating costs of the Marlborough Convention Centre estimated at \$250,000 per annum for the first three years from the Forestry and Land Development Reserve.*
4. *That Council agree to delegated authority for the Chief Executive to finalise a management agreement for the Marlborough Convention Centre with the Marlborough Civic Theatre Trust.*

Carried

7. There were two key operating systems in the MEC that were under review;
  - a. The Air Conditioning System (shared plant with the Clubs of Marlborough)
  - b. The Audio Visual systems.
8. The Air Conditioning system was under review, but this has been put on hold with the folding of the Clubs of Marlborough. Short term solutions are in place. Any long-term capital replacements will be discussed with the new building owners and any options will need to be brought back to Council for funding consideration.
9. The audio-visual systems have been upgraded.
10. The kitchen fit out has been completed. Options for onsite catering and use of the kitchen are being investigated in partnership with the ASB theatre management team.

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### RECOMMENDATION

**That Council approve an annual operating budget, funded from rates, in the LTP from 2024/25 of \$250,000 per annum to cover the operating costs of the Marlborough Events centre.**

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**Context**

- 11. Scenic Group relinquished their lease and operating agreement effective 31 January 2021.
- 12. Council and the MCTT agreed to an interim management transition of the MCC under the MCTT to ensure continuity for existing and future bookings.
- 13. A management agreement is being finalised between Council and the MCTT.
- 14. Maintenance issues have been addressed but there are ongoing upgrades that will need to be worked through with the new building owners, especially to the exterior of the building.
- 11. The MEC kitchen refit has been completed.
- 12. There is a profit share agreement in place between the MCTT and Council which offsets some of Councils operating costs. The proposed budget is after this income is taken into consideration.
- 13. The current HVAC systems are at end of life and will need to be addressed when the future use of the balance of the CoM building are known.
- 14. The proposed budget does not include any body corporate costs as these are unknown due to the potential purchase of parts of the CoM building by Council and the recasting of the Body Corporate agreements based on occupation and operating costs.
- 15. MEC generates a financial deficit before Council grant funding of \$250,000.
- 16. Current funding was from a Council reserve and ongoing funding requires a rates increase.
- 17. Rating requirements will be funded by General Rates using a weighting of 1 for Residential/Rural for all areas and 50 for Commercial/Industrial (except for General Rural which will be 35 and Sounds Admin Rural 25).

**Advantages**

- 18. Provides ongoing operating funding for the Marlborough Events Centre.
- 19. Removes operational funding from a Council reserve.

**Disadvantages**

- 20. Increases rates.
- 21. Potential increases required in future years as Body Corporate costs and capital upgrades unknown to date.

Author	Dean Heiford, Manager Economic, Community & Support Services
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables consideration to be given to providing an economic driver to attract delegates to Marlborough and provide a wider economic benefit to the district.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
This proposal contributes to the LTP / Annual Plan, Economic Development and Social Well-being relating to the provision of an events centre.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This funding will need sign off from Council as part of the LTP budget process.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The Marlborough Community is already well aware of the Marlborough Events Centre.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			

## 4.33 Levels of Service Increases Council Heritage Resources and Funding

(Report prepared by Liz Ward/Dean Heiford)

A200-000-01

### Purpose of report

1. To outline the heritage services being provided by Council and to request a budget increase for these services.

### Executive Summary

2. The Marlborough Museum and Edwin Fox Ship and Visitor Centre are currently operating within the grant that Council previously gave to the Marlborough Heritage Trust.
3. The grant is sufficient for both the Marlborough Museum and Edwin Fox to keep operating the core services.
4. However, an increase will be needed if the Museum is to fulfil its aim for museum visitors to have an excellent experience and make Marlborough heritage more accessible to the public.
5. The uncertainty around the ownership of the Museum building means that budget estimates do not include any maintenance obligations or other costs that the Marlborough Historical Society may wish to pass onto Council.
6. An increase in the Edwin Fox budget is required as the Visitor centre needs some maintenance.
7. The Museum's and Edwin Fox's IT systems need upgrading to enable connection to the Council IT systems.
8. The Museum's and Edwin Fox's websites and branding need refreshing.

### RECOMMENDED

1. That Council fund an extra \$20,000 per annum in the LTP to enable the Edwin Fox Visitor Centre to meet the levels of service and progress the projects outlined in the report.
2. That Council fund an extra \$40,000 per annum in the LTP to enable the Marlborough Museum to meet the levels of service and progress the projects outlined in the report.
3. Agree to fund a capital cost of \$118,000 in 2024/25 for the upgrade of the Museum's and Edwin Fox's IT systems to enable connection to the Council IT systems.
4. Agree to fund \$18,000 in 2024/25 for the refreshing of the Museum's and Edwin Fox's website and branding.

### Background

9. In July 2023 the Council took over the functions of the Marlborough Heritage Trust. These included the day to day running of the Marlborough Museum and the Edwin Fox Ship and Visitor Centre. The Trust managed the Marlborough Museum object collection and archives and played a role in promoting heritage in Marlborough. The Trust also ran a heritage education programme based at the Marlborough Museum.
10. Previously the Council provided the Trust with an operating grant which was approximately \$500,000. The other main source of funding the Trust received was a \$80,000 per annum grant from the Ministry of Education (MOE) for heritage education. This source of funding ceased in December 2022, as the Trust was unsuccessful in its application for a further three years funding.
11. When the Heritage Trust functions were taken over by Council it was agreed that funding levels would remain at the amount of the previous Council grant. At present both the Marlborough Museum and

Edwin Fox operate within that amount. An education programme of the size and scope that which was provided with the MOE funding cannot be operated within current budgets.

### Level of Service

12. Currently the Marlborough Museum aims to provide the following services:
  - An excellent experience to those visiting the museum.
  - Care for the collection and taonga in the museum using standard museum practices.
  - Support and encourage heritage in Marlborough.
  - Work with all Marlborough heritage groups to promote Marlborough heritage.
  - Inform and educate those who live in Marlborough about their heritage.
  - Provide access to Marlborough heritage for all New Zealanders, whether that is in person, or via digital means.
13. Currently the Edwin Fox aims to provide the following services:
  - Excellent customer service to those visiting the Edwin Fox Centre, including cruise ship tours.
  - Operating the gift shop, keeping it attractive and well stocked.
  - Preservation and protection of the heritage listed, category one, Edwin Fox ship.
  - Connecting and promoting the Edwin Fox story to Marlborough, New Zealand, and the rest of the world.
  - Cooperating with other heritage and tourism groups in Picton.
  - Managing the relationship with Port Marlborough as the owner of the land the ship and the centre occupy.
14. With staff restructuring and careful budget management, significant savings have been achieved at the Marlborough Museum to stay within the budget set for 2023/24.
15. The Edwin Fox has enough door and shop takings to cover staff expenses, plus much of the day to day costs of running the visitor centre. The entry price has been reduced due to stopping people going on the ship due to issues with stability of the propping system. This will reduce door takings, but due to the operational savings at the museum budgets will be met.
16. Core services at the museum can be met within the present budget. However, to provide the level of service outlined above, a budget increase to enable the implementation of a digitisation project and begin some exhibition renewal will be required. This would enable the development of an excellent and informative visitor experience at the museum and make Marlborough heritage more widely available.
17. An education programme of the size and scope that was provided with the MOE funding cannot be provided. However, the team have been able to work with schools to provide more bespoke programmes. At the moment this seems to be working well. With the shift towards a more local focus in the curriculum the team are developing some programmes based around how Marlborough has changed over time. This will be managed within current staffing levels.
18. The Museum's and Edwin Fox's IT systems needed upgrading to enable connection to the Council IT systems. The cost for this in 2023/24 is \$118,000. The ongoing annual cost is \$19,000 which can be covered by third party support contracts being cancelled. This is for both sites. The Museum's and Edwin Fox's branding and websites will need refreshing which is a one-off cost of 18,000.
19. Digitisation at the Museum is many years behind comparable museums and this needs attention. Marlborough Heritage needs to become more accessible to the public.
20. The digitisation project will encompass the regional museums and software options will be explored to make a Marlborough wide online site, particularly for photographs.

**Discussion – Edwin Fox & Marlborough Museum**

- 21. There are budget needs around building maintenance. Neither the Marlborough Museum or the Edwin Fox Visitor centre were sufficiently maintained by previous operators.
- 22. The Edwin Fox ship needs a new stabilising system, which is a major project. The Edwin Fox Preservation Trust is available to help with funding this, and further funding via fundraising and funding partnerships with government agencies, and NGOs will be investigated. This project is programmed to commence with seed funding required within 5 years.
- 23. The Edwin Fox Visitor Centre building needs budget to undertake some deferred maintenance.
- 24. Any profit is reinvested into the Edwin Fox complex.
- 25. There is approximately \$20,000 required per annum for the Edwin Fox complex:

Year ending	Project
2025	Signage and furniture upgrade
2026	Kitchen/Bathroom upgrade
2027	Exterior painting
2028	Ship stabilisation project
2029	Ship stabilisation project

- 26. At present the Marlborough Museum building is owned by the Marlborough Historical Society. At the time of writing it is unclear whether Council will lease the building or buy it and what ongoing maintenance obligations might be.
- 27. With an increase in the museum’s operating budget work can begin on the digitisation project, and exhibition renewal.
- 28. The digitisation project will commence with a new website, for both the Edwin Fox and the Marlborough Museum. Aside from the initial planning and set up of the software, adding to what is available digitally will become part of the staff workflow and will not require any extra funds beyond 2027.
- 29. Exhibition renewal will be staged over the next five to eight years. Planning will commence in 2024/25 and implementation plans and costings will be completed in 2025/26. Installation is planned for 2027/28. This would depend on how disruptive the work would be to the current exhibition space. Ideally the work will be completed in stages. This would also help to future proof further exhibition renewal if sections could be worked on without disrupting the whole exhibition space.
- 30. The budget increase needed to begin the digitisation and exhibition renewal is \$40,000 per annum with the planning outlined below:

Year ending	Project description
2025	Begin planning digitisation project, decide on software Begin exhibition renewal deciding what stories should be in the museum and how they should be told
2026	Integrate already scanned photos into online software Make a plan for the ongoing scanning on photos and archives that works within current staff hours Design and costing of renewed exhibition space
2027	Preparation for new exhibits, research and interpretation
2028	Begin installation of renewed exhibition space
2029	Complete installation

Author	Liz Ward, Marlborough Museum Manager
Authoriser	Dean Heiford, Manager Economic, Community & Support Services

## 4.34 Levels of Service Increases Arts Culture and Creativity Strategy / Implementation

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(Report prepared by Nicola Neilson/Dean Heiford)

A200-0000-01

### Purpose of report

1. The purpose of the report is to provide Council with the Arts Culture and Creativity Strategy 2024 and implementation plan for Marlborough.

### Executive Summary

2. During 2023, engagement and extensive consultation with key stakeholders was undertaken. This gathering of data and input provided the framework for the Arts, Culture and Creativity Strategy which has been developed with the six pathways outlined below. The strategy is for a ten-year period, with a review after the first three to 5 years depending on progress.
3. Iwi engagement has been undertaken with an Iwi Advisory Panel (led by Dr Peter Meihana), established to help guide the strategy development.
4. The implementation plan is based around projects and further research, investigation and collaborations that will rely on partnership and co-funding as Council cannot provide all of the outcomes set out in the strategy and implementation plan. Effective measures and performance indicators will need to be developed.
5. Costs associated with the implementation plan are presented based on costs relating to the three stages of the strategy:
  - a) Stage 1 total: \$59,000
  - b) Stage 2 total: \$157,000
  - c) Stage 3 total: \$277,000
  - d) TOTAL: \$493,000
6. The staging is not based around years, the implementation will be spread across 3 to 5 years depending on progress, funding and development of the key items in the plan. It is planned that year 1 will require \$50,000 (and may be spread across 2 years), year 2 will require \$75,000 and years 3 to 5 \$120,000 per annum.
7. As stages 1 and 2 may take some time to develop and be spread over multiple years the budget could be reduced to year 1 \$50,000 (and may be spread across 2 years), year 2 \$75,000 and year 3 \$75,000. Years 4 onwards can be reviewed for funding based on the balance of the implementation plan in paragraph 5.
8. Implementation budget beyond year 4 will be reviewed against progress on the implementation of the strategy and other projects for years 4 to 10 via the next LTP in 2027.

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### RECOMMENDATION

1. That Council fund the implementation budget for Year 1 \$50,000 / Year 2 \$75,000 / Year 3 \$75,000 noting that the first two stages of the plan may be spread over 4 years.
  2. That the implementation plan progress be reviewed with funding to be considered as part of the 2027 LTP budget.
- 

### Background/Context

9. Council's Arts and Culture Strategy was last reviewed in 2008. Council approved a strategy refresh in 2022 which coincided with the employment of a dedicated Arts, Culture and Heritage staff member. Consultation with community, and development of the strategy took place throughout 2023.
-

10. Investment in the arts delivers strong economic results, with employment, business and GDP growing in 2022. The arts and creative sector contributed a GDP to Marlborough of \$78.6 million in 2022 (a 0.5% increase compared to 10.6% increase nationally). \* *Statistics by Manatū Taonga Ministry for Culture and Heritage (MCH)*
11. In 2022, more than 800 people were employed in the sector in Marlborough, (a 0.7% increase compared to 3.8% increase nationally). \* *Statistics by Manatū Taonga Ministry for Culture and Heritage (MCH)*
12. Adopting the new Arts, Culture and Creativity strategy would bring Council’s approach in line with other regions that aim to collaboratively establish the essential resources, platforms, skills, partnerships and infrastructure to build a vibrant and flourishing creative economy.

**The Strategy**

13. The Arts, Culture and Creativity Strategy identifies six pathways to supporting the creative sector:
  - **Te Ara tuatahi: Facilities** - A variety of venues for both performance and creation.
  - **Te Ara tuarua: Education** - Capability building programmes across the whole sector.
  - **Te Ara tuatoru: Accessibility** - Removing access barriers and promoting inclusivity.
  - **Te Ara tuawha: Culture** - Visible content that cultivates a deeper understanding of the region’s diverse population and the region’s unique cultural identity.
  - **Te Ara tuarima: Visibility** - Revealing local stories, talent and opportunities.
  - **Te Ara tua: Communication** - Making connections, facilitating creative partnerships, and the prominence of creatives in Marlborough is realised.
14. The Arts, Culture and Creativity Strategy is attached (see Attachment 4.27.1). It includes an implementation plan that is broken down into three stages as a starting point.
15. Once adopted the strategy document will be widely distributed to encourage the creative sector and community organisations to align with the goals and aspirations and become stronger collectively. Council departments will have a role in creating good outcomes for the creative sector.

**Attachment**

Attachment 4.34.1 – Arts, Culture & Creativity Strategy 2024-2034

Page 189

Author	Nicola Neilson, Project Lead – Arts Culture and Heritage
Authoriser	Dean Heiford, Manager Economic, Community & Support Services



Attachment 4.34.1

**Marlborough District Council**  
**Arts, Culture & Creativity Strategy**

**2024-2034**

*Final text January 2024*

## **Contents**

1. Whakataukī
2. Foreword by the Mayor
3. Our story
4. Why arts, culture and creativity matter in Te Taihū o te Waka
5. *Te Tiriti o Waitangi*
6. The Creative Economy
7. The role of Council
8. Our Vision
9. Our Mission
10. Strategy Pathways
11. **Te Ara tuatahi:** Facilities
12. **Te Ara tuarua:** Education
13. **Te Ara tuatoru:** Accessibility
14. **Te Ara tuawha:** Culture
15. **Te Ara tuarima:** Visibility
16. **Te Ara tua:** Communication

*Appendix A:* Summary of engagement and consultation

*Appendix B:* Definitions

*Appendix C:* Implementation plan - separate document

**1. Whakataukī**

Te toi whakairo, ka ihiihi, ka wehiwehi, ka aweawe te ao katoa.

Artistic excellence makes the world sit up and wonder.

**2. Foreword by the Mayor**

Every great city and region has a great arts, culture and creativity strategy.

Marlborough has the ingredients to be a highly successful creative region - talented artists and creative people, wonderful community facilities and stunning landscapes, arts education for our young people, and visitors who want to experience the special things we have to offer.

This new strategy brings together all those strands into a short, medium and long term plan for the arts, culture and creativity, right here in Marlborough.

My deepest thanks to the many people who contributed to the development of this strategy, who are far too numerous to mention by name. There have been many meetings and discussions which have generated some exciting ideas and plans – which you will now find embedded in this strategy. I want to underscore that this was not a ‘top-down’ council planning exercise - it’s a grassroots inspired strategy generated by the energy and drive that exists within our creative community. My special thanks to the Arts Steering Group and Iwi Advisory Panel for their leadership in bringing this together into one strategy and implementation plan.

By working together, we are stronger collectively. I believe that once implemented this strategy will foster more cultural development in Marlborough, better support our artists and creatives, attract more visitors, stimulate the economy and enhance our quality of life, by supporting more creativity and engagement in the arts.

Successful implementation will inspire more innovation, provide more platforms for diverse voices, and consolidate Marlborough’s unique identity.

I encourage you to read and digest the contents of this strategy - it sets a clear, positive path forward for Marlborough’s dynamic creative sector.

Nadine Taylor  
Mayor of Marlborough

**3. Our story**

Art plays a pivotal role in shaping the identity, cohesion, and vitality of communities. It fosters a sense of belonging, expression, and collective understanding. Its importance goes beyond aesthetics; it serves as a catalyst for social change, education, and emotional well-being within communities. Supporting and promoting art within communities is an essential investment in the enrichment and cohesion of society as a whole.

Our region has a long and deep history of artistic endeavour, extending back beyond the establishment of the province in 1859. Te Pokohiwi o Kupe holds immense significance as a wāhi tapu and an archaeological site. Excavations at the Wairau Bar uncovered taonga, including tools and jewellery offering tangible connections to the ancestral heritage and daily activities of the Aotearoa’s first people. They provide crucial insights into Māori craftsmanship, social structures, and trade networks, unraveling the complexities of their migration, settlement, and cultural practices.

Drawing inspiration from its stunning landscapes and cultural heritage our region has fostered a creative environment that has birthed and nurtured numerous artists. Showcasing a rich array of creativity spanning various mediums, our artistic community continues to shape the region's artistic legacy while adding their distinct perspectives to the wider New Zealand art landscape.

Art has the power to stimulate economic growth within communities. Cultural events, galleries, theatres, and art-related initiatives attract tourists, businesses, and investments, contributing to the local economy. It enhances education by nurturing creativity, critical thinking, and problem-solving skills among individuals, particularly in young minds. Exposure to diverse art forms encourages open-mindedness and innovation, contributing to a well-rounded education.

#### **4. Why arts, culture and creativity matter in Te Taihū o te Waka**

Marlborough boasts essential elements for a vibrant cultural environment, drawing visitors year-round with its renowned natural beauty and top-tier cultural facilities that surpass national standards.

The shifting needs of Marlborough's diverse communities, emerging technological prospects, and a deepening understanding of the responsibilities as a Tiriti partner converge to create an opportune moment for a fresh creative strategy. At the same time, more people recognize the powerful role of the arts in connecting whānau and communities.

Providing a robust framework to support the work of creative individuals is crucial. A thriving arts and cultural sector contribute to an exciting and captivating region, with strategic actions vital to its sustainability and vibrancy in the broader Marlborough region.

Leadership within this sector doesn't solely emanate from the Council but emerges from diverse innovative individuals, organisations, and enterprises. Our population is a tapestry of diversity and talent, housing a community of passionate creators, practitioners, participants, organisations, and audiences.

Urban scenery is evolving due to shifting functions within central business districts, enhancements to the region's infrastructure, threats from climate change, and the increased housing demand. Arts, culture, and creativity are positioned to play a transformative role in shaping our developing urban landscape.

The COVID-19 pandemic intensified challenges of social inequality, mental health, and economic fragility. Arts and culture played a vital role in addressing these issues and the pandemic sparked a surge in creativity, with a global interest in culture evident in online events. Post-pandemic, engagement with the arts has persisted, signalling a change in how we approach and enjoy artistic expressions.

The lessons drawn from the pandemic and climate change prompt us to contemplate how we lead our lives, and how we channel our creativity. Community enthusiasm shown in creating this strategy can unite creatives, national organisations, economic drivers and institutions to drive real cultural change.

#### **5. Te Tiriti o Waitangi**

While formulating this strategy, we worked to ensure it was consistent with the principles of Te Tiriti o Waitangi. The Council, along with the broader community, is steadily enhancing its knowledge, comprehension, and application of partnership. This strategy aims to foster the ongoing development of the creative sector and integrate our efforts into a crucial bicultural foundation. Over the next few years, we will reassess our bicultural practices and understanding, evaluate the current level of awareness within the creative sector and determine the Māori capabilities required to support our endeavours. We are committed to adopting a Te Ao Māori approach across all our actions and actively engage Māori in this process.

##### **Values**

In crafting this strategy, we laid down a set of core values to steer our path, ensuring that the initiative encapsulates the essence of what is significant to Marlborough and how we will collaboratively strive to achieve our goals.

**Kaitiakitanga | Guardianship** - Tending to our artistic endeavours: We responsibly oversee and enhance access to our arts, recognising that we safeguard them on behalf of all of Marlborough.

**Oranga tonutanga | Wellbeing** - We recognise the powerful role of arts and creativity in enhancing wellbeing for individuals, communities, and society. Actively integrating them into Marlborough's community and economic foundations, the arts serve as pillars offering joy, entertainment, solace in adversity, and fostering cultural connections and learning opportunities.

**Ōhanga | Economy** – We recognise that arts and creativity are foundational to innovation and economic growth. Their presence revitalises urban spaces, injecting dynamism into the urban landscape for residents and enhances its attractions for visitors. Creative regions attract innovative talents, businesses, and industries.

**Mana motuhake | Identity** - Through artistic expression, we communicate our narratives, intricately weaving together elements of arts, culture and heritage. By serving as a canvas for our values and reflecting our rich diversity, the arts become a defining characteristic of our region.

**Mātauranga | Knowledge** - We actively seek and share knowledge, value traditional and innovative skills, and encourage questioning and debate within both the creative and broader communities.

**Manaakitanga | Community** – We actively seek and share knowledge, value traditional and innovative skills, and encourage questioning and discussion within both the creative and broader communities.

## 6. The Creative Economy

This strategy aims to strengthen our creative sector, boosting economic progress and enhancing Marlborough's competitiveness at a national level, attracting investment, talent, and tourism.

The creative sector is an important part of our economy, providing jobs and attracting investment, talent, and visitors. However, we lag behind in creative employment compared to the rest of the country and creative practitioners here tell us they often feel undervalued. If we value art, we must value the people who produce that art and recognise their work as essential, not discretionary. Recognising the importance of art requires valuing the people behind it.

Post-Covid-19, our retail, accommodation and hospitality sectors face challenges. The arts can help revitalize our region, attracting visitors and boosting recovery by increasing footfall and spending. Nationally, we are increasingly recognizing the arts' benefits for individual wellbeing, communities, and the economy.

Creativity and innovation are closely intertwined in today's context. Creativity sparks inspiration and belief in possibilities, while innovation translates ideas into tangible outcomes. This dynamic can inform local government decisions, evaluate potentials, fosters business collaborations, and inspire distinctive forms of local expression.

A thriving artistic culture relies on a complete ecosystem, including spaces for presenting work, collaborators for creation, access to materials and technology for craftsmanship, and engaged audiences. Often, these elements operate on volunteer efforts and goodwill, but this is not sustainable.

New statistics released by Manatū Taonga Ministry for Culture and Heritage (MCH) have found that the Government investment in arts delivers strong economic results, with employment, business and GDP growing in 2022.\*

Nationally, \$14.9 billion GDP was generated by the arts and creative sector to March 2022. In Marlborough the sector contributed a GDP of \$78.6 million, a 12-month increase of 0.5% compared to 10.6% nationally

Nationally, there are more than 115,000 people whose primary employment is in the arts and creative sector. This was a 3.8% increase from March 2021 to March 2022. In Marlborough, more than 800 people are employed in the sector, a 0.7% increase

To foster flexible, inventive communities well-versed in technology, nurturing imaginative and inquisitive thinking is imperative. A region known for welcoming artists attracts and retains imaginative individuals, driving innovation and creating a cutting-edge and appealing area.

\* Infometrics 2022 Sector Profile – Arts and Creative, published November 2023.

## 7. The role of Council

Council's assume multiple roles - that of facilitator, financier, collaborator, enabler, promoter, and overseer - all focused on enhancing cultural welfare.

Council shoulders the crucial responsibility of advocating for our creative community by influencing government bodies, the private sector and national collaborators. This involves championing Marlborough as a destination that attracts and retains talent, students, tourists and investments.

The recommendations in this strategy will not only benefit the creative community but will also feed into and help deliver the following:

Te Tauihu Intergenerational Strategy  
Marlborough District Council Long Term Plan  
Marlborough District Council Positive Ageing Strategy  
Destination Marlborough Destination Management Plan

Council's role in fostering arts, culture and creativity is varied:

**Leader:** Council assumes diverse roles in nurturing a robust and dynamic arts sector. These roles encompass leadership, provision of facilities, funding distribution, policymaking, support, advocacy, and guardianship.

**Provider and promoter of facilities and amenities:** As a provider and promoter, the Council becomes a custodian of valuable community assets. Te Kahu o Waipuna, parks and open spaces, community halls, are held in its stewardship.

**Provider and distributor of funding:** In its capacity as a provider and distributor of funding, the Council facilitates community grants. It effectively channels government grants through the Creative Communities Scheme, and actively facilitates the installation of regional artworks.

**Policy maker and planner:** The Council takes on the role of a policy maker and planner by owning and steering the Arts, Culture and Creativity Strategy, along with its comprehensive implementation plan. It evaluates progress against the objectives articulated in the plan and subsequently offers comprehensive reporting.

**Supporter and facilitator of groups and activities:** Functioning as a supporter and facilitator, the Council dedicates staff time and resources to bolster arts and culture events. It extends the availability of Council-owned facilities to these endeavours, actively promotes community and cultural networks, and nurtures community groups toward achieving excellence.

**Advocate and promoter:** As an advocate and promoter, the Council acknowledges and celebrates local talent, marking their contributions. It magnifies instances of excellence and positions Marlborough as a vibrant destination.

While no single agency or organisation can provide a comprehensive solution, the Council, as the entity ultimately accountable for community welfare, stands in a prime position to take on the role of instigator and enabler.

## 8. Our Vision

Marlborough is creative, vibrant, inclusive, and thriving. Through collaboration the threads of creativity and innovation are seamlessly integrated into everything we do.

## 9. Our Mission

To collaboratively establish the essential resources, platforms, skills and infrastructure to nurture the advancement of arts, culture and creativity in Marlborough.

## 10. Strategy Pathways

This strategy, shaped by community insights, follows six essential pathways to achieve the envisioned outcomes. Developed through public engagement, research and collaboration with iwi, these pathways serve as a blueprint for Marlborough's future arts and cultural vitality.

**Te Ara tuatahi: Facilities** - A variety of venues for both performance and creation.

**Te Ara tuarua: Education** - Capability building programmes across the whole sector.

**Te Ara tuatoru: Accessibility** - Removing access barriers and promoting inclusivity.

**Te Ara tuawha: Culture** - Visible content that cultivates a deeper understanding of the region's diverse population and the region's unique cultural identity.

**Te Ara tuarima: Visibility** - Revealing local stories, talent and opportunities.

**Te Ara tua: Communication** - Making connections, facilitating creative partnerships, and the prominence of creatives in Marlborough is realised.

## 11. Te Ara tuatahi: Facilities

Our settings showcase Marlborough's identity as one of Aotearoa New Zealand's oldest settlements. Beyond artistic displays, our facilities aim to inject vitality into life through cultural vibrancy and communal activities, spanning the spectrum from creation and practice to exhibition and presentation.

Urban landscapes, including venues, open spaces, and parks will feature innovative infrastructure for artistic representation day and night, fostering collaborative and diverse ideas. Arts and culture extend beyond venues, captivating streets through creative placemaking collaborations, revitalising architectural structures and streetscapes.

Marlborough boasts successful arts spaces like Te Kahu o Waipuna and ASB Theatre, exceeding expectations in their localities and bringing immense value to the community. The Marlborough District Council has committed substantial financial resources to develop and maintain these artistic establishments, which hold considerable regional importance and consistently attract top tier shows and exhibitions.

Despite these achievements, there are notable deficiencies in our infrastructure, including the need for budget-friendly space for creation and a vibrant arts community. Alongside addressing existing gaps there is an imperative to concentrate on maximising the potential of current venues. This approach will breathe new life into buildings, streetscapes and structures, enhancing the sustainability of local businesses.

### What we will see

Increased opportunities for engaging in and observing creative activities

Venues that are suitable for current and future needs

Creative industries that are familiar with and capable of utilising Council procedures

Involvement of artists and creative individuals in the initial phases of infrastructure projects

Opportunities to experience the heritage and artistic expression of the region within our urban spaces

## 12. Te Ara tuarua: Education

To build a creative economy, we aim to strengthen ties with educational institutions and cultural organisations, creating pathways for the growth of our creative industries. Our focus is on retaining individuals in their 20s and 30s in creative employment, expanding the market and capacity of creative industries, and celebrating arts institutions that contribute to employment in Marlborough.

We are committed to supporting emerging and expanding creative enterprises, particularly from underrepresented communities. The goal is not to teach creativity but to equip artists with essential tools for sustainable, thriving careers, including rarely taught business skills.

Through mentorship, grant application guidance, and skill development opportunities, we aim to position our creative sector as a local and national leader in arts, culture and creativity.

### What we will see

Awareness and use of local practitioners

Creative industries are sustainable in Marlborough

Provided programs bring about a positive impact and foster growth in the creative sector

Acknowledgement and celebration of Ngā toi Māori and Te Reo Māori

Existing partnerships are nurtured, and new ones developed

## 13. Te Ara tuatoru: Accessibility

Our places and spaces will be accessible and affordable. They will be planned and equipped with the necessary infrastructure and technology to encourage dynamic and inclusive creative expression for all individuals.

It's important to recognise the diverse spectrum of individuals in our community and the various obstacles that might hinder their engagement. These barriers encompass factors such as transportation, childcare, distance, expenses, disabilities and mental health issues, among others. Our goal is for the entire community not just to enjoy and hold the arts in high regard, but also to actively partake in them.

As Marlborough grows, we will collaborate with the infrastructure developers to guarantee that arts, culture and creativity continue to invigorate our region, catering to all individuals. Budget-friendly, fitting, and easily reachable locations, environments and sites will be prevalent.

### What we will see

Affordable access to venues, spaces, and resources

Creative thinkers and practitioners from all cultures and abilities are seen and celebrated

Supported creativity through simple, efficient, enabling processes

Creative spaces in Marlborough are inclusive and welcoming

## 14. Te Ara tuawha: Culture | Ngā toi Māori

A recent Creative New Zealand study shows over half of New Zealanders view the arts as a significant link to their cultural heritage, and two-thirds gain insights into diverse cultures through artistic expressions. Marlborough, one of Aotearoa New Zealand's oldest settlements and our home, is an ideal destination for accessible cultural treasures.

The Council acknowledges the mana whenua of Te Taihū o te Waka iwi, committing to collaborate for favourable results for the Māori population. The eight iwi significantly contribute to the welfare of both the Māori community and society.

We recognise the importance of spaces shared with mana whenua for arts and cultural expression. Our commitment is firm in collaborating to integrate Māori knowledge and narratives into the region's infrastructure, locales and environments for generations to come.

Dedicated to empowering the region as a hub for Ngā Toi Māori, we aim to centre Māori knowledge and promote it as Aotearoa's first knowledge system, reimagining our heritage roots to provoke and motivate.

Collectively, we will explore innovative avenues through which Māori can:

- Engage in the processes that influence Māori culture and its creations.
- Enable signature events including Matariki.
- Tell stories of our region and ensure that ngā toi Māori and te reo Māori are highly visible.
- Encourage respectful use of tikanga.

**What we will see**

Consultation with mana whenua and Māori early and often  
Enhanced understanding and implementation of tikanga within Marlborough  
Increased use of te reo Māori  
A robust and flourishing Māori creative economy

**15. Te Ara tuarima: Visibility**

A captivating way of life garners national and international recognition, drawing in the necessary investment and skilled individuals required for a vibrant community and economy. A visibly strong and collaborative leadership for the arts is crucial for creating an environment where artists can prosper, and the sector can grow.

Fostering advocates for the arts throughout the region is essential for promoting cross-sector involvement and embedding artistic expression into every facet of our existence. These advocates have the potential to enhance and solidify ties with the business and private sectors.

Marlborough boasts a lively and dynamic creative community; however, it frequently operates with limited visibility and insufficient backing to elevate its prominence. The creative community is ready for ambitious guidance, which will broaden our networks and generate prospects for investment.

**What we will see**

The rich layered history of Marlborough and its significance for Aotearoa New Zealand reflected in our creative and cultural landscape  
Enhanced national recognition of Marlborough as a flourishing hub for creative individuals  
A relevant digital presence of our creative industries  
Recognition of the arts' impact on the community's economy, health, and wellbeing  
A well connected and recognised creative sector in Marlborough

**16. Te Ara tua: Communication**

In the creative sector, effective communication is crucial for collaboration and idea exchange within diverse teams. It creates an environment where individuals can share insights, brainstorm innovative concepts, and work harmoniously.

The success of the creative sector depends on its capacity to connect with audiences. Skilful communication bridges the gap between creative vision and audience understanding. Thoughtful storytelling, engaging narratives, and interactive experiences deepen appreciation and build a loyal following.

Advocating for the sector's needs requires clear communication of its societal and economic contributions to policymakers, sponsors and funders, ensuring sustained growth and vitality.

Networking events, workshops and industry gatherings facilitated by strong communication platforms create opportunities for artists, organisations, and professionals to connect, share knowledge, and expand their opportunities.



**What we will see**

A collaboratively designed, dynamic, and ever-evolving strategy nurtured through collaboration

Effective communication and information sharing platforms

Opportunities for establishing and nurturing relationships throughout the arts and creative sector

Acknowledgment of the arts' contribution to the economy and suitable investment

An alignment of primary stakeholders e.g. performing arts, film, crafts

*Appendix A*

**Summary of engagement and consultation**

This strategy replaces the 2008 Marlborough District Council Arts and Culture Strategy. Developed through a 12-month community engagement process, it aims to establish a synchronised, well-informed and cooperative approach in the arts, culture and creativity sector. Input from arts advocates led to the adoption of a collaborative method, involving both the creative sector and the wider community.

In early 2023, the Arts Steering Group and the Iwi Advisory Panel, formed a partnership to conduct research, aid communication, and compose the strategy.

The first group, led by the MDC Project Lead for Arts, Culture and Heritage included representatives from various creative sectors including performing arts, literary arts, craft and objects, visual arts, and Pacific arts.

The second group, led by Dr Peter Meihana, focused on traditional Māori arts and culture with representation from the eight iwi of Te Taihū o te Waka.

The strategy's evolution involved workshops, consultations, written submissions, conversations and open forums.

In early 2023, community workshops gathered input on vital factors for Arts, Culture and Creativity to thrive in Marlborough. Participants ranked their responses by importance, discussed the Council's connection to the arts sector, community leadership, and identified skill gaps for creative success in the region. They also acknowledged Marlborough's strengths and achievements.

Over 130 individuals and organisations participated in workshops, and many in-person meetings occurred, shaping prevalent themes for subsequent online inquiries and discussions.

Several distinct themes were identified:

- The arts are crucial for storytelling, linking us to our history and place
- Creativity and innovation within the region find their foundation in the arts
- The arts have a tangible impact on daily lives
- Funding for the arts must be on par with other sectors e.g. sports
- Māori must be central in the planning and decision-making for the sector
- Improve communications on the benefits of the arts to the local economy
- Increased resources are needed including infrastructure and capability programs
- The strategy must translate into concrete, actionable initiatives

*Appendix B*

**Definitions**

**Culture** - is our identity (owners)

**Arts** - is the expression of our identity (users)

**Creativity** - is the use of imagination to innovate

**Creative Economy** - The creative economy involves utilising and generating novel ideas and innovations to propel economic activities. It encompasses various sectors such as arts, culture, design, media, advertising, technology and other knowledge-based industries. The creative economy places value on ideas, innovation and cultural expression, recognising their economic potential. The concept highlights the economic impact of creativity and innovation in driving economic growth, creating jobs and fostering cultural development.

**The Arts - In this strategy, when we refer to the Arts, we encompass a broad array of disciplines (as defined by Creative New Zealand), including but not limited to:**

**Craft/Object:** The traditional applied arts and contemporary practices of all the peoples of Aotearoa/New Zealand. Genres include, but are not limited to, ceramics, furniture, glass, jewellery, object making, studio-based design, raranga, tāniko, tapa making, textiles, tivaevae, typography and weaving.

**Community Art:** Community arts are created by, with, and for a community - e.g. workshops or wānanga - participants are involved receptively in the learning, practice, presentation and appreciation of their traditional arts practices.

**Dance:** Includes classical and contemporary dance; street, experimental and integrated dance; and traditional and contemporary Māori and Pacific Island dance.

**Interarts:** Interarts projects integrate artforms of any cultural tradition, combining them to create a new and distinct work. The result of this integration is a hybrid or fusion of artforms outside of Creative New Zealand's artform categories.

**Literature:** A broad, inclusive concept of writers and illustrators of fiction and non-fiction. Fiction includes novels, novellas, short stories, poetry, graphic novels, illustrated picture books, and speculative fiction such as fantasy fiction, science fiction, detective fiction, and historical fiction. Non-fiction includes autobiography, biography, essays, social commentary, literary criticism, reviews, analytical prose and writing about the physical and natural sciences.

**Multi-disciplinary:** Projects and activities that do not feature one main artform and that involve at least two different artforms, of any cultural tradition.

**Music:** Includes classical and contemporary music; orchestral, choral, and band music; opera; jazz and improvised music; sound art; contemporary popular music; 'world' music; and traditional and contemporary Māori and Pacific Island music.

**Ngā toi Māori:** Includes Māori heritage arts practice such as: taonga pūoro, tārai waka, Kaupapa waka, whakairo, raranga, tāniko, kākahu, tukutuku, kōwhaiwhai, tā moko, kapa haka, mōteatea, waiata ā-ringa, waiata tawhito, poi, waiata haka, pao, mau rākau, whaikōrero, karanga, whakapapa recitation, te reo me onā tikanga, kōrero paki, kōrero tuku iho, pakiwaitara, karetao, whare tapere

and whakaraka. It also includes the work of Māori artists across all forms of contemporary arts practice.

**Pacific Arts:** Includes Pasifika artists undertaking contemporary and heritage arts projects in all art forms.

**Theatre:** Includes both classical and contemporary theatre, and all genres such as comedy, drama, physical theatre, devised theatre, street theatre, musical theatre, circus, puppetry, mask and theatre for children.

**Visual Arts:** Includes drawing, experimental sound/audio and moving-image arts projects, installation, kōwhaiwha, painting, performance within a visual arts context, photography, printmaking, sculpture, tā moko and typography.

**Marlborough District Council**  
**Arts, Culture & Creativity Strategy**  
**2024-2034**

**1. Implementation Plan**

The Arts, Culture and Creativity Strategy constitutes a collaborative plan involving multiple stakeholders. The subsequent implementation plan reinforces this strategy and encompasses various measures to ensure successful outcomes.

Taking on the role of the principal entity, Council's Community Partnerships team will serve as the initial contact for the creative sector. This team will collaborate with organisations and public agencies to execute the plan.

The implementation plan sets the stage for the upcoming decade, with specific emphasis on the immediate three years and the attainable goals to be reached by 2027.

This is a 'living' document that will be overseen by Council in partnership with the Arts Steering Group and Iwi Advisory Group that produced this strategy.

Additional primary agents and supporting partners might be identified over time and they will be integrated into this document.

Council's Community Partnerships team will monitor and report regularly on progress to Council through the Economic, Finance and Community Committee.

**The Arts Steering Group and the Iwi Advisory Panel, collaborating to formulate this strategy, are presumed to play pivotal roles as key stakeholders in the implementation plan. They will actively propel the actions forward, necessitating the inclusion of an Arts, Culture, and Creativity role within the council staff structure.**

Innovation				
Action	What we need to support this	Potential partners	Timeframe	Cost
Develop and execute a Council Public Art Policy aligned with this strategy, encompassing a collaborative and implementation blueprint.	Advice and support from Ministry for Culture & Heritage and other relevant authorities, a communication strategy	Marlborough Art Gallery, MDC Comms team, Creative NZ	1-3 years Stage 1: Research Stage 2: Public consultation Stage 3: Implementation	-
Champion the Creative Sector as an 'enabler' for innovation, entrepreneurship, and creative expression.	Relevant and strong relationships in the local economy, access to economic drivers and facilitators, digital platform	MDC Economic Development team, MDC Communications team, Marlborough Chamber of Commerce	1-5 years Stage 1: Relationship building, research Stage 2: Identify actions/champions Stage 3: Ongoing execution and evaluation	S1 - \$2k S2 - \$2k S3 - \$5k
Recognise personnel shortages within the creative sector and execute a Talent Attraction Program aimed at attracting individuals with creative expertise.	Budget, partnerships with Marlborough education sector	MDC Economic Development team, Marlborough Chamber of Commerce	2-5 years Stage 1: Consultation with sector and ED team Stage 2: Produce project plan and budget proposal (if required) Stage 3: Implementation	
<b>Establish a Sculpture Trust in collaboration with funding partners.</b>	Advice and support from Ministry for Culture and Heritage, Creative NZ and other relevant authorities, potential trustees, budget	Marlborough Art Gallery, business associations	3-5 years Stage 1: Research, identify partnerships Stage 2: Establish Trust Stage 3: Provide support, Trust independent of council	S1 - \$2k S2 - \$5k S3 - \$5k
Explore innovative methods to bring arts closer to communities.	Access and research opportunities with other regional approaches in NZ, budget	Marlborough Art Gallery, business associations, Creative NZ, The Arts Foundation, Arts Council Nelson	5-10 years Stage 1: Research/partnerships Stage 2: Funding and project plan Stage 3: Implementation	-
Dedicate financial resources to research conducted by entities such as Creative New Zealand and the Ministry of Culture and Heritage that explores the lasting impact and significance of the creative arts in the broader Marlborough economy, providing evidence of their economic and social importance. Strategically use research findings to guide and advance local creative initiatives and funding needs.	Budget	Creative NZ, Ministry for Culture and Heritage, market research agency	3-5 years	Year 3: \$10k for CNZ opt in research
Sustain liveliness during significant infrastructure projects by temporarily activating spaces.	Budget, access to and partnerships with infrastructure project managers and building owners	Local artists, infrastructure project managers	3-5 years Stage 1: Research, project plan Stage 2: Design promotional package and digital content Stage 3: Implementation	S1 - \$2k S2 - \$10k S3 - \$20k

Determine the actions Council can take within its own facilities and programs to improve visibility of art and culture.	Partnerships with other council departments, budget.	Council departments including parks and open spaces, assets and services, Access Aotearoa, Creative NZ	5-10 years Stage 1: Research, public consultation Stage 2: Propose response (if required)	S1 - S2 - \$10k
Foster and support incubation initiatives for up-and-coming artists. including capability workshops, tools, and templates. This involves capability workshops, tools, and templates. Explore the possibility of creating a mentorship program within the creative sector, focusing on skills, business management, and sustainability. Collaborate with educational and training institutions, as well as other relevant stakeholders, to enhance educational opportunities in the creative sector of Marlborough.	Budget, accessible facilities, mentors, digital platform	Creative NZ, local education providers, The Arts Foundation	5-10 years Stage 1: Research, project plan Stage 2: Design digital content, capability building programmes. Stage 3: Implementation	S1 - \$2k S2 - \$10k S3 - \$10k
Advocate for increased funding and provision for arts therapy and arts activities that support community wellbeing and mental health.		Te Whatu Ora, Marlborough Health Hub, CARE Marlborough, Creative Kids Marlborough	5-10 years Stage 1: Research, relationship building Stage 2: Establish support areas and advocate	-
Support the work of Screen Marlborough to encourage the development of the local film sector.		MDC Economic Development team, Screen Marlborough	Ongoing	-
TOTAL BUDGET STAGE 1				\$8k
TOTAL BUDGET STAGE 2				\$37k
TOTAL BUDGET STAGE 3				\$50k

Infrastructure				
Action	What we need to support this	Potential partners	Timeframe	Cost
<b>Allocate resources to support and promote emerging artists skilled in creating art within community settings. Identify venues for creative expression, such as vacant structures, parks, and other communal facilities. Collaborate with creative organizations like Gap Filler from Christchurch to gather insights and input.</b>	Budget, access to creative entities for guidance/partnerships, digital platform	Business associations, established creative entities in other regions	1-3 years Stage 1: Research Stage 2: Project plan Stage 3: Implementation	S1 - \$2k S2 - \$5k S3 - \$10k
Assist organisers of programs and events in ensuring that individuals with disabilities can access and fully enjoy art and cultural experiences.	Funding, facility/event manager partnerships	<b>MDC Events Advisor, event organisers, facility managers, Arts Access Aotearoa</b>	1-3 years Stage 1: Research Stage 2: Project plan Stage 3: Implementation	S1 - \$2k S2 - \$5k S3 - \$10k

		Putanga Toi ki Aotearoa			
Support the Powerhouse Picton Arts and Environment Hub proposal.	Funding, community buy-in, trustees	Powerhouse Trust, Te Ātiawa	1-3 years Stage 1: Site clearance/management Stage 2: Establish Trust Stage 3: Provide support, Trust independent of council	S1 - \$10k S2 - \$10k S3 - \$10k	
Advocate for community engagement in the processes of placemaking throughout the region to strengthen a sense of place and unique identity in planning and design process.	Community buy-in	MDC Small Townships team	1-3 years	-	
Create and oversee a comprehensive maintenance strategy for public art installations.	Budget, access to expertise and guidance	Specialist conservation providers, parks and open spaces	1-3 years Stage 1: Public art audit Stage 2: Produce maintenance plan Stage 3: Implementation	S1 - S2 - \$15k S3 - \$15k	
Map out the current arts venues and spaces across the district. Develop a strategy for community centres that caters to the creative needs of the community. Identify shortcomings in areas with limited access to creative arts facilities. In response, commission a feasibility study into potential solutions.	Budget	MDC property managers	5-10 years Stage 1: Audit of venues/spaces Stage 2: Identify gaps and future requirements Stage 3: If required, commission feasibility study	S1 - S2 - S3 - \$40k	
Incorporate innovative thinking and artistic expression into future urban planning. Advocate for the consultation with arts and creativity representatives in the design process for major urban developments.	Access to early development stages of key infrastructure projects, , digital platform	MDC Property and Community Facilities dept, Marlborough Chamber of Commerce, BBA, PBA	5-10 years Stage 1: Audit of current processes around creative involvement Stage 2: Identify areas for improvement and relationships requirements Stage 3: Implementation	S1 - S2 - S3 -	
				TOTAL BUDGET STAGE 1	\$14k
				TOTAL BUDGET STAGE 2	\$35k
				TOTAL BUDGET STAGE 3	\$85k

Collaboration				
Action	What we need to support this	Potential partners	Timeframe	Cost
Create an advocacy group for the creative sector with diverse representation. Build a strong brand and identity through regular meetings with iwi, local groups, Creative New Zealand, and key stakeholders. Conduct a feasibility study for a regional arts body to foster sector development and activate arts, culture, and creativity.	Budget, partnerships, relationships with existing regional councils, creative sector buy-in, digital platform	Regional Arts Network Aotearoa, Arts Council Nelson, <b>Creative NZ</b> , <b>local trusts</b> , <b>creative sector</b>	5-10 years Stage 1: Research, relationship building, establish group and processes Stage 2: Produce a paper on the relevance of an Arts Body	S1 - \$10k S2 - \$10k S3 - \$30k



			and its role (if any) in Marlborough Stage 3: Commission feasibility study, if appropriate	
Map arts, programs, events, public collections, and creativity to pinpoint areas for enhancement and identify gaps for resolution.	Access to relevant data	Marlborough Art Gallery, event providers	1-3 years Stage 1: Research Stage 2: Identify gaps and potential actions/budget requirements	S1 - S2 -
<b>Develop networking opportunities for the creative sector including consultative sessions for feedback and future planning. Produce regular newsletters.</b>	Budget, digital platform	Arts sector	1-3 years Stage 1: Identify format, potential guest speakers Stage 2: Project plan/calendar of events Stage 3: Implementation	S1 - S2 - \$10k S3 - \$10k
			TOTAL BUDGET STAGE 1	\$10k
			TOTAL BUDGET STAGE 2	\$20k
			TOTAL BUDGET STAGE 3	\$40k

