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**MARLBOROUGH
DISTRICT COUNCIL**

10 April 2024

Record No: 2496119
File Ref: D050-001-A03
Ask For: Nicole Chauval

Notice of Committee Meeting – Tuesday, 16 April 2024

A meeting of the Assets & Services Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Tuesday, 16 April 2024 commencing at 9.00 am.**

BUSINESS

As per Agenda attached.

MARK WHEELER
CHIEF EXECUTIVE



**Meeting of the
ASSETS AND SERVICES COMMITTEE
to be held in the Council Chambers, District Administration Building, Seymour Street,
on TUESDAY, 16 APRIL 2024 commencing at 9.00 am.**

Committee

Clr B G Dawson (Chairperson)
Clr J C Rosene (Deputy)
Clr S R W Adams
Clr J D N Croad
Clr D A Dalliessi
Clr M R L Flight
Mayor N P Taylor
Iwi representative (to be advised)

Departmental Head

Richard Coningham, (Manager, Assets & Services) and Jamie Lyall
(Manager, Property & Community Facilities)

Staff

Nicole Chauval (Committee Secretary)

In Public

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1. Apologies

No apologies received.

2. Declaration of Interests

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.

3. Financial Report for the year to 29 February 2024

(The Chair) (Report prepared by David Craig)

F275-001-02

Purpose of Report

- To present the Financial Report for the Assets and Services and Community Facilities (including Parking) Departments for the year to 29 February 2024.

Executive Summary

- The Financial Report for the Assets & Services and Community Facilities (including Parking) Departments from 1 July 2023 to 29 February 2024 is presented below.

Revenue and Operational Expenditure

(in millions)	1 July to 29 February			Whole year		
	Actual	Budget		Forecast	Budget	
Surplus/Deficit	\$5.6	\$14.6	✘ \$6.7	\$42.2	\$23.9	✓ \$18.3
Income	\$89.9	\$111.0	✘ \$21.1	\$153.8	\$168.7	✘ \$14.9
Expenditure	\$84.3	\$96.4	✓ \$12.1	\$111.6	\$144.8	✓ \$33.2

Major variances between year to date actual and budget:

- Roading emergency reinstatement costs relating to the July 2021 and August 2022 storm events are below budget by \$9.55m (year to date spend is \$13.41m) and are offset by reduced operational roading subsidies of \$7.71m.
- Roading subsidy on capital expenditure is below budget by \$14.23m due to a combination of the unexpended capital component of emergency reinstatement works \$13.18m (@95%) and the annual renewals programme being scheduled over the warmer summer months \$3.06m (@51%).
- Network and Asset Management costs are unfavourable to budget by \$610k. Council budgets for 60% of this cost under its roading renewal activities. An adjustment will be made at year end to recognise the renewal component.
- Also, within the Roads and Footpaths activity there is a favourable variance of \$1.37m for sealed pavement maintenance. For simplicity, all operating expenditure budget carryovers for various roading activities were accumulated to this expenditure category. It is anticipated that the operations & maintenance component of the subsidised roading programme will be fully spent by year end.
- Other flood damage repair costs have been incurred within the Flood Protection activity and are well within budget at this time, with a favourable variance of \$2.61m. There are also associated savings of \$450k for minor works contracts in the Flood Protection activity.
- Flood event welfare response and recovery costs are captured under the Emergency Management Activity and expenditure to date is \$875k These costs are offset by subsidy of \$740k from Waka Kotahi (NZTA).
- Development contributions (\$1.191m) and Reserve fund contributions (\$354k) are both unfavourable to budget and are indicators of reduced property development activity.
- Dump fee revenue is favourable to budget by \$105k. Tonnage to Landfill for the period July 2023 to February 2024 was 40,588 tonnes, which is 7% higher than for the corresponding period of the previous year (37,821 tonnes).
- Grant income is favourable to budget by \$1.61m due to the Ministry of Education surrender payment for College Park use and contribution towards the hockey turf relocation \$917k, Three

Water Reforms funding \$569k, Kanoa funding for Wairau River protection works \$608k and waste levy \$93k; offset by unfavourable Better Off funding payments \$581k.

- Insurances are favourable ytd by \$383k. Further premiums are due to Local Authority Protection Plan (LAPP) later in the year for 3Waters and River assets.
- Repairs and maintenance are unfavourable to budget by \$381k and predominantly within Community Facilities \$340k (Cemeteries, Public Conveniences, Reserves and Street Berms, Plots & Trees). These variations are partially offset by favourable contract costs of \$317k within those activities.
- Interest payments are favourable to budget by \$691k

Additional information is given on variances at an activity level later in the report.

Capital Expenditure

(in millions)	1 July to 29 February			Whole year		
	Actual	Budget		Forecast	Funded	
Capex	\$32.5	\$77.0	✘ \$44.5	\$96.4	\$98.6	✔ \$2.2

Council has funded a budget of \$98.6m for capital expenditure in the 2023-24 Annual Plan. The total programmed work for the year is \$116.7m (including \$18.1m of carryovers from previous financial years). This ensures that multiple projects can continue to progress.

Actual year to date capital expenditure is \$32.54m and represents 32% of the funded amount.

Capital expenditure is impacted for 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.

