

PART II: MARLBOROUGH'S KEY CHALLENGES

One of the main purposes of the LTCCP is to foster debate on the key issues affecting the long term well being of the community. There can be many different views on what these key issues may be. The LTCCP can assist in bringing these views together, and through the processes of public submission and Council deliberation, make decisions on the pathway forward.

In the view of this Council, the defining issue for communities in the early 21st century is how to meet our present needs and aspirations without compromising the opportunities of future generations. Just as we are the beneficiaries, and bear the consequences, of past decisions, so too will future generations have to manage with our legacy. We have a duty to those future generations to consider the long term impacts of our choices.

Although we cannot predict the future, we can anticipate that future generations will share the same fundamental desires that people have held for millennia. We can expect that they will want to enjoy the best possible quality of life, to enjoy good health, to be happy, and have the company of good friends. They will want a roof over their heads and rewarding work for their hands, hearts and minds, just as we want these things today, for ourselves, our families, and the people around us. The community outcomes identified in the 2006 Long Term Council Community Plan were expressions of these aspirations, and hold equally true in 2009.

The principal challenges that we face are:

- The challenges of environmental sustainability.
- Climate change.
- Population change.
- Continued pressure on key infrastructure, and
- The need to sustain growth and innovation.

Environmental Sustainability

It is important that we understand that the “environment” is connected to all spheres and every detail of our lives. Our diverse economy is leveraged off the availability and quality of natural resources. Our personal health and wellbeing relies on good quality fresh water, air, soils and coastlines.

The environment is broadly defined, and includes:

- Ecosystems and the things of which they are composed – plants and animals and their habitats, and people and communities – people are part of the environment.
- Natural and physical resources such as land, air, water, and also built structures such as buildings and neighbourhoods, and community infrastructure – e.g. transportation, energy, water supply, drainage, flood control, and waste disposal systems, and

- Amenity values – the things that make our environment a pleasant place in which to live, work and play, such as views of the Wither Hills, walking within Pollard Park or the open waters of the Marlborough Sounds.

Council undertakes an extensive range of environmental monitoring, investigations and reporting activities. This work assists in tracking progress on Council's work on significant issues, provides a better understanding of the state of the environment, highlights new issues that may arise, and supports the development of better ways of dealing with environmental issues. Council is currently preparing a 10 year review of the state of the Marlborough environment. Council has accumulated an extensive body of knowledge on the major environmental issues confronting the District, and associated experience in managing those issues.

Significant sustainability issues for the next 10 years in Marlborough are:

- Equitable fresh water allocation, particularly from the high-demand catchments and aquifers.
- Regional growth, including urban development, rural land use, subdivision and development on the Wairau and Awatere Plains and in the Marlborough Sounds, and the effects of growth on landscape and amenity, and
- Occupation of coastal space.

Council has the role, under the regulatory framework of the Resource Management Act, to provide a policy and planning context for achieving the sustainable management of resources in Marlborough. This is done through the Marlborough Regional Policy Statement and the Resource Management Plans. The Regional Policy Statement is currently being revised and will go through a public consultation and submission process in 2009. The document will provide an overview of significant environmental issues, and the various methods by which Council intends those issues to be addressed.

Council is also provided with regulatory frameworks under various other statutes to address aspects of environmental sustainability, including the Local Government, Building, Biosecurity, Conservation, Fisheries, Land Transport, Soil Conservation and Rivers Control, Health, Liquor, Dog Control, Historic Places, Reserves, and Civil Defence Emergency Acts.

Considering the effects on environmental sustainability from its service delivery and asset management is a further responsibility of Council. Council is tasked with providing infrastructure and services to assist people to provide for their social and economic needs, while limiting adverse environmental effects. For example, sewerage systems must provide the community with a reliable, low risk and cost effective service, while limiting the effects on the environment from the discharges.

Climate Change

The future impact of climate change on Marlborough's environment is unknown. Climate scientists estimate that temperatures in Nelson and Marlborough could be up to 2.5°C warmer over the next 70-100 years. This compares to a temperature increase in New Zealand during last century of about 0.7°C (<http://www.mfe.govt.nz/issues/climate/about/climate-change-affect-regions/nelson-marlborough.htm>).

South and east Marlborough currently suffers one of the longest dry periods and the most severe soil moisture deficits in New Zealand, and the predictions are for these conditions to worsen over the next 79 years (NIWA; 2005).

The Marlborough region as a whole is also likely to experience more varied rainfall patterns and flooding could become up to four times as frequent by 2070 (<http://www.mfe.govt.nz/issues/climate/about/climate-change-affect-regions/nelson-marlborough.htm>).

There are likely to be both risks and opportunities from a change in climate. For example, with enough water, land owners could benefit from opportunities to grow new crops, with a longer growing season and fewer frosts. Innovative ways to distribute, store, use and reuse water more efficiently will become more important.