<b>Economy and funding</b>				
<b>Action</b>	<b>What we need to support this</b>	<b>Potential partners</b>	<b>Timeframe</b>	<b>Cost</b>
Foster strong partnerships with funding collaborators. <b>Establish relationships with business associations and corporate partners to explore potential collaborations between the arts sector and industry. Examples of such collaboration:</b> <a href="http://www.makeshiftspaces.nz">www.makeshiftspaces.nz</a> , <a href="http://www.activatevacantspaces.co.nz">www.activatevacantspaces.co.nz</a> , <a href="http://www.urbandreambrokerage.co.nz">www.urbandreambrokerage.co.nz</a>	Access to data, stakeholder relationships	<b>Funding providers e.g., Rata Foundation, business associations, MDC Economic Development Team</b>	5-10 years Stage 1: Research, partnership building Stage 2: Project proposal Stage 3: Implementation	S1 - \$2k S2 - \$2k S3 - \$10k
<b>Evaluate the present sector investments and examine forthcoming requirements and deficiencies.</b>	Access to data, stakeholder relationships	<b>Creative New Zealand, Marlborough Chamber of Commerce, Economic Development Team</b>	1-5 years Stage 1: Research Stage 2: Produce paper and recommendations	S1 - S2 -
<b>Review the Creative Communities Scheme committee structure and implement changes required to ensure a diverse arts focused framework.</b>		<b>Creative New Zealand</b>	1-2 years Stage 1: Make recommendations to council Stage 2: Implement	S1 - S2 -
<b>Arrange regular funding sessions with specified partners. Aid creative organizations in succession planning and the development of sustainable funding models.</b>	Relationships with funding providers, governance training providers, digital platform	Funding partners, governance training providers	1-3 years Stage 1: Research Stage 2: Produce paper and recommendations	S1 - S2 - \$2k S3 - \$5k

			Stage 3: Implementation	
			TOTAL BUDGET STAGE 1	\$2k
			TOTAL BUDGET STAGE 2	\$4k
			TOTAL BUDGET STAGE 3	\$15k

Marketing				
Action	What we need to support this	Potential partners	Timeframe	Cost
Develop a digital arts directory and Creative Marlborough website, including a Marlborough specific toolkit	Budget, design department capacity, digital platform	Creative NZ, MDC Communications, MDC designers	2-5 years Stage 1: Design, content creation Stage 2: Produce content and accompanying social media channels Stage 3: Launch	S1 – 0 (if inhouse design!) S2 - \$30k S3 - \$5k
<b>Ensure that the community of creative individuals remains connected to the broader creative network in Aotearoa, enabling them to access professional growth opportunities and online resources.</b>	Digital platform	<b>Creative New Zealand, MDC designers</b>	1-3 years Stage 1: Establish relationships Stage 2: Create channels for communication and advertising Stage 3: Implementation	S1 - S2 - \$1k S3 - \$5k
<b>Forge more robust collaborative connections with local and national media outlets to effectively enhance the promotion of arts and cultural events taking place within the region and highlight achievements and local champions of creative innovation.</b>	Access to media entities and buy-in from the creative community, digital platform	MDC Communications, media sector, Inspire Foundation	1-3 years Stage 1: Establish relationships Stage 2: Create channels for communication Stage 3: Implementation	S1 - S2 - S3 - \$2k
<b>Support and encourage the creative sector to collaborate and showcase their indispensability, not only for local economic expansion but also for fostering all four dimensions of well-being (social, economic, environmental and cultural). Back audience development initiatives.</b>	Budget, current knowledge and expertise, digital platform	Media partners	3-5 years Stage 1: Research, design initiatives Stage 2: Advocate	S1 - S2 - S3 -
			TOTAL BUDGET STAGE 1	\$
			TOTAL BUDGET STAGE 2	\$31k
			TOTAL BUDGET STAGE 3	\$12k

Nga toi Māori   Culture				
Action	What we need to support this	Potential partners	Timeframe	Cost
Respect protocols for engaging with mana whenua and te ao Māori in the management and consultation aspects of arts and cultural activities.	Cultural advisor/Kaihautū role within council		1-3 years Stage 1: Education/research Stage 2: Implementation	S1 - S2 -
Advocate for the representation of ngā toi Māori (Māori arts) and te reo Māori (Māori language) within Marlborough facilities and programs.	Cultural advisor/Kaihautū role within council	<b>Council departments and executive team, facility and programme providers</b>	1-5 years Stage 1: Education/research Stage 2: Implementation Stage	S1 - S2 -
Amplify engagement with tangata whenua in the creative sector, aiming for more relevant cultural initiatives, Māori festivals (including Matariki), and educational workshops.	Budget, digital platform		1-5 years Stage 1: Education/research Stage 2: Planning Stage 3: Implementation	S1 - \$25k S2 - \$25k S3 - \$25k For Matariki funding which currently sits under community events
Work with the multicultural agencies to increase opportunities for cultural creativity. Use arts and culture to engage, welcome, and support immigrant communities.	Budget, stakeholder relationships, digital platform	Marlborough Multicultural Centre, Red Cross, MDC Welcoming Communities team	3-5 years Stage 1: Relationship building Stage 2: Program audit Stage 3: Recommendation/implementation	S1 - S2 - S3 - \$5k
Support iwi to establish tailored place-making endeavours that pay tribute to Māori narratives and important cultural and heritage sites.	Budget, engagement across council departments	Marlborough Museum, MDC Small Townships team	5-10 years Stage 1: Relationship building Stage 2: Advocate Stage 3:	S1 - S2 - S3 -
Collaborate with mana whenua and Māori organisations to address their aspirations for establishing spaces dedicated to art creation.			5-10 years Stage 1: Relationship building Stage 2: Facilities/requirement audit Stage 3: Recommendation/implementation	S1 - S2 - S3 - \$5k
			TOTAL BUDGET STAGE 1	\$25
			TOTAL BUDGET STAGE 2	\$25
			TOTAL BUDGET STAGE 3	\$45k

Youth				
Action	What we need to support this	Potential partners	Timeframe	Cost
<b>Gather insights into youth-focused programs and offer support to program providers. Maintain and support creative youth activities, e.g. Folio student exhibition.</b>	Digital platform, stakeholder relationships, budget	Marlborough Art Gallery, youth sector agencies	1-5 years Stage 1: Audit of current provisions Stage 2: Establish support areas and advocate	S1 - S2 - \$5k
Provide opportunities for young individuals to showcase their creativity in unconventional spaces, such as pocket parks.	Budget, engagement across council departments	Youth sector entities, parks & open spaces dept, education sector, business associations	3-5 years Stage 1: Research Stage 2: Design project process Stage 3: Implementation	S1 - S2 - S3 - \$10k
			TOTAL BUDGET STAGE 1	\$
			TOTAL BUDGET STAGE 2	\$5k
			TOTAL BUDGET STAGE 3	\$10k

Environment				
Action	What we need to support this	Potential partners	Timeframe	Cost
Support the sector to consider ways of delivering arts and culture that minimise their impact on the climate.	Guidance from environmental experts, access to existing arts and climate partnerships, digital platform	MDC Environment dept, MDC Solid Waste Manager, community environmental groups, Enviroschools, refuse centres	2-5 years Stage 1: Research, partnerships Stage 2: Produce digital content and identify workshops opportunities including guest speakers Stage 3: Implementation	S1 - S2 - S3 - \$10k
<b>Explore collaborations between climate and arts sectors to delve into the influential role that arts can assume in motivating climate action (e.g. Track Zero <a href="http://www.trackzero.nz">www.trackzero.nz</a>). Identify ways this work can drive change within the Marlborough region.</b>	Guidance from environmental experts, access to existing arts and climate partnerships, digital platform	MDC Environment dept, MDC Solid Waste Manager, community environmental groups, Enviroschools, refuse centres	2-5 years Stage 1: Research, partnerships Stage 2: Identify actions and project plan Stage 3: Implementation	S1 - S2 - S3 - \$10k
			TOTAL BUDGET STAGE 1	\$
			TOTAL BUDGET STAGE 2	\$
			TOTAL BUDGET STAGE 3	\$20k

Stage 1 total: \$59k  
Stage 2 total: \$157k  
Stage 3 total: \$277k  
TOTAL: \$493k

NB. Not in years, e.g. 3 stages could span 5 years

**Budget**

**Year 1 \$50,000**

**Year 2 \$75,000**

**Years 3 to 5 \$120,000 annually**

## 4.35 Levels of Service Increases Marlborough Public Art Gallery Funding

(Report prepared by Dean Heiford)

A200-003-13

### Purpose of report

1. To review and approve increased Council funding for the Marlborough Public Art Gallery.

### Executive Summary

2. The Millennium Public Art Gallery (MPAG) has been operated by the MPAG Trust (MPAGT) in their new building since 30 June 2023. The gallery is funded via operating grants from Council, donations and the proceeds from fundraising events. It is also heavily reliant on volunteers to operate.
3. Council increased the operating grant to the MPAG as part of the 2023 annual plan:  
*6221 Rick Wilson (Millennium Public Art Gallery) (June 12, 2023)*  
*Members acknowledged the situation the Millennium Public Art Gallery was in, however decided it was too early to make a final call on staffing levels etc until six to nine months' time. Discussions with the Art Gallery will be ongoing.*  
*Clrs J Arbuckle/Hope:*
  1. *That the funding request from Rick Wilson (Millennium Public Art Gallery) for an increase in their annual operating and staffing grant be approved by increasing the funding by \$100,000 per annum (to be funded from general rates), taking the total operating grant to \$260,500; noting that no CPI adjustment will be made at this stage.*
  2. *That the funding request be also referred to the 2024-34 Long Term Plan process for further consideration for future years.*
  3. *That the submitter be advised that the issue of CPI adjustments for all ongoing grants are to be referred to the LTP Working Group for policy development.*

Carried
4. The MPAG have increased operating costs on the new facility due to the increase in footprint occupied by the gallery and the modern climate control systems required to maintain the art works on public display and in storage. The gallery has specialist requirements for the management and maintenance of art works.
5. The MPAG have made an application for a top up of their original funding increase for 2024.

---

### RECOMMENDATIONS

#### That Council:

1. **Approve the funding of MPAG staffing increase by an extra \$30,000 per annum from the 2024/25 financial year.**
2. **Agree to fund the storage, maintenance and conservation of the Marlborough Collection (subject to a separate contract for service being negotiated) and funded up to \$25,000 per annum.**
3. **Agree that all operating funding be CPI adjusted on an annual basis if CPI adjustments are reinstated.**

---

### Background/Context

6. The Millennium Public Art Gallery (MPAG) has been operated by the MPAG Trust (MPAGT) in their new building since 30 June 2023.

7. Council has provided operating grants of up to \$260,500 annually with the balance of the MPAG costs being met in the main by donations, grants from other organisations, proceeds from fundraisers and volunteers / in kind support. This funding level was increased as part of the 2023/24 Annual Plan.
8. The combined nature of the new Marlborough District Library / Art Gallery has allowed for economies of scale for both facilities in terms of their base operating costs.
9. Council increased the operating grant to allow for the MPAG to operate within the new facility with a review of costs and support to be undertaken once both facilities had been open to the public as part of the 2024/34 Long Term Plan.
10. A formal request with budgets and other supporting documents is attached as Attachment 4.28.1.

### **Staffing for MPAG**

11. Marlborough Art Gallery currently has 2.5 FTE staff to cover all operational functions from curation, collection management, design, customer service, staff management, technical work, volunteer rostering, etc.
12. They request an additional 20 hours a week of staff time to enable the gallery to be open all day on Saturdays to match the Marlborough Library hours and to provide cover for staff sickness and annual leave. This is the main request from the public in terms of gallery opening hours.
13. Leave is currently accumulating the balance sheet and as well as being a financial liability, is a health and safety and security issue.
14. The estimate for the extra staff is \$30,000 per annum from July 2024.

### **Marlborough Public Art Collections**

15. The Council's Marlborough Art Collection comprises various media of c.100 items. This collection and the Marlborough Art Gallery's collection are growing via donation of works. This does not include the sculpture collection.
16. The art gallery's collection contains significant New Zealand and Marlborough works acquired through donations and bequests. The collections require specialist management staff, software and conservation.
17. The Council's art collection needs to be rationalised and its collection management plan updated. These are tasks that Gallery staff are trained to undertake.
18. Part of the design of the new Art Gallery incorporates climate-controlled storage and work rooms to enable the management and professional care of art works.
19. Council intended that the Marlborough Art Collection would be stored, managed and maintained as part of the new art gallery development.
20. A range of collection management projects have been undertaken for the Council by gallery staff, but Council needs to provide an ongoing budget to maintain the collection.
21. Council has maintained parts of the collection via a bequest which is now exhausted.

### **Option One – Approve \$30,000 per annum for extra staff resource for the MPAG**

22. Optimises the opening hours of the MPAG and the Marlborough Library on Saturdays.

#### *Advantages*

23. Provides adequate staffing levels to meet compliance and reduce reliance on volunteers for front of house and security roles.
24. Allows the MPAG to align opening hours on Saturdays with the Library to maximise public access.

25. Allows for annual leave and sick leave to be managed.

*Disadvantage*

26. This will require a rates increase.

**Option Two – Agree to fund \$25,000 per annum for the Management, conservation and maintenance of the Marlborough Collection**

27. Allows for funding to manage and do the physical work on the collection.

*Advantages*

28. Provides funding to manage, conserve and maintain the Marlborough Collection.

29. Would require a contract for service between Council and MPAG.

*Disadvantages*

30. The funds may be inadequate if major condition issues are identified with the collection.

31. This will require a rates increase.

**Attachment**

Attachment 4.35.1 – Marlborough Public Art Gallery Request, Budgets and Other Supporting Documents

Page 214

Author	Dean Heiford, Manager Economic, Community & Support Services
Authoriser	Mark Wheeler, Chief Executive



<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables consideration to be given to providing funding to a major community facility in partnership with the MPAG and Marlborough Library.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✗	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✗
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✗
Social well-being	✗	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✗	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✗
Arts & Culture	✗	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✗
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✗
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✗
This proposal contributes to the LTP / Annual Plan, Economic Development and Social well-being and Arts & Culture relating to the provision and operation of a Public Art Gallery.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This review would need sign off from Council as part of the annual plan process.			
There are significant ongoing costs to Council.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The Marlborough Community is already supportive of the Marlborough District Library / Art Gallery development.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications for Council.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

Attachment 4.35.1

# MARLBOROUGH ART GALLERY TE KAHU O WAIPUNA

9 January 2024

Nadine Taylor  
Marlborough Mayor  
Marlborough District Council  
P O Box 443  
BLENHEIM 7240  
Email: [mayor@marlborough.govt.nz](mailto:mayor@marlborough.govt.nz)  
Copy to: Dean Heiford [dean.heiford@marlborough.govt.nz](mailto:dean.heiford@marlborough.govt.nz)

Dear Mayor Taylor,

## **Submission to the Marlborough District Council's 2024 Budget**

### **A very positive start**

Since opening on 30 June 2023, the new Marlborough Art Gallery in the Te Kahu o Waipuna building has offered many opportunities to grow our services. Co-location with Marlborough Library has enabled us to host shared events and activate the whole building. Te Kahu o Waipuna has quickly become a destination, with people using a variety of the building's facilities during their visits. We are hosting public programmes in the gallery spaces, in the Te Kahu o Waipuna meeting rooms and in the building's atrium. The seating component of the grand entrance staircase is an excellent place for people to read art books and for students to draw and complete worksheets. Our new gallery spaces can be adapted using moveable walls and we can present up to three exhibitions simultaneously. It is a pleasure to provide regular reports on exhibitions and events to the Council's Economic, Finance and Community committee.

We are really enjoying engaging with a variety of groups in our community through our exhibitions and programmes. While our staffing levels require us to open limited hours, we open extended hours during regional events such as Garden Marlborough. Our visitors are ranging from daily individual visitors, weekly family visits and visitors from outside the region and overseas. Special thanks to our colleagues, our volunteers, and valuable supporters such as the Marlborough District Council and local businesses. We have an exciting programme lined up for 2024 ranging from international touring exhibitions to local youth art.

### **Purpose-built facilities**

The new gallery provides environmental and operational facilities to the highest professional standards for museums / public art galleries in New Zealand and overseas. All collection storage and exhibition spaces have full climate control. These spaces are allowing us to realise the gallery's exhibition, public programme, and collection management potential.

MARLBOROUGHART.ORG.NZ      15 HIGH STREET  
INFO@MARLBOROUGHART.ORG.NZ      BLENHEIM 7201  
03 579 2001      NEW ZEALAND

The new spaces include:

- A gallery dedicated to collection-based exhibitions, providing consistent public access to public art collections.
- Exhibitions of rare and valuable works are now able to be brought into the region as the gallery meets international museum facility requirements
- Professional display, storage and management of Marlborough's two public art collections - the Gallery's and the Council's
- A stimulating, welcoming environment for art and book-related public programmes.

To support the costs of operating the new public art gallery, the Marlborough District Council reviewed and increased the Gallery's annual operational grant by \$100,000 in July 2023. This increase has been enormously helpful.

### Summary

- Marlborough Art Gallery has a lean and efficient operating model.
- Our limited opening hours reflect our budget: Tuesday – Friday 10am-4pm, Saturday and Sunday 1-4pm. Being open for far fewer hours than Marlborough Library is frustrating for the community. We particularly need to be open 10am-4pm on Saturdays to host the many families who are Saturday morning users of Te Kahu o Waipuna.
- The Gallery currently has 2.5FTE staff and is heavily reliant on volunteers to support staff operations (front of house, fundraising and governance).
- We have a large group of front of house volunteers and more waiting to join when vacancies arise. Front of house volunteers support our customer service but they require the support of a paid staff member at all times. To meet security, public safety, and insurance requirements, we need two staff on duty during opening hours. Many of our art museum tasks are done back-of-house and outside of opening hours.
- We now have an understanding of most new operating costs. Many standard costs have increased – for example; insurance, freight, and annual audit fees have been impacted by the cost of living crisis/ CPI increases. The art gallery has increased operating costs in the new facility due to the increase in footprint occupied by the gallery and the modern climate control systems required to maintain art works on public display and in storage.
- We receive substantial donations and sponsorship in-kind. Donations received this year include funds from the Coulthard Arts Trust to support the care of works in the gallery's collection (works donated by the Trust). The professional fit out of the collection store by Hydstore Ltd was funded by a donation from The Millenium Foundation. In-kind sponsorship greatly reduces operational costs. Examples include: scissor lift loans, delivery and collection, IT, marketing, carpentry and discounted touring exhibition fees.
- The new facility is very busy and visitor numbers have exceeded expectations. In December we installed a digital visitor counter. In our first week of recording, we logged 1032 individual visitors to our exhibitions (open 30 hours a week). This number doesn't include attendees at events in the atrium and meeting room areas of Te Kahu o Waipuna.
- The draft Marlborough District Council Arts and Creativity Strategy identifies several projects in its Implementation Plan that can or will be led by art gallery staff: Youth Art projects, Toi Maori projects, management of public art collections, policy support.
- To be eligible for funding from external funding bodies for major projects, such as completing the fit-out of the gallery's workshop space, the Gallery Trust needs evidence of sustainable operational funding from our local body.

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BLenheim 7201  
NEW ZEALAND

### Marlborough Public Art Collections

1. The Council's Marlborough Art Collection comprises various media. This collection and the Marlborough Art Gallery's collection are growing via donation of works. The art gallery's collection contains significant New Zealand and Marlborough works acquired through donations and bequests. The collections require specialist management staff, software and conservation. The Council's art collection needs to be rationalized and its collection management plan updated. These are tasks that Gallery staff are trained to undertake.
2. Part of the design of the new Art Gallery incorporates climate-controlled storage and work rooms to enable the management and professional care of art works. Council intended that the Marlborough Art Collection would be stored, managed and maintained as part of the new art gallery development. This has been undertaken.
3. A range of collection management projects have been undertaken for the Council by gallery staff, but Council needs to provide an ongoing budget to maintain the collection.

### Gallery Staffing

Marlborough Art Gallery currently has 2.5 FTE staff to cover all operational functions from curation, collection management, design, customer service, staff management, technical work, volunteer rostering etc. We need an additional 20 hours a week of staff time to enable the gallery to be open all day on Saturdays and to provide cover for staff sickness and annual leave. Leave is currently accumulating on our balance sheet and as well as being a financial liability, is a health and safety and security issue.

### Next steps

We are requesting that the MDC considers the following to enable the Marlborough Art Gallery to operate with adequate resources and meet the new facility's potential by supporting:

1. An increase to the grant for annual operating costs by \$30,000 per annum from July 2024.
2. Funding for the storage, maintenance and conservation of the Marlborough public art collections subject to a separate contract for service being negotiated and funded up to \$25,000 per annum.
3. That all operating funding be CPI adjusted on an annual basis when MDC budgets allow for CPI increases to annual grants.

Ngā mihi nui



Cressida Bishop  
Director

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NEW ZEALAND

<b>Marlborough Art Gallery Operating Budgets 2023 / 2024 / 2025 / 2026</b>					
	<b>Marlborough Art Gallery 2023-2024</b>	<b>Marlborough Art Gallery 2024-2025</b>	<b>Marlborough Art Gallery 2025-2026</b>	<b>Marlborough Art Gallery 2026-2027</b>	Comments
<b>Operating Income</b>	\$	\$	\$	\$	
MDC Operating grants	260,500.00	290,500.00	301,500.00	309,000.00	<b>2024 and 2025 income includes CPI increases if re-introduced CPI increase based on NZIER forecasts, 4% 2024, 2.5% 2025</b>
Fundraising initiatives - including SOR catalogue sales etc.	13,000.00	18,000.00	18,700.00	19,000.00	
Exhibitions/events sponsorship	4,000.00	5,000.00	5,200.00	5,350.00	Substantial 'in-kind sponsorship' and interest from donations
Friends subscriptions	5,500.00	6,500.00	6,750.00	6,950.00	Opportunity to grow
Entry donations/koha	5,000.00	4,000.00	5,200.00	5,350.00	Lower (2024) as co-located with free library - cash is currently a security issue
General donations	5,000.00	5,000.00	5,200.00	5,350.00	
Grants - other	20,000.00	25,000.00	27,000.00	29,000.00	Includes Collection Project grants
<b>Total income</b>	<b>313,000.00</b>	<b>354,000.00</b>	<b>369,550.00</b>	<b>380,000.00</b>	
<b>Operating Expenses</b>					
<b>Staff and volunteers</b>					
Wages, ACC, leave liability, training, Kiwisaver, volunteers	195,200.00	225,500.00	234,500.00	241,200.00	Currently 2.5 FTE - proposed 3FTE plus includes hours for collection manager
<b>Sub total</b>	<b>195,200.00</b>	<b>225,500.00</b>	<b>234,500.00</b>	<b>241,200.00</b>	
<b>Providing Goods and Services, Exhibitions and Programmes</b>					
Exhibition expenses, touring fees, curator expenses, equipment	40,800.00	42,500.00	44,300.00	45,250.00	New space, bigger exhibitions, more expenses
Public programmes	3,750.00	4,500.00	4,700.00	4,900.00	
Collection management - software, materials, conservation	5,000.00	10,000.00	10,450.00	10,650.00	
<b>Sub total</b>	<b>49,550.00</b>	<b>57,000.00</b>	<b>59,450.00</b>	<b>60,800.00</b>	
<b>General Overheads</b>					
Accounting, EFTPOS etc.	12,500.00	13,500.00	14,000.00	14,350.00	
Marketing	2,000.00	3,500.00	3,750.00	4,000.00	
Electricity	15,000.00	15,000.00	15,600.00	16,000.00	
Fundraising and Friends expenses	6,000.00	6,000.00	7,500.00	7,750.00	
Insurances and Compliance	26,000.00	29,500.00	30,500.00	31,400.00	
Research materials, professional memberships, stationery	3,550.00	4,000.00	4,250.00	4,500.00	Change to Museums Aotearoa sub system
Telephone & communications	3,200.00	3,500.00	3,650.00	3,750.00	Incl Comms Box
<b>Sub total</b>	<b>68,250.00</b>	<b>71,500.00</b>	<b>75,600.00</b>	<b>78,000.00</b>	
<b>Total Expenses</b>	<b>313,000.00</b>	<b>354,000.00</b>	<b>369,550.00</b>	<b>380,000.00</b>	

**Millennium Public Art Gallery**

**Performance Report**

**For the year ended  
31 March 2023**

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**Millennium Public Art Gallery**  
**Entity Information**  
 "Who are we?", "Why do we exist?"  
 For the year ended  
 31 March 2023

Legal Name of Entity:	Millennium Gallery Trust Board Marlborough
Other Name of Entity (if any):	Millennium Public Art Gallery
Type of Entity and Legal Basis (if any):	Charitable Trust
Registration Number:	CC32385

**Entity's Purpose or Mission:**  
 The Millennium Public Art Gallery, the public art gallery for the Marlborough region opened in December 1999. The Gallery is governed by the Millennium Gallery Trust Board, a registered charitable trust on behalf of the Marlborough community. As well as gallery-based public programmes for various audiences, many collaborations outside the building are developed or contributed to - including regional projects teams, arts promotion, sculpture and public art and youth art installations. As a type of museum we follow the responsibilities outlined in the Museums Aotearoa Code of Ethics for Governing Bodies of Museums and Museum Staff and develop and implement practices required by relevant legislation and the NZ Museums Standards Scheme. (The Millennium Public Art Gallery closed to the public on 12 May to enable the move to the new Marlborough Art Gallery which is co-located with the Marlborough Library at 15 High Street, Blenheim. The new art gallery opened on 17 May. The building the Marlborough Art Gallery and Marlborough Library operate out of was officially opened and given the name, Te Kaha o Waipuna, by local iwi on 30 June 2023. The Gallery's governance and operational structure remains the same at the new location.)

**Entity Structure:**  
 Governed by the volunteer Board of Trustees (Charitable Trust), managed by a full-time professionally trained director, supported by part-time staff (weekend custodians, administration) (1.8FTE) and volunteers.

**Main Sources of the Entity's Cash and Resources:**  
 The Gallery receives operational grants from the Marlborough District Council which contribute substantially to its annual operational income. This income is supplemented by income from grants from other funding bodies, fundraising, donations (entry and general), Friends of the Gallery membership payments, shop sales and sponsorship. Many services and items are donated including equipment.

**Main Methods Used by the Entity to Raise Funds:**  
 Most years the Gallery holds a major fundraising event which includes an auction of donated items.

**Entity's Reliance on Volunteers and Donated Goods or Services:**  
 Volunteers contribute to Governance, fundraising and reception services. Donated goods and services support our fundraising initiatives and support the operation eg loan of equipment for exhibitions. These are essential to our operation.

**Additional Information**  
 Entry to the Gallery is free which encourages goodwill and door entry koha/donations. Unfortunately, due to COVID19 restrictions, the Gallery has been unable to hold it's annual fundraising event. This has had a large impact on income.

**Contact details**

Physical Address:	13 Seymour Street, Blenheim
Postal Address:	PO Box 492, Blenheim
Phone/Fax:	03 5792001
Email/Website:	<a href="mailto:info@marlboroughart.org.nz">info@marlboroughart.org.nz</a> / <a href="http://www.marlboroughart.org.nz">http://www.marlboroughart.org.nz</a>
	Millennium Public Art Gallery
Social Network Name:	@millenniumpublicart

**Millennium Public Art Gallery**  
**Statement of Service Performance**  
 "What did we do?", When did we do it?"  
 For the year ended  
 31 March 2023

**Description of the Entity's Outcomes:**  
 Mission: To provide a curated, accessible and informative visual arts experience for the people of Marlborough and visitors through exhibitions, the collection and public programmes.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	Actual	Actual
	This Year	Last Year
Prepare the region's public art collections for transition to the new public art gallery. Including cataloguing, photography etc.	Completed	
Exhibitions with local connections - collaborations, in-house curated exhibitions, collection shows, exhibitions connected to other local events and communities etc.	5	5
Exhibitions of national and international art. Bring in and present nationally touring exhibitions. Fewer held in 2022 due to shift preparations.		5
Lend works from the Gallery's collection for public display in the Council building. In order to increase public exposure to collection works.	8	6
Public programmes - group visits to exhibition-based artist and curator talks - varied groups. Some Covid group visitation restrictions still in place.	18	12
Develop and deliver at least one event or public programme with each exhibition.	achieved	achieved
Partnerships: Invest in and maintain current partnerships. At least 5 partnership projects per year. Staff to contribute to sector regional development initiatives.	achieved	achieved

**Additional Output Measures:**  
 The Millennium Public Art Gallery operation successfully transitioned to the new purpose-built Marlborough Art Gallery (March - May 2023). The new site contains ideal art museum facilities. The same Board of Trustees, staff and volunteer team operate the new art gallery in a bigger and better space.



**Millennium Public Art Gallery**  
**Statement of Financial Performance**  
 "How was it funded?" and "What did it cost?"  
 For the year ended  
 31 March 2023

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Revenue</b>				
Donations, fundraising and other similar revenue	1	5,149		6,771
Fees, subscriptions and other revenue from members	1	4,000		5,144
Revenue from providing goods or services	1	195,378		204,285
Interest, dividends and other investment revenue	1	274		30
Other revenue				
Donations Received for Capital Purposes	11	191,332		-
<b>Total Revenue</b>		<b>396,133</b>	<b>-</b>	<b>216,230</b>
<b>Expenses</b>				
Expenses related to public fundraising	2	1,442		923
Volunteer and employee related costs	2	152,367		141,672
Costs related to providing goods or services	2	80,276		76,626
Other expenses	2	5,592		2,773
<b>Total Expenses</b>		<b>239,677</b>	<b>-</b>	<b>221,994</b>
<b>Surplus/(Deficit) for the Year</b>		<b>156,456</b>	<b>-</b>	<b>(5,764)</b>

**Millennium Public Art Gallery**  
**Statement of Financial Position**  
 "What the entity owns?" and "What the entity owes?"  
 As at  
**31 March 2023**

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	3	64,247		78,916
Debtors and prepayments	3	90,533		11,500
Inventory	3	1,305		1,929
Other current assets				520
<b>Total Current Assets</b>		<b>96,085</b>	<b>-</b>	<b>92,865</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	4	222,062		36,322
<b>Total Non-Current Assets</b>		<b>222,062</b>	<b>-</b>	<b>36,322</b>
<b>Total Assets</b>		<b>318,147</b>	<b>-</b>	<b>129,187</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	3	2,217		3,652
Employee costs payable	3	18,772		13,535
Unused donations and grants with conditions	3	27,844		27,844
Other current liabilities		28,700		-
<b>Total Current Liabilities</b>		<b>77,533</b>	<b>-</b>	<b>45,031</b>
<b>Total Liabilities</b>		<b>77,533</b>	<b>-</b>	<b>45,031</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>240,612</b>	<b>-</b>	<b>84,156</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members	5	69,000		69,000
Accumulated surpluses or (deficits)	5	171,612		15,156
Reserves		-		-
<b>Total Accumulated Funds</b>		<b>240,612</b>	<b>-</b>	<b>84,156</b>

This performance report has been approved by the Trustees, for and on behalf of:  
 Millennium Gallery Trust Nelson Marlborough

Date: 16/8/23  
 Signature: *[Signature]*  
 Name: Rick Wilson  
 Position: Board Chair

Date: 18/8/23  
 Signature: *[Signature]*  
 Name: N.C. TAVEL  
 Position: TRUSTEE

**Millennium Public Art Gallery**  
**Statement of Cash Flows**  
 "How the entity has received and used cash"  
 For the year ended  
 31 March 2023

	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Donations, fundraising and other similar receipts	5,149		5,545
Fees, subscriptions and other receipts from members	4,000		5,144
Receipts from providing goods or services	205,253		204,285
Interest, dividends and other investment receipts	274		30
Net GST	126		520
<b>Cash was applied to:</b>			
Payments to suppliers and employees	229,471		206,299
Donations or grants paid			-
<b>Net Cash Flows from Operating Activities</b>	<b>(14,669)</b>	-	<b>9,225</b>
<b>Cash flows from Investing and Financing Activities</b>			
<b>Cash was received from:</b>			
Receipts from the sale of property, plant and equipment			
Receipts from the sale of investments			
Proceeds from loans borrowed from other parties			
Donation contributed for purchase of PPE	191,332		-
<b>Cash was applied to:</b>			
Payments to acquire property, plant and equipment	191,332		16,698
Payments to purchase investments			
Repayments of loans borrowed from other parties			
Capital repaid to owners or members			
<b>Net Cash Flows from Investing and Financing Activities</b>	-	-	<b>(16,698)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>(14,669)</b>	-	<b>(7,473)</b>
Opening Cash	78,916		86,389
Closing Cash	64,247		78,916
<b>This is represented by:</b>			
Bank Accounts and Cash	64,247		78,916

**Millennium Public Art Gallery**  
**Statement of Accounting Policies**  
**"How did we do our accounting?"**

**For the year ended**  
**31 March 2023**

**Basis of Preparation**

Millennium Public Art Gallery has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

**Goods and Services Tax (GST)**

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

**Income Tax**

Millennium Public Art Gallery is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

**Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

**Tier 2 PBE Accounting Standards Applied (if any)**

No Tier 2 PBE Accounting Standards have been applied in the preparation of the performance report.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year (last year - nil). All policies have been applied on a consistent basis with last year.

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
 For the year ended  
 31 March 2023

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year \$	Last Year \$
Fundraising revenue	Analysis	\$	\$
	Fundraising Exhibition Commission	-	1,226
	Fundraising Operational	-	-
	<b>Total</b>	<b>-</b>	<b>1,226</b>
Donations and other similar revenue	Analysis	\$	\$
	Donations/koha from the public	2,249	2,615
	General Donations	2,900	2,930
	Corporate Donations	-	-
	<b>Total</b>	<b>5,149</b>	<b>5,545</b>
Fees, subscriptions and other revenue from members	Analysis	\$	\$
	Fees and subscriptions from members	4,000	5,144
	Exhibition Sponsors	-	-
	<b>Total</b>	<b>4,000</b>	<b>5,144</b>
Revenue from providing goods or services	Analysis	\$	\$
	Revenue from grants or contracts for service with local government	180,500	160,500
	Revenue from grants or contracts for service with non-governmental agencies	-	26,698
	Revenue from commercial activities	-	-
	Revenue from sales to the public	14,878	17,086
	<b>Total</b>	<b>195,378</b>	<b>204,284</b>
Interest, dividends and other investment revenue	Analysis	\$	\$
	Interest	274	30
	<b>Total</b>	<b>274</b>	<b>30</b>
Other revenue	Analysis	\$	\$
	<b>Total</b>	<b>-</b>	<b>-</b>

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
 For the year ended  
 31 March 2023

**Note 2 : Analysis of Expenses**

Expense Item	Analysis	This Year	Last Year
		\$	\$
Expenses related to public fundraising	Friends & Auction Expenses	1,442	923
	<b>Total</b>	<b>1,442</b>	<b>923</b>

Expense Item	Analysis	This Year	Last Year
		\$	\$
Volunteer and employee related costs	Salaries and Wages	149,563	138,524
	ACC levies	387	354
	Board Expenses	-	-
	Recruitment	-	-
	Training and Professional Development	2,198	390
	Travel and Accommodation	183	1,997
	Volunteers	36	407
<b>Total</b>		<b>152,367</b>	<b>141,672</b>

Expense Item	Analysis	This Year	Last Year
		\$	\$
Costs related to providing goods or services	Direct costs relating to service delivery	22,389	14,662
	Administration and overhead costs	47,716	51,133
	Repairs and Maintenance Building, Plant and Equipment	-	-
	Affiliation Fees	776	775
	Shop Purchases	9,395	10,056
	<b>Total</b>		<b>80,276</b>

Expense Item	Analysis	This Year	Last Year
		\$	\$
Grants and donations made	Project Grant Expenses	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Expense Item	Analysis	This Year	Last Year
		\$	\$
Other expenses	Depreciation	5,592	2,773
	<b>Total</b>	<b>5,592</b>	<b>2,773</b>

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
 For the year ended  
 31 March 2023

**Note 3 : Analysis of Assets and Liabilities**

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	Cheque account balance	36,043	50,986
	Savings account balance	28,132	27,858
	Exhibitions Account	-	
	Petty Cash	12	12
	Cash Floats	60	60
	<b>Total</b>		<b>64,247</b>

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Undeposited Funds	125	
	Accounts receivable	-	11,500
	GST Receivable	30,408	520
	<b>Total</b>		<b>30,533</b>

Asset Item	Analysis	This Year \$	Last Year \$
Inventory	Shop Stock	1,303	1,929
	<b>Total</b>	<b>1,303</b>	<b>1,929</b>

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
For the year ended  
31 March 2023

**Note 3 : Analysis of Assets and Liabilities**

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses			
	Trade and other payables	2,217	3,652
	<b>Total</b>	<b>2,217</b>	<b>3,652</b>
		<b>This Year</b>	<b>Last Year</b>
		<b>\$</b>	<b>\$</b>
Employee costs payable			
	Wages and salaries earned but not yet paid	-	-
	Holiday pay accrual	18,772	13,536
	COVID19W Wage Subsidy	-	-
<b>Total</b>	<b>18,772</b>	<b>13,536</b>	
		<b>This Year</b>	<b>Last Year</b>
		<b>\$</b>	<b>\$</b>
Unused donations and grants with conditions			
	Painted Stories - Te Tai Tamariki	27,844	27,844
	<b>Total</b>	<b>27,844</b>	<b>27,844</b>
		<b>This Year</b>	<b>Last Year</b>
		<b>\$</b>	<b>\$</b>
Other current liabilities			
	GST on Donation, Due back on loan	28,700	-
	<b>Total</b>	<b>28,700</b>	<b>-</b>



**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
For the year ended  
**31 March 2023**

**Note 4 : Property, Plant and Equipment**

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	-			-	-
Buildings	16,586			2,039	14,547
Motor Vehicles	-				-
Furniture and fixtures	3,038	191,332		3,553	190,817
Office equipment	-				-
Computers (including software)	-				-
Website Development	16,698				16,698
Heritage assets	-				-
<b>Total</b>	<b>36,322</b>	<b>191,332</b>	<b>-</b>	<b>5,592</b>	<b>222,062</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	-			-	-
Buildings	18,945			2,359	16,586
Motor Vehicles					-
Furniture and fixtures	3,933		481	414	3,038
Office equipment					-
Computers (including software)	4,925		4,925		-
Website Development		16,698			16,698
Heritage assets	102,042		102,042		-
<b>Total</b>	<b>129,845</b>	<b>16,698</b>	<b>107,448</b>	<b>2,773</b>	<b>36,322</b>

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
For the year ended  
31 March 2023

Note 5: Accumulated Funds

This Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
<b>Opening Balance</b>	69,000	15,156	-	<b>84,156</b>
Capital contributed by owners or members				-
Capital returned to owners or members	-			-
Surplus/(Deficit)		156,456		156,456
Distributions paid to owners or members		-		-
Transfer to Reserves		-	-	-
Transfer from Reserves		-	-	-
<b>Closing Balance</b>	<b>69,000</b>	<b>171,612</b>	<b>-</b>	<b>240,612</b>

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
<b>Opening Balance</b>	69,000	122,962	-	<b>191,962</b>
Capital contributed by owners or members				-
Heritage Asset - Collection Works	-	(102,042)		(102,042)
Surplus/(Deficit)		(5,764)		(5,764)
Distributions paid to owners or members		-		-
Transfer to Reserves		-	-	-
Transfer from Reserves		-	-	-
<b>Closing Balance</b>	<b>69,000</b>	<b>15,156</b>	<b>-</b>	<b>84,156</b>

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
For the year ended  
31 March 2023

**Note 6 : Commitments and Contingencies**

**Commitments**

There are no commitments as at balance date (Last Year - nil)

**Contingent Liabilities and Guarantees**

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

**Millennium Public Art Gallery**  
**Notes to the Performance Report**  
For the year ended  
31 March 2023

**Notes 7-11**

**Note 7: Events After the Balance Date**

**Events After the Balance Date:**

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

**Note 8: Ability to Continue Operating**

The trustees consider the Trust has sufficient assets and working capital for the foreseeable future. The performance report is prepared on the going concern basis.

**Note 9: Correction of Errors**

None

**Note 10: Related Party Transactions**

None. There are no related party transactions this year (Last year - nil)

**Note 11: Hydestor Racking Addition**

This year the gallery received a donation to fund the cost of the new racking system. As the Trust is applying PBE SFR - A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-for-Profit) standards, this donation is recorded as income, even though it is for capital purposes. The up-shot of this is to disclose a profit of \$156,456. Without this capital donation a loss of \$34,876 would be recorded.

**Additional Information**

None

# MARLBOROUGH ART GALLERY TE KAHU O WAIPUNA

Note 11 to the 31 March 2023 Millennium Gallery Trust Board Marlborough's Performance Report by Simon Danson, Nelson Marlborough Audit Limited:

This year the gallery received a donation to fund the cost of the new racking system. As the Trust is applying PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting Accrual (Not-for-Profit) standards, this donation is recorded as income, even though it is for capital purposes. The up-shot of this is to disclose a profit of \$156,456. Without this capital donation a loss of \$34,876 would be recorded.

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INFO@MARLBOROUGHART.ORG.NZ BLENHEIM 7201  
03 579 2001 NEW ZEALAND

## 4.36 Fees & Charges Cemeteries

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(Report prepared by Linda Craighead & Grahame Smail/Jamie Lyall)

R510-001-000-01

### Purpose of report

1. To consider an increase in cemetery fees to recover a greater proportion of total operating costs.

### Executive Summary

2. The Council has statutory obligations to operate and maintain public cemeteries in Marlborough under the Burial and Cremation Act 1964. The day-to-day maintenance and responsibility for burials and interments is managed through cemetery and open space maintenance contracts.
3. At present the Council has a policy of a 50/50 ratepayer funded/user pays share for cemetery related operating costs. The 50/50 policy was approved by the Council after considering fees from other councils, a public consultation, hearing and decision-making process in 2019. Up until this time the proportion had been around 70% ratepayer funded / 30% user pays.
4. The justification for increasing the public vs private proportion to 50/50 was that the main beneficiaries of cemetery services are those who have passed and their families.
5. As part of considering where cost savings could be made for ratepayers, Councillors could review the 50/50 ratepayer funded/user pays policy for cemetery related fees and decide whether the user pays proportion should be increased. Depending on the level of increase there could potentially be annual savings of between \$67k and \$201k for ratepayers. The views of the public on such a proposal could be sought through the Long-Term Plan consultation process.
6. Whether the 50/50 policy remains or is changed to a different recovery ratio, it is important that annual CPI adjustments are made to the fees to ensure the adopted ratio is maintained for subsequent years.

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## RECOMMENDATIONS

### That Council:

1. **Agree to consult through the Long Term Plan process on changing the proportion of cemetery costs to 30% funded by ratepayers and 70% funded by users; and**
2. **Agree to transition to the proposed proportions over a three year period.**

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## Background/Context

7. The Council has statutory obligations to operate and maintain public cemeteries in Marlborough under the Burial and Cremation Act 1964<sup>3</sup>. For most of the Council's open cemeteries, the day-to-day maintenance and responsibility for burials and interments is managed through cemetery and open space maintenance contracts. This approach is used for managing the cemeteries at Seddon, Fairhall, Omaka, Tua Marina, Picton, Havelock and Rai Valley. At the Ward cemetery the local settlers association have been contracted by the Council to undertake day to day maintenance activities. However, burials and interments at the Ward cemetery are undertaken by a separate contractor.
8. At present the Council has a policy of a 50/50 ratepayer funded/user pays share for cemetery related operating costs. The 50/50 policy was approved by the Council after a public consultation, hearing

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<sup>3</sup> The Burial and Cremation Act is under review. The Council submitted on the review process in 2020 but there is no update on when the new legislation may be expected. At the time the Council's submission highlighted a number of implications including potential cost increases if some of the suggested changes were to proceed.

and decision-making process in 2019. Prior to this time the proportion had been around 70% ratepayer funded / 30% user pays.

9. As part of the process of adopting the 50/50 policy the Council noted that at the time the fees applicable to Marlborough's cemeteries were considerably lower when considered alongside the averaged fees for 17 other councils around New Zealand.
10. The Council adopted a staged approach to the increase of fees to achieve the 50/50 split over five years and also adopted that annual CPI adjustments would be made. The staging has now been completed with fees at the 50/50 level. A rationalisation and consolidation of the fees to be applied across the whole district was also undertaken as part of the review process.
11. The justification for the public vs private ratio at 50/50 was that the main beneficiaries of cemetery services are those who are interred and their families. Cemeteries are a physical place where loved ones are laid to rest but are also a place for family, friends and loved ones to reflect and to celebrate and remember.
12. The ratepayer share of cemetery costs is an acknowledgement of the public benefit of cemetery services including:
  - Being a safe way to care for our dead with standards that protect public health and the environment.
  - Providing a record about those who have gone before. They are important for heritage and historical research providing records of genealogy and help with ancestral research.
  - Cemeteries contributing to the open space network of our communities, through providing some localised areas of open space and amenity.

### Assessment/Analysis

13. As part of considering where cost savings could be made for ratepayers it may be appropriate to review the 50/50 ratepayer funded/user pays policy for cemetery related operating costs and determine whether the user pays ratio should be increased.
14. Based on 2023 operating costs of \$670,000 for the Council's cemeteries, the following table shows the additional revenue that would result from increasing the user pays proportion under four scenarios. The immediate cost saving for ratepayers under each scenario is also included within the right-hand column of the table.

Ratepayer/user pays split	Ratepayer proportion based on \$670,000 operating costs	User pays proportion based on \$670,000 operating costs	Estimated Cost per Burial/ Interment (user pays)		Ratepayer saving under each scenario
			Burial	Ashes	
Current 50/50 split	\$335k	\$335k	\$4,553	\$1,610	
40/60 split	\$268k	\$402k	\$5,463	\$1,932	\$67k
30/70 split	\$201k	\$469k	\$6,374	\$2,254	\$134k
25/75 split	\$167.5k	\$502.5k	\$6,829	\$2,415	\$167.5k
20/80 split	\$134k	\$536k	\$9,106	\$3,220	\$201k

15. If Councillors were of a mind to consider increasing the user pays proportion of cemetery fees this could either be done in one jump or it could be staged as occurred with the adoption of the 50/50 policy approach in 2019. Importantly, if an increase is approved then the fees should be CPI adjusted annually. Once the adopted 'new' level is reached ongoing CPI adjustments should be made to ensure the new policy level can be maintained.

16. As part of the LTP consultation process ratepayers could be asked whether they would support a user pays increase in the recovery of cemetery related costs and if they supported an increase, whether it should be staged in its introduction.
17. A change to the proportions of 30% ratepayer / 70% user pays is recommended in this paper. This proportion is being implemented by other Councils around the country.

**Next steps**

18. If the Council confirms the user pays proportion of cemetery operating costs is to remain at 50% then annual adjustments will be made to ensure the user pays recovery remains at this level.
19. If the Council considers that users should contribute a greater proportion of cemetery related costs then a question about this should be included within the Long Term Plan consultation document to gauge community response. The question could propose a range of options for an increase as well as whether any increases should be immediate or stage over a period of time.

Author	Linda Craighead, Planner – Parks and Open Spaces & Grahame Smail, Parks Officer – Parks and Open Spaces
Authoriser	Jamie Lyall, Property & Community Facilities Manager



## 4.37 Fees & Charges

### Parking Fees

(Report prepared by Jamie Lyall)

R800-002-01

#### Purpose of report

1. The purpose of this paper is to propose changes to Blenheim's Central Business District (CBD) parking fees and time limits. It is proposed to leave Picton's CBD parking areas and fees unchanged.

#### Executive Summary

2. Parking in Blenheim's CBD is showing high occupancy levels in central off-street carparks (82%) and consistently low levels in the off-street parking on the CBD edges (18%).
3. It is proposed to change time limits and adjust fees to distribute parking more evenly across the CBD. This will free up spaces in the core of the CBD for retail and business activity and incentivise cheaper options for all day parking on the edges of the CBD. The outer carparks are a distance of approximately 300 metres from the core of the CBD.
4. Scenario modelling using current meter activations and revenue data has been undertaken. The scenarios, which use assumptions based on parking behaviour, show that the proposed time limits and fee structure will produce sufficient revenue to break-even. An allowance has also been included for the enforcement contract increases which is currently being prepared for tender by NZTA.
5. The following changes are proposed:
  - a. Blenheim on-street (kerbside) parking fee to increase from \$1.80 per hour to \$2.00 per hour. First hour free to still apply. High, Wynen and Queen Street off-street carparks be time limited to 4 hour parking and the fee increased to \$2.00 per hour from \$1.20 per hour. First hour free to still apply.
  - b. Clubs of Marlborough, Kinross and Alfred Street Parking Building off-street carparks become all day carparks and the fee increased to \$1.50 per hour and \$6.00 per day. First hour free to still apply.
  - c. Railway Station and Scott Street off-street carparks remain as all day car parks and the fee reduced to \$1 per hour from \$1.20 per hour and \$4.00 per day from \$4.80 per day. First hour free to still apply.