Forecasts

- Forecast values are system generated and require manual intervention to improve accuracy. Much of the required information has been obtained through the 2024-34 Long Term Plan process, which is currently underway.
- The year end operating surplus is forecast to increase by \$18.3m to \$42.2m through a combination of reduced revenue of \$14.9m (roading subsidies) and reduced expenditure of \$33.2m (emergency reinstatement works and flood damage).
- It should be noted that the operating surplus is not a cash surplus as it includes non-cash items, such as vested assets, and other revenues which are specifically dedicated to funding capital expenditure (development contributions, reserve fund contributions etc). The capital portion (or principal repayments) of loans are also funded from the operating surplus.
- Forecast capital expenditure is \$96.4, which is \$2.2m below the 2023-24 Annual Plan budget and includes \$32.2m of capitalised emergency reinstatement renewals (refer below).
- A significant change has been made to forecasting for emergency reinstatement expenditure. The total budgeted amount for 2023-24 is \$54.45m of which \$34.45m is for operating expenditure and \$20m for renewal expenditure. The total emergency works expenditure for the current year is now forecast to be \$35.84m. The remaining works will be re-budgeted over the next two years.
- Forecast data will continue to be updated as we progress through the year and as new information comes to hand.

RECOMMENDATION

That the financial report for the period ended 29 February 2024 be received.

Background/Context

- Below is the Financial Report for the Assets & Services and Community Facilities (including Parking) Departments, for the eight-month period ended 29 February 2024.
- Budget values include 2022-23 carryovers, which were approved in the August 2023 meeting cycle.
- The Forecast column provides projected end of year outcomes, and these will be continually updated as we progress through the year.
- Entries have been completed to account for February revenues and expenditures, including outstanding retention values of \$2.62m for 54 separate construction contracts.
- All figures are rounded to the nearest thousand unless otherwise stated.
- The use of **x** or **✓** is challenging for capital expenditure. Normally if you are over budget, it is not good, so should get a **x**. Equally if you are tracking well behind/under budget that is also not good. As a result, for capital expenditure a **✓** is for within -10%/+5% and anything outside that range being a **x**.

Financial Report by Significant Activity

9. Community Facilities

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year			
	Actual	Budget		Forecast	Budget		
Surplus/Deficit	\$3,837	\$3,328	✓ \$509	\$4,212	\$3,709	✓	\$503
Revenue	\$15,449	\$14,985	✓ \$464	\$21,191	\$20,727	✓	\$464
Expenditure	\$11,613	\$11,657	✓ -\$45	\$16,979	\$17,018	✓	-\$39

The favourable revenue variance of \$464k or 3% is due to grants \$780k (College Park surrender and relocation of hockey turf), insurance claims \$153k and property rentals \$90k; offset by unfavourable Better Off funding payments \$80k, development contributions \$110k and reserve fund contributions \$354k.

The favourable operating expenditure variance of \$45k or 0% is due to contracts \$317k, general expenses \$53k, grants (Whale Trail and Equestrian Park) \$335k, projects \$127k and interest \$112k; offset by unfavourable consultancy \$81k, insurances \$31k, materials \$39k, monitoring \$31k, pest & weed control \$32k, repairs & maintenance \$400k, tree maintenance (including power line clearance work) \$197k and vandalism \$41k.

Capital expenditure

(in thousands)	1 July to 29 February			Whole year			
	Actual	Budget		Forecast	Funded		
Capex	\$7,355	\$12,182	x -\$4,827	\$12,955	\$14,338	✓	-\$1,383

We have achieved 41% of programmed works or 51% of the \$14.34m approved in the annual plan (i.e., excluding carry overs). This is due to lower than budgeted expenditure in cemeteries \$207k, memorials \$44k, public conveniences \$557k, reserves \$3.79m and swimming pools \$220k.

The major budgets within the community facilities program are for cemeteries \$753k (actual \$296k), public conveniences \$1.15M (\$362k), reserves \$15.51m (\$6.65m) and swimming pools 230k (\$0).

10. Direct Management

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	\$153	-\$481	✓	\$634	\$85	-\$582	✓	\$667
Revenue	\$822	\$455	✓	\$368	\$1,114	\$746	✓	\$368
Expenditure	\$670	\$936	✓	-\$267	\$1,028	\$1,328	✓	-\$299

Favourable revenue variance of \$368k is due to Three Waters Reform funding \$385k offset by unfavourable fees \$28k.

The favourable operating expenditure of \$267k or 28% is due to personnel costs \$50k, contracts \$141k, professional fees (climate change provision) \$181k and projects (Better Off Fund) \$155k; offset by unfavourable software \$26k and valuation expenses \$230k.

Capital expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$84	\$0	✗	\$84	\$84	\$0	✗	\$0

No Capital expenditure is budgeted. Actual is for the replacement of three administration fleet vehicles \$152k; offset by trade-in value of existing fleet \$69k.

11. Emergency Management

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	-\$118	\$110	✗	-\$228	-\$4	\$196	✗	-\$200
Revenue	\$1,397	\$773	✓	\$624	\$1,907	\$1,184	✓	\$722
Expenditure	\$1,515	\$663	✗	\$852	\$1,910	\$988	✗	\$922

The favourable revenue variance of \$624k or 81% is due to roading subsidies for Marlborough Sounds future access study (MSFAS) & barging costs \$740k and community resilience funding \$86k; offset by unfavourable grants (Better Off Funding) \$180k.

The unfavourable operating expenditure of \$852k or 129% is due to the flood response and welfare costs (MSFAS & barging) \$875k, consultancy (Group Resilience analysis project) \$51k and repairs & maintenance \$23k; offset by favourable personnel costs \$71k and contracts \$18k.