Marlborough has the longest coastline of any territorial authority, with much of its population on very low-lying land. Rising sea levels in the next 50 years could affect land uses and infrastructure in the coastal areas of the district.

Council is working with Central Government to monitor the effects of climate change, and as the likely implications and consequences of climate change become more apparent, response options will be developed and decisions taken as to how best to adapt to these changes.

Population Change

The size and age of our population, and the ethnicity and cultural diversity, affect the demand for the type and level of service provided by the Council and other agencies. Understanding our changing demographics is important for Council to be able to plan future funding.

Significantly, our community in 2016 is going to be an *older* community. In 2006 the median age for Marlborough was 41.7 years. That means that half of the population was under 41.7, and half over. The national median age was 36. By 2016 it is expected that our median age will be 46.3, and by 2026, 50.3. The national median age is not expected to pass 50 before the middle of the century, if then. In 2006, 16% of the Marlborough population was over 65. By 2016 that will have increased to 22% and by 2026 almost a third of residents - 29% - will be over 65. Similar increases will be evident in older age groups. The age disparity

between men and women is expected to close a little, but will still be evident – the majority of these older residents will be women.

Household composition is also changing. In 2001, 38% of households included children. By 2021 it is predicted that only 26% of Marlborough households will include children, 29% of all households will be single persons, with the remainder being households of two or more people, but without children.

These changes are being seen across New Zealand, but Marlborough is one of a handful of regions that is several years or more ahead of the national trends.

Besides the changing age structure of the population, the other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. Predictions on the ethnic composition of the population are harder to make, but it is apparent that on a national basis, the proportion of people who identify as Pacific Island, Asian, and Maori will increase significantly over the next 20 years. Compared to the trends in aging and household distribution, Marlborough has lagged behind the national picture, and its ethnic composition has until recently been comparatively homogeneous.

Short term visits by migrant workers is probably the most distinct change to the cultural diversity in Marlborough. While data on the migrant population is unlikely to appear in any long term trends, they represent a significant proportion of the population at certain times of the year in Marlborough. Short term visitors are likely to have different expectations and needs from community services than those who chose to make Marlborough home.

The New Zealand Immigration Service advised that 2,416 work applications were approved for Marlborough in 2007/08.

These changes to the composition of the community have major implications for planning. They affect, for example, the demand for and delivery of health and education services, and for housing, transport, and recreation. They have implications for the labour market, and the demand for a wide range of goods and services. Many of these changes bear directly on Council decisions over the period of this plan, and they all bear directly on the future of Marlborough. Marlborough is addressing these issues in part under its People Activity Group.

Pressure on key infrastructure

As the district's population grows, and commercial activity grows, increased pressures are placed on core assets. Expectations of service, health and environmental standards, are also increasing over time. Council has made major investments in recent years on upgrading the district's core infrastructure, in particular sewage treatment facilities, water supply, and roading. Significant investments have also been made in flood control and waste management. Over

the period of this Plan, Council has a continuous programme of upgrades, renewals and investment in new infrastructure to address the growing pressure. Land use planning, including a strategic study of urban development and growth in Blenheim, will contribute to the infrastructure work programme.

Sustaining Growth and Innovation

The past 20 years have seen enormous growth and development across Marlborough. Much of that has been on the back of our primary industries, in particular viticulture and aquaculture. Aviation has also continued its historic contribution. Tourism has grown in significance, and is expected to continue bringing increasing numbers of domestic and international visitors to the region. The challenge with industries based on natural resources (such as viticulture and aquaculture) is that the primary resources are essentially finite. There is only so much land, water or coastal space, available. Other things being equal, continued exploitation of the district's natural resources may eventually reach limits. Competition between alternative and rival users will become increasingly acute. The sustainable allocation of resources is essential to maintain growth and innovation in our key industries.

New Zealand's relative isolation from many of its markets also presents challenges. In general, New Zealand's competitive advantages derive from innovation and added value, rather than simple commodity trading. To continue extracting this value, the district will need to be investing in areas such as research, smart labour management, and branding – investments based on human capital. Identifying skills needs and shortages, and attracting, rewarding, and retaining skilled labour, will be crucial to sustaining Marlborough's growth and development in the coming years. Council looks to address these challenges through its support of Regional Development. More detail on this is provided under the Regional Development Activity Group section.

A stable regulatory environment, with good governance, is also essential to attract and retain commercial enterprise and support innovation and growth.

Council Activities

Council is addressing the principal challenges of Marlborough through its activities, as shown in the following table.