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#### RECOMMENDATION

**That Council approve the proposed fee changes and time limit changes for off-street and on-street parking in Blenheim's CBD for consultation in the Long Term Plan process.**

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#### Background

6. Council's parking portfolio currently operates with a small surplus as per the parking budget for Blenheim and Picton provided below in Figure 1 below. This includes depreciation and funding of interest costs which is forecast to end in year 2029-30.
7. Collections refers to the revenue obtained through parking fees and is less than one third of the portfolio's total income.

23-24 Budget Parking	
Collections	\$688,000
Infringements	\$975,000
Leases	\$312,000
Recoveries/Misc	\$152,000
<b>Total</b>	<b>\$2,127,000</b>
Operating costs	\$1,272,000
Depreciation	\$460,000
Interest	\$217,000
Internal costs	\$139,000
<b>Total</b>	<b>\$2,088,000</b>
<b>Surplus/(Deficit)</b>	<b>\$39,000</b>

Figure 1- 23/24 Parking Budget

8. Blenheim's CBD is serviced by kerbside (on-street parking) and 8 off-street carparks including the Alfred Street Parking Building. Picton has time restricted kerbside parking and 3 off-street car parks.
9. In 2019 a new Pay by Plate system was introduced which provides data for parking analysis and assessment. This data is also complimented by regular surveys which explore parking trends and commuter behaviour. The following trends are being observed in relation to parking in Blenheim's CBD:
  - a. The number of vehicles parking in the CBD has remained static with a slight decrease of vehicles parked on the edges of town.
  - b. Parking is increasingly becoming more centralised with occupancies ranging from 82% in the core of the CBD out to 18% on the periphery.
  - c. Kerbside (on-street) parking has not changed and has an occupancy of 90% with an average length of stay at 54 minutes.
10. In 2020-21 Council adopted First Hour Free parking in response to retailers request due to the Covid pandemic.
11. Three main factors primarily influence parking behaviours:
  - a. Cost – Parking fees/tariffs
  - b. Duration – Available parking time
  - c. Occupancy – Number of parks available

### Proposal – Blenheim CBD parking

12. It is proposed that Blenheim's core central carparks have appropriate fees and time restrictions to promote easy and quick access to retail shopping and CBD businesses, whilst the outer off-street carparks should have a lower fee and incentivise all day parking for those working in the CBD. Scenarios show that this model would distribute parking occupancy more evenly throughout the CBD parking network.

13. Staff propose that parking in Blenheim's CBD is split into 3 Zones (Figure 2 below).
- a. Zone A (Red) – High, Wynen and Queen Street carparks
  - b. Zone B (White) – Clubs of Marlborough, Alfred Street Parking Building and Kinross carparks
  - c. Zone C (Blue) – Railway Station and Scott Street carparks

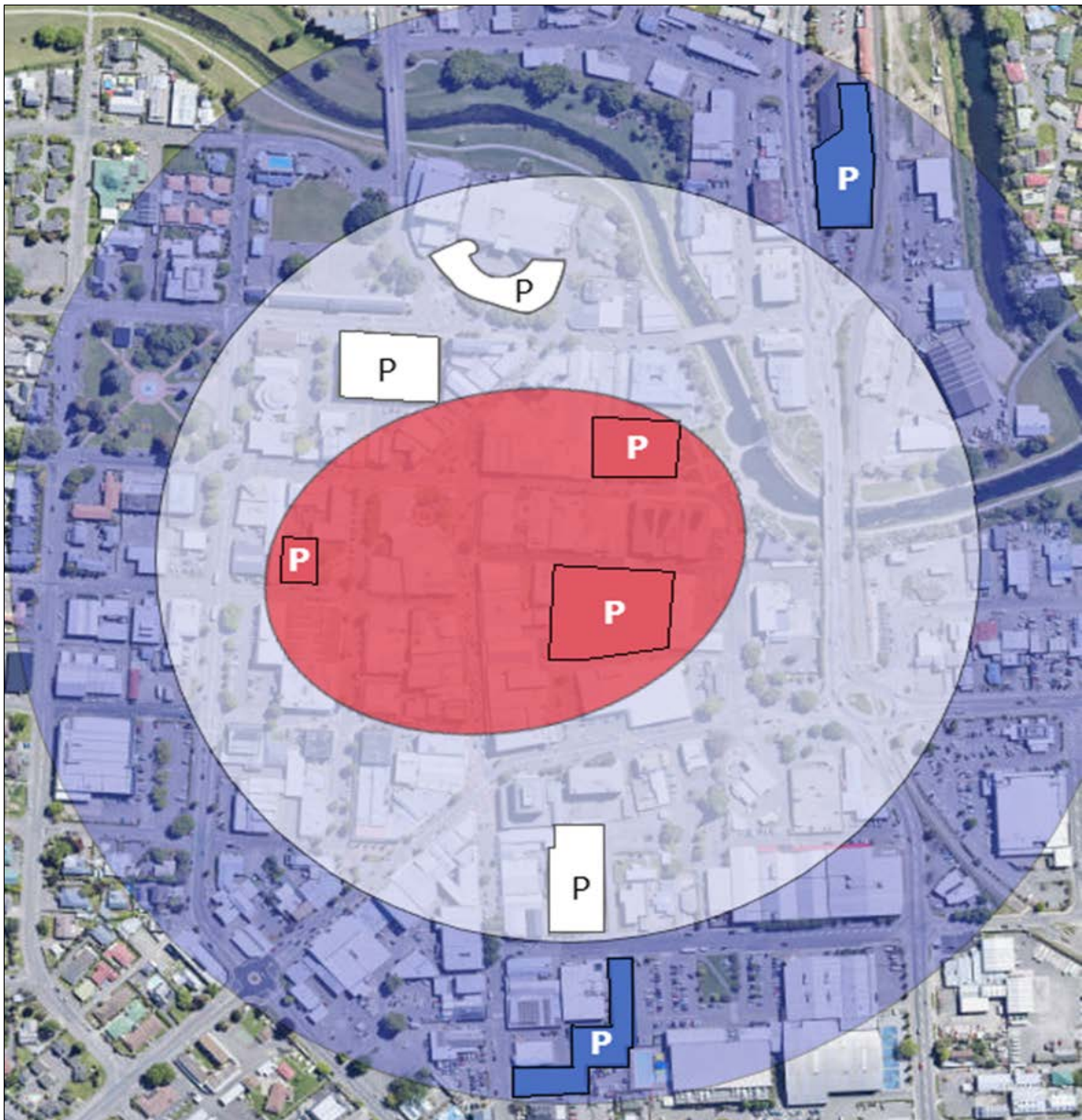


Figure 2 – Proposed Parking Zones

### Occupancy rates

14. The parking occupancies has been calculated on averages from the carparks within the zones. A peak parking period exists between 10am-2pm which means at peak times the most central carparks are often full.
- a. Parking occupancy in the most centralised off-street carparks (Queen, High and Wynen) presently sits at 82%.
  - b. Parking occupancy of the mid-area off-street carparks (Clubs of Marlborough, Kinross and Alfred Street Parking building) is 58%.
  - c. The occupancy in the outer areas off-street carparks (Scott and Railway Station) is low at 18%.

15. Current occupancy rates of Blenheim's off-street car parks is as per (Figure 3 below).

Zone	Car Park	Spaces	Current		Zone totals		
			avOccupancy	% Occupancy			
X	Kerbside metered			90%			90%
A	Queen	22	21	95%	250	204	82%
	High	61	45	74%			
	Wynen	167	138	83%			
B	Clubs of Marl	57	27	47%	352	203	58%
	Kinross	89	55	62%			
	Alfred St building	206	121	59%			
C	Scott	104	18	17%	188	33	18%
	Railway Station	84	15	18%			

Figure 3 – Occupancy rates

**Time limits**

16. It is proposed to change Wynen Street parking from all day parking to 4 hour parking and Clubs of Marlborough parking from 4 hours to all day parking. The other off-street parking areas will remain unchanged (see Figure 4 below).

Zone	Car Park	Current Time	Proposed Time
		Restriction	Restriction
X	Kerbside metered	2hrs	2hrs
A	Queen, High	4hrs	4hrs
	Wynen	All day	4hrs
B	Clubs of Marl	4hrs	All day
	Kinross & Alfred St building	All day	All day
C	Scott St & Railway Station	All day	All day

Figure 4 – Parking time limits

**Fees**

**Kerbside Parking (On-street)**

17. It is proposed that the time limits for on-street parking (Zone X) would remain unchanged however the fee would increase from \$1.80 per hour to \$2.00 per hour (see Figure 5 below).

**Off- street parking**

- 18. It is proposed that the fee for the High, Wynen and Queen Street off-street carparks be increased to \$2.00 per hour from \$1.20 per hour.
- 19. It is proposed that the fee for the Clubs of Marlborough, Kinross and Alfred Street Parking Building off-street carparks be increased to \$1.50 per hour and \$6.00 per day.
- 20. It is proposed that the fee for the Railway Station and Scott Street off-street carparks be reduced to \$1 per hour from \$1.20 per hour and \$4.00 per day.

Zone	Car Park	Current tariff/hr	Proposed tariff/hr	Current tariff/day	Proposed tariff/day
X	Kerbside metered	\$1.80	\$2.00	N/A	N/A
A	Queen, High	\$1.20	\$2.00	N/A	N/A
	Wynen	\$1.20	\$2.00	\$4.80	N/A
B	Clubs of Marl	\$1.20	\$1.50	N/A	\$6.00
	Kinross & Alfred St building	\$1.20	\$1.50	\$4.80	\$6.00
C	Scott St & Railway Station	\$1.20	\$1.00	\$4.80	\$4.00

Figure 5 – Parking fees

### Leases and permits

21. The rates for leases and permits will be adjusted to align with the maximum 8 hour day rate.

### Projected enforcement contract increase costs

22. NZTA administers the parking function through Marlborough Roads on behalf of Council. NZTA is preparing a tender package for parking enforcement services. The new contract is scheduled to take effect from 1 July 2024. The new contract price will not be known until May 2024.
23. The current contract has been in place for 7 years and the staff view is that the tender price will increase substantially. The parking enforcement function can be confrontational and has a very high staff turn-over rate. A realistic contract increase has been budgeted.

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive

## 4.38 Fees & Charges

### Dog Control Fees Review for the 2024/2025 Registration Year

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(Report prepared by Jamie Clark/Gina Ferguson)

E305-001-001

#### Purpose of report

1. The purpose of this report is to review the current dog control fees for the 2024/2025 registration year.

#### Executive Summary

2. The current dog registration fees were last increased in 2022; prior to that the last increase was 2018.
3. The current dog fees have been reviewed and it is recommended to increase the dog registrations as per the proposed fee schedule. An increase of CPI 4.7% for registration fees 2024/25 year in line with the Consumers Price Index (CPI) December Annual CPI figure reported by Statistics NZ.
4. With the proposed dog registration fee increase the revenue is forecast to maintain Council's approved 80/20, fees recovery and rates funding split. This aligns with Council's Revenue and Financing Policy.

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#### RECOMMENDATION

**That Council adopts the proposed changes to fees schedule for dog registration commencing 1 July 2024 for the 2024/2025 registration year.**

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#### Background/Context

5. Council is required under section 37 of the Dog Control Act 1996 to set dog control fees on an annual basis. The fees must be set by resolution and must be publicly advertised at least once during the month preceding the start of the registration year (1 July – 30 June).
6. Council is also required under section 68 of the Dog Control Act 1996 (the Act), from time to time to set reasonable poundage and sustenance fees for dogs which are seized and impounded. The Act states that local authorities may set different fees for registered and unregistered dogs and set a graduated scale of fees for the repeated impounding of the same dog. The fees must be fixed by resolution and must be publicly advertised in the local newspaper at least 14 days prior to coming into effect. All fees must be paid in full before a dog is released from the pound.
7. Dog registration fees are due by 1 July each year. Dog owners are charged a late payment penalty (50% of the applicable registration fee) if they pay after 1 August. If a dog is registered for the first time during the registration year a proportional fee is charged.
8. At the Council Budget Meeting on 19 February 2015, an 80/20 allocation between dog owners and the community respectively was approved.
9. There were changes to the dog registration fees and categories for the 2022/2023 year along with an increase in surrender fess. Prior to this there had been no increase in dog registration fees since 2018/19.
10. The new Council contract for Animal Control Services which commences on 1 April 2022 had been awarded to Maataa Waka Ki Te Tau Ihu Trust. This is a fixed price contract with a maximum contract term of seven years, and it expires on 31 March 2029.
11. The contract price had been fixed with no escalation for the last **two years**. **A CPI increase can be sought annually** in writing prior to the end of the calendar year to enable any increase to be factored in when reviewing and setting fees for the following registration year.

12. A CPI increase request has been sort by the contractor for the current year 2024/25
13. Dog registration fees help to fund a range of services that are designed to help dogs, their owners and the wider community such as:
  - Monitoring and enforcing the Dog Control Act 1996 and ensuring compliance with the Marlborough District Council Dog Control Bylaws 2021 and the Dog Control Policy 2021.
  - Responding to and investigating complaints (including dog rushes and attacks on people, domestic pets, stock and wildlife, barking nuisance, roaming and lost and found dogs).
  - Providing and maintaining the pound facilities.
  - Providing dog safety education for dog owners, schools and the public.
  - Patrolling public areas, reserves, parks, beaches and sports fields throughout Marlborough.
  - Development of recreational opportunities for dogs including the Renwick Dog Park and the proposed Blenheim Dog Park.
  - Providing signage related to dog access to public places and reserves and providing the doggie doo stations in public places and reserves.

### Categories and Numbers of Dogs Registered in Marlborough

14. The trend of increasing numbers of dogs in the district is continuing.
15. The breakdown of categories and numbers of active dogs currently registered in Marlborough (as of 9 January 2024) is detailed in the table below:

Table One – Registration Categories and Numbers for 2023 and 2024

<b>Registration Category</b>	<b>Numbers Registered As of 9 January 2023</b>	<b>Numbers Registered As of 4<sup>th</sup> January 2024</b>
Category 1	<b>5081</b>	<b>5130</b>
Category 2 (this includes menacing dogs)	<b>2960</b>	<b>3026</b>
Old Dogs	<b>881</b>	<b>960</b>
Working Dogs*	<b>1651</b>	<b>1635</b>
Dangerous Dogs	<b>12</b>	<b>10</b>
<b>Total dogs</b>	<b>10585</b>	<b>10761</b>

#### **Category 1**

Any non-working dog that met all of the criteria below:

- Microchipped: The dog has been implanted with a functioning microchip transponder of the prescribed type and in the prescribed location.
- Desexed: The dog has been desexed.
- Classification: The dog has not been classified as dangerous or menacing. The owner has not within the previous seven years been classified as probationary or been disqualified from owning a dog.
- Enforcement Action: The owner of the dog has not within the previous seven years been convicted of an offence under the Dog Control Act 1996, or within the previous two years, committed any infringement offence.

#### **Category 2**

Any non-working dog that did not meet the criteria of a Category 1 dog.

#### **Working Dogs**

\* Includes dogs primarily used for herding or driving stock (1635), Disability Assist Dogs (Guide - and Hearing (4), Police dogs (5), and Companion dogs (2).

**Old Dog Category**

Status for the 2024/25 registration year required meeting the following criteria:

- The dog was registered for the first time on the National Dog Database prior to 1 July 2012 (i.e. the dog will be over 12 years old for the 2024/25 registration year);
- The dog did not have to be desexed.
- The dog only had to be microchipped if registered for the first time on or after 1 July 2006 (as per section 36A of the Dog Control Act 1996);
- There had been no infringement under the Dog Control Act 1996 in the two previous registration years (i.e., from 1 July 2021 onwards) relating to the dog owned by the person applying for the registration; and
- Dangerous dogs and working dogs were excluded from the old dog category status.

**Fee Proposal Options for 2024/25**

16. Increase of 4.7% is recommended for all the categories of dog for the 2024/25 dog registration fee year.
17. There has been no increase in registration fees since 2022.
18. The contract price has not increased since April 2022.
19. A CPI adjustment (5.6%) has been requested and approved as per conditions of the contract from the contractor for the period 2024/2025.
20. The proposed fees for the 2024/25 registration year are set out in the fee table below.
21. Late payment penalties (50% of the applicable registration fee) are issued if registration paid after 1 August.
22. A microchipping project is continuing to increase microchipping compliance.
23. Pro-rata fees are charged when registering a new dog.
24. Rebates are also provided if Animal Control is notified of category changes (once dogs have been desexed) or if a dog dies.

**Goods and Services Tax**

25. The charges described in this document include GST.

**Assessment/Analysis**

26. The Animal Control budget provision and fee review for the 2024/25:
  - a) Current revised budget 2024/25 \$26,141 deficit based on 80/20 user pay / ratepayer
  - b) CPI Fee increase(4.7%) 2024/2025 \$2,259 surplus based on 80/20 user pay / ratepayer

**Option One– Increase the fees for registration of 4.7%**

27. Increase dog registration fees (see table below).

**Advantages**

16. This increase will allow the Dog Control revenue to align with Council's Revenue and Financing Policy.
17. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining the groups level of service.
18. Will avoid additional burden on Councils rate payer's fees.



*Disadvantages*

28. Increased costs to dog owners for registration.

**Option Two Status Quo – Maintain current dog registration and pound fees.**

29. No changes to dog registration and pound fees for the 2024/25 year.

*Advantages*

30. No increase in costs for dog owners.

*Disadvantages*

31. Increases in CPI and contract costs will not be recovered in alignment with Councils Revenue and Financing Policy of 80% of costs being recovered from dog owners and 20% from the general rate payer.
32. Inability to maintain current levels of service without adequate cost recovery.
33. Increased costs to rate payer.

**Proposed Fees Schedule 2024-2025**

<b>Fee Category</b> (All fees and charges are GST inclusive)	Current Fees 2023/24	<b>Proposed Fees 2024/25</b>
(Category 1)	\$62	<b>\$65</b>
(Category 2)	\$92	<b>\$96</b>
<b>Working Dog</b> 10 + working dogs (for each extra dog)	\$22 \$11	<b>\$23</b> <b>\$12</b>
<b>Guide, Hearing, Police and Council approved Companion Dogs</b>	No fee	<b>No fee</b>
<b>Old Dog</b>	\$46	<b>\$48</b>
<b>Dangerous Dog</b>	\$138	<b>\$144</b>
<b>Replacement Tag</b> (if lost or damaged)	\$5	<b>\$5</b>
<b>Multiple Dog Licence</b> (2 or more dogs in non-rural areas)	\$75	<b>\$79</b>
<b>Seizure fee</b>	\$100	<b>\$100</b>
<b>Pound Fee – first impounding registered.</b> – first impounding unregistered	\$75 \$100	<b>\$75</b> <b>\$100</b>
<b>Pound Fee - second impounding</b>	\$150	<b>\$150</b>
<b>Pound Fee - third impounding and subsequent impounding</b>	\$200	<b>\$200</b>
<b>Pound - Daily Sustenance &amp; Care</b> (to cover food, exercise, cleaning the pound etc.)	\$15	<b>\$15</b>
<b>Pound - Surrender fee</b>	\$100	<b>\$100</b>
<b>Microchipping fee</b>	\$25	<b>\$25</b>

Author	Jamie Clark – Contract Manager for Animal Control
Authoriser	Gina Ferguson, Consents & Compliance Group Manager

## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposed dog registration fee revenue increase is forecast to maintain Council's approved 80:20, fees recovery and rates funding split.

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	✓
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓

### **Financial considerations**

There are no known financial implications and Animal Control Services have been budgeted for in the Compliance Group budget and LTP.

### **Risks: Legal / Health & Safety etc**

There are no known significant risks or legal implications as the review of the dog control fees is being undertaken in accordance with section 37 and 68 of the Dog Control Act 1996.

### **Social well-being**

Council recognises that dogs can play a positive role in society and provide enjoyment and health benefits for individuals and families. Dog fees need to be affordable, cover the cost of the Animal control Services function and minimise danger, distress and nuisance to the community generally.

## 4.39 Fees & Charges

### Proposed Fee Structure for Dam Safety Programme

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(Report prepared by Dhyanom Gala/Gina Ferguson)

R450-002-T01

#### Purpose of report

1. The purpose of this report is for the Council to introduce a new fee structure within the Building Control Group's Fees and Charges Policy to recover the administration costs relating to managing its functions under the Building (Dam Safety) Regulations 2022.

#### Executive Summary

2. The Council has obligations to meet in response to the Building (Dam Safety) Regulations 2022 which will come into force on 13 May 2024.
3. All classifiable dams will be subject to post-construction dam safety requirements which will be administered by the Building Control Group.
4. Processes, procedures, and digital infrastructure are required to enable the successful administration of these Regulations.
5. It is proposed that the fees to administer the regulations be passed onto the owners of classifiable dams and that the proposed fee structure will provide the classifiable dam owners with some certainty regarding the compliance costs in relation to meeting their obligations of the regulations.

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#### RECOMMENDATION

**That Council approve consultation under Section 83 of the Local Government Act 2002 for the fee structure proposed in Option A to introduce the new fee schedule for recovering charges associated with dam safety programme activities effective from 1 July 2024.**

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#### Background/Context

6. In accordance with the Building Act 2004 (the Act), the Building Control Group (BCG) carries out two main functions relating to buildings that are dams, that of the Building Consent Authority (BCA) and that of the Regional Authority.
7. The Building (Dam Safety) Regulations 2022 (the Regulations) were published on 09 May 2022 and will come into force on 13 May 2024. The purpose of these regulations is to ensure classifiable dams are well operated, maintained and regularly monitored, therefore reducing the potential risks of dam incidents and failures on the community, historical or cultural places, critical or major infrastructure, and the natural environment.
8. Since 1960 there have been 25 known dam incidents in Aotearoa/New Zealand, with at least 14 being considered serious. There have been no recorded fatalities to date.
9. It is difficult to comprehend the likelihood of dam incidents, as the frequency of both dam failure and extreme events leading to dam failure (such as floods and earthquakes) is typically very low. However, serious dam failure can have catastrophic consequences resulting in loss of life and injuries (notably in highly populated centres), and significant damage to property, infrastructure, and the environment.
10. The Regulatory framework for dam safety is risk-based. It has been designed to balance regulatory requirements with the level of hazard presented by the dam. A "classifiable dam":
  - a) Has a height of 4 or more metres and stores 20,000 or more cubic meters volume of water or other fluid; or
  - b) Has a height of 1 or more metres and stores 40,000 or more cubic meters volume of water or other fluid.

11. It is the responsibility of a dam owner to establish whether their dam meets the height and volume thresholds of a classifiable dam and to fulfil dam safety requirements.
12. While the Building Act provides a framework for dam safety management, it is the Regulations which will bring this framework for post-construction dam safety of classifiable dams into a single, consistent nationwide framework. The Regulations set out responsibilities for dam owners, recognised engineers, and regional authorities.
13. Ensuring dam safety is crucial, given the potential risks can affect everyone. Council has been proactive in communicating with dam owners and will continue to do so, to remind them of their responsibilities and the consequences of non-compliance and also help them with providing resources to meet their obligations under the regulations.
14. The Regulations require the Council, as the regional authority, to carry out the following functions:
  - a) Establish and maintain a Dam Register.
  - b) Approve or refuse the Dam Classification Certificate (Form 1),
  - c) Approve or refuse the Dam Safety Assurance Programme (Form 2),
  - d) Receive the Annual Safety Assurance Programme Dam Compliance Certificates (Form 3),
  - e) Take action, if necessary, if any dam, large or small, poses an immediate danger to the safety of persons, property, or the environment.
  - f) Enforce compliance with the Act and the Regulations using the Act's enforcement powers, if necessary.
  - g) Adopt, implement and review (5-yearly) the dangerous dams, flood-prone dams, and earthquake-prone dams policy.

### **Assessment/Analysis**

15. To date, establishing a dam register, the adoption of the dangerous dams, flood-prone dams, and earthquake-prone dams policy together with the implementation of the processes, procedures and digital infrastructure required to administer the Regulations has put additional pressure on the BCG staff resources and budget.
16. At this stage BCG has identified 146 classifiable dams constructed within the Marlborough Region, and an additional 11 dams that are either proposed or under construction. This is however just an estimate based on BCG proactively reviewing its existing records, using GIS mapping and contacting dam owners to identify classifiable dams. The number of classifiable dams in the Marlborough region is estimated to range anywhere from 160 and 200 dams.
17. There will be further pressure on the BCG resources when the Regulations come into force, due to the increased workload in receiving, assessing and either approving or refusing the documentation provided and using this information to maintain the dam register.
18. A well-maintained dam register is vital in understanding the level of hazard the region's dams pose. This is necessary as some of Marlborough's dam stock is ageing, and there is a lack of information regarding the condition of these dams. The region has been subject to numerous storm and seismic events in the recent past and due to the increasing challenges created by climate change, details regarding Marlborough's dam stock must be readily available for any future events.
19. BCG will also be required to undertake compliance and enforcement actions against dam owners who may not meet their obligations under the regulations.
20. Section 219 of the Building Act 2004 empowers the Territorial Authority to charge for the performance of any function or service under the Act. A Territorial Authority can refuse to perform a function or service under the Act if it has not received payment.
21. The BCG is required to engage staffing resources, provide them with adequate training, develop record management systems, GIS maps, introduce digital infrastructure for administering various milestones with implementation timeframes and develop quality management policies to be able to successfully administer and monitor the regulations.

22. To avoid a budget shortfall and therefore negative impact on rates, the building control group proposes that the cost of administering all functions carried out by the BCG relating to the dam safety programme be passed on to the dam owners by introduction of a fee structure within the current Building Control Group Fees and Charges Policy.
23. Building Control Group proposes to introduce a flat fee structure for administering the dam safety regulations to align with its current charging principles as stipulated in the Building Control Group Fees and Charges Policy. This proposed charging regime matches the Council's experience in cost recovery as detailed in the breakdown section of Attachment 1. Experience also indicates that customers generally prefer fixed charges so that they can make a judgement as to likely costs with their dealing with the council.
24. Building Control Group will look for opportunities to streamline and improve processes to ensure that dam safety programme administration functions continue to be cost-effective and efficient at the next annual review of the 'Building Control Group Fees and Charges Policy' upon getting a better understanding of its actual resource allocations.
25. The BA04 provides in section 281A(2)(a) for setting fixed charges and provides in section 281B for recovering additional costs where a fixed charge is inadequate to recover the Council's actual and reasonable costs in respect of the matter. These principles set out above have been used in proposing the fee structure set out in Option A where the emphasis is on the fixed charges with having ability to charge out with unusual applications where applicable.
26. The BA04 provides in section 281A(2)(d) for charging based on an hourly rate and this forms the basis for cost recovery as in Option B.

### **Option A – Flat Fee Structure**

#### *Advantages*

27. Provide certainty to classifiable dam owners as the fees associated with regulatory compliance and their dealings with the council are known upfront.
28. The manner in which charges are set should enable customers to evaluate the extent of their liability.
29. Will encourage Council customers to provide complete and compliant documentation upfront to avoid the refusal fee.
30. Will prevent additional burden on the Council's ratepayers.

#### *Disadvantages*

31. The proposed fees are an informed estimate of the time required to complete the administrative and technical functions associated with the Regulations for an average application.
32. Council customers who provide excellent-quality applications which are approved quickly, are likely to subsidise customers who provide poorer-quality applications which require further information to be provided.

### **Option B – Hourly Charge Out Rate**

#### *Advantages*

33. The most transparent option, as Council customers will be charged for the actual time taken to review the submitted documentation. This will be a minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter.
34. Will avoid potential burden on the Council's ratepayers.

#### *Disadvantages*

35. The Council will be unable to provide its customers with an accurate estimate of fees relating to regulatory compliance of the regulations and their dealings with the council.

- 36. Additional internal processes will need to be implemented to record the time taken to receive, assess, approve, or refuse the provided documentation and to maintain the dam register.
- 37. The Council would not offset any costs that occurred in setting up the initial process and procedures required to administer the Regulations, putting an additional burden on the ratepayers.

**Option C – No Charge**

*Advantages*

- 38. No charges to owners of classifiable dams.

*Disadvantages*

- 39. Will place a significant burden on the Council's ratepayers.
- 40. May encourage Council customers to provide incomplete and/or non-compliant documentation upfront as there is no financial incentive to provide good-quality documentation.
- 41. The Council would not offset any costs that occurred in setting up the initial infrastructure, processes and procedures required to administer the Regulations.
- 42. Does not align with the Council Revenue and Financing Policy for the delivering Building Control Group's functions.

**Attachment**

Attachment 4.39.1 – Proposed Flat Fee Schedule (Option A and B) Assessment and Fees Breakdown	Page 253
Attachment 4.39.2 – Proposed Flat Fee Schedule (Option A) to include in Building Control Group Fees and Charges Policy	Page 254
Attachment 4.39.3 – Proposed Flat Fee Schedule (Option B) to include in Building Control Group Fees and Charges Policy	Page 255

Author	Dhyanom Gala, Building Control Group Manager
Authoriser	Gina Ferguson, Consents & Compliance Group Manager

## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables Council to provide good-quality and cost-effective service to customers and ratepayers.

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This proposal contributes to the annual plan and financial strategy relating to the cost recovery of Building Control functions.

### **Nature of the decision to be made**

Approval for proposed fee schedule to recover charges.

### **Financial considerations**

The proposed fees will assist in ensuring the required income is obtained to maintain the function budget

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

The special consultative procedure will be followed to allow stakeholder engagement.

### **Risks: Legal / Health & Safety etc**

Failure to resource the Building Control Group through lack of funding may place the Council at risk of not meeting its roles and responsibilities as set out in the regulations.

### **Climate Change Implications**

There are no known climate change implications to this decision.



## Attachment 4.39.1

**Proposed Flat Fee Schedule (Option A and B) Assessment and Fees Breakdown**

	<b>Fees and Charges</b>	<b>Fee Type</b>	<b>Suggested Fees</b>	<b>Fees Assessment Breakdown</b>
Only Option A	Dam Classification Certificate (Form 1) Fee	Flat Fee	\$559.00	Minor application and administration fee (\$201.00), 2 hours processing fee (\$358.00).
	Dam Safety Assurance Programme (Form 2) Fee	Flat Fee	\$738.00	Minor application and administration fee (\$201.00), 3 hours processing fee (\$537.00).
	Annual Dam Compliance Certificate (Form 3) Fee	Flat Fee	\$470.00	Minor application and administration fee (\$201.00), 1.5 hours processing fee (\$359.00).
	Refusal Fee <i>For Form 1, Form 2 or Form 3</i>	Flat Fee	\$201.00	Minor application and administration fee (\$201.00).
Option B <i>Also included in Option A (as required)</i>	Charge Out Rate	Hourly Rate	\$179.00	Officer charge out rate for work not covered by the fee schedule (per hour).  (Minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter).
Option A and Option B	Specialist Advice - Consultants Review Fees ( <i>as applicable</i> )  <i>By Suitably Qualified Dam Safety Expert</i>	As per the existing 'Building Control Group Fees and Charges Policy'.		Consultant's fees, plus 15% (service charge).
	Inspections and Travel Costs ( <i>as applicable</i> )			Additional Inspection Fees, plus Travel Zone Charges as per Fee Schedule

## Attachment 4.39.2

**Proposed Flat Fee Schedule (Option A) to include in Building Control Group Fees and Charges Policy**

<b>Dam Safety Programme Charges</b>	
<b>Fees and Charges</b>	<b>Fee Breakdown</b>
Dam Classification Certificate (Form 1) Fee	\$559.00
Dam Safety Assurance Programme (Form 2) Fee	\$738.00
Annual Dam Compliance Certificate (Form 3) Fee	\$470.00
Refusal Fee <i>For Form 1, Form 2 or Form 3</i>	\$201.00
Officer Charge Out Rate (as applicable) <i>For work not covered by the flat fee schedule (per hour).</i>	\$179/Hour  (Minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter.)
Specialist Advice - Consultants Review Fees (as applicable)	Consultant's fees, plus 15% (service charge).
Inspections and Travel Costs (as applicable)	Additional Inspection Fees, plus Travel Zone Charges as per Fee Schedule

## Attachment 4.39.3

**Proposed Flat Fee Schedule (Option B) to include in Building Control Group Fees and Charges Policy**

<b>Dam Safety Programme Charges</b>	
<b>Fees and Charges</b>	<b>Fee Breakdown</b>
Minor application and administration fee <i>For Form 1, Form 2 or Form 3</i>	\$201.00
Officer Charge Out Rate	\$179/Hour  (Minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter.)
Specialist Advice - Consultants Review Fees ( <i>as applicable</i> )	Consultant's fees, plus 15% (service charge).
Inspections and Travel Costs ( <i>as applicable</i> )	Additional Inspection Fees, plus Travel Zone Charges as per Fee Schedule

## 4.40 Fees & Charges

### Revision of Building Control Fees 2024-2025

(Report prepared by Dhyanom Gala/Gina Ferguson)

R450-002-B01

#### Purpose of report

1. The purpose of this report is to provide the Council with the review of fees and charges for Building Control functions and consider an increase and change to the existing "Flat" fees schedule for the 2024/2025 year.

#### Executive Summary

2. The current fees were last increased in July 2023.
3. The current fees have been reviewed and it is recommended that there is a 4.7% increase to the Building Control group fees and charges for the 2024/2025 financial year in accordance with the Consumers Price Index (CPI) annual change in December 2023. In addition:
  - 3.1 Introduce new officer charge-out rate for pre-application meetings/discussion for Certificate of Acceptance applications.
  - 3.2 Introduce a new value band in 'Band A' works for projects having a value between \$10,000,000 and \$14,999,999.
  - 3.3 To propose changes to the Band F, Zone 1 fees for project value of less than \$7500 with revised fees that address inconsistencies with fees assessment.
4. The Marlborough District Council Building Control - Charging Policy was changed in 2020 to allow for CPI adjustments to Fees and Charges on an annual basis from 1 July each year, increases greater than CPI or new fees are required to be consulted on using the special consultative procedure as provided in section 83 of the Local Government Act 2002 (LGA 2002).

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#### RECOMMENDATION

**That Council adopt the proposed increases (Option A - CPI increase) and additional fee categories to the existing fee schedule for charges associated with Building Control activities effective from 1 July 2024.**

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#### Background/Context

5. The Building Control Group (BCG) carries out two main functions, that of the Building Consent Authority (BCA) and the Territorial Authority (TA).
6. The group contracts Focus Consultancy to process building consents during periods of peak demand where it requires support to meet the 20 working days statutory timeframes or to provide a robust level of consent processing service to meet Marlborough's housing needs. Focus Consultancy has enabled the group to maintain statutory time frames through the periods of increased demand from the industry.
7. M & M Contracting is engaged as the Building Consent Authorities Quality Manager. The M&M Contracting continues to assist the BCA in maintaining accreditation as a Building Consent Authority. Note: The next re-accreditation audit is scheduled for May 2024.
8. The BCG income is generated 80% from fees and 20% from rates to align with Council Revenue and Finance Policy.
9. The present Building Consent "Flat" fee regime was introduced on 1 July 2013. Consents are categorised from Band A to F and costs are charged according to the value of building work and

zoning of the project within the district. This provided more certainty for customers by having more fixed fees.

10. In 2018 Building Control revised its method of providing fee information from the standard fees booklet to a Building Control Group Charging Policy document. This document will be updated when the proposed fees are approved by the full Council.
11. The flat fee system went through a full review in 2022/2023 as it was observed that there was no breakdown as to how the total fees were calculated. The 2022/2023 fee schedule provided a breakdown of individual charges for each fee band and zone. To allow for this change most fees have had a minor increase/decrease to allow for breakdown calculation and band descriptions were also altered. Subsequently, the 2023/2024 fees were increased by 14.1% to assist in covering the cost of the Building Control Teams function to align with the Council's Revenue and Financing Policy.
12. At each annual fee review the fees document will be reviewed and updated to provide clear information to the group's customers.

### **Assessment/Analysis**

13. Last financial year the number of dwellings constructed was 220 in comparison to 250 dwellings in the year 2022/2023. The comparative five-year average for new dwellings is 257. Overall, the number of building consents issued was 1276, while the five-year average is 1347. When taking these numbers into consideration building consents issued for the dwellings and the overall consent number reduction are proportional to the five-year averages.
14. The forecast for the building consent numbers for the coming financial year is estimated to follow the same downward trend with a possibility of a slight dip in the overall consent numbers.
15. The Dam Safety Programme under the Building (Dam Safety) Regulations 2022 is to take effect on 13 May 2024. The fees for this programme are presented in a standalone paper submitted as a separate discussion topic. The income from this programme has specifically not been taken into consideration for budget forecasting as a result of a number of factors affecting this estimate including the public consultation process, the council adopting the fee schedule recommendation, and the new government's decision on the review of proposed regulation thresholds for classifiable dams.
16. BCG has already allocated a 0.8 FTE over the entire 2023 year in order to allow the council to prepare for the Dam safety programme for building infrastructure, systems and processes that will help MDC administer the regulations. This has resulted in additional budgeting pressure for the BCG and ratepayers overall and is the reason for the budget deficit identified in proposed option A.
17. Over recent years the Building Group has responded to an increased number of weather and earthquake emergency events. The initial responses and the ongoing recovery have put significant additional pressure on existing staff resources and BCG is still dealing with the placard removal process from the August 2022 weather event adding to regular workload pressures with no additional dedicated staff resources.
18. The Ministry of Business Innovation and Employment (MBIE) has concentrated surveillance on compliance schedules. This has resulted in an increase in the amount of time and paperwork required to process consents and inspect compliance schedule items. BCG is aware that MBIE is further intending to focus on additional BCA function areas in upcoming audits which will add to significant resourcing pressures.
19. Over the last two years a remote inspection tool, Artisan, has been used by the Building Control Group. Artisan allows for remote inspections to be undertaken. This tool provides more flexibility to the trade as they do not have to book or wait for inspections for projects to proceed. Due to the nature and large size of the Marlborough District a significant portion of some building consent fees are attributed to the cost of travel. When Artisan is used for inspections the travel component is refunded to the fee payer which is an efficient customer service model. The refund amounts are now included in the fees schedule and in the charges policy. The use of Artisan increased last year, and uptake by the industry is expected to continue to grow going forward. Even if the overall consent numbers increase in the next financial year, the equivalent income from inspections will be reduced due to the increased uptake of artisan and inspection refunds.

20. Under the Local Government Act 2002 (LGA) the Council has the authority to give effect to the decisions it makes under the Act, subject to sufficient consideration of all options. The Act clearly leaves it for the Council to exercise discretion about compliance with the decision-making process. In making any judgement there are various aspects to be assessed, one of which is the principles in section 14 of the Act. One such principle is the need for the Council to undertake commercial transactions in accordance with sound business practices.
21. The Building Act 2004 (section 219 and section 240) empowers the Council and its Building Consent Authority to charge for the performance of any function or service under that Act. A Building Consent Authority can refuse to perform a function or service under the Building Act if it has not received payment.
22. To continue to meet the industry and statutory requirements, plus allow for future regulatory demands on the TA (such as the proposed introduction of the Dam Safety Programme). The group needs to maintain its current number of staff and continue with its current contract agreements for consent processing and quality management.
23. To ensure that the BCG activities continue to cover costs, a review of the current fee structure is required.
24. The fee structure and the fee levels are reviewed annually.
25. To avoid a budget shortfall and therefore negative impact on rates, the building control group must consider the annual CPI and changes in operating expenditure on fees and charges.
26. In addition to the proposed 4.7% fee increase In accordance with the CPI change, there are some proposed changes to the fees. The changes include:
  - a) Introduce new officer charge-out rate for pre-application meetings/discussions for Certificate of Acceptance (COA) applications. The increased activity in the district relating to unconsented building works as a result of misinterpretation of building consent exemptions guidance and tiny homes construction has resulted in increased workloads of the team who process COA applications. BCG undertakes pre-application meetings to guide to making applications for COA applications before the applications is formally lodged for processing to avoid un-necessary further information requests, however it is becoming evident that due to complexity in obtaining COA, major part of applications do not progress ahead than a pre-application meeting stage, thus effectively resulting in loss of income for BCG and negatively affecting ratepayers.
  - b) Introduce a new value band in 'Band A' works for projects having a value between \$10,000,000 and \$14,999,999. There has been an increased number of projects that have building work value higher than \$10 million compared to the history of applications received two years ago. The introduction of these fees will give surety to applicants about the pricing on what can otherwise be an unknown and quite often negotiated, and often unexpectedly proportionately low cost for complex high-value work from BCG perspective.
  - c) To propose changes to the Band F, Zone 1 fees for project value of less than \$7500 with revised fees that address inconsistencies with fees assessment. There is an increase in the fees from the previous year because of the review of calculations in the fee assessment, however, this will have very little impact on council customers as only a small number of consents received in this fee band zone.
  - d) Increase swimming pool general rates for properties by CPI of 4.7%.

### **Council's Building Control Group Fees and Charges Policy**

27. The current Building Control Group Fees and Charges Policy includes the ability to make CPI increase to fees and charges by ratification of the Council. Increases greater than CPI are required to be consulted on using the special consultative procedure as provided in section 83 of LGA 2002.

### **Council’s Revenue and Financing Policy**

- 28. The Council’s Revenue and Financing Policy states that 80% of the Building Control group’s costs should be recovered from individuals (private good) and 20% is funded by rates (public good).

### **Building Control Group Fees and Charges Schedule**

- 29. A review of the fee schedule has been carried out. An increase of 4.7% and additional changes are recommended to achieve the group’s private goods recovery in alignment with the Council’s Revenue and Financing Policy with the schedule of fees and charges.

### **Goods and Services Tax**

- 30. The charges described in this document include GST.

### **Option A – 4.7% Fee increase, and 4.7% increase to general rates for swimming pool inspections**

#### *Advantages*

- 31. This increase will allow the Building Control fees and charges to assist in covering the cost of the Building Control Group function align with Council’s Revenue and Financing Policy.
- 32. The proposed increase to fees will maintain the group’s ability to meet statutory and customer demands by maintaining the groups level of service.
- 33. Will avoid additional burden on Council’s ratepayer’s fees.
- 34. This proposed increase aligns with the annual CPI increase (as of December 2023) and will allow for inflationary adjustments.

#### *Disadvantages*

- 35. An increase in regulatory costs to Council customers.

### **Option B – Status Quo Maintain current 2023/24 fee structure.**

#### *Advantages*

- 36. No increase in regulatory costs to the Council customers.

#### *Disadvantages*

- 37. No increase to fees will place an additional burden on Council’s ratepayers.
- 38. No increase in fees will not align with the Council Revenue and Financing Policy for Resource Consent functions.
- 39. Does not update the fee schedules to better align the final fees charged with the actual costs of providing the service.