Capital expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget		Forecast	Funded			
Capex	\$52	\$6	✘	\$46	\$58	\$9	✘	\$49

A small budget provision of \$9k has been made for office and communication equipment. Expenditure to date is for a replacement administration fleet vehicle \$52k.

12. Roads and Footpaths

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	-\$2,079	\$10,072	✘	-\$12,151	\$30,957	\$15,865	✘	\$15,093
Revenue	\$30,288	\$53,041	✘	-\$22,753	\$62,738	\$79,555	✘	-\$16,817
Expenditure	\$32,367	\$42,968	✔	-\$10,602	\$31,781	\$63,691	✔	-\$31,910

The \$22.75m or 43% unfavourable variance in the Roothing and Footpath revenue is due to subsidy on unexpended emergency reinstatement works and renewal expenditure \$22.69m, development impact levies \$702k, subdivisional works contributions \$33k and vested assets \$129k. These are offset by favourable development contributions \$127k and disbursement recoveries \$42k.

The favourable total expenditure variance of \$10.6m or 25% is primarily due to emergency reinstatement of \$9.55m, with \$13.41m being spent year to date.

Network and Asset Management costs are above budget by \$610k. This is the Waka Kotahi NZTA work category which provides for the general management and control of the road network and management of road assets. This includes professional services and Council budgets for 60% of this cost under its roading renewal activities. A transfer will be completed at year end to recognise the renewal component.

There are favourable variances for minor events \$259k, sealed pavement maintenance \$1.37m, structure maintenance \$147k and interest costs \$160k; offset by unfavourable routine drainage maintenance \$205k and traffic services maintenance \$114k.

Capital expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget		Forecast	Funded			
Capex	\$7,356	\$28,465	✘	-\$21,109	\$49,106	\$35,781	✘	\$13,325

We have achieved 17% of programmed works or 21% of the \$35.78m approved in the annual plan. The bulk of the capital (renewals) programme is below budget due to scheduling of these works over the warmer summer months and the unrecognised capital component of emergency reinstatement works of \$20M. There are favourable variances in bridge renewals \$313K, footpath renewals \$145k, minor improvements \$1.085m, sealed road resurfacing \$1.082m, structures component replacements \$191k, traffic services \$165k, unsealed road metalling \$157k and emergency reinstatement \$13.183m; offset by unfavourable pavement rehabilitation \$156k.

Other non-subsidised activities which are also behind budget include the Northwest Blenheim extension zone \$1.48m, Picton CBD works \$640k, small townships upgrades \$1.21m, roading related works (including cycle facilities, kerb & channel, signage and seal extension) \$1.26m, subdivisional works \$100k and wharves \$258k; offset by Blenheim CBD works, which are ahead of budget by \$311k.

Vested assets are favourable to budget by \$129k.

13. Parking

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	\$110	-\$13	✓	\$123	\$164	\$46	✓	\$118
Revenue	\$1,614	\$1,424	✓	\$190	\$2,325	\$2,135	✓	\$190
Expenditure	\$1,503	\$1,437	✗	\$66	\$2,161	\$2,090	✗	\$71

The favourable revenue variance of \$190k or 13% is due to infringements \$70k, collections \$42k, parking leases \$48k and miscellaneous revenue \$21k.

Operating expenditure is unfavourable to budget by \$66k or 5% due to legal fees (lodgement of fines at court) \$26k, levy payments (NZ Police) \$17k, consultancy & professional fees (parking survey) \$30k and security \$14k; offset by favourable interest \$14k.

Capital expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$450	\$479	✓	-\$29	\$475	\$86	✗	\$389

We have achieved 91% of programmed works or 524% of the \$86k approved in the annual plan, which is due to the resurfacing of the Coathanger carpark in Picton at a cost of \$321k and upgrades to Blenheim carparks of \$129k. These projects were funded by carryovers from prior years as approved by Council.

The revised budget provides for resurfacing of various carparks \$446k, parking machines \$25k and sundry plant \$24k. Other costs for 4G network and Sim upgrades to parking machines are pending.

14. Plant

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	-\$93	-\$8	✗	-\$86	-\$84	\$6	✗	-\$91
Revenue	\$0	\$0	✓	\$0	\$0	\$0	✓	\$0
Expenditure	\$93	\$8	✗	\$86	\$84	-\$6	✗	\$91

The unfavourable operating expenditure variance of \$86k or 1082% is due to repairs & maintenance \$14k and internal plant recharges \$73k.

The internal plant recharges variation is expected to improve after depreciation costs have been applied to individual plant assets, and those costs recovered from assigned activities.

Capital expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Funded		
Capex	\$179	\$242	✘	-\$63	\$251	\$164	✘	\$87

We have achieved 53% of programmed works or 109% of the \$164k approved in the annual plan.

A new services truck and reserves loader have been purchased. Other minor plant replacement is ongoing.

15. Flood Protection

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	\$3,386	-\$408	✓	\$3,794	\$4,639	\$894	✓	\$3,745
Revenue	\$8,026	\$7,340	✓	\$686	\$12,957	\$12,271	✓	\$686
Expenditure	\$4,640	\$7,748	✓	-\$3,108	\$8,318	\$11,377	✓	-\$3,059

The favourable revenue variance of \$686k or 9% is due to grant funding for Wairau River protection works \$608k, gravel extraction \$40k and property rentals \$205k; offset by unfavourable sales (quarry rock) \$177k.