Table 1 Summary of Council Activities and Principal Challenges

Council Activity	Environmental Sustainability	Climate Change	Population Change	Pressure on key infrastructure	Sustaining Growth and Innovation
Democratic process					√
Culture and heritage			√		√
Community housing			√	√	
Community safety			√		√
Community support			√		√
Library services			√		√
Physical activity and recreation			√		
Emergency management	√	√		√	
Community facilities			√	√	√
Land transport	√			√	√
Rivers and land drainage	√	√		√	
Wastewater (sewerage)	√			√	√
Stormwater	√	√		√	
Water supply	√	√		√	√
Waste management				√	
Environmental policy and planning	√	√			√
Environmental science and monitoring	√	√			√
Regional development			√		√
Marketing & tourism			√		√
Research Centre			√		√
Building control	√		√		
RMA consents	√	√			√
RMA compliance	√	√			
Public health			√		
Animal and plant pests	√	√			
Harbours	√	√			
Animal control	√				

OUR BUSINESS – ACTIVITIES & SERVICES

Introduction

The Local Government Act 2002 resulted in a change in the way local authorities determine which services they will provide. Councils no longer have any predetermined 'core business' such as roads and rubbish. Instead, Councils must now show how they will help achieve the District's community aspirations for the future, as well as deliver a number of services required by law.

Aligning its services with community aspirations and the Council's own vision better ensures that Council is heading in the right direction in meeting customer needs and wants. In this 10 year Plan, the Council has structured its activities into seven Activity Groups:

- *Environmental Policy and Information.*
- *Regulatory.*
- *Democratic Process.*
- *People.*
- *Land and Water Services.*
- *Regional Development.*
- *Emergency Management.*

Many of the goods and services Council delivers contribute to more than one outcome and an awareness of the overlaps means that community benefit obtained from each is maximised.

Identifying Services

Determining what services Council will and will not provide is not always easy. There is a range of services that Council *could* provide. Some are required by law while others are discretionary. All have varying levels of community or customer demand. However, these services must all be funded and ratepayers have told us that having an affordable level of rates is important to them in these troubled economic times. This means that the Council cannot realistically deliver everything that the community may want. It has to prioritise and make some choices. In consulting on this 10 year Plan, Council has used ratepayer input to make what it believes are the right choices.

As part of the process of identifying services for this 10 year Plan, every activity has been recently reviewed and critically evaluated from a customer driven perspective as intended by recent changes to local government legislation.

In the following sections, Council's planned services for each activity are outlined, along with information on the reason why these services are considered appropriate, how much the service costs and how it will be funded.

These plans represent the choices that have been made by Council as to what to deliver over the next 10 year period.

How Levels of Service have been Selected

The Council is tasked with providing a range of activities to promote the communities well-being and to meet statutory requirements. Within these activities the levels of service that the Council intends to provide are identified to enable our community to understand what they can expect for their money.

The decisions about the chosen level of service and what budget is assigned to an activity are made by your Councillors, with regard to:

- Short and long term benefits and costs to the district.
- Community outcomes.
- Customer demand.
- Community priorities.
- Statutory requirements.
- Commitments already made (such as through strategies, plans or construction underway)
- Affordability and willingness to pay by the District's population.

Council undertakes to provide an overall level of service that residents rate highly, and will survey Marlborough residents annually to see that this level of service is actually being achieved. Several of the activities in the Plan are provided by other organisations. In these cases, levels of service are incorporated into the respective contracts and service agreements, and are reported on at agreed times.

Community Outcomes and Activities Summary Table

Community outcome	Activity group	Council activities
Environmental sustainability	Land and water services	Land transport
		Rivers and drainage
		Wastewater (sewerage)
		Stormwater
		Solid waste management
	Environmental policy and information	Environmental science and monitoring
		Environmental policy
		Biosecurity (pest management)
	Regulatory	Resource consents
		Environmental protection
		Harbours
	Regional Development	Research Centre
Prosperity	Land and water services	Land transport
		Rivers and drainage
	Environmental policy and information	Environmental science and monitoring
		Environmental policy
		Biosecurity (pest management)
	Regulatory	Resource consents
	Regional development	Regional development
		Marketing and tourism
		Events management
		Research Centre
Knowledge and learning	People	Library services
Enterprise and endeavour	Regional development	Regional development
		Marketing and tourism
		Research Centre
Full participation	Democratic process	Democratic process
	People	Community support
		Library services
	Regional development	Events management
Positive aging	People	Community housing

		Community safety
		Community support
Positive youth	People	Community safety
		Community support
Safety and security	People	Community safety
	Emergency management	Emergency management
	Regulatory	Harbours Animal control
Energy efficiency	Regulatory	Building control
	People	Community support
Affordable housing	People	Community housing
	Regulatory	Building control
Health choices	Regulatory	Environmental health Environmental protection
	People	Community support
Essential services	Land and water services	Land transport
		Rivers and drainage
		Wastewater (sewerage)
		Stormwater
		Water supply
		Solid waste management
	Regulatory	Project and land memoranda
Heritage	People	Culture and heritage Libraries
	Land and water services	Community facilities
Fun and recreation	Land and water services	Community facilities
	Regulatory	Harbours
Physical activity	People	Community support
	Land and water services	Community facilities Land transport
Creativity	People	Culture and heritage
		Library services

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify, in relation to each group of activities, how it will assess and manage the asset management implications of changes in demand for, or consumption of services, and to changes in levels and standards of service.