### **Attachment**

Attachment 4.40.1: 2023/2024 Current Fee Schedule

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Attachment 4.40.2: Proposed 2024/2025 Fee Schedule

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Author	Dhyanom Gala, Building Control Group Manager
Authoriser	Gina Ferguson, Consents & Compliance Group Manager

2023/2024 Current Fees Schedule

	Consent Category	Value (\$)	Range	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4A (\$)	Zone 4B (\$)
<b>Band A</b>	Commercial, Industrial, Communal residential, Communal non-residential, New dwelling.	< \$200,000	Single storey	\$5,724	6,664	8,491	10,970	13,417
			With any part more than single storey	\$6,213	7,187	9,217	11,972	14,691
		\$200,000 - \$399,999	Single storey	\$6,066	7,005	8,832	11,311	13,758
			With any part more than single storey	\$6,725	7,699	9,729	12,484	15,203
		\$400,000 - \$799,999	Single storey	\$7,213	8,222	10,455	13,486	16,476
			With any part more than single storey	\$7,872	8,916	11,352	14,658	17,921
		\$800,000 - \$1,499,999	Single storey	\$8,895	9,940	12,376	15,682	18,944
			With any part more than single storey	\$9,896	10,293	12,932	16,513	20,048
\$1,500,000 - \$3,999,999	N/A	\$13,772	14,922	17,967	22,099	26,178		
\$4,000,000 - \$9,999,999	N/A	\$16,967	18,187	21,638	26,321	30,943		
> \$10,000,000	N/A	Negotiable						
<b>Note: Consents with multiple structures will incur additional inspection fees as required. Refer inspection fee costs.</b>								
<b>Band B</b>	Significant projects will be charged as new work with Band A fees. Dwelling Additions/Alterations. Commercial, Industrial, Communal Use non-residential Additions/Alterations. New lined sheds and garages, Removals & Demolition. Relocated to new site.	Minor works < \$7,500	\$7,500 - \$24,999	\$680	\$715	\$918	\$1,002	\$1,465
			\$25,000 - \$49,999	\$1,657	\$1,762	\$2,371	\$3,197	\$4,013
			\$50,000 - \$99,999	\$2,430	\$3,194	\$4,006	\$5,108	\$6,195
			\$100,000 - \$199,999	\$3,895	\$4,764	\$6,185	\$8,113	\$10,017
			\$200,000 - \$399,999	\$5,554	\$5,811	\$7,638	\$10,117	\$12,564
			\$400,000 - \$799,999	\$6,066	\$7,005	\$8,832	\$11,311	\$13,758
			\$800,000 - Upward	\$7,213	\$8,222	\$10,455	\$13,486	\$16,476
				Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work
<b>Note: Consents with multiple structures will incur additional inspection fees as required. Refer inspection fee costs.</b>								
<b>Band C</b>	Solid Fuel Heaters, Solar Water Heaters, Plumbing, Drainage, Wastewater Systems.	Minor works < \$10,000	\$10,000 - \$19,999	\$552	\$587	\$790	\$1,066	\$1,338
			\$20,000 - \$49,999	\$680	\$715	\$918	\$1,194	\$1,465
			\$50,000 - \$99,999	\$1,021	\$1,056	\$1,259	\$1,535	\$1,807
			> \$100,000 refer Band F	\$1,339	\$1,409	\$1,815	\$2,366	\$2,910
				Charged as Band F work	Charged as Band F work	Charged as Band F work	Charged as Band F work	Charged as Band F work
<b>Band D</b>	Marquees.	Any	Standard Marquees	\$399	\$434	\$637	\$817	\$1,185
<b>Band E</b>	Multi Use Approval Applications.	Up to \$7,500	\$7,500 - \$19,999	\$680	\$715	\$918	\$1,002	\$1,465
			\$20,000 - \$99,999	\$1,486	\$1,591	\$2,200	\$3,197	\$3,842
			\$100,000 - \$499,999	\$2,145	\$2,285	\$3,097	\$4,008	\$5,287
			\$500,000 and above	\$4,370	\$4,755	\$6,988	\$9,827	\$13,009
				\$4,688	\$5,108	\$7,544	\$10,658	\$14,112
<b>Band F</b>	Jetties, Swimming Pools/Fencing, Retaining Walls, any other SED design with engineer inspections (does not include Dams or Reservoirs), Unlined sheds/garages, Pole Sheds.	Up to \$7,500	\$7,500 - \$19,999	\$552	\$715	\$918	\$1,194	\$1,465
			\$20,000 - \$99,999	\$1,021	\$1,056	\$1,259	\$1,535	\$1,807
			\$100,000 - \$499,999	\$1,827	\$1,933	\$2,542	\$3,368	\$4,184
			> \$500,000 refer Band A	\$2,316	\$2,456	\$3,268	\$4,370	\$5,457
				Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work
				Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work



<b>Miscellaneous Building Consent Fees (incl of GST unless stated)</b>	
<b>Consultancy Fees (if applicable)</b>	
Structural component - consultants review fee	Consultants fee plus 15%
Specialist advice - consultants review fee	Consultants fee plus 15%
Recovery of charges by New Zealand Fire Service	As charged plus 15%
<b>Other Agency Charges</b>	
Levies (calculated exclusive (net) of GST)	
BRANZ Levy - collected on behalf by MDC	
Less than \$20,000	No Charge
\$20,000 and greater	\$1.00 per \$1,000
MBIE Levy - collected on behalf by MDC	
Less than \$20,444	No Charge
\$20,444 and greater	\$1.75 per \$1,000
<b>Related Matters (if applicable)</b>	
S71 Building Act Title Notations	\$1,874
S75 Building Act Title Notations	\$1,874
Lapsing of Building Consent	\$94
Receiving hard copy applications	\$94
Processing of full private BCA applications	\$199
Refusing of building consent (officer time is charged in addition)	\$199
Extension to time to commence building work under a building consent	\$94
<b>Charge Out Rate (if applicable)</b>	
Officer charge out rate for work not covered by the Fee Schedule (per hour)	\$171
<b>Inspection Fees (charged additionally as applicable)</b>	
<b>Building Consent Inspection -</b>	
Additional Inspection Fees	\$199
<b>Pool Inspection - Additional Inspection Fees</b>	\$199
<b>CS &amp; BWoF Inspection - Additional Inspection Fees</b>	
- 1st Hour	\$199
- Over 1st hour (charged in half hour increments)	\$100
<b>Travel Fees per zone (charged additionally as applicable)</b>	
Inspection travel fees when not part of a consent application - Zone 1	\$118
Inspection travel fees when not part of a consent application - Zone 2	\$153
Inspection travel fees when not part of a consent application - Zone 2	\$356
Inspection travel fees when not part of a consent application - Zone 4A (boat)	\$632
Inspection travel fees when not part of a consent application - Zone 4B (boat)	\$904
<b>Building Warrants of Fitness &amp; Compliance Schedules</b>	
New Compliance Schedule administration fee	\$200
New Compliance Schedule generation fee (chargeable on each Specified System added)	\$100
Amendment to Compliance Schedule (chargeable on each Specified System being added/amended/removed)	\$200
Annual charge for Building Warrant of Fitness	\$150
<b>Full Certificate of Acceptance (do not apply to emergency works requiring CoA)</b>	
Application fee (paid on application)	\$625
Processing fee	\$1,225
Processing continued - % of value of work	2.00%
Inspections and travel costs - evidence	As per MDC fee schedule
Equivalent building consent fee for project	As per MDC fee schedule
Levies, MBIE and BRANZ as per normal building consent	As per MDC fee schedule
Services fees	As per MDC fee schedule
Development levies	As per MDC fee schedule
<b>Minor Certificate of Acceptance (see COA brochure)</b>	
Application fee (paid on application)	\$626
Processing continued - % of value of work	2.00%
Inspections and travel costs - evidence	As per MDC fee schedule
Equivalent building consent fee for project	As per MDC fee schedule
Levies, MBIE and BRANZ as per normal building consent	As per MDC fee schedule
Services fees	As per MDC fee schedule
Development levies	As per MDC fee schedule
<b>Certificate for Public Use</b>	
Application fee	\$214
Any additional inspection not covered by flat fee - plus travel as per zone	\$199
<b>Notices to Fix/Serving of Notices</b>	
	\$240
<b>Minor Variations (Minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter)</b>	
	\$171
<b>Full Amendments (made up from processing, inspection)</b>	
Application and administration	\$476
Processing @ hourly rate	\$171
Additional inspections required	\$199
Plus travel as per zone	see above
BRANZ and MBIE levies apply to increased value as per "Other Agency Charges"	
<b>Minor Administration Fees</b>	
Minor Application and administration fee	\$192
<b>Project Information Memorandum (PIM)</b>	
Application charge - Standard fee	\$508
<b>Schedule 1 Exemption 2 (calculated on average application)</b>	
Minor Works up to \$25,000	\$200
Minor Works \$25,001 - \$50,000	\$885.42
Major Works \$50,001 - \$200,000	\$1,428.53
Major Works \$200,001 - \$400,000	\$2,205.55
Major Works \$400,001 - \$1,000,000	\$3,138.89
Major Works > \$1,000,000.00	Negotiation considering value, type of work and risk

Proposed 2024/2025 Fee Schedule

	Consent Category	Value (\$)	Range	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4A (\$)	Zone 4B (\$)	
<b>Band A</b>	Commercial, Industrial, Communal residential, Communal non-residential, New dwelling, Dams or Reservoirs.	< \$200,000	Single storey	\$5,991	6,945	8,858	11,454	14,016	
			With any part more than single storey	\$6,502	7,493	9,618	12,503	15,349	
		\$200,000 - \$399,999	Single storey	\$6,348	7,302	9,215	11,811	14,373	
			With any part more than single storey	\$7,038	8,029	10,154	13,039	15,885	
		\$400,000 - \$799,999	Single storey	\$7,549	8,577	10,915	14,087	17,219	
			With any part more than single storey	\$8,239	9,303	11,853	15,315	18,731	
		\$800,000 - \$1,499,999	Single storey	\$9,310	10,375	12,925	16,386	19,802	
			With any part more than single storey	\$10,690	10,744	13,507	17,257	20,957	
\$1,500,000 - \$3,999,999	N/A	\$14,416	15,590	18,778	23,105	27,375			
\$4,000,000 - \$9,999,999	N/A	\$17,760	19,007	22,621	27,524	32,363			
\$10,000,000 - \$14,999,999	N/A	\$22,170	22,794	27,045	32,814	38,507			
> \$15,000,000	N/A	Negotiable							
<b>Note: Consents with multiple structures will incur additional inspection fees as required. Refer inspection fee costs.</b>									
<b>Band B</b>	Significant projects will be charged as new work with Band A fees. Dwelling Additions/Alterations. Commercial, Industrial, Communal Use non-residential Additions/Alterations. New lined sheds and garages, Removals & Demolition. Relocated to new site.	Minor works < \$7,500	N/A	\$712	\$748	\$961	\$1,049	\$1,534	
				\$7,500 - \$24,999	\$1,734	\$1,844	\$2,482	\$3,347	\$4,201
				\$25,000 - \$49,999	\$2,543	\$3,313	\$4,164	\$5,317	\$6,456
				\$50,000 - \$99,999	\$4,076	\$4,957	\$6,444	\$8,464	\$10,456
				\$100,000 - \$199,999	\$5,812	\$6,052	\$7,965	\$10,561	\$13,123
				\$200,000 - \$399,999	\$6,348	\$7,302	\$9,215	\$11,811	\$14,373
				\$400,000 - \$799,999	\$7,549	\$8,577	\$10,915	\$14,087	\$17,219
				\$800,000 - Upward	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work
<b>Note: Consents with multiple structures will incur additional inspection fees as required. Refer inspection fee costs.</b>									
<b>Band C</b>	Solid Fuel Heaters, Solar Water Heaters, Plumbing, Drainage, Wastewater Systems.	Minor works < \$10,000	N/A	\$578	\$614	\$827	\$1,115	\$1,400	
				\$10,000 - \$19,999	\$712	\$748	\$961	\$1,249	\$1,534
				\$20,000 - \$49,999	\$1,069	\$1,106	\$1,318	\$1,607	\$1,891
				\$50,000 - \$99,999	\$1,401	\$1,475	\$1,900	\$2,477	\$3,046
				> \$100,000 refer Band F	Charged as Band F work	Charged as Band F work	Charged as Band F work	Charged as Band F work	Charged as Band F work
<b>Band D</b>	Marquees.	Any	Standard Marquees	\$418	\$455	\$667	\$855	\$1,240	
<b>Band E</b>	Multi Use Approval Applications.	Up to \$7,500	N/A	\$712	\$748	\$961	\$1,049	\$1,534	
				\$7,500 - \$19,999	\$1,555	\$1,665	\$2,303	\$3,347	\$4,022
				\$20,000 - \$99,999	\$2,245	\$2,392	\$3,242	\$4,195	\$5,534
				\$100,000 - \$499,999	\$4,572	\$4,976	\$7,314	\$10,286	\$13,618
				\$500,000 and above	\$4,905	\$5,345	\$7,895	\$11,156	\$14,772
<b>Band F</b>	Jetties, Swimming Pools/Fencing, Retaining Walls, any other SED design with engineer inspections (does not include Dams or Reservoirs), Unlined sheds/garages, Pole Sheds.	Up to \$7,500	N/A	\$712	\$748	\$961	\$1,249	\$1,534	
				\$7,500 - \$19,999	\$1,069	\$1,106	\$1,318	\$1,607	\$1,891
				\$20,000 - \$99,999	\$1,912	\$2,023	\$2,660	\$3,526	\$4,379
				\$100,000 - \$499,999	\$2,424	\$2,570	\$3,420	\$4,574	\$5,713
				> \$500,000 refer Band A	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work	Charged as Band A work

<b>Miscellaneous Building Consent Fees (incl of GST unless stated)</b>	
<b>Consultancy Fees (if applicable)</b>	
Structural/Geotechnical component - consultants/review fee	Consultants fee plus 15%
Specialist advice - consultants review fee	Consultants fee plus 15%
Recovery of charges by Fire and Emergency New Zealand	As charged plus 15%
<b>Other Agency Charges</b>	
Levies (calculated exclusive (net) of GST)	
BRANZ Levies - collected on behalf by MDC	
Less than \$20,000	No Charge
\$20,000 and greater	\$1.00 per \$1,000
MBIE Levies - collected on behalf by MDC	
Less than \$20,444	No Charge
\$20,444 and greater	\$1.75 per \$1,000
<b>Related Matters (if applicable)</b>	
S71 Building Act Title Notations	\$1,962
S75 Building Act Title Notations	\$1,962
Lapsing of Building Consent	\$99
Receiving hard copy applications	\$99
Processing of full private BCA applications	\$208
Refusing of building consent (officer time is charged in addition)	\$208
Extension to time to commence building work under a building consent	\$99
<b>Charge Out Rate (if applicable)</b>	
Officer charge out rate for work not covered by the Fee Schedule (per hour)	\$179
<b>Inspection Fees (charged additionally as applicable)</b>	
<b>Building Consent Inspection -</b>	
Additional Inspection Fees	\$208
<b>Pool Inspection - Additional Inspection Fees</b>	
CS & BWoF Inspection - Additional Inspection Fees	\$208
- 1st Hour	\$208
- Over 1st hour (charged in half hour increments)	\$105
<b>Travel Fees per zone (charged additionally as applicable)</b>	
Inspection travel fees when not part of a consent application - Zone 1	\$124
Inspection travel fees when not part of a consent application - Zone 2	\$161
Inspection travel fees when not part of a consent application - Zone 3	\$373
Inspection travel fees when not part of a consent application - Zone 4A (boat)	\$662
Inspection travel fees when not part of a consent application - Zone 4B (boat)	\$946
<b>Building Warrants of Fitness &amp; Compliance Schedules</b>	
New Compliance Schedule administration fee	\$209
New Compliance Schedule generation fee (chargeable on each Specified System added)	\$104
Amendment to Compliance Schedule (chargeable on each Specified System being added/amended/removed)	\$209
Annual charge for Building Warrant of Fitness	\$157
<b>Full Certificate of Acceptance (do not apply to emergency works)</b>	
COA Pre-application Meeting/Discussion	\$179
Application fee (paid on application)	\$654
Processing fee	\$1,283
Processing continued - % of value of work	2.00%
Inspections and travel costs - evidence	As per MDC fee schedule
Equivalent building consent fee for project	As per MDC fee schedule
Levies, MBIE and BRANZ as per normal building consent	As per MDC fee schedule
Services fees	As per MDC fee schedule
Development levies	As per MDC fee schedule
<b>Minor Certificate of Acceptance (see COA brochure)</b>	
COA Pre-application Meeting/Discussion	\$179
Application fee (paid on application)	\$654
Processing continued - % of value of work	2.00%
Inspections and travel costs - evidence	As per MDC fee schedule
Equivalent building consent fee for project	As per MDC fee schedule
Levies, MBIE and BRANZ as per normal building consent	As per MDC fee schedule
Services fees	As per MDC fee schedule
Development levies	As per MDC fee schedule
<b>Certificate for Public Use</b>	
Application fee	\$224
Any additional inspection not covered by flat fee - plus travel as per zone	\$208
<b>Notices to Fix/Serving of Notices</b>	
	\$252
<b>Minor Variations (Minimum of 1 hour charged out as 0.5 increments of hourly rate thereafter)</b>	
	\$179
<b>Full Amendments (made up from processing, inspection)</b>	
Application and administration	\$498
Processing @ hourly rate	\$179
Additional inspections required	\$208
Plus travel as per zone	As per MDC fee schedule
BRANZ and MBIE levies apply to increased value as per "Other Agency Charges"	
<b>Minor Administration Fees</b>	
Minor Application and Administration Fee	\$201
<b>Project Information Memorandum (PIM)</b>	
Application charge - Standard fee	\$532
<b>Schedule 1 Exemption 2 (calculated on average application)</b>	
Minor Works up to \$25,000	\$209
Minor Works \$25,001 - \$50,000	\$927
Major Works \$50,001 - \$200,000	\$1,630
Major Works \$200,001 - \$400,000	\$2,309
Major Works \$400,001 - \$1,000,000	\$3,286
Major Works > \$1,000,000.00	Negotiation considering value, type of work and risk
<b>Artisan Remote/Virtual Inspection Refunds (Travel Charges)</b>	
Inspection travel charges refunds - Zone 1	\$105
Inspection travel charges refunds - Zone 2	\$137
Inspection travel charges refunds - Zone 3	\$317
Inspection travel charges refunds - Zone 4A (boat)	\$562
Inspection travel charges refunds - Zone 4B (boat)	\$804

## 4.41 Fees & Charges

### Annual Review of Resource Consent Fees – Resource Management Act 1991

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(Report prepared by Anna Davidson/Gina Ferguson)

R450-002-R02

#### Purpose of report

1. To provide Council with the review of fees and charges under the Resource Management Act 1991 (the Act) and consider a proposed increase to the existing fee schedule for charges.

#### Executive Summary

2. The current fees were last increased in July 2023.
  3. The current fees have been reviewed and it is recommended that there is 4.7% increase to the Resource Consent charges for the 2024/2025 financial year in line with the Consumers Price Index (CPI) December Annual CPI figure reported by Statistics NZ.
  4. The Marlborough District Council Resource Management Act 1991 - Charging Policy was changed in 2020 to allow for CPI adjustments to Resource Consent Fees and Charges on an annual basis from 1 July each year.
- 

#### RECOMMENDATION

**That Council adopt the proposed increases to the existing fee schedule for charges associated with consent processing activities under Resource Management Act 1991 (RMA) effective from the 1 July 2024.**

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#### Background/Context

5. The Resource Consent Team is responsible for discharging the Council's statutory obligations under the Act.
  6. The Act sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for resource consent.
  7. The purpose of the Act is to promote the sustainable management of natural and physical resources. As a unitary authority the Council is responsible for regional, district and coastal functions. The Resource Consent Team administers this responsibility under the Proposed Marlborough Environment Plan. There are five types of consents that Council must process: Land Use, Subdivision, Coastal, Water and Discharges.
  8. The Resource Consent Team is also required to undertake several other functions. These other functions include:
    - The provision of information to potential applicants, interest groups, other Council staff and the public on all resource management matters. Fostering good relationships with applicants, submitters, government agencies, iwi and other interested parties is a critical element in the provision of a high-quality resource consent service.
    - The maintenance and management of a consents database that is responsive to the needs and requirements of central government, applicants, submitters, and the general public.
  9. Section 36 of the RMA allows Councils to charge consent holders for costs associated with the Councils functions in relation to the administration, and processing of resource consents.
-

**Public versus private good**

10. In accordance with section 36AAA in setting the schedule of fees for administration, processing of resource consents, Council has considered the relative benefits to the consent holder and the community at large.
11. It is generally viewed that because the processing activity is solely occasioned by the applicant and they directly benefit from it, the applicant should bear the full processing cost.

**Council's Charging Policy-Resource Management Act Fees**

12. The MDC Charging Policy for activities undertaken under the Resource Management Act 1991 and the Local Government Act was last adopted in 2020.
13. The current Resource Management Consent Charging Policy includes the ability to make CPI increase to fees and charges by ratification of Council. Increase above annual CPI to fees are required to undergo special consultative processes under section 83 of the LGA 2002.

**Council's Revenue and Financing Policy**

14. The Council's Revenue and Financing Policy (contained in its Long-Term Plan) states that 60% of the Resource consents group's costs should be recovered from individuals (private good) and 40% is funded by rates (public good).

**Resource Management Fee Schedule**

15. A review of the fee schedule has been carried out (Attachment A). An increase of CPI 4.7% is recommended to achieve the group's private good recovery in alignment with Council's Revenue and Financing Policy with the schedule of fees and charges.
16. The December Annual CPI reported by Statistics New Zealand was 4.7%.

**Goods and Services Tax**

17. The charges described in this document include GST.

**Assessment/Analysis**

18. The Resource Consent Team budget provision and fee review for the 2024/2025 is:
  - 18.1 Current Revised Budget 2024/2025 (\$79,358) Deficit based on 60:40 user pay/ratepayer
  - 18.2 CPI Fee increase (4.7%) 2024/2025 (\$1,539) Surplus based on 60:40 user pay/ratepayer

**Option A – CPI Fee increase 4.7%**

**Advantages**

19. This increase will allow the Resource Consent fees and charges under the Resource Management Act 1991 to assist in covering the cost of the Resource Consent Teams function align with Council's Revenue and Financing Policy.
20. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining the groups level of service.
21. Will avoid additional burden on Councils ratepayer's fees.

**Disadvantages**

22. An increase in regulatory costs to Council customers.

**Option B – Status Quo Maintain current 2024/25 fee structure.**

**Advantages**

23. No increase in regulatory costs to the Council customers.

*Disadvantages*

- 24. No increase to fees will place additional burden on Councils rate payers.
- 25. No increase in fees will not align with Council Revenue and Financing Policy for Resource Consent functions.

**Attachment**

Attachment 4.41.1 – Resource Consent Fee Schedule

Page 267

Author	Anna Davidson Manager Resource Consents
Authoriser	Gina Ferguson, Consents & Compliance Group Manager

Attachment 4.41.1

**Resource Consent Fee Schedule proposals**

<b>Charge type</b>	<b>Charge Type</b>	<b>2023/24 Fees GST Incl</b>	<b>2024/2025 Option A +CPI Fees GST incl</b>	
<b>Minor resource consents</b>				
Bore construction -				
Domestic	Flat	\$403.00	\$422.00	
Irrigation	Flat	\$815.00	\$853.00	
<b>Notified resource consents</b>				
All applications (including subdivisions)	Base*	\$6,894.00	\$7,218.00	
Section 127, 128	Base*	\$6,894.00	\$7,218.00	
<b>Non-notified resource consents</b>				
All applications but excluding subdivisions	Base*	\$1,208.00	\$1,265.00	
Subdivisions (note: engineering charges are additional**)	Base*	\$1,786.00	\$1,870.00	
<b>Miscellaneous consents, certificate and permissions</b>				
Registration service for lodgement of change/cancellation of consent notice	Flat	\$1,060.00	\$1,110.00	

<b>Charge type</b>	<b>Charge Type</b>	<b>2023/24 Fees GST Incl</b>	<b>2024/2025 Option A +CPI Fees GST incl</b>	
Sections 124,125, 126,127,128, 139, 139A, 221	Base*	\$1,208.00	\$1,265.00	
Land Registry compliance (certificates, consents)	Base*	\$397.00	\$416.00	
Removal of building line restriction	Base*	\$397.00	\$416.00	
Section 348 LGA Right of Way applications	Base*	\$1,208.00	\$1,265.00	
Deemed permitted boundary activity (refunded if application is rejected, minus the rejection charge)	Flat	\$833.00	\$872.00	
Rejected deemed permitted boundary activity application	Flat	\$91.00	\$95.00	
Deemed permitted marginal or temporary activity notice	Flat	\$200.00	\$209.00	
Surcharge - receiving hard copy applications	Flat	\$91.00	\$95.00	
<b>Transfers</b>				
Water (excluding s136 (2)(b)(ii) transfers), Coastal (Marine Farm)	Flat	\$411.00	\$430.00	
Coastal, (other), discharge, land use	Flat	\$133.00	\$139.00	
Water under s136(2)(b)(ii)	Base*	\$1,208.00	\$1,265.00	



<b>Charge type</b>	<b>Charge Type</b>	<b>2023/24 Fees GST Incl</b>	<b>2024/2025 Option A +CPI Fees GST incl</b>	
<b>Sections 223, 224 - approval or deposit of survey plans</b>				
Four lots or less (each stage)	Actual	Actual	Actual	
Five or more lots (each stage)	Actual	Actual	Actual	
<b>Outline plan approvals, policy statements, plan changes and requirements</b>				
Section 176A Approval for Outline Plan	Base*	\$1,208.00	\$1,265.00	
Outline plan waiver	Flat	\$133.00	\$139.00	
<b>Notice of requirements or alterations to designations</b>				
Non Notified	Base*	\$1,208.00	\$1,265.00	
Notified (Limited or Public)	Base*	\$6,894.00	\$7,218.00	
<b>Statements and miscellaneous certificates</b>				
Provide required documentation	Base*	\$411.00	\$430.00	
<b>Site inspection</b>				
Disbursements, e.g., boat hire	Actual	Actual	Actual	
<b>Engineering charges - subdivision and land use**</b>				

Charge type	Charge Type	2023/24 Fees GST Incl	2024/2025 Option A +CPI Fees GST incl	
Engineering -				
Boundary Adjustments	Flat	\$284.00	\$297.00	
Evaluations for - one to three lots	Flat	\$706.00	\$739.00	
Evaluations for - four to 10 lots	Flat	\$2,068.00	\$2,165.00	
Evaluations for - 11 to 20 lots	Flat	\$3,078.00	\$3,223.00	
Evaluations for - 20+ lots	Flat	\$4,829.00	\$5,056.00	
Engineering evaluation for each additional dwelling (land use consent)	Flat	\$464.00	\$486.00	
<b>Other rates and charges</b>				
Hearings Committee or Commissioner [Local Government (Local Authorities Salaries and Allowances) Determination 2021]	Variable	Variable	Variable	
Hearing cancellation fee	Flat	\$2,704.00	\$2,831.00	
Senior Environmental Planner/ Environmental Planner	Per hour	\$185.00	\$193.00	
Hearings Facilitator	Per hour	\$185.00	\$193.00	
Administration Officer	Per hour	\$123.00	\$129.00	

Charge type	Charge Type	2023/24 Fees GST Incl	2024/2025 Option A +CPI Fees GST incl	
Lead Senior Environmental Planner / Technical Lead Land Use/ Resource Consents Manager	Per hour	\$220.00	\$230.00	
Consultants (internal or external charges)	Variable	Variable	Variable	
<b>Miscellaneous</b>				
Certificate (Overseas Investment Act 1973)				
Up to 1/2 hour (base*)		\$111.00	\$116.00	
Up to 1 hour (base*)		\$222.00	\$232.00	
*Base fee is an application fee or notification lodgement fee only. Refer to the 'Marlborough District Council Charging Policy - Resource Management Act'				
** Engineering charges are additional to the base charge. Refer to the 'Marlborough District Council Charging Policy - Resource Management Act'				

## 4.42 Fees & Charges

### Proposed Environmental Health Fees 2024/2025

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(Report prepared by Karen Winter/Gina Ferguson)

E350-004-009-02

#### Purpose of report

1. To provide Council with the review of fees and charges under the Food Act 2014 and Health Act 1956 and a proposed schedule of fees and charges for consideration.

#### Executive Summary

2. Council can set fees under the Food Act 2014 through the special consultative procedure and for Health Act 1956 function by resolution.
3. Fees under the Sale and Supply of Alcohol Act 2012 are fixed fees set by Regulation. These cannot be altered unless done under the development of a Bylaw by Council or a change in the Regulation by parliament.
4. A review of the current fees and the costs of undertaking the required activities has been undertaken.
5. It is proposed that the fees should increase for the 2024/2025 financial year by the CPI of 4.7% to ensure that the fees recovered for the group's activities align with Councils Revenue and Financing Policy. These fees were last increased in 2023.

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#### RECOMMENDATION

**That Council approve consultation on the proposed schedule of fees and charges using special consultative procedures under s83 of the Local Government Act 2002.**

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#### Background/Context

6. The Food Act 2014 places responsibilities on Council in relation to registration, verification, compliance and monitoring of the food sector. Council is required to register both template Food Control Plans and National Programmes. Verification of template Food Control Plans is conducted through scheduled audits. Compliance checks are required following complaints received and on-going monitoring of food premises will take place to ensure food safety practices are maintained in Marlborough.
7. Council has the ability to fix fees for functions under the Food Act. The Act is prescriptive in what fees can be set and how they are set. These requirements are laid out in this paper.
8. The Health Act 1956 requires Council to Register certain activities and regularly inspect to ascertain if any nuisances or condition exist that could be offensive or injurious to health.
9. Council has the ability to set fees under the Health Act by resolution.

#### Functions of Territorial Authorities under the Food Act 2014 and Health Act 1956

10. The provisions in the Food Act require Council to perform the following functions:
  - **Registration**  
Receiving and processing of applications for registration of food businesses.
  - **Verification**  
Undertake verification activities for those premises operating under a template food control plan.
  - **Compliance and Monitoring**  
Undertake compliance and monitoring activities across the district.

11. The Health Act 1956 requires that all Hairdressers, Offensive trades, Camping-grounds and Funeral Directors are registered and inspected by Council.

**Fee Setting**

12. Section 205(1) of the Food Act enables the Council to fix fees to recover the direct and indirect costs of any registration, verification, compliance and monitoring functions performed under the Act.
13. Council is not able to directly charge for its educative role but it is an indirect cost of providing the services for which fees may be charged. There is an educative cost in training food business operators in the requirements of Food Control Plans.
14. Section 205(5)(c) of the Food Act requires that fixed fees must comply with any regulations made under section 206 of the Act. To date no regulations have been made under this section of the Act. A review of Council fees would be required if a regulation under section 206 is made.
15. Council can set fees for premises registered under the Health (Registration of Premises) Regulations 1966 by Council resolution.
16. Council operates a fixed fee system for registrations under the Health Act. The fixed fee includes the cost of registration and annual inspection of premises.

**Public versus private good**

17. Council has previously determined under Councils Revenue and Finance Policy that the activities undertaken by the Environmental Health Team should be funded 60% user pays and 40% rate payer funded, to recognise the private versus public benefit of the activities.
18. The fixing of fees to recover the costs of Council's Environmental Health functions need to be consistent with the Council's Revenue and Financing Policy.
19. Councils Environmental Health fees were last increased in 2023.

**Consultation requirements for setting fees**

20. Prior to fixing new fees under section 205(1) of the Food Act, Council is required by section 205(2) of the Act to consult on the proposed fees using the special consultative procedure as provided in section 83 of the Local Government Act 2002 (LGA 2002).
21. The Environmental Health Team consider this procedure should also be applied to setting fees under the Health Act to ensure that those affected by any fee increase have an opportunity to provide a submission.

**Proposed Fees**

22. Environmental Health Officers in conjunction with the Council financial team have reassessed the costs of providing the functions under the Act and propose to alter the fee structure to recover the direct and indirect costs incurred by Council in performing their functions under the Act from 1 July 2024.
23. An increase of CPI is recommended to achieve the group's private good recovery in alignment with Council's Revenue and Financing Policy with the schedule of fees and charges.
24. The December Annual CPI reported by Statistics New Zealand was 4.7%.
25. Table 1 (below) includes the fees that are currently in place and Table 2 (Error! Reference source not found.) the adjusted fees to show the proposed increased charges.

Table 1: Summary of Current and Proposed fees under the Food Act and Health Act:

Function	Current Fee (GST Inclusive)	Proposed Fee 2024/2025(GST Inclusive)
<b>Food Act Fees</b>		
New Registration for a template food control plan or a business subject to a national programme.  Each additional site under the same Registration	\$315 fixed fee (includes processing of application and providing education for applicant)  \$178 per hour spent on processing application or educating applicant after the first 2 hours  \$60 per site	\$330 fixed fee (includes processing of application and providing education for applicant)  \$186 per hour spent on processing application or educating applicant after the first 2 hours  \$63 per site
Renewal of Registration  Each additional site under the same Registration	\$135 fixed fee  \$60 per site	\$141 fixed fee  \$63 per site
Amendment to Registration  Amendment or significant change to registration of food control plan based on a template or model issued by MPI or a business subject to a national programme.	\$135 fixed fee	\$141 fixed fee
Verification  Verification including site visits, corrective action follow up correspondence and documentation for template or model food control plans.	\$178 per hour	\$186 per hour
Compliance  Complaint driven investigation resulting in enforcement action.	\$178 per hour	\$186 per hour
Monitoring  Monitoring for food safety and suitability.	No charge	No charge
Reschedule of Verification  Operator fails to be on site for scheduled verification or operator reschedules verification (without reasonable	\$135 fixed fee  Travel charge if appropriate	\$141 fixed fee  Travel charge if appropriate

Function	Current Fee (GST Inclusive)	Proposed Fee 2024/2025(GST Inclusive)
cause) within 48 hours of appointment.		
Travel Charge  Zone map (map attached as Attachment 4.38.1)	<ul style="list-style-type: none"> <li>• Zone One - No Travel Fee</li> <li>• Zone Two - \$65</li> <li>• Zone Three - \$105</li> <li>• Zone Four - \$300</li> <li>• Zone Five - Actual Travel Costs incurred.</li> </ul>	<ul style="list-style-type: none"> <li>• Zone One - No Travel Fee</li> <li>• Zone Two - \$68</li> <li>• Zone Three - \$110</li> <li>• Zone Four - \$314</li> <li>• Zone Five - Actual Travel Costs incurred.</li> </ul>
Voluntary Suspension of Registration of food control plan or national programme	\$135 fixed fee	\$141 fixed fee
Disbursements	Actual Cost	Actual Cost
<b>Health Act Fees</b>		
Camping Grounds Registration	\$325	\$340
Offensive Trades Registration	\$135	\$141
Hairdressers Registrations	\$220	\$230
Funeral Directors Registration	\$250	\$262
Transfer of Health Act Registration	\$135	\$141
Additional inspection of Health Act registered premises	\$178	\$186
Inspection on request	\$178	\$186
Application fee for exemption from the requirements of the Health Act Regulations	\$135	
Late payment charge for Health Act registration renewal	\$60 per month	\$63 per month

### Reasons for the proposal

26. It is proposed that the cost of registration under the Food Act continues to be a fixed charge with the ability to charge an extra hourly fee if required. Registration involves maintaining our own register (along with that of the Ministry for Primary Industries (MPI)), providing registration documentation, education of food safety practices and implementing the Food Control Plan with operators. This fee is based on the average time taken to process a registration application and provide an education component to operators on the risk-based regime.
27. Initial processing of a Food Act registration is more time consuming than subsequent renewal and therefore the proposed charge reflects this.
28. It is proposed that each extra site on a multi-site registration or renewal continues to have a fixed charge. This is to cover the cost of maintaining extra sites on the MPI and Council databases, along with producing individual site registration certificates.

29. It is proposed that the cost for Verification continues to be an hourly charge that reflects the time involved in verifying the food business's Food Control Plan. Verification involves developing a scope and communicating this with the business, time on site to conduct the verification and writing up of the verification report.
30. The benefit of charging an hourly rate for verification is it recovers direct costs of Council from the business being verified; those who are performing well will require less time for verification and therefore be charged less than premises that are non-conforming and require more time to ensure compliance.
31. It is also proposed that a travel charge continues to be applied for food verification visits. The Food Act 2014 requires us to arrange a time to conduct a verification with the operator and these are on a set schedule depending on their previous verification outcomes. This means we cannot always schedule multiple verifications in the same location. The travel fees take into consideration the time and mileage taken to travel to each location with an adjustment made anticipating that some areas may provide the opportunity to conduct multiple verifications.
32. Some of the premises we are required to verify require significant travel including boat transport. The travel charge will recover the costs of travel including staff time and vehicle/boat charges. We still believe the most justifiable and transparent way to do this is to have costs associated with zones. A map of these proposed zones is attached (as Attachment 4.38.1).
33. The zone map has been previously adjusted slightly to ensure that outliers were not being unfairly treated.
34. It is proposed that monitoring and unsubstantiated compliance costs continue to be covered by a general rates component. These are of benefit to the general public.

**Food Act consideration for fixing fees**

35. The Council is required to take into account the criteria in section 198(2) of the Food Act when fixing fees. The following details consideration of these criteria.
  - a) **Equity**—in that funding for a particular function, power, or service, or a particular class of function, power, or service, should generally, and to the extent practicable, be sourced from the users or beneficiaries of the relevant functions, powers, or services at a level commensurate with their use or benefit from the function, power, or service.

Council considers it is equitable to recover the direct costs of the Council's functions under the Act solely from the direct beneficiaries.

The direct beneficiaries of Council's functions of registration and verification are perceived to be the food business to which the function applies.

Users of food businesses receive an indirect benefit from the functions performed by the Council under the Act due to the fact that the food premises where they purchase food is compliant with the requirements of the Act and any applicable regulations. These indirect benefits result from the direct beneficiary's discretion to operate a food business for commercial gain and as such should not result in a public/private split of benefits of the Council's Functions of registration, verification and validated compliance functions under the Act.

Recovering the full costs of the Council's functions under the Act solely from the direct beneficiaries aligns with the public/private benefits assessment of the Compliance group's environmental health service in Council's Revenue and Financing policy. This assessment apportions a 40/60 percent split of the benefits to public versus private beneficiaries across the entire environmental health services recognising that some complaint investigation, education and monitoring activities under environmental health legislation are deemed to be for public benefit and are not cost recoverable from the food business operators.

The proposed fee's structure excludes charging food businesses operators for monitoring functions and complaint investigations that are not substantiated. This approach recognises that general complaint investigation has a public benefit and should not be directly recovered from the food business where the complaint is not justified. It also recognises that the monitoring of food business generally has a public benefit and should not be cost recoverable from food business operators.
  - b) **Efficiency**—in that costs should be generally allocated and recovered in order to ensure that maximum benefits are delivered at minimum cost.



The Council seeks to deliver its functions in the most efficient manner possible and to ensure efficiency is reflected in the fixed fees to users. The Council will look to recover fees in the most efficient manner by setting an annual fee for registration and identifying travel charges by zone to reduce charge calculation and provide certainty to business operators on costs. Verifying fees, which have more potential variability as they are dependent on the food operator's performance, are charged on an hourly basis.

- c) **Justifiability**—in that costs should be collected only to meet the actual and reasonable costs (including indirect costs) of the provision or exercise of the relevant function, power, or service.

The proposed fees have been determined on time and costs to process registrations and verification functions based on Council's experience in carrying out the Food Act functions.

Charging verification on an hourly rate basis directly recovers the cost of verifying the food business. Those businesses which are performing well will require less time to verify and therefore be charged less than premises that are non-conforming and require more time to ensure compliance.

The hourly rate is based on the cost per hour of verifying officers. This cost includes the operating expenses of the section divided by the total available hours of the section's officers.

- d) **Transparency**—in that cost should be identified and allocated as closely as practicable in relation to tangible service provision for the recovery period in which the service is provided. The proposed fees are allocated to individual functions to ensure transparency and enable tracking of costs for the delivery of that function. The fees include a fixed fee for registration based on a specified timeframe to provide the function and additional hourly rates for anything beyond that timeframe. Verification fees are on an hourly basis. This provides transparency of delivery of service.

### **Sale and Supply of Alcohol Act fees**

36. Fees under this Act are set by Regulation. This Regulation has been in place since 2012 but the associated fees are currently being reviewed. Should these fees not be increased by the Ministry of Justice then Council will review the requirement for a fees Bylaw under Section 405 of the Sale and Supply of Alcohol Act 2012 to recover the direct costs of these functions.

### **Timing of setting fees**

37. The proposed fee charges if ratified by Council would come into effect on 1 July 2024.

### **Goods and Services Tax**

38. The charges described in this document include GST.

### **Assessment/Analysis**

39. The Environmental Health group budget provision and fee review for the 2024/2025 is:

39.1 Current Revised Budget 2024/2025 (\$13,125) Deficit based on 60:40 user pay/ratepayer

39.2 CPI Fee increase (4.7%) 2024/2025 (\$2,910) Deficit based on 60:40 user pay/ratepayer

### **Option A-CPI Fee increase 4.7%**

40. Adopt the proposed fees to cover the direct and indirect costs of the Council's functions under the Act. This is considered to be the most equitable option ensuring that funding for the Council's functions under the Act will be sourced from the users or beneficiaries of those functions and not from rates and other funding sources.

### **Advantages**

41. This increase will allow Environmental Health group activities to be recovered in line with Council's Revenue and Financing Policy;
42. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining a fully resourced group;

43. Will avoid additional burden on Council's rate payers.

*Disadvantages*

44. Will increase regulatory costs to Council customers.

**Option Two**

45. Maintain current 2023/24 fee structure.

*Advantages*

46. No increase in costs to the Council customers.

*Disadvantages*

47. No increase to fees will place additional burden on Council's rate payers with a budgeted deficient of (\$13,125).

48. This option would not be consistent with the Council's Revenue and Financing Policy as transferring costs to rates or another funding source would not reflect the private to public benefit of the Council's function under the Act.

**Risk analysis**

50. Council is required to undertake functions under these Acts. If fees are not set, these functions would need to be funded through general rates.

**Community and Food Business views**

51. Affected parties and the general public will have the opportunity to submit their views and preference through the special consultative procedure.

**Attachment**

Attachment 4.42.1 – Travel Zone Map

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Author	Karen Winter, Team Leader Environment Health
Authoriser	Gina Ferguson, Consents & Compliance Group Manager

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables Environmental Health activities to continue to be carried out professionally and cost-effectively			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This proposal contributes to the annual plan and financial strategy relating to supplying Environmental Health activities equitably, efficiently, justifiably and transparently.			
<b>Nature of the decision to be made</b>			
Approval of increased charges.			
<b>Financial considerations</b>			
The proposed fees will assist in ensuring the required income is obtained to maintain the function budget.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The special consultative procedure will be followed to allow stakeholder engagement.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications as fees are permitted to be charged through the Food Act.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			



## 4.43 Fees & Charges

### Annual Review Resource Consent & Permitted Activity Monitoring Fees & Charges - Resource Management Act 1991 2024-2025

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(Report prepared by Claire Frooms/Gina Ferguson)

E360-005-007-01

#### Purpose of report

1. The purpose of this report is to provide Council with the review of fees and charges for Monitoring activities under the Resource Management Act 1991 (the RMA) and consider an increase to the existing fees schedule for the 2024/2025 year.

#### Executive Summary

2. The current fees were last increased in July 2023.
3. The current fees have been reviewed and it is recommended that there is a 4.7% increase to the RMA Monitoring charges for the 2024/2025 financial year, except for the Monitoring Administration fees which is proposed to not increase.
4. The Marlborough District Council Resource Management Act 1991 - Monitoring Charging Policy was changed in 2020 to allow for CPI adjustments to Monitoring Fees and Charges automatically on an annual basis from the 1 July each year. Increases greater than CPI are required to be consulted on using the special consultative procedure as provided in section 83 of the Local Government Act 2002 (LGA 2002).

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#### RECOMMENDATION

**That Council approve consultation under section 83 of the Local Government Act 2002 on Option A the proposed increases to the existing fee schedule for charges associated with RMA monitoring activities effective from the 1 July 2024.**

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#### Background/Context

5. One of Council's functions is to ensure that resource use, as facilitated by the granting of consents, is sustainable. It is Council's duty to monitor the exercise of resource consents.
6. The Environmental Protection Group is responsible for discharging the Council's ongoing consent management responsibilities under the RMA. These include:
  - i. The administration and monitoring of resource consents
  - ii. The gathering of information necessary to monitor the state of the environment of the region.
7. Section 36(1)(c) of the RMA allows Councils to charge consent holders for costs associated with the Council's functions in relation to the administration, monitoring and supervision of resource consents.
8. Section 36(1)(cc) of the RMA allows Councils to charge persons who carry out permitted activity, for the monitoring of these activities. A National Environmental Standard (NES) empowers Council to charge for this activity. Currently The National Environmental Standard for Commercial Forestry 2017 and the national Environmental Standard for Freshwater Water 2020 empower Councils to charge for monitoring.
9. Costs of ongoing administration of Resource Consent files include:
  - a) Acquiring and maintaining computer software that stores information about resource consents (and compliance monitoring);

- b) Developing, updating and maintaining the information contained in Council's databases with regard to Resource Consents;
  - c) Responding to public and personal enquiries about Resource Consents. These might be in the form of Local Government Official Information Act requests, media requests, etc. Council is also required to provide information with regard to resource consents to central government;
  - d) General administration of Resource Consent files.
10. Methods and frequency of monitoring consents differ depending on the type of consent and conditions. Costs associated include staff time and material costs associated with monitoring a consent, such as:
- a) Staff time for site visits and inspections;
  - b) Staff time to review results, management and/or monitoring plans;
  - c) Staff time for the preparation of notification of compliance and updating databases;
  - d) Staff time for the preparation of abatement notices and infringement notices;
  - e) Staff time for reporting and record keeping
  - f) Travel costs;
  - g) Laboratory testing and analysis of samples;
  - h) Consultant costs, where they are used to monitor/advise on consents on behalf of council;
  - i) Disbursements, including photocopying and postage costs; and
  - j) Any other actual and reasonable costs as incurred.
11. Fees and charges may be fixed under section 36 of the RMA after using the special consultative procedure set out in section 83 of the Local Government Act 2002 and in accordance with section 36(3) of the RMA.

***Public versus Private Good***

12. In accordance with section 36AAA in setting the schedule of fees for administration, supervision and monitoring of resource consents, Council has considered the relative benefits to the consent holder and the community at large.
13. It is generally viewed that because the monitoring activity is solely occasioned by the granting of consent to an applicant and they directly benefit from it, the consent holder should bear the full monitoring cost.

***Council's Charging Policy-Resource Management Act Monitoring Fees***

14. The MDC Charging Policy for activities undertaken under the Resource Management Act 1991 and the Local Government Act 1974 was adopted in February 2007. Council's charging policy is based on cost recovery.
15. The current Resource Management Consent Monitoring Charging Policy (January 2021) includes the ability to make CPI increase to fees and charges without public consultation. The inclusion of a CPI adjustment to fees under the Policy removes the requirement to undergo special consultative processes for CPI adjustments to fees and align with the Resource Consents Charging Policy.

***Council's Revenue and Financing Policy***

16. The Council's Revenue and Financing Policy (contained in its Long Term Plan) states that 60% of the Environmental Protection group's costs should be recovered from individuals (private good) and 40% is funded by rates (public good).
17. The Environmental Protection groups responsibilities include activities which are generally not cost recoverable (0% cost recovery), such activities include:
- a) Responding to environmental incidents;
  - b) Responding to customer complaints;
  - c) Reporting and record keeping of incidents/complaints;

- d) Permitted activity monitoring (excluding where empowered to charge through a NES);
- e) Responding to public enquiries. These might be in the form of Local Government Official Information Act requests, media requests, etc. Council is also required to provide information with regard to complaints to central government.

**Assessment/Analysis**

- 18. The existing fees and charge's structure is a mix of fixed monitoring charges and hourly based charges.
- 19. Fixed charges are imposed for monitoring activities which have consistent requirements for officer time for compliant activities, such activities include water take and coastal mooring permits.
- 20. Fee structure and fee levels are reviewed annually.
- 21. The staff within the Environmental Protection group are currently split between reactive complaint activities (mostly nonchargeable) or proactive monitoring activities (cost recoverable).
- 22. To reduce a budget short fall and corresponding impact on rates, the Environmental Protection group must consider the annual CPI and changes in operating expenditure on fees and charges.
- 23. The Resource Consent Team budget provision and fee review for the 2024/2025:
  - a) Current Revised Budget 2024/2025 (\$41,316) Deficit based on 60:40 user pay/ratepayer
  - b) CPI Fee increase (4.7%) 2024/2025 (\$40) Surplus based on 60:40 user pay/ratepayer

**RMA Monitoring Fee Schedule**

- 24. A review of the fee schedule has been carried out (see Attachment 4.39.1). A CPI increase of 4.7% is recommended, except for the Monitoring administration charge which is proposed to not increase, to improve the group's private good recovery in alignment with Council's Revenue and Financing Policy with the schedule of fees and charges.

**Goods and Services Tax**

- 25. The charges described in this document include GST.

**Option A – 4.7% Fee increase (excluding the monitoring administration charge)**

*Advantages.*

- 26. This increase will allow the Resource Consent Monitoring fees and charges under the Resource Management Act 1991 to assist in covering the cost of the Environmental Compliance Teams function align with Council's Revenue and Financing Policy.
- 27. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining the groups level of service.
- 28. Will avoid additional burden on Councils rate payer's fees.

*Disadvantages*

- 29. An increase in regulatory costs to Council customers.

**Option B – Status Quo Maintain Current 2023/24 Fee Structure.**

*Advantages*

- 30. No increase in regulatory costs to the Council customers.

*Disadvantages*

- 31. No increase to fees will place additional burden on Councils rate payers of \$41,316 than the recommended option.

32. No increase in fees will not align with Council Revenue and Financing Policy for Resource Consent functions.

**Attachment**

Attachment 4.43.1 – 2024/2025 Current Fee Schedule and proposed changes

Page 286

Author	Claire Frooms, Team Leader Compliance Monitoring Programme Coordinator
Authoriser	Gina Ferguson, Consents & Compliance Group Manager



<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables Council to provide good-quality and cost-effective service to customers and ratepayers.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This proposal contributes to the annual plan and financial strategy relating to supplying Resource consent monitoring activities equitably, efficiently, justifiably and transparently.			
<b>Nature of the decision to be made</b>			
Approval of increased charges.			
<b>Financial considerations</b>			
The proposed fees will assist in ensuring the required income is obtained to maintain the function budget.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The special consultative procedure will be followed to allow stakeholder engagement.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications as fees are permitted to be charged through the RMA.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## Attachment 4.43.1

	Charge Type	Fees are GST Inclusive	Proposed fees 2024/2025 CPI 4.7%
<b>Resource Consents - Administration, Monitoring &amp; Supervision</b>			
		<b>Charge \$</b>	
Sampling including the contracting of consultant	Variable	Actual	Actual
Laboratory Costs	Variable	Actual	Actual
Administration fee (monitoring)	Fixed Annual or One-off	\$50.00	\$50.00
Site Inspection	Variable	Actual	Actual
Disbursements	Variable	Actual	Actual
Monitoring Charge - Water Permits (per water meter)	Fixed Annual	\$324.00	\$339.00
Monitoring Charge - Moorings (per mooring)	Fixed Annual	\$81.00	\$85.00
Environmental Protection Officer	Per Hour	\$186.00	\$195.00
Student Environmental Protection Officer	Per Hour	\$124.00	\$130.00
<b>Monitoring Charges for Permitted Activity Under the Resource Management (National Environmental Standards for Commercial Forestry) Regulations 2017</b>			
Environmental Protection Officer (per hour (pro rata))	Per hour	\$186.00	\$195.00
Student Environmental Protection Officer (per hour (pro rata))	Per hour	\$124.00	\$130.00
Laboratory costs	Variable	Actual	Actual
Consultant	Variable	Actual	Actual
Site Inspection	Variable	Actual	Actual
Disbursements	Variable	Actual	Actual
Additional monitoring due to non-compliance	Variable	Actual	Actual
<b>Monitoring Charges for Permitted Activity under the Resource Management ( National Environmental Standards Freshwater) Regulations 2020</b>			
Environmental Protection Officer (per hour (pro rata))	Variable	\$186.00	\$195.00
Laboratory costs	Variable	Actual	Actual
Consultant	Variable	Actual	Actual
Administration fee (monitoring)/ Notification Fee	Fixed Annual or One-off	\$50.00	\$50.00

## 4.44 Fees & Charges

### Proposed Amendments to Geographic Information System Fees and Charges

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(Report prepared by Stacey Young)

I100-003-001-005

#### Purpose of report

1. To consider introducing a new fee schedule for Geographic Information System (GIS) consultancy advice, contract work and printing services.

#### Executive Summary

2. A review of the current *GIS Output Map Fees* has been carried out and a new fee schedule is proposed.
- 

#### RECOMMENDATION

That Council agrees that the current *GIS Output Map Fees* schedule is replaced with a new *GIS Fees and Charges* schedule.

---

#### Background/Context

3. The GIS Team provide a range of GIS services to the public, including but not limited to:
  - a. Map prints, both physical and digital.
  - b. Data supplies.
  - c. Analytics/processing of data.
4. Over the past 12 months, Council received approximately 20-30 requests for GIS services directly from the public, examples of which are provided in the *Discussion* section below.
5. The current fees have not changed since 2017.
6. The current *GIS Output Map Fees* (see paragraph 10) are outdated and many of the services are obsolete.

#### Review of Fees and Proposed New Fees and Charges

7. A review of current GIS fees has been undertaken and details are provided in paragraphs 11 and 12.
8. Consideration of the review has included:
  - Relevance of the current charges as a review of fees has not been undertaken since they were last reviewed in 2017. As such, most of the current services and fees are considered out of date or obsolete.
  - A comparison of MDC charges for GIS services with fees and charges incurred by other Council's across New Zealand (Attachment 4.40.1).
  - The services the GIS team provide to the public, including the technical expertise required for some requests.
  - the 2024/25 draft budget assumptions in relation to cost escalation, staffing costs and overheads.