The favourable operating expenditure variance of \$3.11m or 40% is due to consultancy \$42k, contracts \$81k, flood damage repairs \$2.61m, insurances \$127k, minor contract works \$450k, projects \$27k and interest \$107k; offset by unfavourable materials \$35k, plants & shrubs \$29k, pest & weed control \$93k, repairs & maintenance \$38k, vandalism \$42k and internal costs & recoveries \$61k.

Capital expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Funded		
Capex	\$2,200	\$4,719	✘	-\$2,520	\$4,293	\$4,773	✘	-\$480

We have achieved 31% of programmed works or 46% of the \$4.77m approved in the annual plan. Favourable ytd variances include pump stations \$260k, rock and gabion protection \$100k, stop banks \$647k and drainage channels (Town Branch drain) \$2.09m.

Major budgeted projects include Lower Wairau stop banks \$900k (actual \$77k), Wairau River (Upper Conders upgrade) \$942k (\$860k), Ruakanakana Gibson Creek (Renwick lower terrace flood protection) \$300k, Omaka River stop bank & edge protection works \$400k, Boyce St drainage pump station \$360k and Town Branch Drain/Cameron's Drain upgrades \$3.23m (\$438k).

Development work at Pukaka Quarry extension continues with a new haul road to the upper quarry floors being established and benching of the work face has been undertaken. Year to date costs are \$709k.

The first milestone payment of \$51k has been made for the replacement weed cutter boat. Delivery is programmed for October 2024 at a total cost of \$345k.

A contract has been awarded for stop bank realignment works at Upper Conders reach. The contract price is \$643k and works are scheduled to commence in early April 2024.

A contract has also been awarded for the upgrade of Abattoir & Railway Drains, which is Stage 3B of the Town Branch Drain Project. The scope of the contract includes realignment and enlargement of Abattoir Drain, replacement of 3 bridges, and piping a section of Railway Drain. The contract price is \$1.896m and works are scheduled for completion by late September 2024

16. Wastewater

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year			
	Actual	Budget		Forecast	Budget		
Surplus/Deficit	\$220	\$783	✘ -\$563	\$848	\$1,521	✘	-\$673
Revenue	\$9,202	\$9,492	✘ -\$290	\$14,776	\$15,066	✘	-\$290
Expenditure	\$8,982	\$8,709	✘ \$273	\$13,928	\$13,545	✘	\$383

Revenue has an unfavourable variance of \$290k or 3% due to development contributions \$579k; offset by favourable miscellaneous contributions \$33k, trade waste charges \$34k and vested assets \$209k.

Operating expenditure has an unfavourable variance of \$273k or 3% due to pump stations \$150k, grinder pumps \$30k, treatment \$306k (including Picton STP desludging \$231k) and depreciation \$69k; offset by favourable insurance \$139k, reticulation maintenance \$66k and interest costs \$88k.

Capital Expenditure

(in thousands)	1 July to 29 February			Whole year			
	Actual	Budget		Forecast	Funded		
Capex	\$4,848	\$12,457	✘ -\$7,609	\$9,112	\$16,840	✘	-\$7,728

We have achieved 26% of programmed works or 29% of the \$16.84m approved in the annual plan. Pump stations \$2.68m, pipelines \$2.02m and treatment \$3.11m are all behind programme.

The focus on relining of earthenware wastewater pipes is continuing in Picton. \$3.77m is budgeted in 2023-24, with \$2.73m expended year to date.

Major 2023-24 budgets by scheme include:

- Blenheim \$13.87m** (actual \$1.10m)

	Budget (\$000)
Main Outfall Pump Station	\$3,000
Purkiss St Pump Station	\$2,300
Treatment –Blenheim STP desludging	\$2,100
Pipelines – MOPS to Blenheim STP	\$1,725

Pipelines – Purkiss St	\$750
Pipeline renewals – earthquake repairs	\$1,708
• Havelock \$6.36m (actual \$183k)	
Pump Station – new terminal pump station	\$1,399
Treatment - new treatment plant	\$2,943
Pipelines - supply pipeline	\$1,843
• Picton \$4.41m (actual \$3.26m)	
Treatment – new blowers	\$418
Pipeline renewals – earthquake repairs	\$3,766
• Seddon \$3.65m (actual \$133k)	
Treatment – irrigate to land	\$3,550

Replacement of the Main Terminal Pump Station (MOPS) in Alabama Road is planned during 2023-25. This station pumps all 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 and a new station will provide improved seismic and hydraulic performance. \$3.0m is budgeted in 2023-24 (actual \$96k) and a further \$11m in 2024-25.

A new sewage treatment plant is planned for Havelock. The new treatment plant will significantly improve effluent quality. The project is budgeted over 2023-25 for the consenting, design and building of a new treatment plant at a new site and the construction of a new terminal pump station. The budget over this period is \$13.05m, with \$6.87m budgeted in 2024-25 (actual \$76k).

The Seddon sewage treatment plant requires major upgrading. Although the existing treatment plant could be replaced with a modern plant producing a consistently high-quality effluent which is suitable for continuing discharge to Starborough Creek without environmental impact, there is a strong recommendation in the current discharge consent for removal of the discharge to Starborough Creek and instead to irrigate to land. A significant volume of storage and large area of land is required for land treatment.

The preferred option includes storage, high level treatment, irrigation of the golf course and other sites. A total budget of \$14.2m has been allocated for 2023-25, with \$10.65m budgeted in 2024-25 (actual \$82k).

Total capital expenditure includes vested assets of \$289k for stage 9B of the Rose Manor development and the Rughan subdivision in David Street.