Council will assess and manage the asset management implications (including any additional asset capacity that may subsequently be estimated to be required) arising from changes in demand for, or consumption of the services associated with this group of activities, and changes to preferred service provision levels and standards, by monitoring issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant Asset Management Plans.

Decisions regarding what additional asset capacity may be required, how provision of additional capacity will be undertaken, and the estimated costs of provision of additional asset capacity, are contingent upon an analysis of all relevant information, including consultation that may be undertaken with affected communities, and according to the characteristics of each case. Any decisions that may be taken will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act. Known changes to asset capacity are discussed in the context of specific activities.

Maintenance, renewal and replacement of assets will be undertaken according to policies set out in relevant Asset Management Plans. The costs of maintenance, renewal and replacement of assets will be met by utilising the optimal mix of funding instruments available, and according to the Council's revenue and financing policy.

Of all Council's activity groups, Land and Water Services is the most dependent upon a "hard" asset base. Detailed information on Council's forward planning for the management of most of these assets is provided in the Asset Management Plans for stormwater, water supply, wastewater, roading, rivers and drainage and in the Regional Land Transport Strategy. The Council's Waste Management Strategy provides information on the asset base servicing that activity. New Asset Management Plans are

also being prepared for the Council's river control assets, its stock of community housing, and for parks and reserves.

Significant issues affecting asset management and planning are discussed in the context of the relevant activities. For detailed information interested readers are directed to the various Asset Management Plans and Strategies, copies of which can be viewed at Council Service Centres.

For those activities that do not rely on a Council-owned asset, major issues or changes likely to affect either demand or levels of service are noted, including the intended response.

Changes to Demand

For the purposes of anticipating changes to demand or levels of service, regional population growth over the period of the plan is assumed to average 1.4% per annum. This growth is expected to impact primarily in the 40+ age group. Overall household density is projected to decline slightly over the period of the plan. Infrastructure planning, as set out in the Council's Asset Management Plans, has factored long term population growth and demographic change and commercial development into its projections for the maintenance and renewal of existing assets.

Changes to Levels of Service

In the main Council is attempting to maintain existing levels of service. Where an improvement in the level of service is anticipated this is identified in the Activity Plans and trends shown in the performance targets contained therein, later in this document.

Significant Negative Effects

Where an activity may have a negative effect on any aspect of wellbeing, this is also explained.

HOW TO READ THE ACTIVITY SECTION

The activities section is divided into seven high level activity groups that contain one or more activities. In these challenging economic times Council has in the main focused on maintaining the level of services provided and only making infrastructure investments and other improvements where there is either a legislative imperative or high community need. Other service level improvements are possible, but only at an increased cost to ratepayers. As a result you will find in many cases that the specific targets for the next three years and outlined targets for the remainder of the period remain the same.

ACTIVITY GROUP										
<ul style="list-style-type: none"> Activities within this group Rationale Significant negative effects Issues and changes affecting assets that support this group of activities 										
ACTIVITY: NAME										
Operating costs of this activity represents xx% of total activity revenue										
Outcome					Related Community Outcome					
<ul style="list-style-type: none"> How this activity relates to Community Outcomes What is this activity about? Asset description Issues and changes 										
LEVELS OF SERVICE										
Performance targets (for the financial year)										
Level of service	Indicator	Baseline	09-10	10-11	11-12	12-19				
OPERATING AND CAPITAL COSTS AND FUNDING FORECASTS										
SERVICE AREA		BUDGET								
	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19

- The name of the Activity Group.

- The activities within the Activity Group.
- The rationale for the delivery of the Group of Activities.
- Advice that the levels of service for the Group are contained in the section relating to each individual activity.
- Any significant negative effects associated with the Group Activities.
- Issues and changes at a high level affecting the Activity Group and the assets that support it.

- The name of the Activity.
- A table detailing:
 - The cost of this activity as a % of total operating costs.
 - The outcomes sought to be achieved by this activity.

- How this activity relates to Community Outcomes.
- A description of what the Activity is about.
- Issues and changes affecting the specific Activity.
- A description of the assets involved in the activity, if applicable

- Levels of service.
- A description of the service to be provided.
- The indicator used to measure achievement.
- The targets for 2009/10, 2010/11, 2011/12 years individually and 2012-19 period in outline.

- The operating and capital costs forecast for each of the next 10 years and the means by which they are funded.