## Discussion

9. GIS requests encompass, but are not limited to:
- Hard copy (physical) or digital (e.g., PDF) map prints of either preconfigured datasets and/or manually configured datasets from a variety of sources. Typically, the GIS team get a couple of these each month in varying formats. Manually configured datasets are the most time intensive requests, as this requires downloading the data, processing the data, and then configuring the data alongside existing datasets.
  - Digital GIS data supplies, which involves supplying the customer with data that MDC typically owns, in raw GIS format. Examples include Light Detection and Ranging (LiDAR) data, i.e., contours; Digital Elevation Model (DEM) data; Digital Surface Model (DSM) data; raw LaSER format (LAS); Tagged Image File Format (TIF) files; multibeam and historical imagery. The GIS team also supplies various datasets as shapefiles, file geodatabases or ArcGIS Pro packages. This can be time intensive depending on the size and complexity of the data to prepare the data.
  - Analytics/modelling/processing of data from various data sources into a different data format. This is usually done as part of configuring the data for the above two requests. This involves looking at existing datasets and calculating/extrapolating/modelling new attributes/features or exporting to different data formats to integrate into a specific system.
10. The current GIS fees are presented below.

<b>Current GIS Output Map Fees</b>	<b>Charges (incl. GST)</b>
<b>Dekho maps</b>	
Dekho quick picture	\$3.10
Dekho A4	\$10.20
Dekho A3	\$20.40
<b>GIS Aerial Photo Cadastral (base costs with no consultancy work)</b>	
A4 ad hoc, underlying aerial photography, and cadastral linework only - black and white	\$12.80
A4 ad hoc, underlying aerial photography, and cadastral linework only - colour	\$15.30
A3 ad hoc, underlying aerial photography, and cadastral linework only - black and white	\$17.90
A3 ad hoc, underlying aerial photography, and cadastral linework only - colour	\$25.60
<b>Ad hoc Hardcopy/Digital Data Supply Factors</b>	
Miscellaneous consultancy - ad hoc GIS analysis and contract work/hour	\$130.00
<b>Media - plotter roll paper, foil, floppy disks etc</b>	
Plotter media - A1 and A2	\$10.20
CD-ROM DVD diskette - 550 Mb removable diskette	\$2.00

11. The key findings of the review are:

### **Dekho maps**

These maps were replaced by LocalMaps in 2021; therefore, these charges are no longer relevant.

### **GIS aerial photo cadastral printing**

Current printing fees are for A4 and A3 sized prints. There are larger sized prints available (i.e., A2, A1 and A0) and can be available to the public.

Currently there are different charges for black and white printing and colour printing. It is proposed to have one fee for black and white printing and colour printing for simplicity and also to be in line with other Councils nationally.

### **Ad hoc Hardcopy/Digital Data Supply Factors (miscellaneous consultancy)**

As noted in paragraph 3, the GIS team provide a wide range of services to a cross section of the public. The expertise required ranges widely as does the time it takes to provide the service. Based on consultancy advice provided by the GIS team in the past and taking into consideration fees charged by other Council's nationally (Appendix 2), it is proposed to maintain the current consultancy fee.

### **Media - plotter roll paper, foil, floppy disks, etc.**

These media formats are outdated; therefore, fees are no longer relevant.

**Proposed new charges**

12. A new fees and charges schedule for GIS services to the public is presented in the table below.

<b>GIS Services Provided</b>	<b>Proposed Fees (incl. GST)</b>	<b>National average (based on data from 25 Councils across NZ)</b>
Miscellaneous consultancy hourly rate (15+ mins)	\$149.50	\$110
A4	\$5.75	\$5
A3	\$11.50	\$8
A2	\$17.25	\$18
A1	\$23.00	\$27
A0	\$34.50	\$38

13. GIS fees and charges in future will be reviewed annually.

**Attachment**

Attachment 4.44.1 – Comparison of MDC charges for GIS services to fees charged by other NZ Councils

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Author	Stacey Young, Chief Information Officer
Authoriser	Mark Wheeler, Chief Executive

## Attachment 4.44.1

## Comparison of MDC charges for GIS services to fees charged by other Council's across New Zealand

Council	Hourly Rate (15+ mins)	A4	A3	A2	A1	A0	Subsequent A4	Subsequent A3	Subsequent A2	Subsequent A1	Subsequent A0
Mackenzie	\$130	\$5	\$10	\$20	\$35	\$50					
Central Otago	\$102	\$1	\$2								
Tasman	\$170	\$5	\$10	\$15	\$20	\$30	\$2	\$5	\$8	\$10	\$15
Ruapehu	\$100	\$3	\$6	\$15	\$25						
Waitomo	\$76	\$1	\$2	\$10	\$12	\$19					
Gisborne		\$13	\$19	\$25	\$36	\$55					
Thames Coromandel	\$145	\$9	\$13	\$25	\$46						
Waimate	\$100	\$11	\$13	\$24	\$47	\$70					
Central Hawkes Bay	\$165	\$10	\$14	\$25	\$30						
Hauraki	\$80	\$3	\$4	\$15	\$25	\$50					
Horowhenua		\$1	\$3	\$7	\$14	\$29					
New Plymouth		\$6	\$12								
Otorohanga	\$55	\$11	\$13	\$16	\$31						
Tauranga	\$136			\$32	\$44	\$55					
Waipa	\$78	\$1	\$2	\$10	\$18	\$30					
Wairoa	\$130	\$11	\$17	\$21	\$32						
Wellington City		\$14	\$23								
Western BOP	\$125	\$1	\$2	\$30	\$40	\$50					
Whakatane		\$3	\$5	\$30	\$40	\$50					
Ashburton	\$168	\$1	\$1	\$4	\$6	\$10					
Buller	\$80	\$10	\$10	\$10	\$10	\$10					
Gore	\$100										
Hurunui				\$15	\$20	\$25					
Kaikoura	\$90	\$1	\$2	\$10	\$15						
Timaru	\$52	\$2	\$3								
AVERAGE	\$110	\$5	\$8	\$18	\$27	\$38					
MDC NEW	\$130	\$5	\$10	\$15	\$20	\$30	\$5	\$10	\$15	\$20	\$30

## **4.45 Fees & Charges**

### **Proposed Amendments to Land Information Memorandum Fees as per Section 44A of the Local Government Official Information and Meetings Act 1987**

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(Report prepared by Stacey Young)

I100-005-002-03

#### **Purpose of report**

1. To consider an increase to the existing fee for Land Information Memorandums (LIM).

#### **Executive Summary**

2. A review of LIM fees has been carried out and a proposed fee increase to Residential and Commercial/Rural/Industrial.
  3. This increase reflects the inflationary pressures seen across Council and ensures the LIM activity is funded completely by these fees.
  4. All fees and charges included in this paper include GST.
  5. LIM fees are optional not mandatory.
- 

#### **RECOMMENDATIONS**

**That Council agrees to a proposed fee increase and a new charge:**

1. **That LIM fees are increased from \$386.40 to \$425.04 Residential and Commercial/Rural/Industrial from 668.40 to \$735.24.**
  2. **That a new charge of \$132 per hour will be incurred for a LIM request that is cancelled part way through processing.**
- 

#### **Background/Context**

6. A LIM is a report prepared by Marlborough District Council (MDC) that provides information in terms of section 44A of the Local Government Official Information and Meetings Act 1987 on matters affecting land and buildings on a particular property.
7. Council processed 387 LIMs in 2021/22 and 654 LIMs in 2022/23.
8. The last fee increase was adopted in 2023/24.
9. LIMs is now annually reviewed.

#### **Review of Fees and Proposed New Charge**

10. A review of current LIM fees has been undertaken.
  11. Consideration of the review included:
    - cost recovery of the group's activities, recognising the private benefit of the activity and budget requirements; and
    - the 2024/25 draft budget assumptions in relation to cost escalation, staffing costs and overheads; and
    - the ability of the team to meet the industry and statutory requirements.
  12. An increase in legislation changes requires greater expertise and experience within the LIM team.
-

**Discussion**

- 13. LIM processing falls into two categories: Residential and Commercial/Rural/Industrial.
- 14. Residential LIMs are for any property under 2.5 hectares.
- 15. Commercial/Rural/Industrial LIMs are for any properties used for commercial, industrial, or rural purposes. Some examples of rural use include viticulture, horticulture, farming, and forestry.
- 16. The current LIM fees are:

Residential	\$386.40
Commercial/Rural/Industrial	\$668.40

**Proposed amendments to fees and new charges**

- 17. A fee increase for both Residential and Commercial/Rural/Industrial LIMs is proposed as below.

Residential	\$425.04
Commercial/Rural/Industrial	\$735.24

- 18. There is significant work up-front in gathering the information in generating a LIM and there is a need to charge for LIM requests that are cancelled part way through processing. This is proposed to be an hourly charge of \$132.
- 19. LIM fees and charges in future will be reviewed annually.

Author	Stacey Young, Chief Information Officer
Authoriser	Mark Wheeler, Chief Executive



<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This proposal contributes to the Regional Land Transport Plan relating to Emergency Works.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
Financial authority is sort with this paper to progress the next phase of the roading recovery works from the 17 July 2021 storm event.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No engagement is proposed.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
In assessing the preferred option, staff have considered the effects of climate change. The proposed review to asset optimisation options for the regions costliest roading corridors will take into account the effects of climate change moving forward.			

## 4.46. Staffing Requirements and Accommodation

(Report prepared by Mark Wheeler)

H500-000-07

### Purpose of report

1. This report provides a brief overview of Council's staffing requirements to meet existing and proposed levels of service.

---

### RECOMMENDATIONS

1. That the Opex budget be increased for salaries and overheads for 2024-2025 of \$206,500 and following years of \$413,000 to fund the additional staff proposed in this report.
2. That the Capex budget be increased for salaries and overheads for 2024-25 of \$175,000 and following years of \$350,000 to fund additional staff required for Three Waters projects.
3. That the operating salaries and overheads budgets be decreased by \$400,000 per year to allow for unfilled vacancies throughout the year and reflecting the increasing recruitment timeframe.
4. That a budget of \$100,000 be provided in 2025/26 for concept design work for a possible extension of the Administration building from Forestry and Land Development Reserve.

---

### Discussion

2. There are significant rate increase pressures on Council and local government across New Zealand. These are explained in detail elsewhere in the meeting's agenda. Councillors have been well aware of these for some time.
3. The economy is challenging and the recently elected Coalition Government is working hard to reverse many of the previous government's reforms and large capital projects to both restrain spending and amend policy directions. This has led to future policy uncertainty for local government until new policy is developed in more detail.
4. Council has many challenges ahead including the Marlborough Sounds Access repairs and improvements, rising community expectations across most services, central government requirements requiring local government investment, climate change and the uncertain but necessary investment in the Interislander ferry resilience project.
5. Staff across Council are extremely busy and challenged by this environment. There is strong demand from both the public and private sectors for the skill sets our staff provide and a shortage of trained people to fill the necessary vacancies. Whilst the new Coalition Government's policies will likely increase the supply of some skills (e.g. 3 Waters engineers) the uncertain policy environment makes future staffing needs difficult to predict.
6. In preparing levels of service requests, Council budget managers were asked to show restraint, given the above factors, but were assured that current staffing levels were likely to be supported. Most areas can justify increased staff numbers but generally have accepted that need for restraint.
7. Several Councillors have voiced concerns about a perceived lack of staff resource in some areas. To inform that discussion the table below provides a comparison of 2018 and current full time equivalent staff numbers.

Department	LTP year		Change
	1 July 2018	1 July 2023	
A & S	54.8	58.5	+ 3.7
Corporate Finance	17.4	19.9	+ 2.5
GM	6.0	8.9	+ 2.9
IS	25.3	27.6	+ 2.3
Property and Community Facilities	16.3	20.9	+ 4.6
Regulatory & Environment	87.2	108	+ 20.8
Support Services	54.5	66.9	+12.4

8. The most significant investment in staff resource has been in Regulatory teams to address statutory requirements, government assisted environmental enhancement opportunities., risk management and environmental levels of service.
9. In the Support Services areas, the increases are mostly in Libraries (new larger facility) and Museums (previously funded by grants).
10. Separate papers explain additional levels of service requests which require additional staffing. Council has already approved an additional 1.5 full-time equivalent (FTE) in the Finance team, and 1 FTE in People and Capability for 2024/25.

Additional roles proposed for 2024/25 which are not already funded are:

2024/25			
Department		+ FTE's	Funding Comment
Assets and Services	3 Waters		
	<ul style="list-style-type: none"> <li>• Picton Water Metering to reduce consumption</li> </ul>	x 2	Capitalise
	<ul style="list-style-type: none"> <li>• Drinking water treatment Project Engineer to assist with achieving statutory requirements</li> </ul>	x 1	Capitalise
	<ul style="list-style-type: none"> <li>• Backflow/Tradewaste Officer. Additionally this position will assist the management of senior staff retirements in 2025</li> </ul>	x1	Rates
	Rivers and Drainage	1.5	Better Off Funding
	<ul style="list-style-type: none"> <li>• Wairau Scheme review</li> <li>• To support operational requirements and enable CAPEX project delivery</li> </ul>		
Regulatory & Environment	Nautical and Coastal	0.5	Rates
	<ul style="list-style-type: none"> <li>• Provide improved navigation safety response and maintenance in order to meet the required 24/7 nature of the activity and replace retiring casual staff</li> </ul>		
Support Services Library	Replace 1 of terminating 2.5 fixed term positions with a general role focussed on Library Security and Building Management whilst providing operational support across several other functions.	1	Rates

11. The estimated salary and overhead cost for these positions is \$762,500 per annum. Given recruitment timeframes a 6-month 2024/25 budget of \$381,250 is proposed. This budget will be split between Capex (\$175k 24/25 & \$350k 25/26 +) and Opex (\$206k 24/25 & \$413k 25/26 +).
12. The Rivers and Drainage roles, required to support the Wairau River scheme review, will receive Better Off Funding, offsetting the above operational costs.
13. There is a consistent level of vacancies and for some roles and increasing recruitment time due to the shortage of and demand for skilled personnel nationwide. It is proposed that a reduction in budget of \$400k per annum be provided to accurately reflect the consistent underspend of salary budgets.
14. It is suggested that the uncertainties of the new Coalition Government's policies make future staff resource budgeting very speculative and that staff budgets beyond 2024/25 be reviewed for the 2025/26 Annual Plan.
15. It should be noted that budgets have reduced for Fixed Term positions which terminate during the LTP period.

### *Accommodation*

16. Council's Blenheim Administration Building is almost at full capacity. Recently the air conditioning upgrades undertaken and underway in the 1994 and 2005 wings demonstrated that some spare capacity exists but required meeting rooms, offsite locations (EMOC) and the windowless plan room to be used.  
  
Additional space was found on the second floor and a small amount of additional seating could be provided in other areas with smart reconfiguration.
17. The use of "hot desks" and an increase in people working from home will also provide sufficient capacity for the increased staff numbers projected over the next two to three years. During that period Government policies may become clearer. These will have a significant influence on Council's staff resource particularly for resource management and 3 Waters teams.
18. Council has sufficient land to the north of the building (freed up by the demolition of the old Millennium Gallery) and to the eastern rear of the building to extend. Extension planning should consider medium to longer term growth but also whether the current facilities for meeting rooms, storage, staff and Councillor amenities and the public interface are optimal. A clearer vision of staff needs and a good architect who can advise on modern office concepts as well as construction design are required to undertake initial concept work. A budget of \$100,000 is proposed for concept design work in 2025/26. No capital budget is proposed until this concept work has been done.

### **Assessment/Analysis**

19. Provide additional budget to meet future staff resource funding needs.

### **Option One (Recommended Option) – Increase staffing levels as proposed**

20. An increase in Council staff of 7 full time equivalents to cover the activities identified.

#### *Advantages*

21. Better able to:
  - 21.1 Achieve service delivery levels of service.
  - 21.2 achieve capital project timelines.
  - 21.3 meet statutory requirements.

#### *Disadvantages*

22. Unable to achieve the advantages above.

### **Option Two – Status Quo**

23. No increase in staffing levels.

*Advantages*

24. Lower cost and rates increase.

*Disadvantages*

25. Unlikely to meet levels of service, project timelines and statutory requirements.

**Next steps**

26. If approved recruitment processes will need to be actioned.

Author	Mark Wheeler, Chief Executive
Authoriser	Mayor Taylor

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the delivery of essential core services and capital projects.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
The projects and service delivery requirements have been budgeted across several future years..			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Engagement as part of the usual LTP processes.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications with this proposal.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## 4.47 Development Contributions Policy

(Report prepared by Geoff Blake)

F230-L24-06

### Purpose of report

1. To review Council's Development Contributions Policy.

### Executive Summary

2. Every three years Council is required to review its Development Contributions Policy and resulting charges.
3. This agenda item provides information in regard to the review conducted and highlights the amendments to the Policy and changes to charges for Council consideration.
4. The Policy is attached for review (**attached** as Attachment 4.42.2).

### RECOMMENDATION

**That Council approve the Development Contributions Policy for consultation at the same time as the Long Term Plan.**

### Review of Income Derived from Development Contributions

4. The table below shows the expected development contribution income per annum compared to the last three years average. This highlights that the contributions collected have been tracking close to forecast with the exception of storm water where on site remediation is being done in lieu of development contributions.
5. The level of development activity has been high over the period with the extent of subdivision likely to be lower in coming years.

Activity	Forecast Average Income	Actual Annual Average	Variance
Reserves	2,210,787	2,244,523	2%
Community Facilities	672,012	832,769	24%
Roading	287,997	317,963	10%
Combined Sewer	2,371,649	2,118,919	-11%
Combined Water	962,797	1,049,308	9%
Stormwater	955,047	430,321	-55%
<b>Total</b>	<b>7,460,290</b>	<b>6,993,803</b>	<b>-6%</b>

6. Development Contributions are calculated to recover expenditure on infrastructure which is made to allow for growth over the long term. Development Contributions received in advance of expectations merely highlights the nature of development and the consumption of infrastructure capacity to cater for growth. There will always be variances in development income to forecast owing to the nature of the development activity which tends to have waves and troughs of activity.

## Core Information Included within Development Contributions Policy

7. The following key information has been included in the development contributions policy:
  - (a) Growth forecasts – measured in household equivalents (HEU's) these have remained unchanged with the exception of stormwater where the HEU's have been lowered (by 50%) to reflect the onsite retention required for new subdivisions.
  - (b) A schedule of capital expenditure (as per the Long Term Plan) and that apportioned to growth to be recovered by development contributions (refer Attachment 4.42.1 for summary of capital expenditure schedule).
  - (c) Development Contributions applied to the areas and activities defined.
  - (d) Methods of calculation and rules associated with implementation and review of contributions.

## Financial modelling to Determine Development Contributions

8. Financial modelling has been carried out to determine the appropriate charges to be applied to development to fund capital expenditure related to growth. The core assumptions in relation to growth, timing of capital expenditure, apportionment of capital expenditure to growth and the discount rate (interest rate) applied have remained consistent with that applied in the adoption of previous policies.
9. The modelled results are determined using consistent methodology as followed in previous Policy reviews. The key assumptions are as follows:
  - i. Capital expenditure and apportionment to growth is derived from the LTP budgets and the apportionment to growth determined by Council's Asset and Services Plans – Attachment 3 of the Policy document;
  - ii. The discount rate applied to cash flows is Council's internal interest rate of 5.5% (at the last review in 2021 the discount rate was 4%);
  - iii. Household equivalents growth is derived using available data and trends and applying a straight line method for future growth. Household Equivalent Unit's (HEU's) have remained the same with the exception of stormwater which have been halved to reflect the extent of on-site retention works required by developers.

Area	HEU's 2021	HEU's 2024
District Wide	170	170
- Community Facilities		
- Land Transport		
Reserves	135	135
Stormwater	134	67
Water	155	155
Sewer	168	168

- iv. Contributions are inflation adjusted using projected PPI index, a long run average of 2.5% is applied in the modelling. It is expected that inflation will reduce over the coming year, accordingly the long run average is considered appropriate. Note actual development contributions are inflation adjusted annually to capture periods of higher or lower inflation.

## Review Outcome

10. The outcome of the review indicates that while the modelled results are higher than the existing levels charged this is in accordance with the discounts Council have historically applied over the previous reviews of the development contributions policies. The modelled results and the comparative data of revenue received from development suggests that the existing levies remain appropriate with the exception of the proposed change to the stormwater levy which has been increased to be 50% of the modelled result.



## Amendments Included into Policy

11. The Draft Policy remains largely unchanged with the exception of the following amendments:
- Reduction of stormwater HEU's by 50% to better reflect the on-site remediation of stormwater required to be undertaken by developers.
  - Inclusion of charges for Awatere Rural water which was previously undertaken on a development by development basis as individual assessments on application of development. It is considered that there is an accepted uniform basis of charging and accordingly this is included in the proposed schedule of charges.
  - Inclusion in 7.3.4 the creating of a second kitchen would trigger the need for development contributions to be paid on development.
  - Inclusion in 10.3 the ability to undertake an independent review of trip generation data should Council consider this is warranted.

## Summary of Development Contributions

12. The financial modelling, the current levies and the proposed charges to recover expenditure related to growth is summarised as follows (GST exclusive):

Description	Modelled Levy	Proposed DC levy	Existing Levy PPI adjusted to 30 June 2024	% Change
Reserves	16,692			
Blenheim		18,300	18,304	0%
Picton		18,300	18,304	0%
Blenheim Vicinity		14,640	14,643	0%
Picton Vicinity		14,640	14,643	0%
General Rural		10,980	10,983	0%
Sounds Admin		9,150	9,153	0%
Community Facilities	4,537	4,420	4,418	0%
Roads	2,575			
Urban		1,890	1,894	0%
Urban Infill		1,260	1,262	0%
Rural		3,150	3,156	0%
Total Combined Sewerage	26,434	15,780	15,780	0%
Blenheim Stormwater	21,027	10,500	8,540	19%
Renwick Stormwater	1,582	1,640	1,641	0%
Combined Water	14,508	6,940	6,943	0%
Riverlands Water	Assessed on a development by development basis			
Wairau Valley Water	Assessed on an individual basis			
Awatere Water Rural		12,820	12,823	0%
Awatere Water Rural + Blind River		25,325	25,325	0%

13. The modelling and actual development income received indicates that the existing levies remain appropriate. An exception could be made for Stormwater where the current levy for Blenheim is below 50% of the modelled result. It is suggested, by this review, that this levy be increased to \$10,500 as shown in the table above.

14. The extract from the Development Contributions Policy provides all the Development Contributions as follows:

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
Regional	Land Transport	\$2,575	\$1,890 (Urban) \$1,260 (Infill <1500) \$3,150 (Rural)
	Reserves	\$16,692	Blenheim* \$18,300 Picton* \$18,300 Blenheim Vicinity* \$14,640 Picton Vicinity* \$14,640 General Rural* \$10,980 Sounds Admin Rural * \$9,150  *These areas are the Geographic Rating Areas used by Council for levying General Rates and Charges
	Community infrastructure Levy (refer 7.3.2 re rural subdivision)	\$4,537	\$4,420
Road Zone Levies	Roading		
Kenepuru Road seal extension		\$18,850 Upgrade to Kenepuru Road between the site and Kenepuru Heads	\$18,850 (PPI adjusted to 1 July 2024) Upgrade to Kenepuru Road between the site and Kenepuru Heads
David Street, Blenheim		\$7,680	\$7,680 (PPI adjusted to 1 July 2024)
Combined (All urban areas serviced by Council)	Wastewater	\$26,434	\$15,780
	Water	\$14,508	\$6,940
Awatere	Rural Water	\$12,820	\$12,820
Awatere + Blind River	Rural Water	\$25,325	\$25,325
Blenheim	Storm water	\$21,027	\$10,500
Renwick	Storm water	\$1,640	\$1.640

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
North West Zones	Zone Infrastructure		
Mowat		\$24,535	\$24,535
Roseneath		\$21,750	\$21,750
Colemans		\$13,705	\$13,705
			(Updated for PPI to 1 July 2024)
Burleigh	Zone Infrastructure (Wastewater)	\$4,650	\$4,650
	Zone Infrastructure (Roads)	\$650	\$650
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 64,65 and 67)	Zone Infrastructure	\$28,800	\$28,800
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 66, 69 and Rose East)	Zone Infrastructure	\$31,400	\$31,400
			(Updated for PPI to 1 July 2024)
Westwood	Zone Infrastructure (Stormwater)	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).

### Recommended Charges

15. The modelled results provide a guide to the appropriate contributions to be charged by Council the modelled results are subject to variation depending on the following parameters:
  - (a) Growth forecasts used and timing of when growth occurs.
  - (b) Extent of capital apportioned to growth and timing of when capital is expended.
16. A conservative approach has been taken which seeks to encourage growth and ultimately housing supply. Council has the ability to use its discretion to determine what the appropriate contributions should be. For this reason, charges implemented by Tasman are provided for comparative purposes with Blenheim. Tasman is an appropriate comparison owing to the similarities between the districts and the nature of their infrastructure.

17. Tasman District Council current contributions in comparison with the proposed charges (GST exclusive) for Blenheim are as follows:

<b>Activity</b>	<b>Tasman 2023 (Waimea Catchment)</b>	<b>Blenheim (Proposed Levies)</b>
Water	\$10,132	\$6,940
Wastewater	\$10,572	\$15,780
Roads	\$2,910	\$1,890
Stormwater	\$9,571	\$10,500
Reserves	\$22,199	\$18,850
Assumes a land value of \$395,000	5.62%	
Community Infrastructure		\$4,420
<b>Total</b>	<b>\$55,385</b>	<b>\$58,380</b>

18. It should be noted that Tasman District Council are reviewing their Development Contributions at present and it is likely that their Development Levies will increase following the review.
19. The Council should also be aware that Development Contribution's which are set below the level modelled results in ratepayer funding being applied to meet these development costs to cater for the planned growth.

### Attachment

Attachment 4.47.1 – Capital Expenditure Summary

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Attachment 4.47.2 – Development Contributions Policy

Page 306

Author	Geoff Blake, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

## Attachment 4.47.1

## Capital Expenditure Summary

Description	Capital NPV (10 years)	Growth NPV (10 years)	Proposed DC levy	Proposed DC Levy income NPV	Act % DC	% Other
Reserves	73,527,178	20,775,015	18,300	20,775,015	28%	72%
Community Facilities	42,365,243	7,300,659	4,420	7,300,659	17%	83%
Roads	210,759,292	3,967,266	Urban \$1,890, Urban Infill \$1,260, Rural \$3,150	3,967,266	2%	98%
Total Combined Sewerage	179,509,413	40,626,427	15,780	24,252,254	14%	86%
Blenheim Stormwater	24,180,057	11,911,470	10,500	5,948,017	25%	75%
Renwick Stormwater	136,139	68,069	1,640	68,069	50%	50%
Combined Water	137,018,486	20,624,615	6,940	9,866,199	7%	93%
Riverlands Water	16,079,282	3,106,604	Assessed on a development by development basis			
Wairau Valley Water			Assessed on an individual basis			
<u>North West Extension Zone</u>						
Three Waters	2,279,269	2,279,269		2,279,269	<b>100%</b>	<b>0%</b>
Roading	1,264,012	1,264,012		1,264,012	<b>100%</b>	<b>0%</b>
	<b>3,543,281</b>	<b>3,543,281</b>	<b>refer 5.1 schedule of charges</b>	<b>3,543,281</b>	<b>100%</b>	<b>0%</b>

## Attachment 4.47.2

2024 Development Contributions Policy						
<b>Version no</b>	2	<b>CM Reference</b>	2168945			
<b>Approved by</b>	Council					
<b>Last review date (if applicable)</b>	26.02.2024	<b>Next review date</b>	2027			
		<b>Select review period</b>	1yr		2yr	
<b>Policy owner</b>	Chief Financial Officer					

## 1. Background

### 1.1 Introduction

Marlborough District is a growing region and expects continued growth in the foreseeable future. Although this is often hailed as positive for the community, growth also presents a number of challenges. Not the least is Council's task of expanding infrastructure networks to support the increased use of essential services.

The cost of expanding these networks is often high, and the issue of funding inevitably arises. Funding the expansion of these core networks entirely from general rates (or other indirect means) is inequitable, because existing ratepayers may neither cause these works to occur, nor materially benefit from them. As a result, alternative means for funding these capital works must be considered. Development Contributions is one such source.

Council considers the use of the Development Contributions mechanism under the Local Government Act 2002 will provide a far more equitable means of recovering the cost of growth as compared to charging the entire cost of growth to ratepayers.

The Development Contributions calculated in this Policy are based not only on information contained in the Long Term Plan (LTP), but also incorporate additional information and assumptions making a direct reconciliation between the outcomes of the modelling and the LTP difficult.

The capital expenditure used for modelling what the appropriate charges include:

- Expenditure previously incurred to create spare capacity to enable future development to occur.
- Expenditure beyond the ten year programme which is required to cater for the cumulative effects of growth.
- An assessment of expenditure which relates to future growth beyond the life of the LTP.

The growth projections used to determine income from Development Contributions in the modelling are based on long run straight line averages using the Department of Statistics population projections supplemented by more recent economic forecasts and the actual growth that has occurred over recent years. Household Equivalents (HEU's) used in the modelling are higher than the Department of Statistics populations projections reflecting the more recent growth rates being experienced in the regions urban areas. This is beneficial to developers as it has the effect of reducing the modelled development contributions results.

The tables showing expenditure and income for both absolute and present value numbers are those which have been modelled to derive the Development Contributions proposed in this Policy. While the information contained in the LTP is a key source of data for deriving the Development Contributions it is not the only data used. In a number of instances an opening balance of capital expenditure incurred, which is attributed to provision of growth, has been incorporated.

The table below sets out the forecast revenue from the Development Contributions Policy, for the first 3 years individually, the last 7 as a block and the total.

	2024-25 \$M	2025-26 \$M	2026-27 \$M	2028-34 \$M	Total \$M
Estimated Development Contributions	8.1	8.3	8.5	66.6	91.5

## 1.2 Application of Development Contributions

It is anticipated that Development Contributions collected will indicatively be spent as follows (present value of Development Contributions):

Activity	\$M
Reserves	20.8
Community infrastructure	7.3
Water	9.9
Sewerage	24.3
Stormwater	6.0
Roads	4.0
Total	72.3

## 1.3 Legislative Requirements

The Local Government Act 2002 (the LGA) is the enabling legislation through which Council is able to collect Development Contributions. Amendments to the LGA have been made which impact on the Development Contributions policies of Council. Notable recent amendments are contained in the No. 3 amendment<sup>4</sup>. This document satisfies the legislative requirements.

## 1.4 Navigating this Document

This document comprises several sections. Following are brief descriptions of each.

- *Section 2* provides a brief **overview of the Policy**, including the purpose of Development Contributions, principles applied in developing policy, when contributions may be required, the types of development that may be charged, and so on.
- *Section 3* addresses the **adoption and implementation** of this Policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions.
- *Section 4* outlines the **growth context**, and provides a schedule of the capital expenditures Council expects to incur (and has already incurred), the apportionment to funding from growth and other sources.
- *Section 5* presents the **schedule of Development Contributions charges**, and details any limitations on the use of those funds.
- *Section 6* provides a simple flowchart diagram that shows **how to calculate** the contributions payable on developments.
- *Section 7* demonstrates **application of the Policy** to various development activities, outlines how credits are granted and the provision to enter into development agreements with Council.
- *Section 8* presents Council's Policy on **remissions, refunds, reductions** and postponement of Development Contributions as well as the right and process for reconsideration and objections in regard to the application of the Policy.
- *Section 9* provides details on **additional administrative matters**, such as invoicing and payment, service connection fees and the handling of GST.
- *Section 10* outlines **how demand has been measured**, including the definition of household equivalent units.
- *Section 11* presents the **methodology** used to calculate charges and outlines the **significant assumptions** underlying this Policy.
- *Appendix 2* contains the maps for each catchment.
- *Appendix 4* contains a **glossary of terms** used in this Policy.

## 2. Policy Overview

### 2.1 Purpose of Development Contributions

The purpose of Development Contributions is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service

<sup>4</sup> Local Government Act 2002 Amendment Act 2014

growth over the long term<sup>5</sup>.

## 2.2 Development Contributions Principles

Council has taken into account the following principles in developing this Policy<sup>6</sup>:

- Development Contributions are only required when the effect of development (including the cumulative effects of the development in combination with other developments) is to require Council to have provided, or to provide, new or additional assets or assets of increased capacity.
- Development contributions are determined in a manner that is generally consistent with the capacity life of assets, and in a way that avoids over recovery of costs.
- Cost allocations used to establish Development Contributions are determined according to who benefits as well as who created the need for assets.
- Development Contributions will be used for or towards the purpose for which they are collected.
- Information will be provided in the Council's Long Term Plan which will demonstrate what Development Contributions are being used for and why.
- Development Contributions contained in the Policy should be predictable and be consistent with the methodology and schedules in the Policy.
- Grouping of areas will be undertaken having given consideration to the balance between practical and administrative efficiencies and fairness and equity and avoids district-wide catchments wherever practicable.

## 2.3 How Charges are Calculated

Charges are calculated for each catchment and each activity on the basis of:

- the expected scale and timing of capital works required to service growth
- the expected rate and timing of developments for which works are required.

A more detailed explanation of the methodology is provided in section 11.

## 2.4 When Development Contributions May be Required

A "development" is<sup>7</sup>:

- any subdivision, building (as defined in s8 Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- does not include the pipes or lines of a network utility operator.

Development Contributions may be required in relation to developments if<sup>8</sup>:

- the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence,
- Council incurs capital expenditure to provide appropriately for those assets<sup>9</sup>.
- the effect of the developments is the consumption of the existing capacity of Council assets, thereby accelerating their replacement with assets of a greater capacity.

Council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

Notwithstanding the above powers a territorial authority may not require a development contribution to be made to the territorial authority for the provision of any reserve if the development is non-residential in nature or for the non-

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<sup>5</sup> S197AA Local Government Act 2002

<sup>6</sup> S197AB Local Government Act 2002

<sup>7</sup> S197 Local Government Act 2002

<sup>8</sup> S199 Local Government Act 2002

<sup>9</sup> In this context, "effect" includes the cumulative effect that a development may have in combination with other developments.



residential component of a development that has both a residential and a non-residential component.<sup>10</sup> Note that accommodation units are considered to be residential for this purpose of this Policy and the Development Contributions provisions in the Local Government Act 2002.

## 2.5 Types of Development that may be Charged

Any development that meets the definition of "development" and the statutory (s199) basis for requiring contributions set out in 2.4, whether residential or non-residential, may be required to pay a development contribution as provided in this Policy.

## 2.6 Types of Activities that may be Funded

Council may levy Development Contributions for:

- *Reserves*
- *Network Infrastructure* – which includes roads and other transport, parking, water, wastewater, and stormwater infrastructure
- *Zone infrastructure* – where Council provides infrastructure within a development zone owing to multiple landowners, with Council effectively acting as banker for the development zone.
- *Community Infrastructure* – assets owned, operated, or controlled by a territorial authority:
  - (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
  - (b) libraries;
  - (c) swimming pools;
  - (d) reliance on transitional provisions by Council to use development levies to fund capital expenditure which it has previously had reliance on.

Please also note that onsite works (within the boundaries of each development) are the sole responsibility of developers and do not form part of this Policy. They are usually required as a condition of resource consent.

## 2.7 Use of Development Contributions as a Funding Tool

The cost of infrastructure to cater for growth is covered by rates and Development Contributions.

The Council considers that it is appropriate to pass a fair and reasonable proportion of the cost of growth onto developers through the Development Contributions Policy.

The Long Term Plan identifies community outcomes. The activities that the Council will fund from Development Contributions all support the range of community outcomes in some way, especially Environment, Connectivity, People, Economy and Living.

The Council has carefully considered, for each activity, the matters included in section 101(3) of the Local Government Act 2002 as part of its evaluation and allocation of growth costs under this Policy. In summary, using Development Contributions to fund the growth costs for certain of these activities (rather than solely relying on rates) is considered to be appropriate for a number of reasons, including the following:

- Development Contributions are fairer because they allocate growth costs to the section of the community that creates the need for the Council to incur these costs, i.e. developers and new residents or occupants.
- Development Contributions allocate costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.
- Development Contributions send clear signals to developers and the growth community about the true cost of growth.
- Growth costs can be properly apportioned over time, so that members of the growth community only pay for capacity that they use and an appropriate proportion of those costs are allocated to future generations.

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<sup>10</sup> S198A Local Government Act 2002

- Development Contributions allow growth-related capital expenditure in relation to particular activities to be funded distinctly from other expenditure on those activities, and from expenditure on other activities, and therefore provide transparency and accountability regarding the true costs of growth.
- Development Contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.
- The Council considers that using Development Contributions to fund a share of the cost of growth-related capital expenditure for the activities covered by this Policy will best advance social, economic, environmental and cultural well-being.

### **3. Adoption, Implementation and Review**

#### **3.1 Timing**

Following the consideration of public submissions and the completion of special consultative procedures, this Policy was adopted as part of Council's Long Term Plan for the period 2024-2034.

#### **3.2 Frequency and Scope of Reviews**

Council will review this Policy at least once every three years, or more frequently if deemed necessary. Each review will take into account - but not be limited to:

- any changes to the significant assumptions underlying the Development Contributions Policy;
- any changes in the capital works programme for growth;
- any significant changes in the costs of labour, construction or technology;
- any changes in the expected nature, scale, location or timing of development;
- any changes that require new or significant modelling of the networks;
- any changes to the Wairau/Awatere and Marlborough Sounds Resource Management Plans or the Marlborough Environment Plan;
- any changes in legislation;
- the regular reviews of the Funding and Financial Policies, and the LTP;
- any other matters Council considers relevant.

The Development Contribution levies will also be updated annually to account for changes in the Producers Price Index as published by Statistics New Zealand. The annual update will be made available annually.

#### **3.3 Transition between policies**

This Policy applies to applications for consents, service connections or certificates of acceptance lodged with Council on or after 1 July 2024.

Applications lodged before 1 July 2024 will be assessed in accordance with the Development Contributions Policy at the time of lodgement.

### **4. Planning for Growth**

#### **4.1 Growth Projections**

Accurate growth projections are a fundamental component of any Development Contributions Policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread. Unfortunately, however, growth projections are often difficult to generate with any reasonable degree of accuracy.

This was done separately for each activity/catchment combination. The method used to forecast growth projecting dwellings directly - produced plausible estimate; logarithmic trends were fitted to census dwelling counts and subsequently extrapolated. Comparison with economic forecasts, Council's records of growth and available land zoned for development are factored into assessments.

Actual Catchments and Annual Growth used in the model are as follows:

Catchment	Activity	Annual Growth (HEUs)
Regional	Land Transport	170
	Reserves	135
	Community infrastructure	170
Combined Urban Areas	Wastewater	168
Combined Urban Areas	Water	155
Blenheim	Stormwater	62.50
Picton	Stormwater *	11
Renwick	Stormwater	4.50
Seddon	Stormwater *	3

(Note (\*) No capital expenditure has yet been allocated to growth in these areas for this activity.) The HEU's for Blenheim and Renwick are lower than water and sewer HEU's to reflect the level of onsite works required to reduce flow creating partial HEU's per subdivision).

## 4.2 Capital Expenditures Required to Service Growth

Council has developed a funding model which provides the data regarding capital expenditure program attributable to growth, catchment areas, finance costs, projected growth. The capital expenditure used for determining the Development Contributions utilises the capital expenditure contained in the Long Term Plan in addition to assessments of spare capacity currently existing from past expenditure and remaining spare capacity available for growth beyond the Long Term Plan timeframe. The Schedule of assets for which Development Contributions will be used is outlined in Appendix 1 Schedule of Capital Expenditure.

- In determining the capital expenditure incurred in anticipation of growth in the levied period above, historic capital expenditure has been taken into account.
- In determining the opening capacity associated with future growth revenue from previous developments has been taken into account.
- NZ Transport Agency funding has been netted off the capital expenditure for Roads as have Government grants for Community Facilities.
- District wide subsidy from Council's infrastructure reserve has been netted off against the capital expenditure where appropriate.

**Reserves** capital programme has been evaluated for capital expenditure that relates to the acquisition of land and the establishment of reserves to cater for growth. Council has higher capital demands than funding for reserves caused by growth in the District. Typically much of the acquisition and development of reserves is undertaken in a manner which meets the income derived from development. The allocation of costs for this activity includes the consideration of the factors in section 101 (3) (a) of the Local Government Act 2002, including the evaluation of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101 (3) (b) of the Act, the Council considers that using Development Contributions to fund part of this activity supports overall community wellbeing.

**Community infrastructure** – Council has relied on the transitional provisions<sup>11</sup> for determining contributions for Community infrastructure. These include the Marlborough Aquatic Centre and identified reserves development contained in previous Policy.

**Water, Sewerage, Stormwater and Land Transport** capital programmes are based on the respective asset management plans<sup>12</sup>. In calculating the capital growth for these infrastructure activities a top down approach has been used. Under this approach the cost of growth has been calculated by:

- Estimating the total capital works required to provide for the full network;
- Estimating the proportion of these works which relate to growth, and

<sup>11</sup> Clause 8 Schedule 1AA Local Government Act 2002

<sup>12</sup> Further information is available in Council's Asset Management Plans available by enquiry at Council offices.

- Calculating the per unit cost of growth.

The allocation of costs for these activities includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake these activities. In relation to section 101(3)(b) of the Act, the Council considers that using Development Contributions to fund part of these activities supports overall community well-being.

Should further detailed information be required please do not hesitate to contact either Council's:

- Infrastructure Projects Engineer – Water, Sewerage, Stormwater, Roading
- Park and Open Spaces Planner – Reserves, Community infrastructure
- Chief Financial Officer.

#### 4.3 Past Expenditures in Anticipation of Growth

Expenditure previously expended to cater for growth has been included in the schedule of assets which has been used to determine the proposed development levies.

### 5. Development Contributions

#### 5.1 Schedule of Charges

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
Regional	Land Transport	\$2,575	\$1,890 (Urban) \$1,260 (Infill <1500) \$3,150 (Rural)
	Reserves	\$16,692	Blenheim* \$18,300 Picton* \$18,300 Blenheim Vicinity* \$14,640 Picton Vicinity* \$14,640 General Rural* \$10,980 Sounds Admin Rural * \$9,150  *These areas are the Geographic Rating Areas used by Council for levying General Rates and Charges
	Community infrastructure Levy (refer 7.3.2 re rural subdivision)	\$4,537	\$4,420
Road Zone Levies	Roading		
Kenepuru Road seal extension		\$18,850 Upgrade to Kenepuru Road between the site and Kenepuru Heads	\$18,850 (PPI adjusted to 1 July 2024) Upgrade to Kenepuru Road between the site and Kenepuru Heads
David Street, Blenheim		\$7,680	\$7,680 (PPI adjusted to 1 July 2024)

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
Combined (All urban areas serviced by Council)	Wastewater	\$26,434	\$15,780
	Water	\$14,508	\$6,940
Awatere	Rural Water	\$12,820	\$12,820
Awatere + Blind River	Rural Water	\$25,325	\$25,325
Blenheim	Storm water	\$21,027	\$10,500
Renwick	Storm water	\$1,640	\$1,640
North West Zones	Zone Infrastructure		
Mowat		\$24,535	\$24,535
Roseneath		\$21,750	\$21,750
Colemans		\$13,705	\$13,705
			(Updated for PPI to 1 July 2024)
Burleigh	Zone Infrastructure (Wastewater)	\$4,650	\$4,650
	Zone Infrastructure (Roads)	\$650	\$650
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 64,65 and 67)	Zone Infrastructure	\$28,800	\$28,800
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 66, 69 and Rose East)	Zone Infrastructure	\$31,400	\$31,400
			(Updated for PPI to 1 July 2024)
Westwood	Zone Infrastructure (Stormwater)	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).

#### Additional Information Regarding Development Contributions Payable

Development Contributions will be adjusted annually by the Producers Price Index movements as published by Statistics New Zealand.

For the purposes of infill development (potential for creation of four or less new allotments) being the development of residential sections of 1,500m<sup>2</sup> or less, created prior to 1 July 2015, the levies payable for:

- Regional Land Transport - will be 33% of urban levies.

- Reserves - will be 50% of the Reserves levy.

For the purpose of the Reserves levy:

- The areas defined in the Schedule of Charges table above are the Geographic Rating Areas used by Council.
- In the case of subdivisions where one or more of the resulting allotments are over 20ha, no Reserves levy will be required on those 20ha plus allotments. Where the subdivision results in a mix of over and under 20ha allotments, the developer can decide the allotment to which any pre-existing credit applies.
- The Community Infrastructure Levy continues to apply even if the Reserves Levy does not apply.

**Apportionment**

- Council can use apportionment where it is deemed appropriate (at its sole discretion).
- Council may exercise its discretion to make a special assessment for small homes where it is provided information by the applicant that demonstrates that a small home (or homes) will be provided. Special assessments are guided by parameters outlined in the table below entitled Small Homes Special Assessment Guidance. A home must meet both criteria "A" and "B" to qualify for the relevant discount.

Small Homes Special Assessment Guidance

	Minor	Small
Criteria "A": Dwelling Size (Gross floor area m2)	< 65m2	< 110m2
Criteria "B": Number of Bedrooms	1	2
Discount (all levy's *)	50%	25%
Proportion Payable for all charges *	0.50	0.75

\* = This discount does not apply to the irrigation component of the Water Service

Small Homes Top Up Charges

Type of Extension	Top Up Proportion Payable	Total Proportion Paid
Extend Minor Dwelling to a Small Dwelling	0.25	0.75
Extend a Minor Dwelling to a Standard Dwelling	0.5	1
Extend a Small Dwelling to a Standard Dwelling	0.25	1

- Non-residential developments (or the portion of mixed residential and non-residential development which is non-residential in nature) are exempt from being charged Development Contributions for Reserves and Community Infrastructure.

**5.2 Burleigh and North West Extension Catchments**

Land zoned for residential development in the North West Extension and Burleigh areas within Blenheim are defined in catchment maps in Appendix 2.

In these zones there are Zone Infrastructure levies required that are additional to the standard levies (refer schedule of charges in section 5.1 above). The standard levies cover the upgrade requirements for the networks as a whole while the Zone Infrastructure levies cover the costs of development within the zone. These areas contain multiple landowners. To ensure efficiency of design and construction of infrastructure for the entire zones Council intends to coordinate the provision of infrastructure. Accordingly, the Burleigh and North West Extension catchments will incur Zone Infrastructure Contributions to meet:

- Costs of infill infrastructure that exceeds the requirements of the development if it was considered in isolation of the entire catchment to enable the efficient development of the whole Zone. For example in certain areas road width and standards are higher than that which would normally be stipulated for that individual's development but are required in order to provide an appropriate standard of infrastructure for the development area as a whole and need to be shared across the development area as a whole.
- Costs of shared infrastructure incurred by Council which achieves a cost effective outcome for the whole development area as compared to a multitude of less optimal smaller development solutions e.g.; a sewer pump station servicing a development area rather than several sewer pump stations servicing several smaller developments within that area.

Appendix 3 provides implementation rules and guidelines for Zone Infrastructure levies applicable in these areas.

**5.4 Road Contributions**

In addition to the above Development Contributions, site specific Development Contributions for road related expenditure requiring either on site or offsite works to mitigate the effects from a development may be applied in lieu of undertaking the required works. These levies will be determined at the time of consent approval and will be in lieu of actual works normally required to be carried out on subdivision. The reason for these levies or payments by agreement are that it will

often make more sense to defer the actual works so they can be combined with works which service the area as a whole. These levies will be determined by Council in discussion with the developer.

Specific road seal extension zone levies (as included in Table 5.1 for Kenepuru Road and David Street) may be introduced from time to time. These will be calculated by determining the 75% of the cost of seal extension divided by the potential number of new lots that may be created. The location of the subdivision may be taken into account in determining the appropriate contribution.

### 5.5 Use of Development Contributions

Council will use Development Contributions only towards the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment.

Contributions may not be redistributed between catchments or activities, but they may be reallocated across projects within a catchment for a given activity. Thus contributions collected for water projects in the Blenheim water catchment (say) will only be spent on water projects in Blenheim.