17. Stormwater

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	\$437	\$820	✘	-\$382	\$757	\$1,169	✘	-\$412
Revenue	\$2,445	\$2,873	✘	-\$428	\$3,881	\$4,309	✘	-\$428
Expenditure	\$2,007	\$2,053	✓	-\$46	\$3,124	\$3,141	✓	-\$17

Revenue has an unfavourable variance of \$428k or 15% due to development contributions \$410k and vested assets \$22k.

Operating expenditure is favourable to budget by \$46k or 2% due to insurances \$63k, reticulation maintenance \$35k and interest \$11k; offset by unfavourable monitoring costs \$65k.

Capital expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Funded		
Capex	\$466	\$482	✓	-\$16	\$1,906	\$2,073	✗	-\$167

We have achieved 17% of programmed works or 22% of the \$2.07m approved in the annual plan.

Year to date expenditure totals \$466k for new connections \$67k, pipelines \$264k, other structures (boundary fencing) \$20k and vested assets \$112k.

Major budgets include Murphys Creek pipeline \$2.75m (actual \$242k), replacement of Redwood St stormwater main (Muller Rd to Stephenson St) \$1m, Blenheim pipeline renewals \$1m, Goulter St pipeline upgrade in Seddon (ahead of roading improvements) \$350k and vested assets \$200k (actual \$112k).

A tender is about to be let for Aston Street stormwater replacement, which is one of eight work packages within the Springlands Stormwater Option G project.

18. Waste management

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	\$586	\$692	✗	-\$108	-\$145	-\$38	✗	-\$107
Revenue	\$12,053	\$11,821	✓	\$232	\$18,211	\$17,979	✓	\$232
Expenditure	\$11,467	\$11,129	✗	\$338	\$18,355	\$18,017	✗	\$338

Revenue has a favourable variance of \$232k or 2% due to dump fees \$105k, waste levy grant \$93k and sales (recyclables) \$26k.

Operating expenditure has an unfavourable variance of \$338k or 3% due to contracts \$696k, fees & charges \$32k, freight \$21k, minor works \$23k, postage \$15k, refuse bags \$47k and internal costs & recoveries \$42k; offset by favourable consultancy & professional fees \$45k, general expenses \$15k, levy payments \$185k, projects (recycling) \$292k and interest \$14k.

Capital Expenditure

(in thousands)	1 July to 29 February		Whole year					
	Actual	Budget			Forecast	Funded		
Capex	\$1,374	\$2,800	✗	-\$1,426	\$3,508	\$3,642	✓	-\$134

We have achieved 34% of programmed works or 38% of the \$3.64m approved in the annual plan.

Regional Landfill stage 9 construction costs were budgeted over 2022-24, with \$3.72m in 2023-24. Actual expenditure to date is \$1m.

A budget of \$255k has been provided in 2023-24 to complete the green waste outward weighbridge installation. Actual expenditure to date is \$352k.

19. Water supply

Revenue and Operating Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	-\$815	-\$269	✗	-\$547	\$803	\$1,135	✗	-\$332
Revenue	\$8,581	\$8,822	✗	-\$241	\$14,750	\$14,747	✓	\$3
Expenditure	\$9,397	\$9,091	✗	\$306	\$13,947	\$13,612	✗	\$335

Revenue has an unfavourable variance of \$241k or 3% due to development contributions \$220k, sales \$16k, metered water sales \$209k and vested assets \$48k; offset by favourable backflow prevention charges \$68k, connection charges \$123k, capital contributions \$30,000 and miscellaneous revenue (relay watermain at greater depth through private vineyard property) \$31k.

Metered water sales are expected to recover, particularly for the Southern Valleys irrigation scheme, which has seen high usage due to the ongoing dry summer period.

Expenditure has an unfavourable variance of \$306 or 3% due to contracts \$81k, grants for remission \$57k, backflow prevention \$27k, pump stations \$335k and reticulation maintenance \$182k; offset by favourable insurances \$108k, general expenses \$31k, treatment \$93k and interest \$183k.

Capital Expenditure

(in thousands)	1 July to 29 February			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$8,179	\$15,212	✗	-\$7,033	\$14,661	\$20,884	✗	-\$6,223

We have achieved 36% of programmed works or 39% of the \$20.88m approved in the annual plan.

Expenditure to date has been primarily for water treatment upgrades in Renwick \$4.29m and Wairau Valley \$241k and also for water pipeline upgrades in Awatere \$312k, Blenheim \$1.055m and Renwick \$317k.

Major 2023-24 budgets by scheme include:

- Blenheim \$4.79m** (actual \$1.52m)

	Budget
	(\$000)
Pipelines - capacity upgrade McLauchlan St	\$1,850
Treatment – chlorination	\$1,905
Pipeline renewals	\$520
- Havelock \$2.29m** (actual \$86k)

Treatment - new treatment plant and supply pipeline	\$2,036
---	---------
- Picton \$1.50m** (actual \$360k)

Pipelines – complete Speeds to Elevation pipeline	\$600
Treatment – improve pH control	\$3,800
- Renwick \$8.58m** (actual \$5.28m)

Treatment - new water treatment plant and connection to the bores in Condors Bend Road	\$6,280
Pipeline renewals – AC pipe replacement	\$2,100

- **Awatere Rural \$2.23m** (actual \$373k)
 - Reservoir - Lions Back \$1,450
- **Seddon \$1.54m** (actual \$35k)
 - Treatment – reduce backwash volumes \$190
 - Reservoir – second reservoir for high summer demand \$1,305
- **Riverlands \$8.74m** (actual \$71k)
 - Pipelines - from new wells to reticulation scheme \$2,626
 - Treatment - new wells into service with treatment to meet drinking water standards \$5,889
- **Wairau Valley \$0** (actual \$445k)
- **Flaxbourne Irrigation Scheme \$1m** (actual \$0)
 - Pipelines – new irrigation scheme \$1,000

Havelock’s existing water source is a shallow aquifer near the Kaituna River, and the groundwater has been affected by saltwater intrusion in dry summers. A new well has been drilled further inland at Readers Road, which has shown to produce a good supply of water with less risk of saline intrusion. \$8.14m has been budgeted over 2023-25 for a new water treatment plant with supply pipeline for Havelock. \$6.11m has been budgeted in 2024-25 (actual \$16k).