In addition Development Contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

### 5.6 Limitations

Council will not require a development contribution for network infrastructure, reserves or community infrastructure to the extent that:

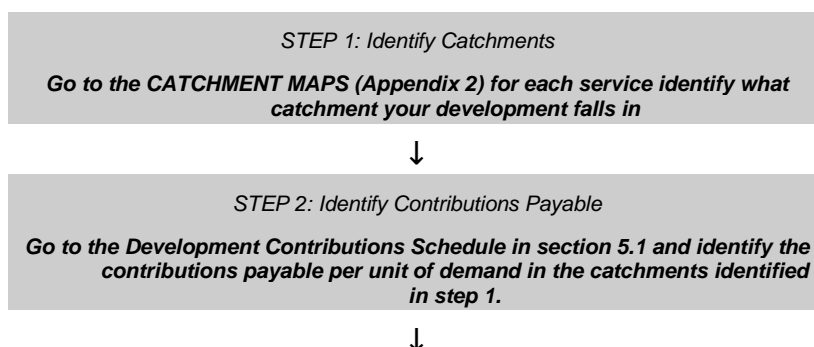
- it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- a development contribution has already been required for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance, or
- it has received, or will receive, full funding from a third party.

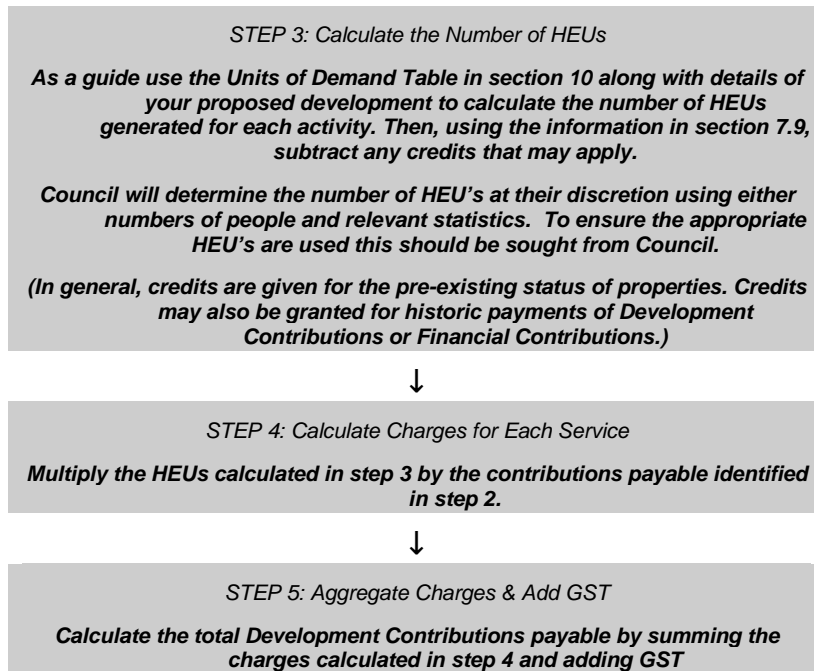
Council may require another development contribution for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

Council will at its sole discretion determine when Development Contributions are not applicable.

## 6. How to Calculate Development Contributions Payable

The following flow chart demonstrates how to calculate the contributions payable on your development. Prior to following this stepped process section 7.1 should be read.





## 7. Assessment and Application of Policy

### 7.1 Threshold for and Timing of Assessment

Not all developments will be liable for Development Contributions; indeed, only developments that place demands on infrastructure (and for which Council incurs costs) will be charged. In order to separate developments that should be charged from those that should not, a robust assessment process is needed.

If, at the time of development, connection to Council services is not possible in relation to an activity, then no Development Contribution will be charged in relation to that activity. This does not preclude collection (charging) Development Contributions at a future date on connection.

In general, each development will be assessed – to see whether it creates a demand on infrastructure and should therefore be liable to pay Development Contributions – when granting:

- A resource consent under the RMA for a development.
- A building consent or a certificate of acceptance under the Building Act 2004.
- An authorisation for a service connection.

### 7.2 Assessment Process

In general, assessment will be made against the first application lodged for the development, and when (if any) subsequent consent, certificate or authorisation is sought, a re-assessment will be undertaken to determine whether the level of demand has changed. If, for whatever reason, Development Contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

When Council assesses a development contribution at the subdivision consent stage, the expected dominant nature of activities (according to the existing land use consent or resource management plans) will determine the type of development contribution payable.

If a subsequent application indicates a change in the nature of activities from that previously envisaged, the development contribution will be reassessed and any difference from a contribution paid will be debited or credited to the applicant and invoiced as appropriate.

### 7.3 Residential Activities

Residential activity means land and buildings available for use by people for the purpose of living accommodation where occupiers can live at the site for a period of one month or more, and will generally refer to the site as their house; and includes accessory buildings and leisure activities. For the purpose of this definition, residential activity shall include community, emergency and refuge accommodation but does not include visitor accommodation, camping grounds or homestays.



### 7.3.1 Subdivision

The creation of residential allotments via subdivision provides scope for new residential dwellings, and therefore attracts Development Contributions at a rate of one HEU per *additional* allotment. Where two or more independent dwellings reside on one title, and have been lawfully established, and consent is sought to separate the properties into separate allotments with individual titles, Development Contributions will not be charged (unless there are new service connections required or there is increased demand on existing services or infrastructure).

### 7.3.2 Rural Land Uses

Residential developments in the rural area are treated the same as in the urban environment. Each rural allotment will be assessed as having 1 HEU per residential dwelling on the property. An exception to this applies for those properties where the landowner has waived the right to erect a residential dwelling as part of creating the allotment, is for a Resource Management Act 1991 related purpose and this is recorded as a consent notice on the property title. Each additional residential dwelling on a rural allotment will be assessed as an additional HEU.

Non-residential sheds and farm buildings associated with rural activities, which do not place an additional demand on infrastructural services, will not incur a development contribution.

### 7.3.3 Other Resource Consent Applications

If a resource consent application creates the potential to build additional independent dwellings it will attract Development Contributions at a rate of one HEU per dwelling.

### 7.3.4 Building Consent & Certificate of Acceptance Applications

To the extent that dwellings constructed on allotments have not previously been charged Financial or Development Contributions for an activity included in this Policy, on the granting of a building consent or certificate of acceptance the development will be liable for Development Contributions for that activity under this Policy.

*Note:* Additions to residential dwellings do not attract Development Contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges. Additions to dwellings which create a second kitchen facility will be considered an independent dwelling and will be charged development contributions.

### 7.3.5 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.3.3.

Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate-out shared meters and services will not attract contributions.

## 7.4 Non-Residential Activities

### 7.4.1 Subdivision

Non-residential subdivisions will attract Development Contributions on each additional allotment created. If the intended land use is unknown at the time of subdivision, each allotment will be charged a development contribution equal to one HEU. Any additional demand generated by the development will then be assessed at the time a building consent, land use consent or service connection application is granted (at which time land use will become known).

If the intended land use is known at the time of subdivision, Development Contributions will be based on:

- (i) each lot's planned gross floor area (GFA), and
- (ii) the intended land use.<sup>13</sup>

Consideration will be given to the conversion table in section 10.3. Where expected demand is known this will be used instead of GFA.

Non-residential development will not be charged contributions for the activities of reserves or community infrastructure.

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<sup>13</sup> Stormwater charges, once included in this Policy, will be based on the impervious surface area of each non-residential development, not their gross floor areas.

#### 7.4.2 Land Use and Building Consent Applications

Non-residential developments, including those located in rural areas, will attract Development Contributions based on their GFA and intended land use. If an existing structure is demolished or removed prior to construction, the GFA of that structure will be used as a credit against any new structure(s) erected on the site. If there is no existing structure(s) on the site, credit to reflect contributions paid at the time of subdivision (if any) will be allocated against the new GFA of the development.

#### 7.4.3 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.4.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate shared meters will not attract contributions.

### 7.5 Riverlands Industrial Estate

The scale, diversity and unpredictable timing of developments at the Riverlands Industrial Estate means that it is impossible to forecast the rate of growth, as well as the level of infrastructure required to service that growth. Consequently, Council has been unable to set pre-defined charges for developments in this area and intends to negotiate contributions for each development on connection on a case-by-case basis. These contributions will potentially cover all activities defined in section 2.4. As a guide, the contributions sought will give weight to the household equivalents units of demand generated by the development.

### 7.6 Council Developments

Capital works projects to provide community infrastructure undertaken by Council (whether funded by Development Contributions or not) will not be liable for Development Contributions because they expand the supply of infrastructure, not increase the demands placed on it. However, any other construction or development undertaken by Council, or any organisation fully or partly owned or managed by Council, will be liable for Development Contributions under this Policy to the extent that it generates demand for activities covered by this Policy.

### 7.7 Private Development Agreements

A territorial authority may enter into a development agreement with a developer if—

- the developer has requested in writing that the territorial authority enter into a development agreement with the developer; or
- the territorial authority has requested in writing that the developer enter into a development agreement with the territorial authority.

Sections 207A - F of the LGA outlines the process for entering into a development agreement, its content, effect and other relevant information. The Council can also enter into development agreements under section 12 of the LGA.

In certain circumstances, where Council believes it is in the best interests of all stakeholders and in addition to the arrangements necessary for Riverlands Industrial Estate, private development agreements may be entered into with a developer. Private development agreements may be used in lieu of Development Contributions where a developer and Council agree that particular infrastructure and/or services can be provided in a manner different to Council's standard procedures/guidelines, and where Council's minimum level of service will be achieved.

Such agreements must meet the requirements of the LGA.

One example where a private development agreement may be used is when a development requires a special level of service or is of a type or scale which is not readily assessed in terms of standard units of demand. Another is where significant developments are proposed and capital expenditures are required but none have been budgeted and no development contribution has been set.

### 7.8 Application in Other Circumstances

#### 7.8.1 Cross Boundary Developments

Some developments may span several catchments and/or straddle the District boundary with another territorial authority. In such cases, the following rules shall apply. Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs created in each catchment will then be used to calculate contributions payable.

Where a development straddles the District boundary with another territorial authority, Development Contributions will payable only on the HEUs (or parts thereof) that result from development within Marlborough District.

#### 7.8.2 Consent Variations

Applications to vary a resource or building consent, or the conditions of such consents, will trigger a

reassessment of HEUs and Development Contributions payable under this Policy. Any increase or decrease in the number of HEUs (relative to the original assessment) will be calculated and contributions adjusted accordingly.

#### 7.8.3 Boundary Adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, Development Contributions will not be required unless it is considered a new building lot has been created, in which case development levies would be applicable

#### 7.8.4 Special Assessment

Areas for which assessment will likely be required (as set out in section 7) during the application for resource consent, building consent, certificate of acceptance or service connection due to the nature of the area or the infrastructure involved are industrial development, Wairau Valley water supply, Okiwi Bay and other Sounds catchments, Awatere Valley rural water supply.

### 7.9 Credits

#### 7.9.1 Overview

Credits are used in this Policy to ensure that pre-existing demand is credited or Development Contributions previously paid are recognised.

Where Development Contributions have already been paid for a property, credits will be given towards those activities to the extent that payment was made. No historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. The same applies to historic payments for Financial Contributions.

In addition, credit will be given for the pre-existing status, as recognised legally by Council, of properties as at 1 July 2009, where service connections exist, even if no previous financial or Development Contributions have been paid. Credits will be available on redevelopment of the existing title, and calculated and assigned on a per activity basis. More details on the nature of these credits are outlined below.

#### 7.9.2 General Principles of Credit

- Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Section 10.3.
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- For residential buildings that have been demolished or destroyed a credit will apply in relation to the number of pre-existing HEUs. In other words, no Development Contributions will be payable if the same number of independent dwelling units are rebuilt. Any additional units will be assessed for payment of Development Contributions according to the terms of this Policy.
- Credits must be allocated to the same allotment or allotments. This prohibits the transfer of credits from one allotment to another.
- Credits cannot be used to reduce the total number of HEUs to a negative number. That is to say, credits cannot be used to force payments by Council to the developer.

## 8. Reconsiderations, Objections, Remissions, Reductions and Refunds

### 8.1 Reconsiderations

#### Grounds for requesting a reconsideration

A person who is required by Council to make a development contribution under section 198 of the LGA 2002 may request Council to reconsider the requirement if the person has grounds to believe that—

- (a) The Development Contributions were incorrectly calculated or assessed under this Policy; or
- (b) Council incorrectly applied this Policy; or
- (c) The information used to assess the person's development against this Policy or the way Council has recorded or used it when requiring the development contribution, was incomplete or contained errors.

#### Request for reconsideration

The request for reconsideration must be made within 10 working days after the date the person receives notice from Council of the level of development contribution Council is proposing to require. A request can only be made on the grounds set out in section 199A of the LGA 2002 (as set out in (a) to (c) above.)

The request for reconsideration may be lodged with Council on-line to email [dcadmin@marlborough.govt.nz](mailto:dcadmin@marlborough.govt.nz) or by posting it to:

Development Contribution Reconsideration Request  
Marlborough District Council  
PO Box 443  
Blenheim 7240

A person may not apply for reconsideration if they have already lodged an objection to the development contribution requirement under section 199C and Schedule 13A of the Local Government Act 2002.

#### Process for determining request for reconsideration

The staff member who made the original requirement will prepare a report on the reconsideration request, summarising the matters raised and making a recommendation.

The request will be assessed and determined by either the Chief Executive or Chief Financial Officer or Manager Assets and Services. No hearing will be held. The decision will be made on the papers.

#### Decision on reconsideration

Council must make a decision on the request within 15 working days after the date Council receives all required relevant information relating to the request.

Council may decline or uphold the reconsideration request in whole or in part. The reconsideration may result in the amount of the development contribution assessment remaining the same, being reduced or increased.

#### Outcome of reconsideration

Council must give written notice of the outcome of the reconsideration to the person who made the request.

A person who requested a reconsideration may object to the outcome of the reconsideration in accordance with section 199C.

## 8.2 Objections

A person required to pay a development contribution may object to the contribution. A person may object whether or not they have also requested a reconsideration.

The right of objection does not extend to a challenge to the Development Contributions Policy itself.

An objection may only be made on the grounds that Council has—

- (a) Failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community infrastructure; or
- (b) Required a development contribution for community infrastructure not required by, or related to, the development whether on its own or cumulatively with other developments; or
- (c) Required a development contribution in breach of section 200; or
- (d) Incorrectly applied the Policy to the development.

Objections are to be decided by independent Commissioners selected from a register of commissioners appointed by the Minister of Local Government.

The process for Development Contributions objections is contained in Schedule 13A of the Local Government Act 2002.

The costs incurred by Council in administering the objections process must be met by the objector.

## 8.3 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked as a resolution of Council, and are not able to be requested by applicants. If an applicant wishes to apply for a reduction in the Development Contributions payable on their development, they can pursue this via the process detailed in the next sub-section.

## 8.4 Reductions

Reductions are adjustments to the number of HEUs assessed for a particular development. These will only be considered as part of a review initiated by an applicant (for a consent or service connection). The agreed outcome will be recorded in a private development agreement (see section 7.7).

Requests for reductions must be made in writing to Council within fifteen (15) working days of receipt of a Development Contributions assessment notice. Requests must be short and concise, but fully outline the reasons why a reduction is being sought.

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request.
- Council may determine whether or not to hold a hearing for the purposes of the review, and if so, give at least five working days' notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, reduce, or cancel the original amount of HEUs assessed and therefore Development Contributions required on the development, and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.
- Council may delegate this hearing and determination role to Council Officers or other suitably qualified persons as required from time-to-time.

In reaching a decision, Council will take account of the following matters:

- The Development Contributions Policy.
- The Funding Model.
- Council's LTP.
- Council's funding and financial policies.
- The extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by Council in its capital works programme.
- The level of existing development on the site.
- Contributions paid and/or works undertaken and/or land set aside by the developer,
- Any other matters Council considers relevant.

## 8.5 Refunds

The refund of money and return of land will occur in accordance with sections 209 and 210 of the LGA, in the following circumstances:

- If the development or building does not proceed; or
- If a consent lapses or is surrendered; or
- If Council does not provide any reserve network infrastructure or community infrastructure for which the development contribution has been collected. For the avoidance of doubt, Council will not refund a contribution where a specific capital works project does not proceed, only where the service to be provided by that project is not provided.

Any refunds will be issued to the consent holder of the development to which they apply or their representative.

The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund would also exclude any administrative costs already incurred by the Council and will not be subject to any interest or inflationary adjustment.

## 8.6 Postponement

Council will not consider postponements of contributions payable under the Policy except as outlined in section 9.2.

## 9. Other Administrative Matters

### 9.1 Assessment & Invoicing

Assessments generally take place as early as possible in the development process and are valid for 12 months from date of initial assessment, beyond which reassessment must take place before an invoice can be generated.

An invoice will be issued at the earliest of:

- an application for a certificate under section 224(c) of the RMA, or
- in the case of a development contribution assessed on a land use resource consent application, 170 days from granting or prior to the commencement of consent,
- an application for a Code Compliance Certificate under section 92 of the Building Act 2004, or
- an application for a Certificate of Acceptance under section 98 of the Building Act 2004, or
- a request for service connection.

Development Contributions are calculated at the current rate applicable at the time of invoice. Should the payment be delayed (or partly-delayed in the case of staged development), contributions will be reassessed and invoiced at the current rate relevant at the time of reassessment.

## 9.2 Timing of Payments

The due date for payment shall be:

- For subdivision resource consents – prior to issue of the section 224(c) certificate
- For other resource consents – 180 days from granting or prior to the commencement of consent, whichever is earlier.
- For building consents – 180 days from granting or prior to Code Compliance Certificate, whichever is earlier.
- For certificates of acceptance – prior to granting the Certificate
- For service connections – prior to connection.

Developers may apply to Council for a postponement of payments for Development Contributions enabling the release of the section 224 certificate. In the event a postponement is approved by Council, at its sole discretion, then the GST component is payable immediately, an appropriate security at the applicants cost must be entered into to secure the obligation and the remaining amount outstanding. This may include a charge under the Statutory Land Charges Registration Act 1928 against the title. Council will prepare the necessary documentation and the developer must meet the costs of the preparation, execution and registration of the documents. Postponement will have a maximum time limit of five years or the period until the property changes ownership. The amount payable will be subject to increase to reflect Producer Price Index, adjustment or interest, as agreed between the developer and Council. It is Council's sole discretion as to whether to approve the postponement of any development contribution.

## 9.3 Non-Payment and Enforcement Powers

Until a development contribution required in relation to a development has been paid, Council may:

- In the case of a development contribution assessed on grant of a subdivision consent, withhold a certificate under section 224(c) of the RMA.
- In the case of a development contribution assessed on grant of a building consent, withhold a code compliance certificate under section 95 of the Building Act 2004.
- In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development.
- In the case of a development contribution assessed on a land use or other resource consent application, prevent the commencement of a resource consent under the RMA.
- In the case where a development has been undertaken without a building consent, not process an application for a certificate of acceptance for building work already done.

Council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the LGA.

## 9.4 Contributions Taken as Money in First Instance

The LGA specifies that contributions may be taken either as money, land or both. Council will take contributions as money in the first instance, but may also accept land from time-to-time, at its sole discretion.

## 9.5 Service Connection Fees

Council will continue to collect service connections fees for the following services:

- Potable water.

- Wastewater.
- Stormwater.

The current charges applicable are available from Council offices.

## 9.6 GST

GST is accounted for at the earlier of payment or the issuing of a tax invoice. Where refunds arise a GST credit note will be issued as appropriate.

Please also note that assessments are not tax invoices for the purpose of GST.

## 10. Measuring Demand

### 10.1 Units of Demand

Units of Demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. Council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from other forms of development as HEU multipliers.

The following subsections outline the demand characteristics of each HEU and the multipliers used to convert non-residential demand to HEUs.

### 10.2 Base Units

The demand characteristics of each household equivalent unit are as defined in the Marlborough District Council Code of Practice for Subdivision and Land Development, where one Residential section (i.e. Lot) shall be taken as equivalent to 1 HEU, and similarly One Dwelling shall also be taken as equivalent to 1 HEU.

### 10.3 Conversion Factors

The following table outlines the factors which may be used to convert non-residential demands to HEUs. It should be noted that Council at their sole discretion shall determine the appropriate HEU's for the applicable activity and may use people numbers and / or other statistics to derive the HEU applicable.

**HEUs per 100m<sup>2</sup> of Gross Floor Area (per 100m<sup>2</sup> of ISA for stormwater)**

Activity	Commercial	Industrial	Retail
Roading	1.00	0.30	see below
Water	0.26	0.26	0.37
Wastewater	0.26	0.26	0.38
Stormwater	0.26	0.26	0.26
Community Infrastructure *	n/a	n/a	n/a
Reserves *	n/a	n/a	n/a

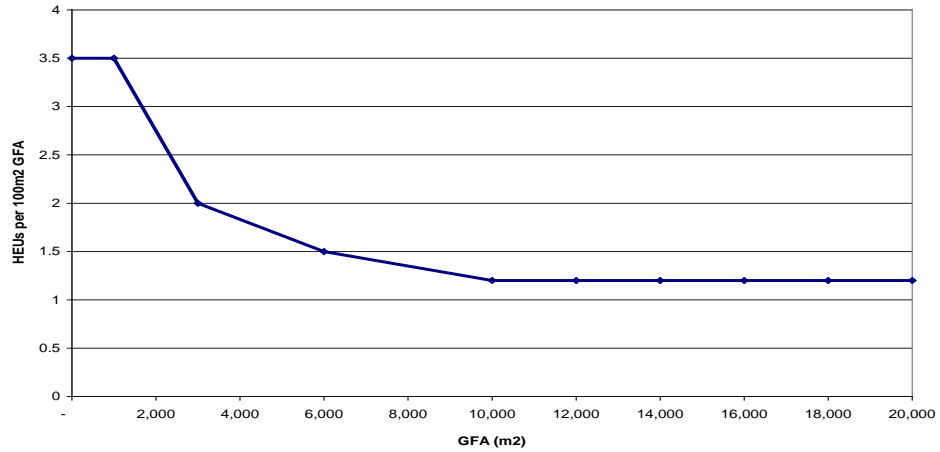
\*No contribution is payable for non-residential development in relation to community infrastructure or reserves.

GFA is the entire area of a building and includes areas associated with the activity i.e. storage areas and passageways.

In the event that trip generation is used for determining demands on roading infrastructure Council reserves the right to undertake an independent check on any trip generation data provided by the applicant in assessing the equivalent HUE trip generations. Council will place its reliance on the independent advice received, if it has sought it, in determining the appropriate HUE and resulting development contributions.

Because the nature of retail activities, and hence the demands they place on roads, differ significantly by size, retail transport conversion factors are based on the following graph. This was sourced from Transfund Research Reports 209 and 210 – “Trips and Parking Related to Land Use - Volumes 1 & 2” by Douglass Consulting Services & Traffic Design Group.

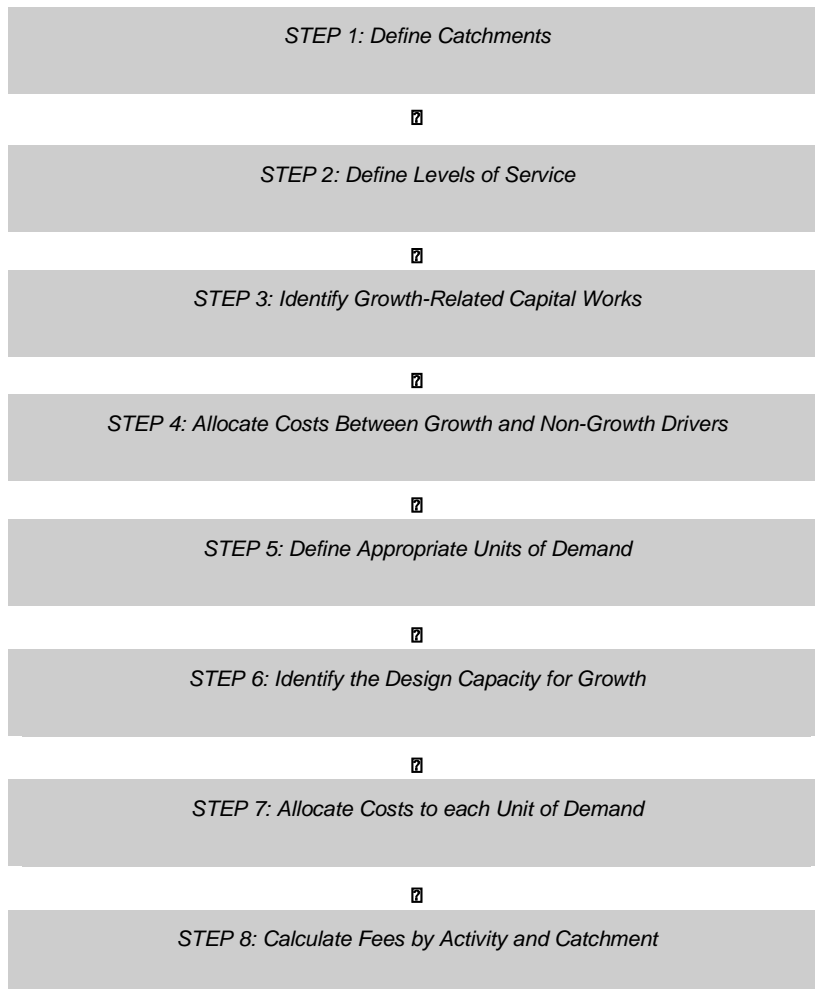
Figure 9: Transport Conversion Factors for Retail Developments



## 11. Methodology & Significant Assumptions

### 11.1 Methodology Overview

The method used to calculate charges comprises the following 8 steps:



A detailed discussion of this methodology is provided in the Development Contributions methodology report (available at Council's offices). Following is a brief summary.



## 11.2 Methodology Steps

### 11.2.1 Define Catchments

The first step is to define service catchments. These are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose Council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and who will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the District, regardless of whether they caused (or benefited from) the investment.

Given the principle in section 197AB(c) of the LGA (*i.e.* to allocate costs used to establish contributions on the basis of causation and benefits received), it follows that catchments should be used wherever possible.

### 11.2.2 Define Levels of Service

Service levels define the quality of service, and are typically embedded in Council's Asset Management Plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

### 11.2.3 Identify Growth-Related Capital Works

Next, one must identify the specific capital works for which Development Contributions are sought. These comprise both future capital works – as listed in the LTP – and historic works undertaken in anticipation of growth. Refer appendices for capital works, timing and growth apportionment.

### 11.2.4 Allocate Project Costs

Many of the capital works projects underlying this Policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called “economies of scope.” Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single-purpose projects.

Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this Policy were based on a two-staged approach. In stage one, the method checks whether a project bears any relation to growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- Section 101(3) of the LGA. This sets out the issues to which Council must have regard when determining its funding sources. These include the distribution of benefits (both temporally and spatially), the extent of any cost causation, and the impacts on community outcomes and policy transparency. It also requires Council to consider the overall impact of any allocation of liability for revenue needs on the community.
- Asset management plans, which provide detail about the scale and nature of capital works.
- Network modelling, which helps understand the usage of infrastructure networks.
- Cost allocation principles, such as stand-alone costs and incremental costs.
- The presence of any third party funding.

More detail on Council's cost allocation methodology can be found in Council's Development Contributions methodology report (available at Council's offices).

### 11.2.5 Define Appropriate Units of Demand

Having identified the specific capital works for which contributions will be required, next we must identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

Council uses the household equivalent unit, which captures the demands of an average household, as the appropriate unit of demand, and specifies the demands imposed by other forms of development as multipliers. This approach to units of demand mirrors that used by other council's in New Zealand which collects Development Contributions.

### 11.2.6 Identify the Design Capacity for Growth

The design life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In general, project costs should be spread over the asset's design life. This makes sense, because only developments occurring within the design life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and it may be necessary to use a shorter funding period. In this Development Contributions Policy, the funding period over which costs are spread is the shorter of asset design life and 30 years.

#### 11.2.7 Allocate Costs to Each Unit of Demand

This is a fairly straightforward exercise, and is carried out within the Development Contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing) costs to the projected number of HEUs that within the same catchment and within the asset's design life.

#### 11.2.8 Calculate Fees by Activity and Catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of Development Contributions reproduced in section 5.1.

### 11.3 The Funding Model

A funding model has been developed to calculate charges in accordance with the methodology described in 11.2 of this Policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also houses growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- All capital expenditure estimates are inflation-adjusted and GST exclusive.
- The improved level of service, backlog, renewal and maintenance portions of each project will not be funded by Development Contributions.
- Methods of service delivery will remain largely unchanged.
- Interest will be earned by Council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at an average annual interest rate of 5.5%
- Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- The Development Contributions charges listed in table 5.1 will be adjusted each year for the movement in the construction cost index as published by Statistics New Zealand. This has been modelled as an average increase of 2.5% per annum.
- Increases in general rates and user charges - due to increases in the number of ratepayers –will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

### 11.4 Other Significant Assumptions

A number of other important assumptions underlie this Policy. The most significant of these are outlined below.

#### 11.4.1 Planning Timeframe

This Policy is based on the ten-year time frame of the LTP and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale compel Council to build assets of greater capacity that extend beyond the timeframe of the LTP.

Council accepts that, in such cases, it may have to bank roll costs and recover them over time from distant development. Any costs incurred in anticipation of distant growth (*i.e.* beyond the LTP) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 30 years. For this reason modelling of development levies spans a timeframe in excess of the ten year timeframe of the LTP.

#### 11.4.2 External funding

This Policy assumes that the eligibility criteria used, and the quantum of funding provided, by third parties (such as NZ Transport Agency) remain unchanged over the life of the plan.

#### 11.4.3 Best Available Knowledge

The growth projections and capital works programme underlying this Policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated to the Policy at review times.

- 11.4.4 Changes to Capital Works Programme  
Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.
- 11.4.5 Avoidance of Double Dipping  
Development Contributions will not be sought for projects already funded by other sources, such as external subsidies or Financial Contributions.

**11.5 Identification of Risks**

The main risk associated with this Policy is uncertainty over the rate and timing of growth. Similarly, there is significant uncertainty over the exact nature of growth-related capital works, and their associated cost and timing. The most effective risk mitigation strategy is to constantly monitor these and update the Policy with better information as it becomes available.

**Record of Amendments/Revisions**

Record any revisions/amendments which have been made and when.

Details	Approval by whom	Date

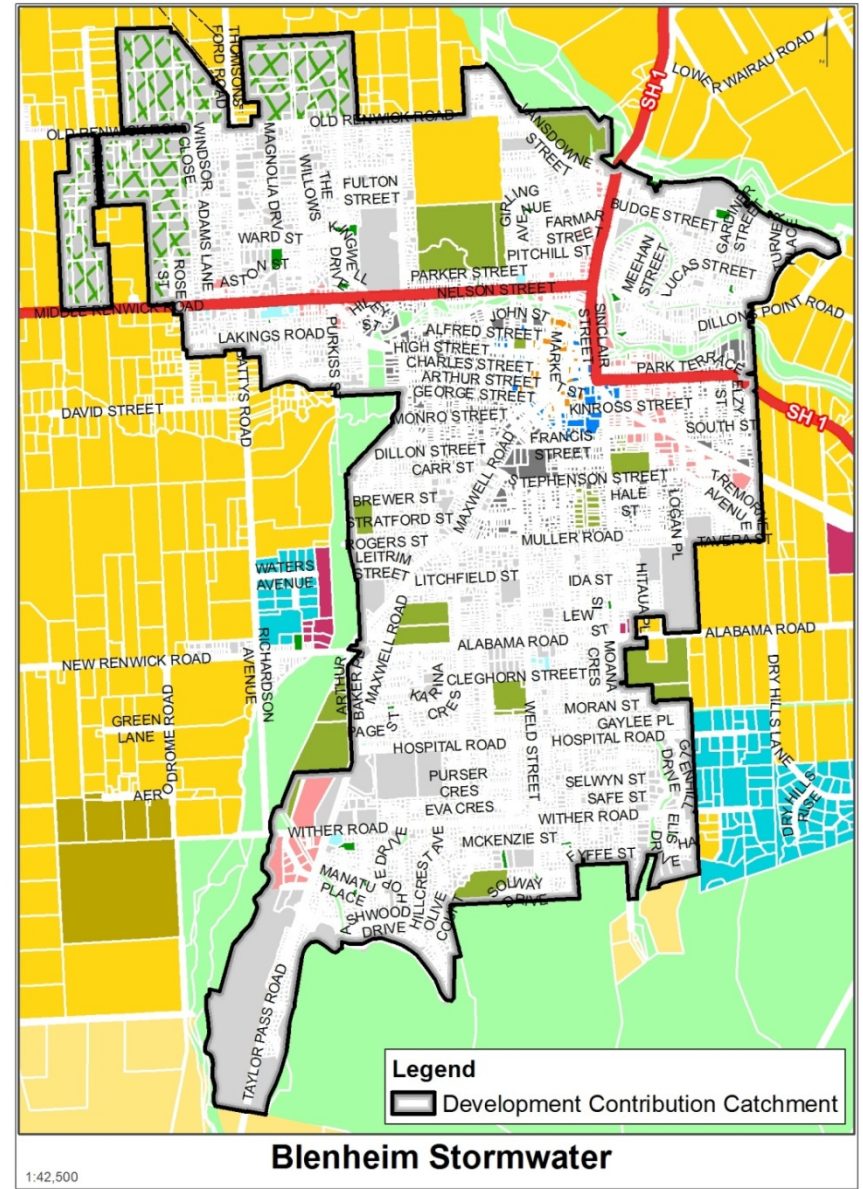
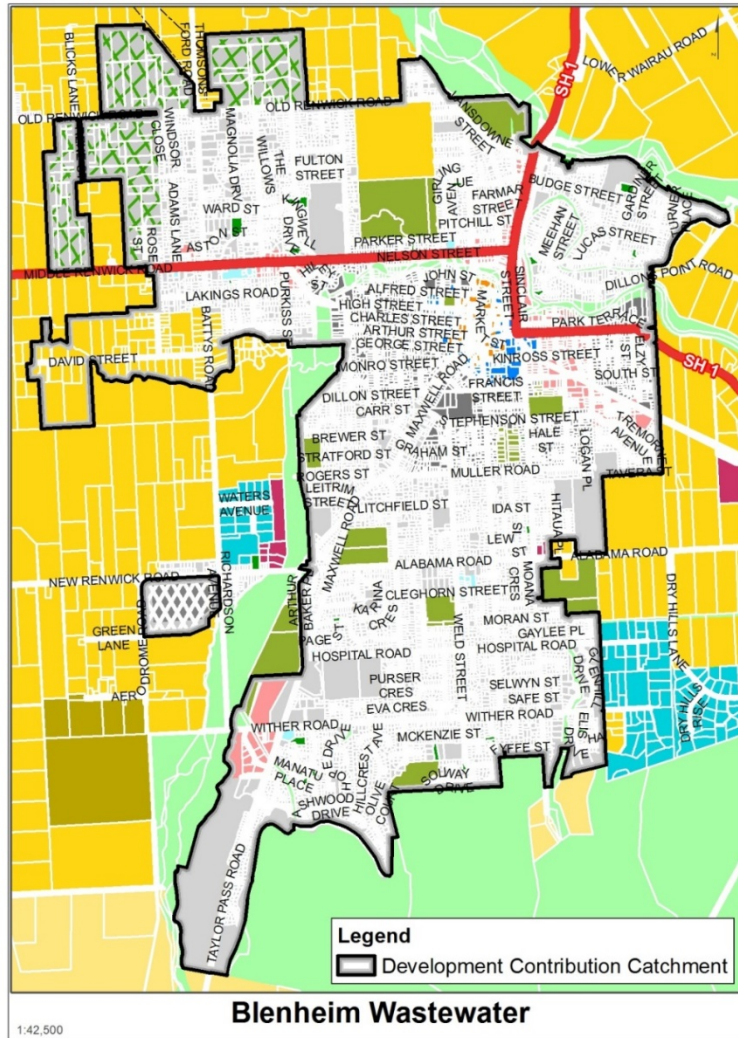
## Appendix 1: Schedule of Capital Expenditure

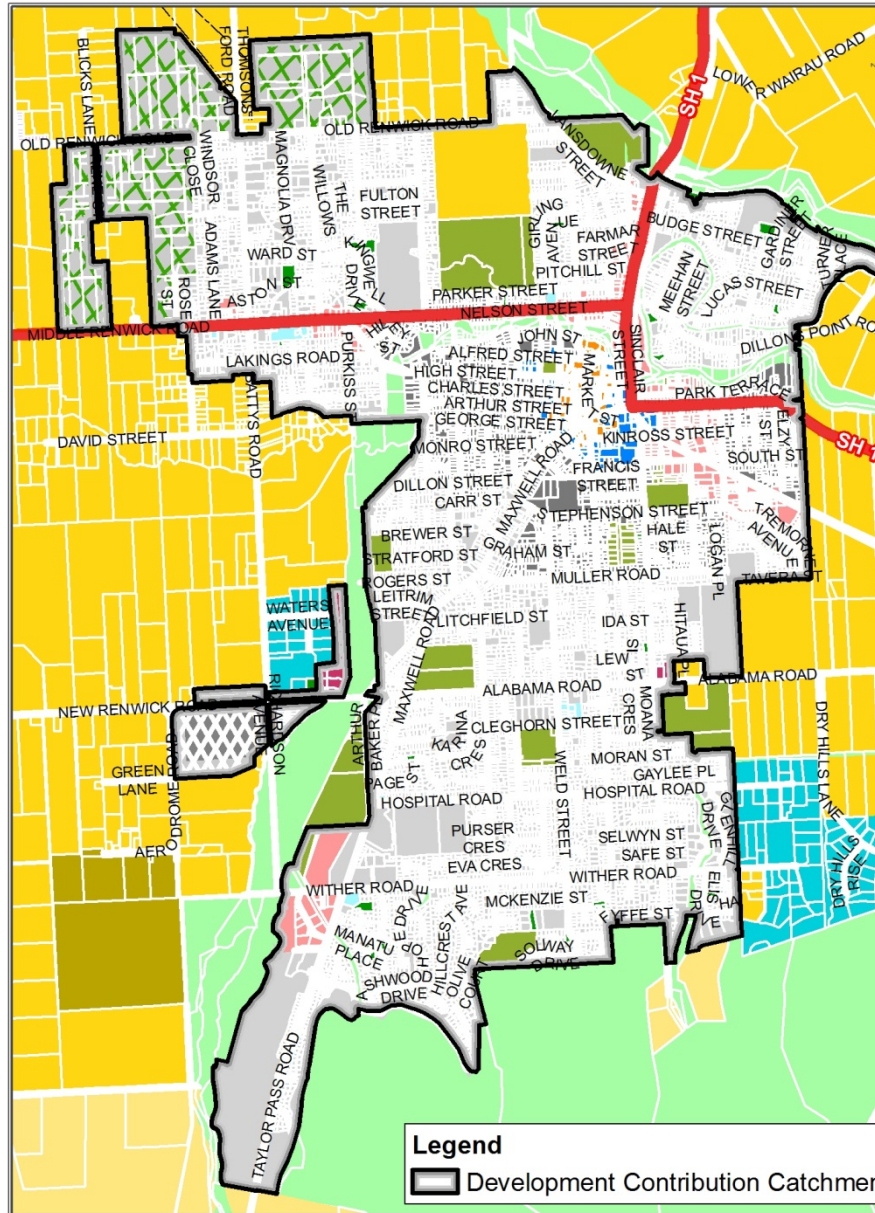
Description	Capital NPV (10 years)	Growth NPV (10 years)	Proposed DC levy	Proposed DC Levy income NPV	Act % DC	% Other
<b>Reserves</b>						
Opening Balance	36,015,866	6,735,715				
Unspecified (Group 1a)	13,598,782	10,751,283				
B/V Neighbourhood (Group 1b)	14,506	725				
Blenheim Neighbourhood (Group 1a)	8,331,586	956,200				
Picton Neighbourhood (Group 2a)	105,213	5,261				
Wairau Valley Domain (Group 3)	142,180	142,180				
Blenheim Vicinity Domains (Group 4)	246,157	71,090				
Endeavour Park (Group 5)	178,969	14,549				
Lansdowne/A&P/Horton (Group 6)	6,661,553	499,360				
Athletic Park/Oliver Park (Group 7)	65,126	3,256				
Picton (group 8)	674,978	33,749				
Foreshores & Domains (Group 8)	159,161	7,958				
Havelock War Memorial Park (Group	219,851	145,760				
Awatere Domains (Group 10)	953,822	192,193				
Taylor/Riverside/Pocket Parks (Group 12)	950,565	866,513				
Pollard & Seymour (Group 12)	683,775	119,497				
Rural Reserves (Group 14)	65,133	3,257				
Esplanade (Group 14)	483,007	24,150				
Picton & Koromiko (Group 14)	8,684	434				
Public Conveniences	3,968,263	201,884				
	<b>73,527,178</b>	<b>20,775,015</b>	<b>\$16,692</b>	<b>20,775,015</b>	<b>28%</b>	<b>72%</b>
<b>Community Facilities</b>						
Aquatic Centre Opening Balance	15,515,678	5,585,644				
Endeavour Park Opening Balance	2,795,565	1,062,315				
Marlborough Library	24,054,000	652,700				

	<b>42,365,243</b>	<b>7,300,659</b>	<b>\$4,420</b>	<b>7,300,659</b>	<b>17%</b>	<b>83%</b>
<b>Roads</b>						
Footpaths	1,701,703	756,065				
Signage	488,115	196,664				
Vehicle crossings	262,219	131,110				
Street Lighting	349,625	174,813				
Kerb and Channel	924,098	393,329				
Sealed Pavement for sub-divisional works	1,311,095	1,311,095				
Other	1,201,177	1,004,191				
All Other Road Programme	204,521,259		<b>Urban \$1,890</b>			
	<b>210,759,292</b>	<b>3,967,266</b>	<b>Urban Infill \$1,260</b>	<b>3,967,266</b>	<b>2%</b>	<b>98%</b>
			<b>Rural \$3,150</b>			
<b>Combined Sewerage</b>						
Opening Balance	36,015,866	7,203,173				
Pipelines	25,166,788	4,105,001				
Pump Stations	33,260,926	10,452,411				
Treatment Plant	72,556,648	18,848,135				
Telemetry	22,133	17,706				
Vested Assets	1,062,374	0				
New Connections	670,269	0				
Capitalised Overhead and carryover	6,082,457	0				
Land	4,671,953	0				
	<b>179,509,413</b>	<b>40,626,427</b>	<b>\$15,780</b>	<b>24,252,254</b>	<b>14%</b>	<b>86%</b>
<b>Blenheim Stormwater</b>						
Vested Assets	1,770,624	0				
New Connections	400,161	0				
Pipelines	13,783,394	3,685,591				
Pump Stations	8,225,878	8,225,878				
	<b>24,180,057</b>	<b>11,911,470</b>	<b>\$10,500</b>	<b>5,948,017</b>	<b>25%</b>	<b>75%</b>

<b>Renwick Stormwater</b>						
Opening Balance	<b>136,139</b>	<b>68,069</b>	<b>\$1,640</b>	<b>68,069</b>	<b>50%</b>	<b>50%</b>
<b>Combined Water</b>						
Pipelines	53,877,603	9,431,680				
Pump Stations	6,012,284	771,042				
Treatment Plant	35,691,197	4,997,555				
Reservoir	3,716,806	305,094				
Land	1,397,094	0				
Dam	271,665	0				
Vested Assets	1,726,358	0				0
Connections	1,380,201	0				
Water Meters	2,608,571	450,343				
Capitalised Overhead and carryover	6,992,198	0				
Opening Balance	23,344,509	4,668,902				
	<b>137,018,486</b>	<b>20,624,615</b>	<b>\$6,940</b>	<b>9,866,199</b>	<b>7%</b>	<b>93%</b>
<b>Riverlands Water</b>						
Pipelines	6,206,200	1,867,134				
Treatment Plant	9,335,672	1,239,469				
Capitalised Overhead and carryover	537,409					
	<b>16,079,282</b>	<b>3,106,604</b>	<b>Assessed on a development by development basis</b>			
<b>North West Extension Zone</b>						
Three Waters	2,279,269	2,279,269		<b>2,279,269</b>	<b>100%</b>	<b>0%</b>
Roading	1,264,012	1,264,012		<b>1,264,012</b>	<b>100%</b>	<b>0%</b>
	<b>3,543,281</b>	<b>3,543,281</b>	<b>refer 5.1 Schedule of Charges</b>	<b>3,543,281</b>	<b>100%</b>	<b>0%</b>

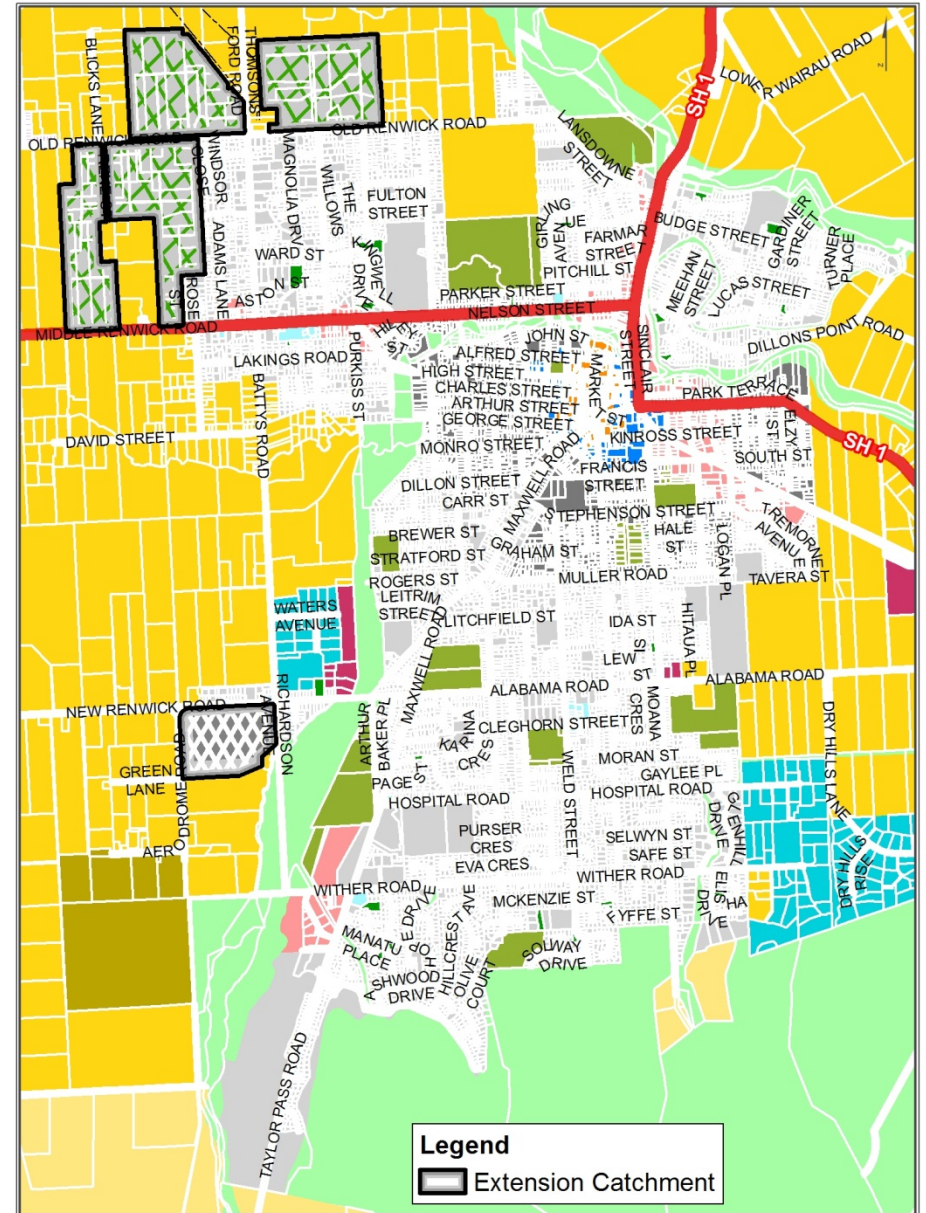
## Appendix 2: Development Contribution Catchment areas