Riverlands current water supply has a high concentration of manganese, which is difficult to treat to Drinking Water Standards. The preferred option is an alternative source within the same freshwater management unit that is low in manganese. New wells have been drilled further inland close to Blenheim. Pump testing has shown they are suitable for supplying Riverlands and a filter trial is to be conducted to determine the type of treatment required.

Budget of \$17.03m has been provided in 2023-25 to bring the new wells in to operation with treatment meeting the drinking water standards. \$8.52m has been budgeted in 2024-25 (actual \$46k).

20. Forecasts

Forecast values are system generated and require manual intervention to improve accuracy. Much of the required information has been obtained through the 2024-34 Long Term Plan process, which is currently underway.

The year end operating surplus is forecast to increase by \$18.3m to \$42.2m through a combination of reduced revenue of \$14.9m (roading subsidies) and reduced expenditure of \$33.2M (emergency reinstatement works and flood damage).

Forecast capital expenditure is \$96.4m, which is \$2.2m below the 2023-24 Annual Plan budget and includes \$32.2m of capitalised emergency reinstatement renewals (refer below).

A significant change has been made to forecasting for emergency reinstatement expenditure. The total budgeted amount for 2023-24 is \$54.45m of which \$34.45m is for operating expenditure and \$20m for renewal expenditure. The total emergency works expenditure for the current year is now forecast to be \$35.84m. The remaining works will be re-budgeted over the next two years.

Forecast data will continue to be updated as we progress through the year and as new information comes to hand.

Author	David Craig, Management Accountant – Operations
Authoriser	Richard Coningham, Assets and Services Manager and Jamie Lyall, Property and Community Facilities Manager

4. Responsible Camping – End of Season Report

(The Chair) (Report prepared by Jane Tito)

R510-005-05

Purpose of Report

1. To update Council on information obtained from the 2023-24 responsible camping season in Marlborough.

Executive Summary

2. Since December 2019, Council has engaged a contractor to manage the monitoring and enforcement of responsible camping in Marlborough during the peak freedom camping period of 1 December to 31 March.
3. The report for 1 December 2023 to 31 March 2024 shows an increase in vehicles recorded on sites of approximately 35% when compared to the 2022-23 reporting period. The total number of vehicle numbers recorded for the 2023-24 reporting period was 11,123.
4. The vehicle numbers recorded in 2019-20 were 22,127 (pre-covid) and were administered under a different Bylaw with 13 approved freedom camping sites. The current bylaw provides for 11 sites.
5. The Marlborough District Council's Responsible Camping and Control Bylaw 2022 focuses on compliance and education for all freedom campers.
6. In June 2023, Central government introduced the Self-contained Motor Vehicles Legislation Act 2023 which regulates self-contained motor vehicles and the effects of freedom camping in the natural environment.

RECOMMENDATION

That the information be received.

Background

7. Council engages a contractor to monitor freedom camping during the peak season period from 1 December to 31 March each year.
8. The Marlborough District Council's new Responsible Camping and Control Bylaw 2022 which was adopted on 1 May 2023 added six new freedom camping sites. This brings the total number of Council approved sites for specific monitoring to eleven.
9. The contractor monitors specific areas around the District over 8.5 hours per day, 7 days a week and travels approximately 380 kilometres each day. They use a Council web-based application (a mobile APP) to record information regarding the visitors, the sites, and other key freedom camping information. The data provides real time information to managers and staff to determine any trends or potential areas for improvement.
10. The contractor is also the first point of contact for any queries or complaints received by Council followed by the Parks and Open Spaces team.

Comments

11. There were very few complaints this reporting period and no infringements were issued. The area where the most complaints came from was the Wairau Diversion, mainly due to campers parking outside of the freedom camping site (following the fire at the Wairau Diversion) and at times parking along private roads.

12. 11,123 vehicles were recorded at Council approved freedom camping sites. Table 1 below shows the vehicle numbers recorded at each site.

Site	Number of vehicle nights	Comments
Taylor Dam	2,093	Well used site
Wynen Street car park	3,041	Huge increase on previous years, some campers have been an issue
Lansdowne Park car park	585	Sometimes staying outside of hours
Alfred Stream (Rai Valley)	1,032	Very popular site
Opouri Road/Carluka Domain (Rai Valley)	521	New site, some complaints by locals
Renwick Dog Park, Renwick rural	479	New site, and worked well
Renwick Domain, Renwick	1,625	20 vehicle spaces
Ellterwater, Ward	121	Recorded 1 day per week
Blairich, Awatere Valley	52	Tenting also permitted
Wash Bridge Wairau Valley	3	New site, not formed yet
Wairau Diversion ¹	1,508	Fire closed the site for 10-11 weeks

Table 1 - Vehicle nights at Council approved freedom camping sites

13. The current level of freedom camping monitoring carried out is necessary given Marlborough's location as the gateway to the North Island and South Island.
14. The trend with the number of freedom campers continues to rise although has not yet reached pre-Covid levels.
15. The data shows that approximately 75% of freedom campers tend to stay less than 24 hours, with the majority treating Marlborough as a thoroughfare to other regions.

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

¹ Wairau Diversion would normally have had the highest number of visitors, however the site was closed for some time which affected volume of visitors.

5. Hearing of Submissions on Tree Policy

(The Chair) (Report prepared by Linda Craighead)

R510-014-019-05

Purpose of Report

1. To decide on the establishment of a hearing panel to consider and make recommendations on submissions received on the Council's Tree Policy.

RECOMMENDATION

No recommendation is made pending discussion of Councillors to be appointed to a hearings panel to hear and make recommendations on submissions received on the Tree Policy.

Context

2. The Draft Tree Policy was reviewed in late 2023 and notified for submissions in January/February 2024. Six submissions were received and several submitters wish to speak to their submission.
3. A hearing panel of three Councillors is proposed to hear submissions and make recommendations on what changes should be made to the Tree Policy. Once the hearing panel is confirmed, a hearing date will be determined and submitters advised.

Next steps

4. A hearing will be arranged to consider submissions on the Tree Policy.

Author	Linda Craighead, Planner, Parks and Open Spaces
Authoriser	Jane Tito, Manager, Parks and Open Spaces

6. Trial Extension of Picton Bus Service to include a Saturday service

(Clr Rosene) (Report prepared by Charlotte Campbell-Lamerton)

R800-003-003-01

Purpose of Report

1. To seek approval of a proposed trial extension to the Picton Bus Service to include a Saturday service due to multiple requests to Councillors, Council Staff and Marlborough Roads.

RECOMMENDATION

That the Council approves the implementation of a trial Saturday Picton bus service for a period of 12 months to be funded from existing budgets.

Background/Context

2. In June 2023 the trial Picton Bus Service occurring on weekdays was approved and adopted as a formal service, with continued improvements of patronage numbers.
3. Following the opening of the new Blenheim library - Te Kahu o Waipuna, requests have been fielded by Councillors, Marlborough District Council Staff, and at Marlborough Roads, for the Picton bus service to be extended to include a weekend day, with the bus stopping directly outside.
4. Currently there is an average of 390 passengers per week using the existing Picton Bus Service during the week.
5. Marlborough Road staff have engaged with the bus operator who has provided estimated costing for the additional trial service listed in paragraph 6.
6. The estimated total funding required to support the additional payments for 12 months is set out below:

Picton weekend trial at 7hrs/week	\$530.00
Picton Weekend trial at 52 weeks per annum.....	\$27,560.00
Waka Kotahi FAR Rate @ 51%	\$14,055.60
Total	\$13,504.40

7. A review of funding for this initiative has been carried out, and it can be funded from existing budgets

Next steps

8. Subject to Council's approval, Marlborough Roads Officer will work with the bus operator, Marlborough District Council and Waka Kotahi.
9. Marlborough Roads will prepare and execute the contract variation with the Bus Operator.

Author	Charlotte Campbell-Lamerton, Multi Modal Advisor to MDC
Authoriser	Richard Conningham, Assets and Services Manager - MDC

Summary of decision-making considerations			
Fit with purpose of local government			
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.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	X
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport	X	<input type="checkbox"/>	
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
This proposal contributes to the areas identified above and to the LTMA relating to Public Transport by providing a Procurement Strategy as required by Waka Kotahi.			
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 financial implications of \$13,504.40 the following 12 Months.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed because it relates to the Public Transport bus drivers.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
There are no known climate change implications to this decision.			

7. Increase to Kerbside collections areas.

(Clr Dalliessi) (Report prepared by Mark Lucas)

C315-21-077-09

Purpose of Report

1. To report the recommendation of the consultation subcommittee in relation to the increase the kerbside collection areas to include other residential zoned properties, that were left out of the original kerbside collection discussions.

Executive Summary

2. 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. Council agreed to consult with residents in these areas to increase the kerbside collection area. Consultation has been completed and the subcommittee, that heard the consultation has recommended the inclusion of the new areas.

RECOMMENDATION

That Council approve the sub-committee's recommendations to expand the kerbside collection area to include Marlborough Ridge, Fairbourne Drive, Fairhall, Old Renwick Road from Waipuna Street to Hammerichs Road, Hammerichs Road to Rapaura Road, 88 Dillons Point Road and 211, 215 and Middle Renwick Road.

Background/Context

3. As part of the tender and acceptance of Contract 21-077 - Waste Management and Minimisation the current collection areas were used as a benchmark and then the new areas were included.
4. The new areas included, after consultation, in the kerbside collection are Renwick, Seddon, Rarangi, Tua Marina, Spring Creek, Havelock, and the Rai Valley.
5. The areas included in the proposed kerbside collection increase increase areas were.
 - Area 1 - North side of Old Renwick Road between Waipuna Street and Rose Manor.
 - Area 2 - North side of Old Renwick Road between Rose Manor and Hammerichs Road including the Summerset Retirement Village.
 - Area 3 - Hammerichs Road from Old Renwick Road to Rapaura Road.
 - Area 4 - Fairhall, including Marlborough Ridge and Fairbourne Drive.
 - Area 5 - Numbers 211, 215 and 221 Middle Renwick Road.
 - Area 6 - 88 Dillons Point Road.
6. Council approved consultation with these increased areas on 14 December 2023.
7. Consultation was completed via targeted mail out letter to every property.
8. On 2 April 2024 the sub-committee, Clr Dawson (Chair), Mayor Taylor and Richard Coningham (Manager Assets and Services) met and heard the 2 verbal submissions and reviewed the 60 written submissions.
9. After considering all the submissions they decided to recommend all the areas mentioned above in paragraph 5 to be included in the kerbside collection area.