**Blenheim Water**

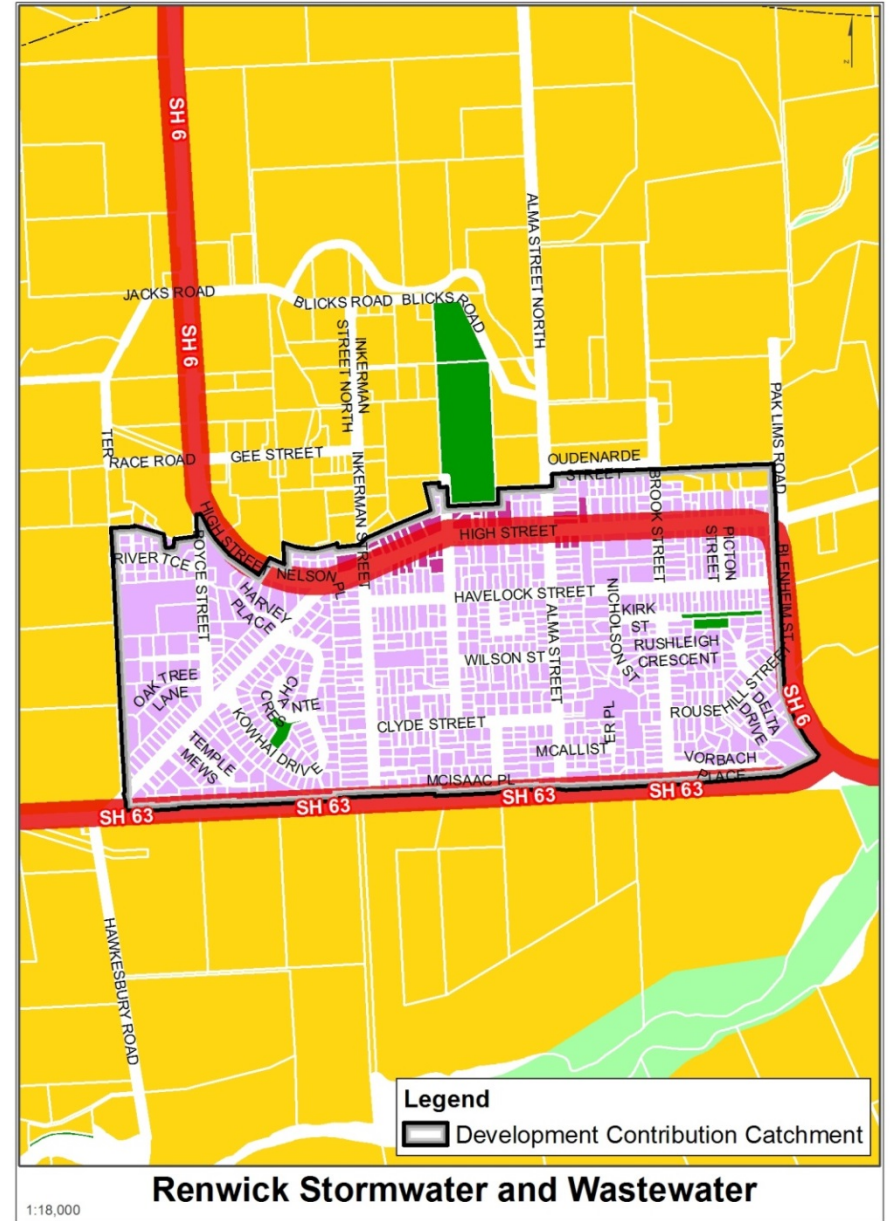
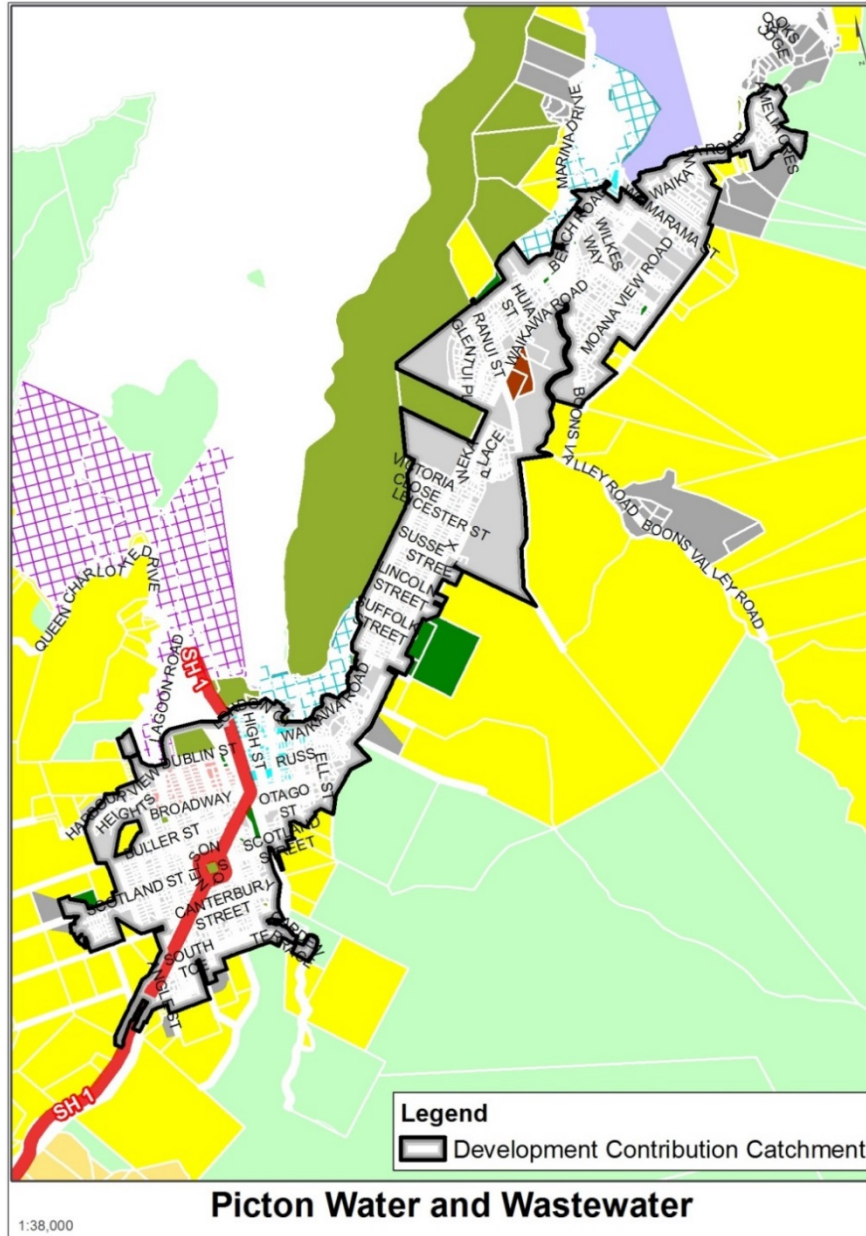
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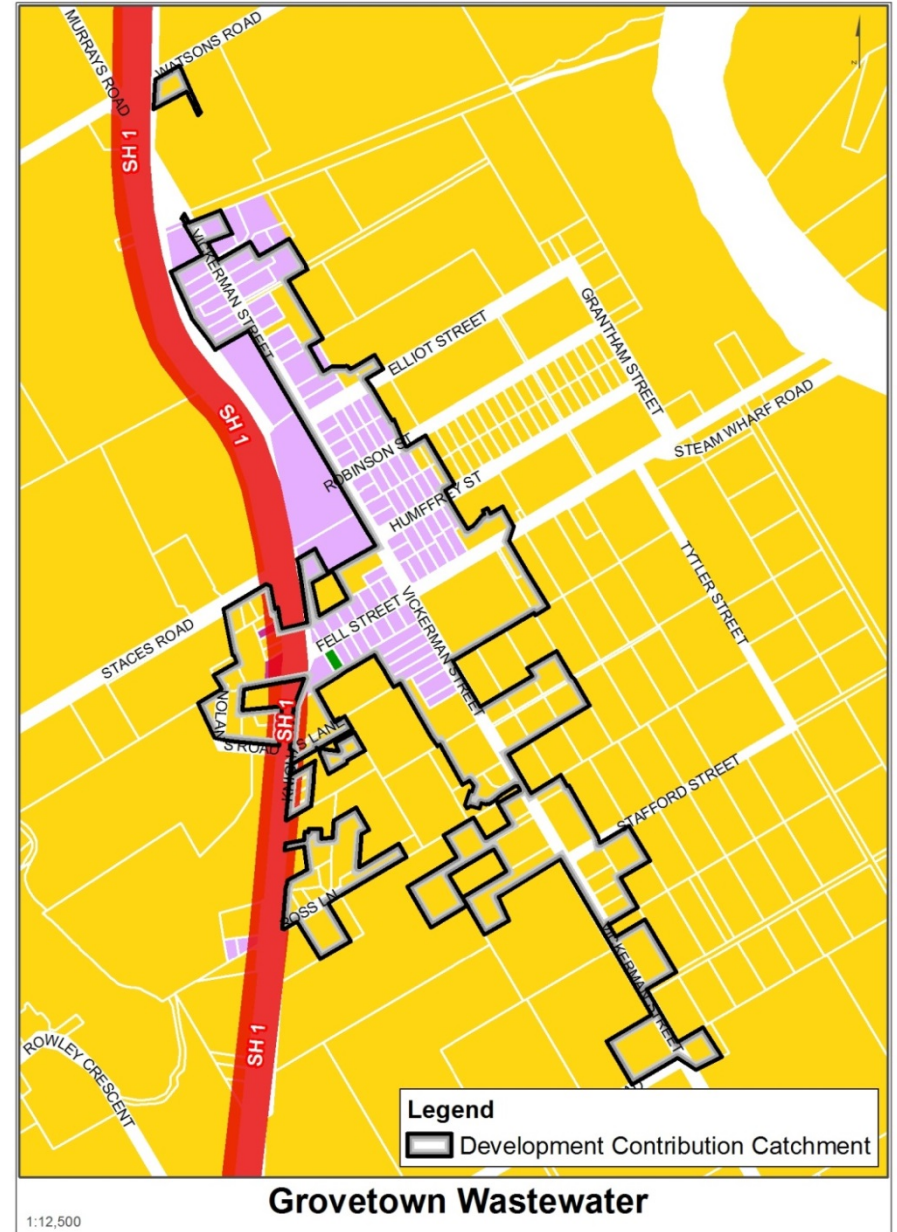
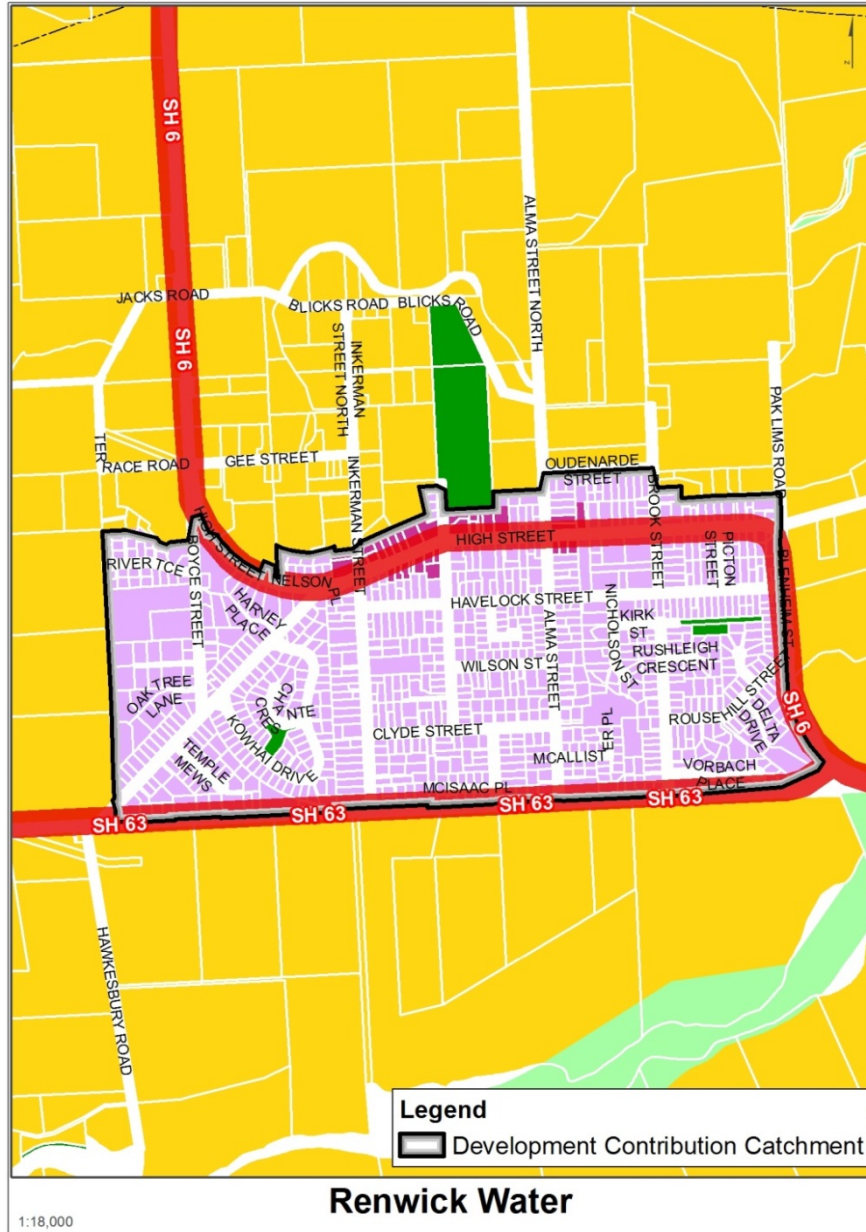


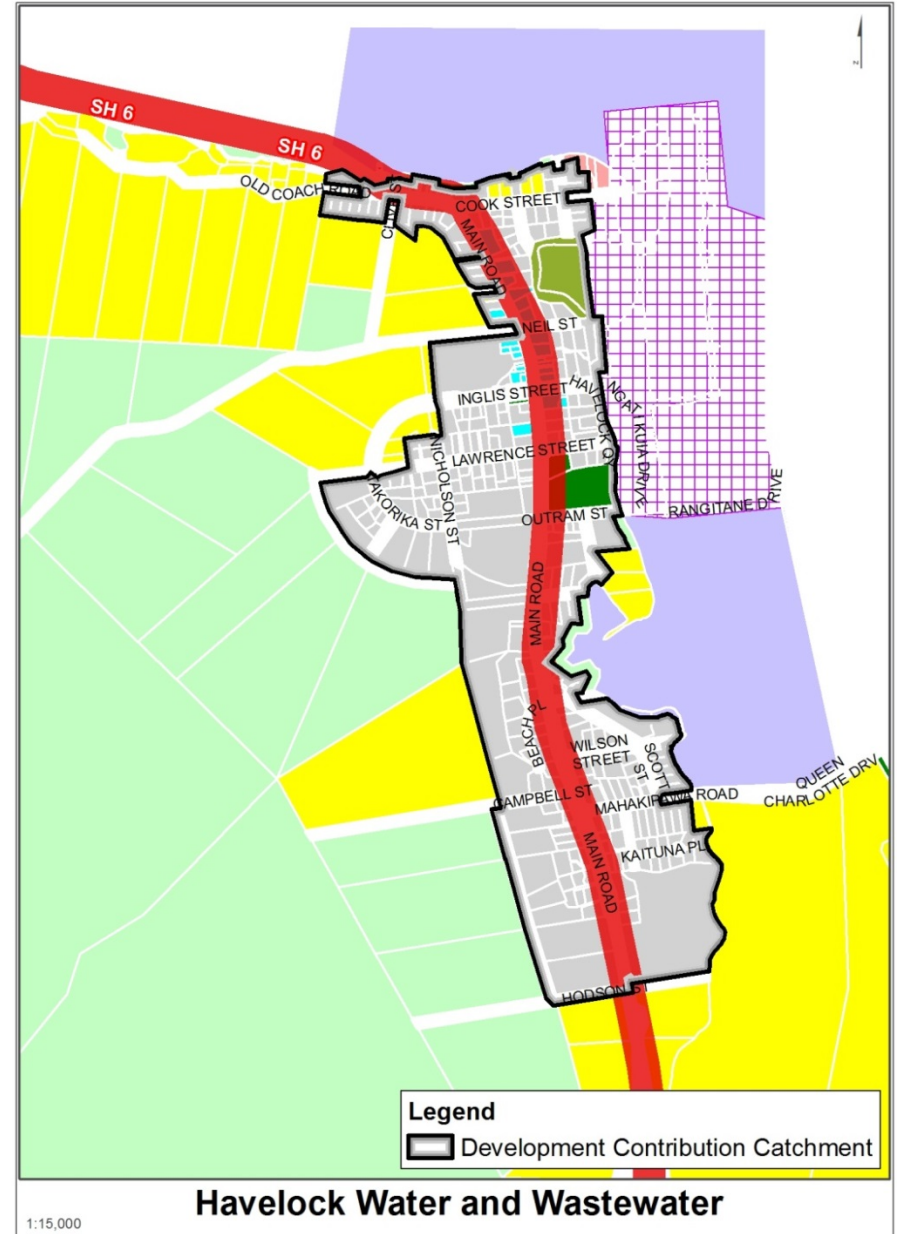
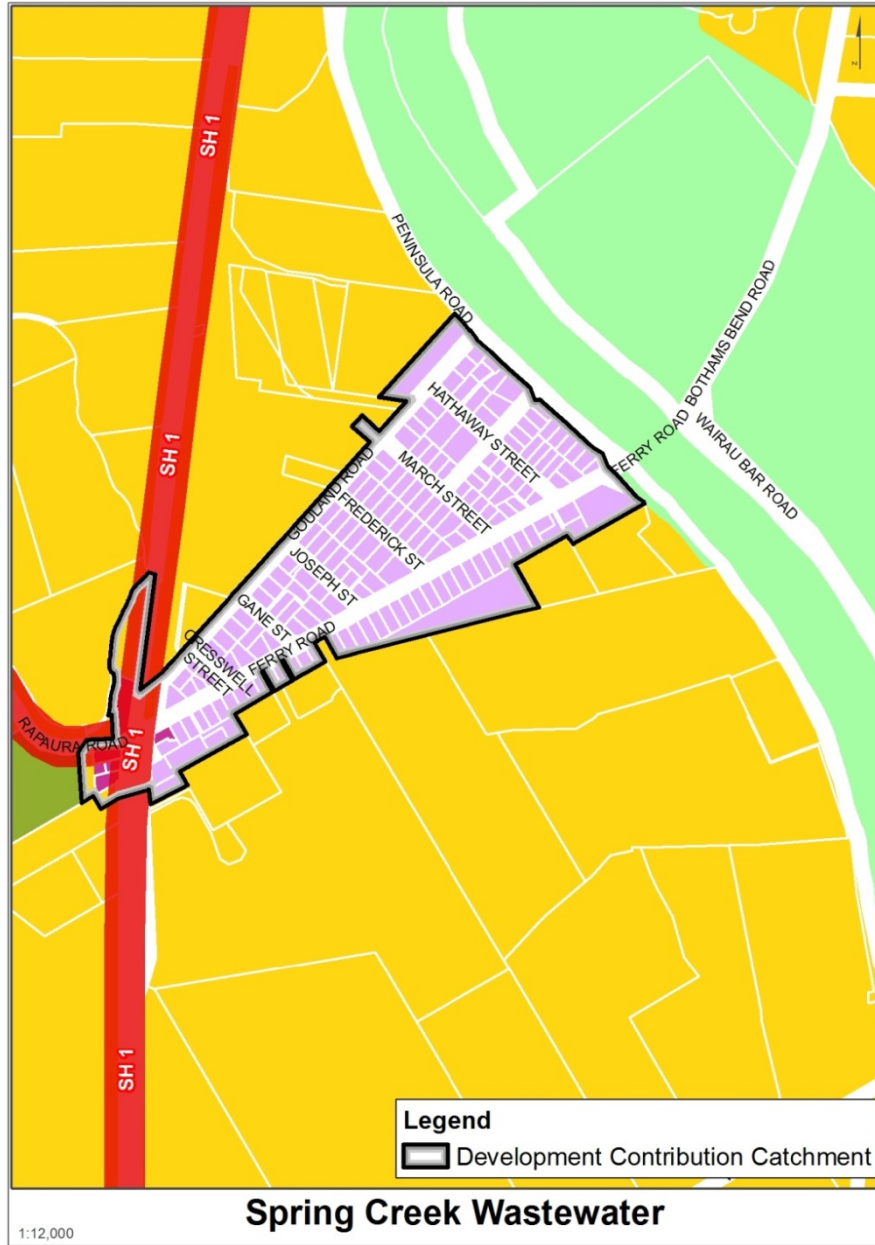
**Burleigh and North West Extension Catchments**

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**Zone Infrastructure  
Northwest Zones - Mowat Area**



**Zone Infrastructure  
Northwest Zones - Roseneath Area**



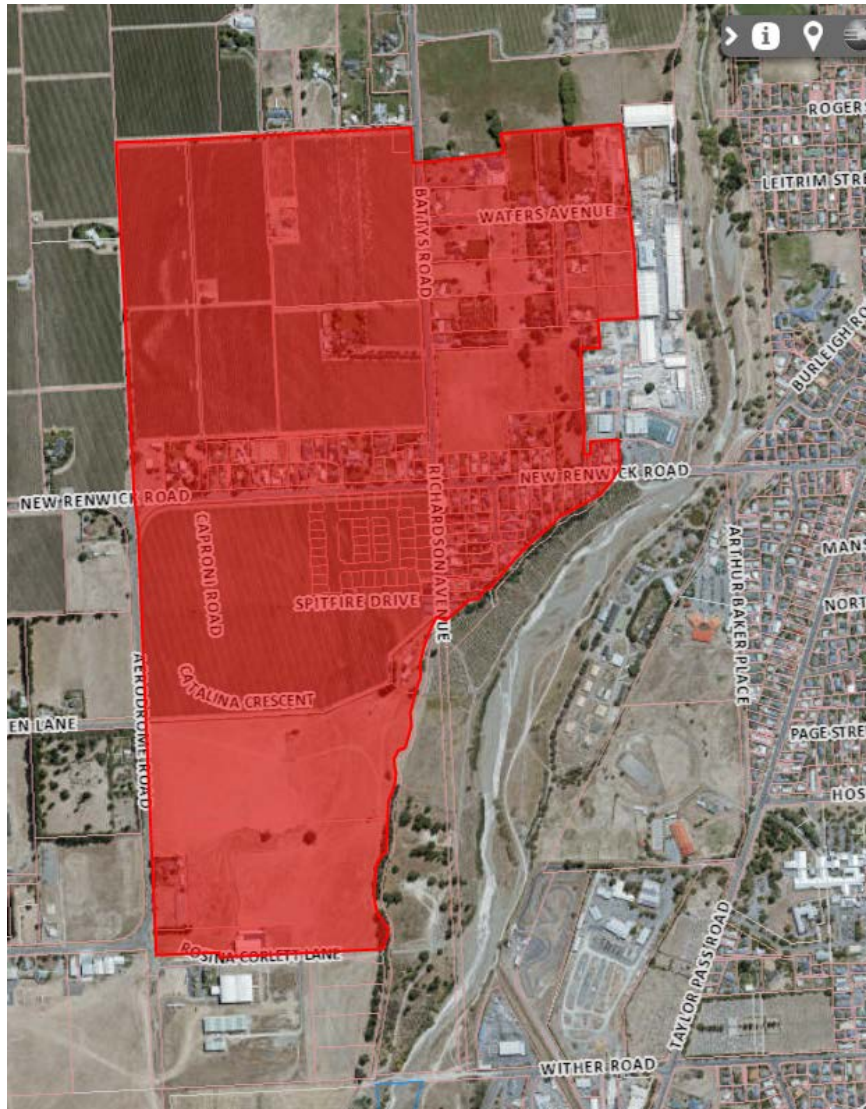
**Zone Infrastructure  
Northwest Zones - Colemans Area**



**Zone Infrastructure  
Westwood Area Stormwater**



**Zone Infrastructure**  
**North West Extension Zone Areas**



**Zone Infrastructure Burleigh Area Wastewater**

## Appendix 3: Implementation Rules and Guidelines for Zone Infrastructure Levies

### ADDITIONAL REQUIREMENTS FOR SUBDIVISION OF LAND WHICH HAS BEEN REZONED BY WAY OF PLAN CHANGE PC64, PC65, PC67, PC66 and PC69, and include Rose East

- (a) All levies referred to in this section will be set to recover the cost to Council of providing infrastructure for the development of Plan changes PC64, PC65, PC67, PC66 and PC69, and to include the area of Rose East. The formula for calculating levies will be a costing schedule which combines the anticipated development of sections (and therefore the collection of Levies), the timing of costs and the interest component of levies collected or loans taken out.
- (b) Within the Residential Zone, Council is responsible for providing and upgrading all bulk services within existing Road reserve. These services will be provided by Council or by a Developer at Council's choice, based on the "Accepted Services" plans. These costs will be recovered by way of the Zone Development Levies. Timing of these bulk services will be managed by Council to suit budgets and proposals.
- (c) The Zone Costs shall be reviewed annually and adjusted if necessary on the basis of Council cost projections and changes in interest rates as well as changes in the number of sections developed.
- (d) Two sets of "Accepted Services " plans exist;
  - i. The area of PC64, PC65 and PC67; Appendices 1.1 to 6.4, and
  - ii. The area of PC66 PC69 and Rose East; Appendices 1.1 to 6.6
- (e) Infrastructure costs that will be met by the Zone Development Levy, to accommodate the development of the Plan change areas PC64,



PC65, PC67, PC66 and PC69, and include Rose East area, are as follows:

- i. The cost of providing bulk stormwater, water and sewer infrastructure within existing road reserve, as identified on the “Accepted Services” plans. Reference to Appendices 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.
- ii. The cost of upgrading existing roading infrastructure, as identified on the “Accepted Services” plans. Reference to Appendix 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.
- iii. The cost of upgrading existing bulk stormwater, water and sewer infrastructure. This includes, but not limited to:
  - Upgrade of Caseys Creek, and associated culverts.
  - Upgrade of Caseys Stormwater pump station.
- iv. The cost of constructing the bulk stormwater, water, sewer and roading infrastructure to extend from individual developments to the neighboring property/s as identified within Appendix 5.1, and with respect to the sizes identified on the “Accepted Services” plans for the respective service. Council will contribute \$35,483, (by way of reduction in Zone Development Levy) to the areas identified on the “Accepted Services” plans only. This contribution is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistics New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.
- v. The cost associated with increasing the diameter of piped water and sewer services from that which would be sufficient for their development, to that identified on the “Accepted Services” plans. Reference to Appendices 2.1, 2.2, 2.3, 3.1, 3.2 and 3.3. Council will contribute to the marginal cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy) if the service pipes are over the following minimum sizes:
  - Sewer (gravity) 150 mm
  - Water 100 mm
- vi. The cost of constructing Sewer pumping stations and / or Sewer pressure pipelines and / or Sewer overflow pipelines, as identified on the “Accepted Services” plans. Reference to Appendices 3.1, 3.2 and 3.3. Council will contribute for the full cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- vii. The cost of constructing Trunk Stormwater Infrastructure, as identified on the “Accepted Services” plans. Reference to Appendices 1.1, 1.2 and 1.3. Council will contribute for the full cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- viii. The cost associated with increasing the Road Carriageway widths from a standard 5.6m (kerb to kerb, includes parking) to that identified on the “Accepted Services” plans. Reference to Appendix 4.1. Council will contribute \$144 per lineal meter, (by way of reduction in Zone Development Levy) to the areas identified as Road “A” only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component. Council will contribute \$386 per lineal meter, (by way of reduction in Zone Development Levy) to the areas identified as Road “B” only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.

- ix. The cost associated with increasing the Road Reserve widths from a standard 15.0m to that identified on the “Accepted Services” plans. Reference to Appendices 4.1.  
Council will contribute \$17 per square meter, (by way of reduction in Zone Development Levy) to the areas identified as Road “B” only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.
- x. The costs associated with increasing the size of pipelines through a site to take stormwater from the positions identified on the “Accepted Services” plans. Reference to Appendix 1.1, 1.2 and 1.3.  
Council will contribute to the marginal cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- (f) The cost of upgrading existing sewer infrastructure within MacLauchlan Street to accommodate the development is excluded from the calculation of these Zone Levies and will be met by Council’s Development Contributions Policy.
- (g) The essential roading connections layout must be completed as shown on Appendix 4.1. Provision of bulk water, sewer and stormwater infrastructure must also follow the essential roading layout as shown on Appendices 1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 3.1, 3.2 and 3.3. The layout may be varied provided that the servicing and access to all other properties can be achieved to approval of Council.
- (h) It shall be a requirement that every allotment in a proposed subdivision be provided with the following services to Council approved standards:
  - i. Sewer disposal off site by means of a water borne sewer connected to the Council sewer reticulation system.
  - ii. Stormwater disposal off site by means of a connection to the Council stormwater reticulation system.
  - iii. Water supply by means of a connection to the Council's water reticulation system.
  - iv. Roads including footpaths.
  - v. Underground electricity supply and street lighting.
  - vi. Underground Telecom connection.
- (i) Where it is not possible for the installation of bulk services to a proposed subdivision in the Residential Zone without crossing over private land, the subdivision plan will not be approved unless the developer provides written approval from the affected property owners (in a form acceptable to Council) allowing installation of bulk services across their land.
- (j) The cost of installing these bulk services on privately owned land is to be borne by the Property Developer who requires them. This shall include all other costs associated with the agreement between adjoining property owners such as easements, cost share, registrations and legal fees.
- (k) The re-zoned residential area must be developed in a sequential manner. Development must be deferred until services are available at the respective property boundary. Until then the properties are considered “Deferred Development Status” - This Deferred Status will be lifted once accepted by Council that the Bulk Services necessary to complete the development are available at the site.
- (l) Council will not be obligated to contribute (including by way of reduction in Zone Development Levy) to infrastructure required to service properties that are in Council’s opinion – “Deferred Development Status”.
- (m) All charges will be on a per allotment basis. Balance lots will be charged the equivalent of 1 allotment, with recognition that the

remaining charges will be applicable upon further development of the balance lot.

- (n) Council may require a Developer to install infrastructure in addition to that shown on the “Accepted Services” plans to ensure neighboring properties are provided a connection to the Bulk services.

Council will contribute for the full cost provided the contract costs are acceptable to Council.

These costs will later become an Additional Development Levy (in addition to that required by the Development Contributions Policy, and Zone Development Levies) to the neighboring property at the time in which they require connection.

- (o) Development contributions are required by the Local Government Act 2002. All Zone Development levies, Development Contributions and Additional Development Levies will be payable by property owners/developers before the issue of a certificate under section 224 of the Resource Management Act 1991.
- (p) Developers are further required to appoint suitably qualified representatives to undertake the following responsibilities:
  - i. Design of the subdivision and preparation of engineering drawings and specifications for the provision of internal roads and services.
  - ii. Supervision of the construction of internal roads and services.

Certification on completion that these services have been installed to the attached drawings and specification, with respect to the whole re-zoned area and “Accepted Services” plans.

## Appendix 4: Glossary of Terms

Activity	Means a good or service provided by, or on behalf of, the local authority or a Council-controlled organisation e.g. water supply, sewerage, transport
Allotment (or lot)	Has the meaning given to allotment in Section 218(2) of the Resource Management Act 1991.
Asset Management Plan	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.
Benefit Area	The area which benefits from the installation of the infrastructure.
Capacity Life	Means the number of years that the infrastructure will provide capacity for, and associated HEUs.
Capital Expenditure	Means the cost of capital works for network infrastructure, reserves and community infrastructure.
Catchment	Means the area served by a particular infrastructure investment.
Community Facilities	means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.
Community Infrastructure	Means the following assets when owned, operated or controlled by a territorial authority: <ul style="list-style-type: none"> <li>(a) Community centres or halls or the use of a local community or neighbourhood and the land on which they are or will be situated;</li> <li>(b) Libraries;</li> <li>(c) Swimming pools.</li> </ul>
Development	Means: <ul style="list-style-type: none"> <li>(a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but</li> <li>(b) Does not include the pipes or lines of a network utility operator.</li> </ul>
Development Contribution	Means a contribution: <ul style="list-style-type: none"> <li>(a) Provided for in a development contributions policy included in the Long Term Plan of a territorial authority; and Glossary of Terms 2018-2028 Long Term Plan Page 345</li> <li>(b) Calculated in accordance with the methodology; and Comprising- <ul style="list-style-type: none"> <li>i. Money; or</li> <li>ii. Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or</li> <li>iii. Both.</li> </ul> </li> </ul>

Development Contributions Policy Means the policy on development contributions adopted under section 102(1).

District Means the District of a territorial authority.

District Wide Applies to every property in the District.

Dwelling Means a building or part of a building for a single, self-contained, house-keeping unit, whether of one or more persons (where 'self-contained housekeeping unit' means a single integrated set of sleeping, ablution and cooking facilities).

Financial Contributions Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.

Geographic Areas The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.

Goods and Services Tax (GST) Means goods and services tax under the Goods and Services Tax Act 1985.

Gross Floor Area (GFA) Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- Car parking.
- Loading docks.
- Vehicle access and manoeuvring areas/ramps.
- Plant and equipment enclosures on the roof.
- Service station canopies.
- Pedestrian circulation space in an enclosed retail shopping centre.
- Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU) Means an average residential dwelling occupied by a household of average size. The average equates to unit of demand of 1.

Industrial Means:

- (a) Any premises used for any industrial or trade purposes; or
- (b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials: or
- (c) Any other premises from which containment is discharged in connection with any other industrial or trade process.

(d) Any activity where people use materials and physical effort to:

- Extract or convert natural resources.
- Produce goods or energy from natural or converted resources.
- Repair goods.
- Store goods. (ensuing from an industrial process)

Infrastructural Assets	These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
Non-Residential Development	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
Residential Development	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
Subdivision	Has the same meaning as section 218 of the Resource Management Act 1991.
Unit of Demand	Means the measure of demand for community facilities.

## 4.48 Exemption of Council Controlled Organisations

(Report prepared by Martin Fletcher)

S400-001-03

### Purpose of Report

1. To obtain Council's agreement to exempt Marlborough Housing for the Elderly Trust from being a Council-Controlled Organisation in accordance with the provisions of section 7 Local Government Act 2002 .

### RECOMMENDATION

**That Council, in accordance with Section 7 of the Local Government Act 2002, exempt the Marlborough Housing for the Elderly Trust from being a Council Controlled Organisation.**

### Background/Context

2. The following organisations meet the requirements contained in section 6 Local Government Act 2002 (the "Act") for being a Council-Controlled Organisation:
  - MDC Holdings Limited; and
  - Marlborough Housing for the Elderly Trust.
3. As a result of being a Council-Controlled Organisation a number of governance, reporting and procedural requirements result. See part 5 of the Act – Attachment 1 contains the list of sections.
4. Section 7 of the Act, however provides Council the opportunity to exempt by resolution small organisations from being Council –Controlled Organisations after it has considered:
  - The nature and scope of the activities provided by the organisation; and
  - The costs and benefits, if an exemption is granted to the Council, the Council-Controlled Organisations and the community.

**NB: Council can revoke an exemption at anytime.**

In the past, Marlborough Housing of the Elderly Trust has been granted an exemption.

5. Exemptions are required to be reviewed every three years and it is proposed that the exemption for Marlborough Housing of the Elderly Trust be continued for a further three years. The rationale for this proposal is:
  - The activity of this organisation is very small and reducing, with total expenditure decreasing from \$4,004 in 2022 to \$2,900 in 2023. The Trust at 30 June 2023 had assets of \$13,702 and no liabilities;
  - Procedural requirements are simplified and less costly; and
  - There are strong reporting requirements already in place on the organisation's proposed activities and actual results.

### Attachment

Attachment 4.48.1 – Part 5, Local Government Act 2002

Page 348

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer

**Part 5**

**Council-controlled organisations and council organisations**

55 Outline of Part

**Establishment**

56 Consultation required before council-controlled organisation established

**Directors**

57 Appointment of directors

58 Role of directors of council-controlled organisations

59 Principal objective of council-controlled organisation

60 Decisions relating to operation of council-controlled organisations

60A Significant decisions of council-controlled organisations affecting land or water

61 Activities undertaken on behalf of local authorities

62 Prohibition on guarantees, etc

63 Restriction on lending to council-controlled trading organisation

**Council-controlled organisation planning**

64 Statements of intent for council-controlled organisations

64A Shareholders may require additional plans

64B Statement of expectations

**Monitoring and reporting**

65 Performance monitoring

66 Half-yearly or quarterly reports

67 Annual report

67A Extension of time limit for 2019/20 financial year annual reports: COVID-19 [Repealed]

68 Content of reports on operations of council-controlled organisations

69 Financial statements and auditor's report

70 Auditor-General is auditor of council-controlled organisations

71 Protection from disclosure of sensitive information

71A Application of Part to listed companies

72 Application of Act to related companies

**Transfer of undertakings**

73 Transfer of undertakings to council-controlled organisations

**Application of Local Government Official Information and Meetings Act 1987 and Ombudsmen Act 1975 to council-controlled organisations**

74 Official information



## **5. Minutes**

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- 5.1 Confirmation of the Minutes of the Council Meeting held on 14 December 2023  
(Minute Nos. Cncl-1223-204 to Cncl-1223-215)



**Minutes of a Meeting of the  
Marlborough District Council  
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on THURSDAY 14 DECEMBER 2023 commencing at 2.00 pm**

**Present**

The Mayor N P Taylor (in the Chair), Clrs S R W Adams (from 2.30 pm), A R Burgess, J D N Croad, D A Dalliessi, B G Dawson, B A Fauls, M R K Flight, G A Hope, R J Innes, B J Minehan, J C Rosene and T P Sowman.

**Present via Teams**

Clrs S J Arbuckle (from 2.14 pm).

**In Attendance**

Messrs M S Wheeler (Chief Executive), G K Blake (Chief Financial Officer), M F Fletcher (Manager Strategic Finance) and M J Porter (Democratic Services Manager).

**Karakia**

The meeting opened with a karakia from Clr Burgess.

**Apologies**

**Clrs Fauls/Rosene:**

**That the apology for absence from Clr J A Arbuckle and the apology for lateness from Clr S R W Adams be received and sustained.**

**Carried**

**Cncl-1223-204 Declaration of Interests -**

Members were reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

A number of declarations were noted in the agenda:

- The various interests as declared under Minute Nos. Cncl-1123-137;
- The interest as declared under Minute No. A&S-1123-155 (Minute Nos. A&S-1123-159 and A&S-1123-164); and
- The interest as declared under Minute No. E&P-1123-166 (Minute No. E&P-1123-173).

**Cncl-1223-205 Confirmation of Minutes -**

It was noted that the Iwi representatives on Standing Committees will need to be inducted prior to commencing in the new year.

**The Mayor/Clr Croad:**

**That the Minutes of the Council Meeting held on 2 November 2023 (Minute Nos. Cncl-1123-137 to Cncl-1123-154) be taken as read and confirmed.**

**Carried**

**Cncl-1223-206 Confirmation of Minutes -**

The Mayor/Clr Croad:

That the Minutes of the Extraordinary Council Meeting held on 4 December 2023 (Minute Nos. Cncl-1223-202 to Cncl-1223-203) be taken as read and confirmed.

Carried

**Committee Reports**

**Cncl-1223-207 Assets & Services Committee -**

Clrs Dawson/Rosene:

That the Committee report contained within Minute Nos. A&S-1123-155 to A&S-1123-165 be received and the recommendations adopted.

Carried

**Cncl-1223-208 Environment & Planning Committee -**

Clrs Hope/Fauls:

That the Committee report contained within Minute Nos. E&P-1123-166 to E&P-1123-181 be received and the recommendations adopted.

Carried

**Cncl-1223-209 Economic, Finance & Community Committee -**

Clrs Croad/Dalliessi:

That the Committee report contained within Minute Nos. EFC-1123-182 to EFC-1123-201 be received and the recommendations adopted.

Carried

**Cncl-1223-210 Adoption of 2022-23 Annual Report F275-A23-01**

Members noted that the purpose of the report was to adopt the 2022-23 Annual Report (circulated separately to the Agenda).

Staff reported that the Annual Report reports the performance of Council against non-financial performance targets and financial forecasts.

Members noted the recommendation from the Chair of the Audit & Risk Sub-Committee (as attached to the agenda) and the recommendations from the Audit & Risk Sub-Committee meeting of 13 December 2023:

1. *The Mayor signs the Audit Engagement and Proposal letters.*
2. *The Mayor, Chief Executive and Chief Financial Officer sign the proposed Representation Letter for the 2022-23 Annual Report.*
3. *That Council adopt the 2022-23 Annual Report.*

Staff advised that the Auditor's report was qualified on the basis of a "limitation in scope" regarding the Three Waters infrastructure assets valuation. In addition, the Auditor has included an "emphasis of matter paragraph" regarding the current uncertainty with the Three Waters future activity. This "emphasis of matter paragraph" was approved by the Office of the Auditor-General and will be included in all opinions issued subsequent to the appointment of the new Government.

Members acknowledged the considerable effort by the Finance team and other Council staff involved in the process.

**Cllrs Croad/Hope:**

1. That Council receives the recommendation from the Chair of the Audit & Risk Sub-Committee.
2. That Council endorse the recommendations from the Audit & Risk Sub-Committee meeting of 13 December 2023.
3. That Council authorises the Mayor and Chief Executive to sign the statement of responsibility (Representation Letter) for the 2022-23 Annual Report.
4. That Council adopts the 2022-23 Annual Report subject to receiving the final signed Audit Report.

**Carried**

**Cncl-1223-211 Gambling Venue Policy 2023**

**E350-004-009-02**

Members noted that the purpose of the report was to provide Council a summary of the Gambling Venue Policy 2023 consultation process including the appointed Hearings Panel's recommendations following that process, and to formally adopt the new Gambling Venue Policy 2023.

Staff reported that on 27 September 2023 a Hearings Panel of Councillors Fauls (Chair), Minehan and Sowman met to hear submissions from four submitters and to deliberate on all submissions received. A total of 14 submissions were received on the draft Gambling Venue Policy 2023.

Staff covered the background and key notes from the hearing in the report.

The Hearings Panel, in making its recommendations (as per the motion below), also made the following notes:

- Taking into account lessons learned from other TLA's the Panel consider that to be proactive in the next review that a 100m restriction should be added to the wording of the policy so that Class 4 venues are not allowed within a 100m radius of schools or educational facilities, religious or spiritual facilities, ATMs.
- Marlborough does not have any standalone TAB facilities so any application to establish such a venue would have to be assessed under the normal circumstances for a resource consent.
- Online gambling does not come under the scope of the policy so whilst the Panel accepts that there is concern shown by both the industry and the health professionals about potential and growing harm from this sector, there is nothing that MDC can do to address this.
- Similarly, casinos which are Class 3 standalones are nothing to do with MDC and would again need to go through the resource consent process.

**Cllrs Fauls/Sowman:**

1. That the report be received.
2. That the Gambling Venue Policy 2023 be adopted, noting the Policy includes:
  - a sinking lid approach for the number of Class 4 venues and gaming machines, meaning that Council will not grant consent for the establishment of any additional Class 4 venues or additional gaming machines, including Class 4 machines in TAB venues under this policy;
  - the permitted number of gaming machines when clubs merge is the sum of gaming machines previously operated by each club, or 18 gaming machines, whichever is less;
  - will allow for the relocation of gaming machines as per the current policy, but only allow relocation of gaming machines to a deprivation level the same or lower; and
  - will allow the establishment of TAB venues if it meets the application requirements.

**Carried**

**Cncl-1223-212 Increase to Kerbside Collections**

**C315-21-077-04**

Members noted that the purpose of the report was to increase the kerbside collection areas to include other residential zoned properties, that were left out of the original kerbside collection discussions.

Mr Rooney reported that during the original consultation process for the kerbside collection some residential areas were not included as they were not part of the current kerbside collection. After reviewing the maps there are two main areas that have been left off the proposed plan, being Rapaura and Fairhall. Members considered it appropriate to include the areas in the kerbside collection, subject to appropriate consultation with the properties affected.

**Cllrs Dalliessi/Dawson:**

1. That Council approve consultation with the targeted properties in the expansion of the kerbside collection area, including Marlborough Ridge, Fairbourne Drive, Fairhall and include all of Old Renwick Road from Waipuna Street to Hammerichs Road, Hammerichs Road to Rapaura Road, 88 Dillons Point Road, and 211, 215 and 221 Middle Renwick Road.
2. That the Mayor, Chair of the Assets and Services Committee, and Manager Assets and Services consider submissions received as a result of consultation and be given delegated authority to approve any extension of the service delivery area on the same terms and conditions as for the already approved areas, and authority to undertake all preliminary steps (i.e. bin purchases and operational planning).
3. That the approach to rating for the wheelie bin service (including any extended area) be included in the 2024-34 Long Term Plan consultation process.

**Carried**

**Cncl-1223-213 Remote Transfer Station (RTS) W300-006-009-09**

Members noted that the purpose of the report was to update Council on the estimated costs to construct the Remote Transfer Stations (RTS) compounds on the proposed sites, and the funding mechanism to be used.

Mr Lucas reported that as a result of the letting of Contract 21-077 Waste Management and Minimisation contract and the community consultation it was decided that Council will install 11 remote transfer sites. It was anticipated at the time that these would be covered via a waste minimisation fund grant. As a result of the grant application being declined these sites now require internal funding. It was also noted that the Rapaura site was not now included as the extension of the new collection contract (see Minute No. Cncl-1223-212 above) has removed the need for this site and therefore all options in the report were for 10 sites:

<b>Site name</b>	<b>Budgeted Costs</b>	<b>Year of Construction</b>
Awatere Valley	\$ 60,313.50	FY23/24
Ohingarua Quarry	\$ 56,001.00	FY23/24
Port Underwood	\$ 62,251.00	FY24/25
Portage	\$ 87,563.50	FY24/25
Rai Valley	\$ 52,813.50	FY23/24
The Grove	\$ 59,063.50	FY24/25
Titirangi	\$ 87,563.50	FY24/25
Waihopai Valley	\$ 55,938.50	FY23/24
Waitaria Bay	\$ 87,563.50	FY24/25
Ward	\$ 55,938.50	FY23/24
Contingency (10%)	\$ 66,501.00	
<b>Total</b>	<b>\$ 731,511.00</b>	

Members agreed with Option One being the construction of the 10 RTS sites.

**Cllrs Dalliessi/Flight:**

**That Council approves the expenditure to construct the RTS compounds on the approved sites with funding as follows:**

- a) Financial Year 2023-24 – Forestry and Land Development Reserve - \$309,104.95 + GST;
- b) Financial Year 2024-25 – Forestry and Land Development Reserve, or rates funded debt to be reviewed during the Long Term Plan process - \$422,403.05 + GST.

Carried

## **Cncl-1223-214 Bylaw Decision: Proposed Navigation Bylaw 2023**

**H100-001-01**

Members noted that the purpose of the report was to release the report 'Recommendations of the hearings panel for the proposed Marlborough Navigation Bylaw 2023' and to then adopt the Navigation Bylaw 2023.

Captain Oliver reported that the Navigation Bylaw 2009 came in force on 1st July 2010. The bylaw contains rules relating to maritime and navigation safety. Section 159 of the Local Government Act 2002 requires local authorities to review a bylaw made by it under this Act [LGA 2002], the Maritime Transport Act 1994, or the Local Government Act 1974 no later than 10 years after it was last reviewed as required by section 158 or section 159. A review of the bylaw commenced in 2017. The review process was not followed through to a final conclusion because, whilst working through the bylaw making process, a number of new issues arose in respect of navigation safety issues arising from the emergence of the iReX project. Owing to the delays to projects within the region, largely due to COVID, the current 2009/2010 bylaw on investigation was deemed to be expired. This meant that the consultation process previously conducted in 2017 was no longer suitable for implementation of a reviewed instrument and a new review and consultation process for a replacement bylaw was required.

Given that it is important to have a new bylaw in place as soon as possible (because the current bylaw has been deemed to have expired) Council proposed to roll over into a replacement bylaw as much of the 2009 bylaw as possible with some minor amendments for clarity. This was the approach taken with the proposed bylaw. Council notified the proposed bylaw on 15 June 2023. Consultation ran until 1 October 2023. A total of 8 submissions were received, of which 2 wished to be heard in support of their submissions at a hearing. Public notification of the bylaw was preceded by consultation with Maritime New Zealand and direct consultation with Iwi.

Further comment was provided in the Agenda report.

**Cirs Innes/Croad:**

1. **That the Navigation Bylaw 2023 be promulgated into effect without any further modifications.**
2. **That the Navigation Bylaw 2023 come into effect on 20 December 2023.**
3. **That the Harbourmaster actively investigates an alternative access lane for water skiing to replace the Cherry Bay access lane.**
4. **That the Recreational Boating Bylaw process be commenced early in 2024.**
5. **That the submitters be thanked for their participation in the process and advised of the outcome.**

Carried

## **Cncl-1223-215 Decision to Conduct Business with the Public Excluded**

**The Mayor/Clr Dalliessi:**

**That the public be excluded from the following parts of the proceedings of this meeting, namely:**

- **Confirmation of Public Excluded Minutes**
- **Committee Reports (Public Excluded Sections)**
- **Appointment of Director**

**The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes and Committee Reports	As set out in the Minutes	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Appointment of Director	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

**Carried**

The meeting closed with a karakia from Cllr Burgess at 3.28 pm.

Confirmed this 26<sup>th</sup> day of February 2024

N P TAYLOR  
**MAYOR**

Record No. 2423606

## **6. Committee Reports**

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### **6.1 Assets & Services Committee**

Assets & Services Committee Meeting held on 30 January 2024  
(Minute Nos. A&S-0124-216 to A&S-0124-226)





**Report and Minutes of a Meeting of the  
ASSETS & SERVICES COMMITTEE**  
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on TUESDAY 30 JANUARY 2023 commencing at 9.00 am

**Present**

Cirs B G Dawson (Chairperson), J C Rosene (Deputy), S R W Adams, J D N Croad, D A Dalliessi, M R L Flight and Mayor N P Taylor

**Also Present**

Cirs S J Arbuckle, B A Fauls, G A Hope, B J Minehan, T P Sowman and R J Innes (from 9.57am)

**Also Present via Teams**

Cir J A Arbuckle

**In Attendance**

Mr Richard Coningham (Manager – Assets & Services Department), Jamie Lyall (Manager – Property and Community Facilities) and Nicole Chauval (Committee Secretary)

**Apology**

Cirs Dawson/Rosene:

**That the apology for lateness from Cir Innes be noted.**

**Carried**

**A&S-0124-216 Declaration of Interests** -

No interests with items on the agenda were declared.

ATTENDANCE: Mr David Craig, Council's Management Accountant – Operations, was present for the following item.

**A&S-0124-217 Financial Report for the year to  
30 November 2023**

**F275-001-02**

The Financial Report for the Assets and Services and Property and Community Facilities (including parking) Departments for the year to 30 November 2023 was presented to members.

Mr Craig advised that the December figures were not included in this report but the December figures across the whole of Council would be presented at the Economic, Finance and Community Committee meeting in February.

Members were advised that through the combined activities of the two departments, there is an actual operating surplus of \$4.7M, this is favourable to budget by \$3.9M. This was through revenues of \$58.2M, which were unfavourable to budget by \$11.5M due to roading subsidies. Operational subsidies of \$5.37M relating to emergency works and capital roading subsidy of \$9.06M relating to emergency works and also the renewals expenditure programme.

Operating expenditure was \$53.5M favourable to budget by \$8.2M and that was through emergency works expenditure of \$6.36M and flood damage repairs which were in the rivers and drainage activity of \$1.47M.



a fence, development of a small carpark and redirection of a small section of the Marina to Marina pathway.

**Carried**

The Parks and Open Spaces section of the Information Package was considered at this time.

ATTENDANCE: Laura Skilton, Transport Planner, Marlborough Roads, was present for the following item.

**A&S-0124-219 Speed Management Plan**

**L150-023-002-43**

Ms Skilton noted that the purpose of the report was to seek the Committee's approval of the Speed Management Plan for certification with the New Zealand Transport Agency in accordance with the requirements of the Land Transport Rule: Setting of Speed Limits 2022 and 2023 Amendment and approval for targeted consultation for additional speed changes that were not included in the Speed Management Plan (SMP).

Ms Skilton noted that the Land Transport Rule: Setting of Speed Limits 2022 (Rule) and the 2023 Amendment sets out how speed limits are set on New Zealand Roads. The Rule sets up a new National Speed Limit Register as a single, central source of speed limits for all roads in New Zealand. It replaces all Council Speed Bylaws and the "land transport record" becomes the legal instrument for speed.

Ms Skilton noted that Marlborough Roads had prepared a Speed Management Plan and undertook public consultation of the plan during 2023. A total of 130 submissions were received. A Speed Management Plan Committee (SMP Committee) was set up to review the submissions. The SMP Committee recommended a number of changes that have been incorporated into the final Plan which is available on Council's website [here](#).

It was noted that the most significant change is the decision to implement 40km/h speed limits in the vicinity of all urban schools rather than 30 km/h. Currently the majority of schools have a speed advisory (not enforceable) of 40km/h with "when children present" signage. As a step change for the district, it was decided to change these to legal speed limits thereby enabling the Police to enforce the speed limit.

In response to a query regarding the speed limit around parked school buses. Ms Skilton advised that the legislation is 20km/h for a parked school bus so that takes precedence over any speed limit in that area.

Members were advised that there were a number of submissions requesting a reduction in speed limits in French Pass and Kaiuma. The recommendation from the SMP Committee was that a targeted consultation be carried out with the intent that the roads have their speed limits reduced to 60km/h and that the alternative speed reduction process is used.

Following discussion members noted that Council could continue with the process to enable some speed changes to be made while separately undertaking the targeted consultation. Members also noted that any delay in the Plan certification to incorporate these areas could result in the allocated funding from the 2021-24 Regional Land Transport Plan (RLTP) not being achieved.

It was also noted that once the SMP is implemented it will make it easier for Council to review speed limits in the future. It was raised whether Council could review the plan within the three year period. Ms Skilton noted that the SMPs are no longer mandatory which means a review can be undertaken at any time.

**Clr Croad/The Mayor:**

- 1. That Council approve the certification of the Marlborough Speed Management Plan.**
- 2. That Council approve commencement of the process to begin targeted consultation to reduce speed limits in French Pass and Kaiuma.**

**Carried**

ATTENDANCE: Cllr Innes joined the meeting at 9.57 am during the following item.

ATTENDANCE: Steve Murrin, Marlborough Roads Manager was present for the following four items.

## **A&S-0124-220     Marlborough Roads to Represent as Road Controlling Authority**

**R800-004-02**

Members noted the purpose of the report was to reconfirm Marlborough Roads as Council's representative as the Road Controlling Authority (RCA) to move to the New Zealand Guide for Temporary Traffic Management (NZGTTM).

Mr Murrin noted that New Zealand is moving from the Code of Practice for Temporary Traffic Management (COPTTM) to the New Zealand Guide for Temporary Traffic Management (NZGTTM) to meet the Health and Safety at Work Act 2015 (HSWA) and Local Government Act 2002 and 1974 (LGA).

Mr Murrin also noted that COPTTM which has been in place for circa 20 years for New Zealand is a prescriptive code used for traffic management, NZGTTM will be more of a risk-based approach to traffic management. The NZGTTM allows for the Road Controlling Authority (RCA) to be represented by a third party, administering the duties on behalf of the RCA. In this case, Marlborough District Council will be represented by Marlborough Roads as the RCA.

Members were advised that under the Networks Outcomes Contract (NOC) the processing and administration of Temporary Traffic Management Plans are being undertaken by the NOC. This process is audited and monitored by the Marlborough Roads Network Management Team.

Members were advised that as we move to the NZGTTM, the training and qualification requirements have not yet been defined for this role however they do need to be suitably trained and competent. Until such time that appropriate training is available, the COPTTM requirements will be used to deem suitable training.

### **Cllrs Adams/Rosene:**

1. **That Marlborough Roads are approved as representatives of Marlborough District Council as the Road Controlling Authority (RCA) as we move to the New Zealand Guide for Temporary Traffic Management (NZGTTM).**
2. **That delegated authority be given to Marlborough Roads staff to approve Temporary Speed Limits and Road Closures for Traffic Management Plans as the Road Controlling Authority (RCA). These staff being; Marlborough Roads Manager, Principal Network Manager and Senior Network Manager.**
3. **That the Principal Network Manager be delegated authority to approve delegation of staff from the Fulton Hogan/ HEB joint venture to be able to approve Temporary Speed Limits and Road Closures. This is to be limited to the holders of the positions of Traffic Management Co ordinator and Corridor Manager.**

### **Carried**

## **A&S-0124-221     Accessways Built Under Previous Development Standards**

**R800-007-01**

Mr Murrin noted that the purpose of the report was to provide clarity on Council's policy relating to accessways built under previous development standards.

Mr Murrin noted that Marlborough Roads staff have received numerous correspondence from a resident who is suffering damage to their vehicle from the angle and width that their driveway entrance was developed to in the 1970's. The resident believes their driveway entrance should be changed based on the new development standards that are in place currently for Marlborough at Council's cost.

It was noted that Marlborough Roads staff have visited the site on a number of occasions. The resident has been advised that the driveway meets the standards of the time when the property was developed.

Members considered the request and had the view that if accessways were compliant with the standard they were developed under, this would be the standard that Council would accept responsibility to and any improvement on this standard requested by the property owner would be at their cost.

Members were advised that if a road was being upgraded and vehicle crossings were being changed generally Marlborough Roads would reinstate the road and the vehicle crossings to the standard of the time.

**The Mayor/Clr Dalliessi:**

**That Council confirms that its policy in relation to accessways is that if they are compliant with the standard they were developed under, this will be the standard that Council will accept responsibility to. Any improvement on this standard requested by the property owner will be at their cost.**

**Carried**

## **A&S-0124-222 Stump Creek Lane Road Reinstatement**

**R800-006-002-02**

Mr Murrin noted the purpose of the report was to provide options for the Committee to consider how Stump Creek Lane should be reinstated following excavation of an inadequate culvert to relieve upstream flooding.

Mr Murrin noted that during the Storm Event of July 2021, a culvert under Stump Creek Lane needed to be excavated to prevent upstream flooding. Since that time Stump Creek Lane has operated as two separate roads.

Members were advised that Council had approached Beca to consider options to prevent flooding in the future. Three options were put forward and these were detailed in the agenda report with concept designs included.

Members discussed the options and concluded that further information and discussion with the residents of Stump Creek Lane was required before a decision could be made.

**The Mayor/Clr Rosene:**

**That the issue of Stump Creek Lane Road reinstatement lie on the table to enable further information to be gathered on the community perspective and that a further report be provided to the Assets & Services Committee.**

**Carried**

## **A&S-0124-223 Kapowai and Elmslie Jetty Cranes**

**L150-001-F47C**

Mr Murrin noted that the purpose of the report was to seek a decision from the Committee on whether the cranes on Kapowai (D'Urville Island) and Elmslie Bay (French Pass) jetties should be either:

- a) refurbished at Council's cost and the current operation model continued;
- b) refurbished and ownership transferred over to the respective resident associations (and allowing them to apply for maintenance grants if and when repairs/ maintenance of the cranes is required); or
- c) removed completely and leave it to the residents to find alternative solutions to unload/ load their boats.

Mr Murrin noted that Council had inherited jetties in the late 1980s from the Marlborough Harbour Board and have been maintaining them since then. As part of those jetties there were also two electric cranes that the locals use for the loading and unloading of boats.

A routine inspection of the cranes has identified that both cranes are in need of major refurbishment if they were to continue to receive ongoing certification. There is also Council's Health and Safety obligations for the public to be operating a crane. Up until now a key lock system had been installed and Council's Wharfinger had been managing that. Sadly, he has passed away and the paper work has been lost.

Members discussed the options and indicated their support for the proposal to transfer ownership of the cranes and undertake any refurbishment of the cranes prior to handover. Members noted that the jetty and cranes are a critical piece of infrastructure for the island community and the fact that the Association is able to apply for maintenance grants, if and when repairs/maintenance of the cranes is required, is important.

**The Mayor/Clr Croad:**

1. **That Council approve the refurbishes of the cranes on Kapowai and Elmslie Bay Jetties with these repairs to be funded from the existing jetties budget.**
2. **That Council approved the transfer of ownership (gifting) of the cranes to the D'Urville Island Settlers Association once their competency, capability and acceptance of ownership and responsibility for the cranes is confirmed and allows them to apply for a special grant from Council if the cranes require repairs or maintenance.**

**Carried**

The Marlborough Roads section of the Information Package was considered at this time.

ATTENDANCE: Mr Brian Paton, Council's Civil Defence Emergency Management, was present for the following item.

**A&S-0124-224 CDEM Group Statutory Committee Meetings  
Timetable**

**E210-003-04**

Mr Paton noted that the purpose of the report was to seek approval to meet as the Marlborough Civil Defence Emergency Management (CDEM) Group Statutory Committee three times during 2024 and beyond and to provide some background on the roles and responsibilities of CDEM Group Statutory Committee.

Mr Paton noted that under the CDEM Act 2002 every territorial authority must be a member of a CDEM Group and establish a governance structure (either a Joint Committee or in Marlborough's case a Statutory Committee) which has oversight and responsibility for meeting the obligations as outlined within the Act. Marlborough District Council, as a single unitary authority, has delegated the role to the Assets and Services Committee members to act as the CDEM Group's Statutory Committee.

Members were advised that given the CDEM Coordinating Executive Group meets three times a year it is suggested that the CDEM Group meet on the following dates - 12 March, 9 July and 1 October at the conclusion of the scheduled Assets and Services Committee meetings. All Councillors are welcome to attend the meetings.

Mr Paton noted there are some significant changes and new pieces of work coming up over the next 12 months. One of them is the Emergency Management Bill which is proceeding through the Select Committee process. As it is currently written it has significant implications around how emergency management is structured and operates in a regional context. Council has made a submission and it is likely there will be further opportunities to submit.

The Marlborough CDEM Group Plan has expired and is being rewritten in 2024. The new Plan will seek to meet the objectives of the National Disaster Resilience Strategy. The document will be open for public consultation and will guide the Group Office Work Programmes over the proceeding five years.

Mr Paton noted that given the examples of emergencies in the last twelve months, and the expectation that these will increase, it is more necessary than ever before for elected officials to have an awareness of the hazards in their region, to have confidence that they will be managed well and that communities are as resilient to them as they can be.

**Clrs Croad/Adams:**

**That Council approve the proposed timetable for the Assets and Services Committee members to meet as the Civil Defence Emergency Management Group Statutory Committee on the following dates in 2024: 12 March, 9 July and 1 October.**

**Carried**

**A&S-0124-225 Information Package** -

Cllrs Rosene/Adams:

That the Assets and Services Information Package dated be received and noted.

Carried**A&S-0124-226 Decision to Conduct Business with the Public Excluded** -

Cllrs Croad/Dawson:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Property Purchase

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Property Purchase	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) provided for under Section 7(2)(i)	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

Carried

The meeting closed at 10.35 am.

Record No. 2429462

## **6. Committee Reports**

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### **6.2 Environment & Planning Committee**

Environment & Planning Committee Meeting held on 1 February 2024  
(Minute Nos. E&P-0224-227 to E&P-0224-243)





**Minutes of a Meeting of the  
ENVIRONMENT & PLANNING COMMITTEE  
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on THURSDAY 1 FEBRUARY 2024 commencing at 9.00 am**

Cirs G A Hope (Chairperson), B A Faulls (Deputy), S A Arbuckle (from 9.05 am), A R Burgess (from 9.17 am), R J Innes, B J Minehan, T P Sowman, Mayor N P Taylor and Mr S Harvey (Rural Representative)

**Also Present**

Cirs S R W Adams and J D N Croad

**In Attendance**

Mr H R Versteegh (Environmental Science and Policy Group Manager), Ms G Ferguson (Consents and Compliance Group Manager) and Ms N Chauval (Committee Secretary)

**Apologies:**

**Clr Hope/The Mayor:**

**That the apology from Clr A R Burgess for lateness be received and sustained and the apology for non-attendance from Clr J A Arbuckle be noted.**

**Carried**

**E&P-0224-227 Declaration of Interests -**

No interests with items on the agenda were declared.

**E&P-0224-228 Resource Hearing Sub-Committee Decisions -**

**Cirs Hope/Minehan:**

**That the Resource Hearing Sub-Committee Decision as contained within the report dated 28 April 2023 (U220377) and (U220451) and Hearing Sub-Committee Hearings held on 6 September 2023 (U22093) and 14 September 2023 (U220480) be received and the recommendation adopted.**

**Carried**

**E&P-0224-229 Resource Hearing Commissioner Decisions -**

**Cirs Hope/Minehan:**

**That the Resource Hearing Commissioner Decisions as contained within the reports dated 17 March 2023 (U220478), 27-28 April 2023 (U200980), 11 May 2023 (U220749) and 10 November 2023 (U220736) be received and the recommendations adopted.**

**Carried**

ATTENDANCE: Ms Katie Littlewood, Council's Principal Coastal Scientist, was present in Chambers for the following two items and Dallas Lafont, University of Auckland, was present for the following item via Teams.

## **E&P-0224-230      Kelp Restoration in Tōtaranui/Queen Charlotte Sound**

**E325-000-002**

Ms Littlewood noted that the purpose of the report was to inform and update the Committee on the progress of the kelp restoration project occurring in Tōtaranui /Queen Charlotte Sound.

Ms Littlewood introduced Ms Lafont to members and noted that the University of Auckland researcher has been studying the effects of kina (*Evechinus chloroticus*) barrens on the health of kelp and rimurimu forests in Tōtaranui/Queen Charlotte Sound. The project is being led by Professor Nick Shears and his team in partnership with Te Ātiawa o Te Waka-a-Māui and supported by Marlborough District Council, SLR Consulting and Port Marlborough.

It was noted that a presentation on the research project had been provided to the Committee in 2023 and Ms Lafont's report is an update on that work. To highlight the report a powerpoint presentation was shown (presentation filed in CM Record No. 2428042).

Members were advised that four trial sites have been established across Tōtaranui/Queen Charlotte Sound to examine how excessive kina grazing inhibits kelp and rimurimu recovery and growth across a range of environmental conditions through the Sound.

Ms Lafont reported that all sites have seen an increase in rimurimu, ranging from an average of 10% more canopy cover at Tahuahua/ Blackwood Bay to 67% at Motuara Island. Kelp species have been recovering well at Motuara Island, and a few juvenile kelp individuals have also been observed at Meretoto/ Ship Cove where none were found previously.

It was noted that the differences in rate and extent of kelp and rimurimu recovery seen between sites are most likely associated with environmental conditions, such as low water motion, sedimentation, and warming ocean temperatures.

It was noted that removal of kina across the four sites was carried out every 2-3 months to mitigate reinvasion of the experimental area. The need for this additional effort indicates that kina removal on its own as a restoration tool is not efficient long-term, as it does not address the underlying issue of the lack of kina predators. Further support and action are required for a long-term, sustainable recovery.

Members were advised that the next steps in this research are currently limited due to time and funding but the team hopes to continue maintaining and monitoring these sites as recovery is still ongoing. May 2024 marks two years since the initial kina removal and would be the target date for the next round of kelp and rimurimu surveys.

In response to a query on whether research sites were restricted to being located on coastal points. Ms Lafont advised that no they're not but water motion does play a large role in a site being potentially successful. Also that a lot of inner bay areas are not suitable reef habitats because they are completely covered in sediment with no rocky base to restart a population.

It was raised whether Tory Channel/Port Underwood had been considered given the colder water temperatures and water flow. Ms Lafont advised that it had but the flushing mechanism doesn't provide the natural protection as kina barrens were found. It was noted that the best solution doesn't focus on one thing it all has to be taken as part of a picture together however the most significant detrimental factor is the lack of predators such as large fish eg snapper, blue cod and crayfish. The predators need to be large to be able to predate the kina.

**Cirs Innes/Sowman:**  
**That the information be received.**

**Carried**

ATTENDANCE: Dr Emilee Benjamin, University of Auckland, was present for the following item.

**E&P-0224-231      Green Lipped Mussel Restoration in Te Taihu/  
Top of the South Island      E325-000-002**

Ms Littlewood noted that the purpose of the report was to provide an update to the Committee on the progress of the green lipped mussel restoration project occurring in Te Hoiere/Pelorus Sound. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2427489).

Dr Benjamin advised that working with the Aquaculture industry, the team have successfully deployed over 50 tonnes of farmed mussels and 24 tonnes of mussel shell material onto the seafloor in various trial locations in Te Hoiere/Pelorus Sound. The team have monitored the mussels and overall ecosystem health in the newly reseeded beds for the past four years.

The results of have shown that in most places where mussels are restored to the seafloor they have survived well, indicating the habitat is still suitable for supporting wild mussel beds. Where mussels are restored there are significant associated ecosystem benefits with an increase in the abundance of fish and seafloor creatures in the vicinity. However, there is very limited recruitment of young mussels into restored mussel beds after three years. This may indicate there is a bottleneck for natural recruitment that needs to be resolved if mussel restoration is going to be successful long-term.

It was noted that natural mussel shell material from aquaculture can be returned to the marine environment to aid mussel restoration by consolidating a muddy seabed to provide a firmer substrate for establishing restored live mussels.

Members were advised there have been some setbacks such as damage to some beds due to the August 2022 storm and mussels being predated by the 11-arm starfish which is not naturally found in the Pelorus Sound/Te Hoiere so doesn't have natural predators.

Dr Benjamin noted that historical mussel beds had been located in the intertidal zone but due to summer water temperatures survival is low and beds have been located in the subtidal zones.

Members were advised that there is very limited recruitment of young mussels into restored mussel beds after three years, suggesting there is a bottleneck for natural recruitment that needs to be resolved if mussel restoration is going to be successful long-term. The ultimate goal for restoration is to get that population to be self-sustaining to ensure the longevity of those reefs. Work is underway to understand more about juvenile mussels.

Members were advised that the project is being extending for further three more years with two more PhD students being added to the team. The wider community collective supporting the project has developed a project plan which will build on previous knowledge and aims to increase the effectiveness of mussel restoration, assess the efficacy of recycling mussel shell from aquaculture to enhance biodiversity and stability of seafloor habitats with accumulated sediment from run off.

It was noted that as part of the next steps the project will be changing from the Te Hoiere Project to a Top of the South Project. New partners are interested in joining to extend the application of mussel restoration methods developed for enclosed waters of the Pelorus Sound/Te Hoiere so they are effective in open coastal waters of Golden Bay/Mohua and Wakapuaka Taiapure at Delaware Bay.

**Cirs Hope/Faulls:**  
**That the information be received.**

**Carried**

ATTENDANCE: Ms Heli Wade, Council's Te Hoiere Project Manager, and Laura Kelly, Freshwater Ecologist from Cawthron Institute were present via Teams for the following item.

## **E&P-0224-232    Te Hoiere Project – DOC Ngā Awa Monitoring Programme**

**E355-021-01-001**

Ms Wade noted that the purpose of the report was to provide an update on the Department of Conservation (DOC) Ngā Awa freshwater monitoring Programme in Te Hoiere Project Catchment. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2427478).

*The Ngā Awa Monitoring Programme: Te Hoiere Catchment Reporting 2021-22* report was separately attached to the agenda for members' information.

The results presented provided evidence that areas within public conservation land (PCL) in upper Te Hoiere catchment were generally in excellent condition and could be used to assess efforts being made to restore other areas of the catchment.

Ms Kelly noted that the aquatic life scores suggested there is healthy biodiversity across the Te Hoiere catchment. Some sites had lower scores (or no score) for the fish index of biotic integrity (F-IBI) due to a lack of fish, which was likely a result of these sites having relatively high elevation, possible natural barriers and being a substantial distance inland. The survey site reaches harboured a significant number of At Risk and threatened native freshwater fish.

Megainvertebrates were only observed at two sites, with both kōura and shrimps caught during electric fishing. Freshwater mussel surveys did not detect any mussels.

A diverse array of habitat types were recorded across the survey sites. Most sites had more than three meso-habitats available for a range of organisms. Discharge was biased towards low-flow sites, but this reflected both the survey intent to sample all stream orders present and the size of the waterways present within PCL in Te Hoiere catchment. Substrate stability spanned from moderate to high, with most sites being highly stable.

Deposited fine sediment cover was low. This, accompanied by a diverse range of substrate size classes at most sites, indicated good habitat availability for macroinvertebrates and fish, with low infilling of the interstitial spaces. Pesticide residue was not detected at any of the sites tested.

Water quality parameters were excellent or good at most sites. Visual clarity was good or excellent at most sites, although it could not always be assessed due to the size of the waterway.

It was noted that when compared with other recent monitoring of streams and rivers in or near PCL, sites displayed good values for macroinvertebrate indices and visual clarity, but poorer values for nutrient concentrations relative to other sites in the Ngā Awa river restoration programme and NFMP.

Members were advised that repeated sampling will enable assessment of changes over time. The areas of Te Hoiere catchment in PCL effectively remain in reference condition but are likely to be affected by changes in temperature and rainfall patterns arising from climate change.

It was noted that as a result, the wide-ranging dataset collected offers a baseline to inform future analyses of temporal change if similar monitoring was repeated.

**Cirs Faulls/Burgess:**  
**That the information be received.**

**Carried**

ATTENDANCE: Mr Jake Oliver, Council's Harbourmaster, was present for the following item.

**E&P-0224-233 Tory Channel/Kura Te Au Currents and Tides**  
**H100-001-01**

Mr Oliver reported that risk assessments of Tory Channel/Kura te Au have identified that published current and tide predictions do not always align with what is experienced on site. This means that mariners cannot be certain of the conditions that will be experienced until they have entered the channel. To mitigate this risk a model has been developed to determine the currents present and forecast within the channel.

It was noted that the model runs from Dieffenbach Point and Tory Channel entrance, this is as far as it was designed to go but we so have Motuara Island tide station which provides an opportunity to go further into Queen Charlotte Sound to understand the tidal flows there.

Members were provided with a brief demonstration of the software.

Mr Oliver advised that the software would go live on Council's website on Monday, 5 February 2024.

James Oliver, Council's new deputy Harbourmaster was present in Chambers and introduced to members.

**Cirs Innes/Hope:**  
**That the information be received.**

**Carried**

ATTENDANCE: Mayor Taylor withdrew from the meeting at 10.53 am.

ATTENDANCE: Mr Matt Oliver, Council's Senior Environmental Scientist Land Resources, was present for the following item.

**E&P-0224-234 Spatial Tools for Land Management E355-004-008-07**

Mr Oliver reported that the purpose of the report was to provide an update on development of GIS-based spatial tools for land management. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2427475).

It was noted that following the procurement of two significant datasets (LiDAR and radiometrics) a series of spatial tools were developed. Combining both of these datasets existing legacy data and water quality monitoring data can result in improved understanding of landforms, erosion risk and natural hazards. This understanding can be used to implement better practice or regulatory measures.

Members were advised that the Te Hoiere Project has played a major role in obtaining external funding to complete this work.

Mr Oliver noted that the next steps will be to continue development and verification of the datasets. Create field-capable versions of key datasets for use by Catchment Care Officers on their tablets in the field and create open access versions for public use and feedback.

Mr Oliver advised that funding to complete this work will be required in some instances but noted that Council has sought to develop in-house capability during this process. Where a layer is required outside of the Te Hoiere Project area, in many cases, Council will have the ability to create these itself.

**Cirs Hope/S Arbuckle:**  
**That the information be received.**

**Carried**

ATTENDANCE: Meeting adjourned at 11.02 am and resumed at 11.16 am.

ATTENDANCE: Mr Jono Underwood, Council's Biosecurity Manager, was present for the following item.

**E&P-0224-235 Top of the South Marine Biosecurity Partnership**  
**E315-004-002-01**

Mr Underwood reported that the purpose of the report was to provide an update to the Committee on recent changes that have occurred in relation to the Top of the South Marine Biosecurity Partnership (TOSMBP).

A copy of the TOSMBP newsletter for 2023 was included with the agenda item for members' information.

Members were advised that the TOSMBP has been operating since 2008 when agencies chose to work together on what was at the time, a new area of biosecurity management to operate in [marine biosecurity]. It has operated unchanged for 15 years.

Mr Underwood noted that the main purpose of the partnership programme was to provide advocacy and education to better manage invasive marine species, their impacts and risk pathways. With Greater Wellington Regional Council (GWRC) showing an interest in joining the partnership, coupled with a market process required in 2023 for the coordination contract, the agencies took the opportunity to take a fresh look at the initiative, including the breadth of the core agency partners. After a re-fresh in relation to the initiative and some other developments in 2023, a new contractor – Boffa Miskell Ltd – has been engaged to deliver coordination services for the TOSMBP.

Mr Underwood reported that going forward Council's marine biosecurity programme will continue under the Regional Pest Management Plan Exclusion programme for Mediterranean fanworm, strongly supported by Marlborough Marinas in relation to risk screening.

Members were reassured that with the new coordination contractor, 2024 will continue to see all partners working closely together to continually seek improvement.

**Clr Faulls/Mr Harvey:**  
**That the information be received.**

**Carried**

ATTENDANCE: Ms Charlotte Tomlinson, Council's Environmental Scientist – Hydrology, Peter Davidson (Council's Environmental Scientist – Groundwater) and Sadie Harris (Council's Environmental Protection Officer) was present for the following item.

**E&P-0224-236 Water Resources Update – January 2024**  
**E320-001-001**

Ms Tomlinson advised that the purpose of the report was to provide an update on the current state of water resources as of mid/late January 2024. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2427792).

Members were advised that low rainfall has been recorded in Blenheim every month since June, with 14.2 mm recorded in December 2023. Low rainfall and warm temperatures in Blenheim have led to a moisture deficit of -136 mm in December, which is much higher than the December average of -91 mm. Low rainfall-runoff has led to lower river flows over recent months, and reduced recharge to groundwater.

Flaxbourne River restrictions began early this year, with Class A restrictions in place since mid-November, about a month earlier than is typical. The Awatere River has thus far had intermittent Class C restrictions in place.

The Wairau River had baseflow in the lower quartile by mid-November. Class C water takes were restricted intermittently throughout December, and again since 9 January. Without rain, there is an average period of 10 days from when Class C restrictions begin to when Class B restrictions are met.

Groundwater levels are all in the lower quartile for mid-summer 2023/24, with the exception of the deeper layers in the Southern Valleys and the Waikakaho Valley. Low rainfall runoff has limited recharge since July 2023, with the lowest groundwater levels occurring in the Recharge and Springs sectors of the Wairau Aquifer.

Members were advised that Compliance Monitoring communicate with water take consent holders in a variety of ways, including pre and post-irrigation season newsletters, letters to all new consent holders, and email/Antenno notifications of irrigation status. Ultimately it is the consent holder's responsibility to engage with the resources provided by MDC to determine their water availability.

Ms Thomlinson noted there may be some rain on the way for late January, although dry conditions are expected to continue on the Wairau Plains and in the Awatere Valley. If dry weather is prolonged a dry weather group may be formed and a further update can be made at the March Committee meeting if required.

**Cirs Hope/S Arbuckle:**  
**That the information be received.**

**Carried**

ATTENDANCE: Mr Pere Hawes, Council's Manager Environmental Policy, was present for the following two items.

## **E&P-0224-237      Appeals on PMEP Variation 1: Marine Farming** **M100-11-002-07**

Mr Hawes noted that this will be an ongoing standard report for the Committee reporting through progress with the resolution of Variation 1 appeals. This variation completed the content of the Proposed Marlborough Environment Plan (PMEP). The hearings panel released its decision on 19 May 2023 and 32 notices of appeal were received by the Environment Court on that decision. Appellants were set out in the report attached to the agenda. It was noted that the appellants are predominantly marine farming interests and most appeals related to very specific arrangement for aquaculture management areas.

Members were advised that the Court had issued directions to Council in terms of a proposed format, structure and timing for formal mediation on Variation 1 appeals to the Court and to the parties. Council had provided a response and the Court have adopted Council's proposals and the appeals will run the same way as the substantive appeals but concentrate on volume one and volume two appeals first.

It was reported that effort to date has focussed on informal discussions on appeals where there were no or few S274 parties. These have tended to be spatial appeals relating to specific AMA. The discussions have been positive. To date, agreement has been reached to resolve, or partially resolve, seven appeals which is one more than noted in the agenda report. Consent memoranda have been prepared in each case and were submitted to the Environment Court during November and December last year.

Proposals to resolve other appeals or appeal points are with two appellants and discussions are continuing with two further appellants and mediation on volumes one and two is due to commence in March.

Members were advised that a workstream with respect to the Schedule 1 appeals is underway. This will involve expert input into determining what benthic information will be necessary to satisfy Council as to the potential effects on the benthos from the siting of a marine farm. A report from the technical experts is expected by March 2024.

All consent orders that are issued will be incorporated into the PMEP Appeals Version.

**Cirs Hope/Innes:**  
**That the report be received.**

**Carried**

**E&P-0224-238 Appeals on the PMEP**

**M100-09-01**

Mr Hawes reported that the purpose of the report was to inform the Committee of progress with resolving appeals made to the Environment Court on the PMEP.

Mr Hawes noted since the last report to the Committee, eight additional consent orders have been issued by the Court. These include resolution of all appeals on the water allocation and use topic and the water quality topic. All the provisions that deal with water quality and water allocation and use can now be treated as operative so now only need to refer to PMEP.

Mr Hawes noted that an audit of outstanding appeals is underway to establish the extent of provisions that may be able to be made operative. The results of the audit will be reported to the Committee.

**Cirs Hope/Sowman:**  
**That the report be received.**

**Carried**

ATTENDANCE: Ms Sarah Pearson, Council's Strategic Planner, was present for the following item.

**E&P-0224-239 National Policy Statement for Freshwater Management – Post Election**

**M100-14-05-02**

Ms Pearson noted that the purpose of the report was to provide an update on the new coalition Government's intention regarding the National Policy Statement for Freshwater Management 2020 (NPSFM 2020).

Ms Pearson noted that the Essential Freshwater package was introduced by the Labour Government in late 2020 and created additional requirements for councils in respect of freshwater management and protecting freshwater ecosystem health. In late 2023 the new coalition Government released two coalition agreements which confirmed pre-election party positions that changes would be made to current freshwater legislation and in December 2023 a Bill was introduced to repeal the National Built Environment Act and the Spatial Planning Act. The process is expected to take between 18 to 24 months, including a robust and full consultation process with all stakeholders including Iwi and the public.

Members were advised that the original statutory deadline for councils to give effect to the NPSFM 2020 through notification of a freshwater plan change was 31 December 2024. In mid-December 2023 the Government announced that councils would be given an extra three years, until 31 December 2027, to notify freshwater plan changes which would provide time to replace and start implementation on the new NPS-FM.

Ms Pearson reported that to date the only actual change to the NPSFM 2020 is the extension to the deadline for notifying plan changes. There has been no further information of what a replacement NPS-FM will look like. As such staff will continue to progress appropriate workstreams relating to freshwater.

Members were advised that the direction of Council's NPSFM work programme is likely to change within the next two years but in the meantime this year there will be focus on working our work programmes with Te Taihū with Tasman and Nelson and will also be doing the same with Ngāi Tahu and Ngāti Kuri. Staff will continue to closely monitor Government information on the NPSFM review and provide updates to the committee when changes occur.

**Cirs S Arbuckle/Burgess:**  
**That the report be received.**

**Carried**



ATTENDANCE: Ms Claire Frooms, Council's Compliance Monitoring Team Leader, was present for the following item.

**E&P-0224-240      New Zealand King Salmon Compliance  
Monitoring 2022/2023**      **U140294M; U140295M;  
U140296M; U160675M; U150081M; U040217M;  
U040412M; MFL001**

Members noted that the purpose of the report was to provide the members with an overview of the compliance levels achieved by the New Zealand King Salmon (NZKS) Marine Farms in the Marlborough Sounds following monitoring conducted by Cawthron Institute and SLR in 2022/2023. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2427470).

It was reported that nine NZKS marine farms were assessed during the monitoring period with some non-compliances with resource consent conditions identified.

The overall compliance assessment of all nine farms generated two non-compliant and two technically non-compliant marine farms. The technical non-compliances were both extremely minor in nature and no enforcement action was taken in relation to these.

The two non-compliances were not considered to be significant. Each of the two non-compliances were as a result of a single breach of benthic environmental standards and neither were accompanied by a breach in overall ES level. Council's Compliance QA Peer Review panel recommended a formal warning in relation to these non-compliances and this was issued to the New Zealand King Salmon Company.

The remaining farms were either compliant or had no relevant resource consent conditions.

**Cirs Minehan/Sowman:**  
**That the information be received.**

**Carried**

**E&P-0224-241      Animal Control Sub-Committee**      **D050-001-A04**

The minutes of the Animal Control Sub-Committee meeting held on 16 November 2023 were presented for ratification by the Committee.

**Cirs Faulls/Sowman:**  
**That the minutes of the Animal Control Sub-Committee meeting held on 16 November 2023 be ratified.**

**Carried**

ATTENDANCE: Clr Adams withdrew from the meeting at 12.15 pm.

**E&P-0224-242      Information Package**      **-**

**Cirs Hope/Faulls:**  
**That the Regulatory Department Information Package dated be received and noted.**

**Carried**

## **E&P-0224-243      Decision to Conduct Business with the Public Excluded**

Cllrs Hope/Innes:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Sub-Committee Minutes (Public Excluded Sections)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes and Committee Reports	As set out in the Minutes and Reports	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

**Carried**

The meeting closed at 12.25 pm.

Record No: 2428399

## **6. Committee Reports**

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### **6.3 Economic, Finance & Community Committee**

Economic, Finance & Community Committee Meeting held on 7 February 2024  
(Minute Nos. EFC-0224-244 to EFC-0224-257)



**Report and Minutes of a Meeting of the  
ECONOMIC, FINANCE & COMMUNITY COMMITTEE**  
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on WEDNESDAY 7 FEBRUARY 2024 commencing at 9.00 am

**Present**

Cirs J D N Croad (Chairperson), S R W Adams (Deputy), J A Arbuckle, S J Arbuckle, A R Burgess (from 9.15 am), D A Dalliessi (from 9.33 am), B G Dawson, B A Faulls, M R K Flight, R J Innes, B J Minehan, J C Rosene, T P Sowman and Mayor N P Taylor

**In Attendance**

Mr G K Blake (Chief Financial Officer), Mr D G Heiford (Manager, Economic, Community & Support Services), and Ms N Chauval (Committee Secretary)

**Apologies:**

**Cirs Croad/Adams:**

**That the apology for lateness from Cir A R Burgess be received and sustained.**

Carried

**EFC-0224-244 Declaration of Interests**

-

Cir Dawson declared an interest in PE Item 1 – Trust Board Representative.

**EFC-0224-245 Introduction of Additional Item**

-

**Cirs Croad/Minehan:**

**That the following additional item be considered for reason of the urgent nature of the business and insufficient time being available to include the item on the original Agenda and Meeting Notice.**

**In Public Excluded:**

**East Coast Bylaw**

Carried

ATTENDANCE: The meeting adjourned at 9.04 am due to a sound issue with Teams and resumed at 9.10 am once issue was resolved.

ATTENDANCE: Mr Neil Henry, Council's Manager, Strategic Planning and Economic Development and Freya Thompson, (Summer Student Economic Development Team) were present for the following item.

**EFC-0224-246 Marlborough Town Centre Health Checks  
2023-24**

**E100-005-009-22**

Mr Henry advised that the purpose of the report was to inform the Committee of the results of the 2023-24 Marlborough Town Centre Health Checks (covering Blenheim and Picton CBD's). To highlight the report a powerpoint presentation was shown (presentation filed in CM Record No. 2427490).

Mr Henry noted the following amendment – page 5 of the agenda ... *Vacancies in Picton were are similar to the 2022 survey at 7% (13 units) in 2024 compared to 8% (27 12 units) in 2022.*

Members were advised that Council has undertaken research on the 'health' of Blenheim CBD since 2011 and Picton since 2013. The research is undertaken every two years following a consistent methodology and provides a snapshot of how each town centre is performing across a range of key parameters.

It was noted that over time, the reports show a picture of how each town has changed and areas of improvement and where changes may be required. The information is useful to a range of stakeholders including Council, CBD businesses, business associations and the community.

This year's reports show a general consistency with those of previous years and show a positive picture for both CBD's across the many factors that are measured. Overall, both towns are performing well and are providing the services and activities required by locals and visitors.

During the presentation members made some suggestions on the questions for the survey. Mr Henry advised that they look at some of the messages for the next survey as improvements are always positive but do need to be careful regarding consistency because if the questions are continually changed there won't be the ability to check things over time.

**Cirs Innes/Fauls:**  
**That the information be received.**

**Carried**

ATTENDANCE: Ms S Young, Council's Regional Events Advisor, was present for the following item.

**EFC-0224-247      Regional Events Update      E100-002-011**

Ms Young noted that the report provided members with an update regarding the activities of Council's Regional Events Advisor (REA) and Marlborough's events sector.

Ms Young advised that we're currently in the middle of peak event season and various events of all scales are being held around the region. The feedback from event organisers is that costs are skyrocketing which means event costs are also increasing particularly in traffic management costs. Ticket costs aren't being increased to cover those costs. It is a national problem and it is something the National Association are addressing with different parties.

Members were advised that the funding from Council's commercial and community events funding is enabling a lot of these events to continue for which organisers are very grateful as they would struggle to run the events otherwise.

Ms Young noted in respect to Garden Marlborough they had record sales, 15% more than in 2022 and 58% of those attendees were out of Marlborough and 42% of those attendees were from the lower north island. 45% of those attendees were first timers which was put down to the extensive advertising of the event which was funded from Council's Commercial Events Fund. A full accountability report will be provided within three months of the event being held.

The feedback on Council's Blenheim Christmas Parade and New Year's Eve events which were run by Pure Events Marlborough for the first time has been fantastic. Ms Young noted that she has received feedback directly from attendees thanking Council for hosting the events and saying how good the New Year's Eve event was.

Ms Young noted the following amendment to the report – there were 38 floats and walking groups in the Blenheim Christmas Parade, not 35 as noted in the agenda report.

Ms Young extended her thanks to the Fulton Hogan Team for stepping in at the last minute to fulfil the traffic management requirements and going above and beyond.

It was reported that a Weekend Events Guide has been created covering events happening over the Wine & Food Festival weekend that people can do while they are here. The guide has been widely circulated.



In considering the strategy it was proposed that for 'Our Story' that a paragraph be included on European and other migrants journey here and that before being finalised the Reo is rechecked.

In response to a query on the importance of the funding to ensure the strategy is implemented, Ms Neilson noted that it is but have tried to be very realistic in any budget request and projects are staged over a number of years in recognition of that.

**The Mayor/Clr Faults:**

1. **That the Arts, Culture and Creativity Strategy be accepted and adopted by Council subject to any amendments.**
2. **That the Arts, Culture and Creativity Strategy implementation plan be accepted subject to budget approval as part of the Long Term Plan.**

**Carried**

**EFC-0224-249      Audit & Risk Sub-Committee**

**D050-001-A05**

The Minutes of the Audit & Risk Sub-Committee meeting held on 13 December 2023 were attached for ratification by the Committee.

**Clrs Croad/Hope:**

**That the Minutes of the Audit & Risk Sub-committee meeting held on 13 December 2023 be ratified.**

**Carried**

**EFC-0224-250      Sister City Sub-Committee**

**D050-001-S02**

The Minutes of the Sister City Sub-Committee meeting held on 21 December 2023 were attached for ratification by the Committee.

The Mayor advised that all Councillors are invited to attend the Global Cities New Zealand Conference 2024 hosted by Marlborough on 18 March 2024, Mike Porter, (Council's Democratic Services Manager) will be making contact in due course.

It was suggested that the Tendo and Otari sister city relationship be strengthened and that a visit would be prudent. To be included as an agenda item for the next Sister City meeting.

**Clrs Rosene/S Arbuckle:**

**That the Minutes of the Sister City Sub-committee meeting held on 21 December 2023 be ratified.**

**Carried**

**EFC-0224-251      Long Term Plan Working Group**

**D050-001-L24**

The Minutes of the Long Term Plan Working Group meeting held on 28 November 2023 were attached for ratification by the Committee.

**Clrs Croad/Rosene:**

**That the Minutes of the Long Term Plan Working Group meeting held on 28 November 2023 be ratified.**

**Carried**

ATTENDANCE: Meeting adjourned at 10.32 am and resumed at 10.53 am.

**EFC-0224-252 Treasury Management Report 31 December 2023**

**F290-006-23**

Mr Blake, Council's Chief Financial Officer, noted that the purpose of the report was to present the Treasury Management Report for the period ending 31 December 2023.

The report contained information on Cash, Investments and Borrowings with additional information including details of the market interest rate movements; a summary of the investments Council held, and that these continue to comply with the Investment Policy section of the Treasury Management Policy; and a summary of the Council borrowings as at 31 December 2023. These do not currently comply with the Treasury Management Policy but will as Council's borrowing increases. Council has already approved these variations at previous meetings. A number of graphs were provided in the report to show the policy boundaries.

The MDC Groups' borrowings currently attract an average interest of 4.07% and the Groups investments achieve an average interest return of 6.03%.

There was general discussion regarding the Flaxbourne Irrigation Scheme and iRex projects that are currently budgeted for. Management to report back as more information becomes available.

**Cllrs Croad/Dawson:**  
**That the information be received.**

**Carried**

ATTENDANCE: Ms Tessa Dever, Council's Financial Accountant, was present for the following item.

**EFC-0224-253 Financial Report for Council – Period Ended 31 December 2023**

**F275-002-16**

Ms Dever presented Council's financial report for the period ended 31 December 2023.

Members were advised that the major variances between actual and budget were lower than anticipated draw down of better off funding with delays in expenditure in a number of approved projects; lower than anticipated roading reinstatement expenditure and subsidy for the impacts of the August 2022 flood event. In the 2023/24 year \$10M has been spent on the July 2021 and August 2022 events; Grants received for the College Park Hockey Turf relocation; Grants received for the National Wilding Conifer Control Programme; lower than anticipated expenditure on Flood Protection and Control Works flood damage; interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.

It was reported that capital expenditure progress is impacted by many reasons including finalising community consultation, obtaining land access, obtaining resource consents, the availability of external professional expertise and receiving an acceptable contract price and contractor availability. To achieve this a capex programme of \$122.6M has been planned including \$16.6M of carryovers from previous financial years. This will ensure that multiple projects can continue to progress.

Comments were provided in the report on variances greater than \$100,000.

**Cllrs Dawson/Dalliessi:**  
**That the financial report for the period ended 31 December 2023 be received.**

**Carried**



**EFC-0224-254 Debtors Overdue Reports as at 31 December 2023**

**F220-002-020-21**

Mr Blake presented the Debtors Overdue Reports as at 31 December 2023 to members.

The report detailed the level of debt relating to the revenue streams for Building Consents; Resource Consent; Resource Consent Monitoring; Development Contributions; Licences; Tradewaste; Water and Sewerage Connections.

It was reported that the annual resource consent administration fees were charged in July 2023 totalling approx. \$1.3M, 95% have been paid as at the end of December with a balance owing of \$73,093.

The 90 Days balance includes several Development Contribution invoices that will be paid once the building project is near completion. It also includes invoices for the annual resource consent administration fees that have not been paid. Copies of the invoices have been emailed requesting payment.

The Property Leases and Licences Debtors Report was attached to the agenda item for members' information.

**Cirs Croad/J Arbuckle:**  
**That the information be received.**

**Carried**

**EFC-0224-255 Rates Report as at 31 December 2023 F270-36-21**

Mr Blake advised that the purpose of the report was to advise Council of the rates position as at 31 December 2023.

Members were advised on the current rating year arrears. It was noted that 1,352 properties have received a penalty and overdue letter. Of these properties, 395 accounts remain due. There are a further 94 properties still overdue from the Q1 instalment. The collection rate for payments due to date is 48.66%. This is comparable with last year's collection rate of 48.84%.

It was further advised that 207 properties with mortgages were identified as having arrears. 126 of these properties have since paid 12 have a payment arrangement in place to clear arrears. 64 still have a Notice of Default with the bank. 5 have yet to be actioned.

There are 26 properties which do not have mortgages and have arrears. Most continue to make no or minimal payments towards their arrears or on-going 2023-2024 rates. The Rates Team are continuously following up with these rate payers to collect overdue rates or to arrange mutually agreeable repayment plans.

Mr Blake to provide a response to Clr S Arbuckle's query regarding the process to recoup rate arrears from an overseas ratepayer's property.

The Water Billing Debtors Report as at 31 December 2023 was attached to the agenda for members' information.

**Cirs Croad /Dawson:**  
**That the information be received.**

**Carried**

**EFC-0224-256 Information Package**

-

**Cirs Croad/Flight:**  
**That the Economic, Finance & Community Information Package dated be received and noted.**

**Carried**

## EFC-0224-257 Decision to Conduct Business with the Public Excluded

Cllrs Dawson/Adams:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Trust Board Representative
- Marlborough Events Centre
- Property Lease
- East Coast Bylaw

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Trust Board Representative	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Marlborough Events Centre  Property Lease  East Coast Bylaw	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) as provided for under Section 7(2)(i).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

Carried

The meeting closed at 12.45 pm.

Record No: 2427795

*Annexure*

## **Public Forum**

1. **Robert Terry** – Topic - the passing of Sir Michael Hardie Boys, former Governor General.

## **7. Decision to Conduct Business with the Public Excluded**

**That the public be excluded from the following parts of the proceedings of this meeting, namely:**

- Confirmation of Public Excluded Minutes
- Committee Reports (Public Excluded Sections)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
<b>Minutes and Committee Reports</b>	<b>As set out in the Minutes and Reports</b>	<b>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.</b>