Assessment/Analysis

10. We received 60 submissions from the consultation, which is a 25% return of the areas consulted.
11. 46 (77%) were in favour of the proposal, 14 (23%) submissions were against the proposal.
12. Each property have the option of selecting the bin size as part of the consultation process.
13. We believe this satisfies the Local Government Act consultation requirements.

Option One (Recommended Option)

14. Assets and Service Committee approves the expansion of the kerbside collection area.

Advantages

15. There is no extra cost to Council.
16. This would save the Council approximately \$50,000.00 in construction costs for a RTS in Rapaura.
17. It would include the remaining properties that are zoned as residential.

Disadvantages

18. N/A.

Option Two – Status Quo

19. We stay with the current areas.

Advantages

20. No cost and no extra work required.

Disadvantages

21. Council will need to build a RTS at Rapaura.
22. Several properties that are zoned residential are not receiving the same service as other properties zoned the same.

Next steps

23. Approval of the paper is reported to the full Council.

Author	Mark Lucas, Solid Waste Manager
Authoriser	Richard Coningham, Assets & Services Manager

Summary of decision-making considerations			
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
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			
The project has not been budgeted for however it is a cost neutral projects as it is covered by the targeted rate			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
A communications plan <i>will be</i> developed.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
There are no known climate change implications to this decision.			

8. Waste Fees and Charges

(Clr Dalliessi) (Report prepared by Mark Lucas)

W300-006-008-14

Purpose of Report

1. The purpose of this report is to gain approval to implement the proposed waste fees and charges from 1 July 2024.

Executive Summary

2. The annual review of waste fees and charges has been completed. This year will see another increase in landfill gate fees predominantly attributable to the changes in the waste disposal levy and aftercare/reserve provisions at the regional landfill site. Contract cost escalations for the transfer stations and the kerbside collections are also contributing factors. Cost recovery for these increases is via increased gate fees, and amendment to the kerbside refuse collection targeted rate.

RECOMMENDATIONS

1. That Council implements the updated waste fees and charges with effect from 1 July 2024.
2. That Council Recovers all costs associated with an increase in the waste disposal levy, landfill aftercare/reserve provisions, and contract escalations from user pays (gate fee) contributions and an amendment to the kerbside refuse collection targeted rate.

Background/Context

3. Waste fees and charges are published on the Council website and are included on all the relevant sites' pages. These rates are reviewed annually, and any changes implemented on 1 July each year.
4. Waste inputs to the transfer stations (excluding Blenheim) are subject to a user pays charge based on measuring the load. The current charge is \$64.33 per cubic metre (GST inclusive). Transfer stations are open to both public and commercial users.
5. Waste inputs to the waste sorting centre in Blenheim are subject to a user pays charge based on weight as measured at the site weighbridges. The current charge is \$222.18 per tonne (GST inclusive) with a \$6.67 minimum weigh charge. Separate tonnage rates apply for Tyres (\$687.50) and Cleanfill (\$142.18). The Waste Sorting Centre is open to both public and commercial users.
6. Waste inputs to the Bluegums landfill site are subject to a user pays charge based on weighing the load. The current charges range from \$179.23 to \$214.23 per tonne (GST inclusive). The landfill is open to commercial users only.
7. Waste inputs to the greenwaste site in Blenheim are subject to a user pays charge that was calculated per cubic metre, however with the installation of the new weighbridge in September last year, this is now calculated per tonne. The current charge for grass is \$172.78 per tonne (GST inclusive) and Greenwaste is \$63.12 per tonne (GST inclusive).
8. Items that are considered during this review include, but are not limited to:
 - a) Impact of the increase of the waste disposal levy from \$57.50 per tonne (GST inclusive) to \$69.00 per tonne (GST inclusive).
 - b) Impact of contract cost fluctuations for the next twelve months. These costs are locked in via the relevant contract agreement.

- c) Increase in aftercare and landfill reserve provisions. These costs are based on a full cost accounting model assessment of the landfill obligations including operational costs, capital costs, closure costs and post closure/aftercare costs.

9. The throughput tonnages/volumes at the sites (landfill, waste sorting centre, transfer stations and greenwaste site) fluctuate annually dependant on the economic activity being experienced in the region. In general terms the volume of waste rises when the economy is growing and falls when it is contracting. The following conservative assumptions have been used for this review:

- a) Bluegums waste inputs have been assumed at 66,294 tonnes per annum which represents a five-year average, included the estimated tonnage for this financial year.

Year	2019/20	2020/21	2021/22	2022/23	2023/24 Estimated
Tonnage	71,406	69,415	63,310	63,255	63,986

- b) Based on the 2022/23 actuals the throughput tonnage at the waste sorting centre has been assumed at 6,235 tonnes per annum. Landfill disposal from the waste sorting centre is assumed at 5,607 tonnes.
- c) Based on the 2023/23 actuals the throughput of grass at the greenwaste acceptance facility is assumed at 1,165 tonnes per annum. This calculation is included in the WSC from 1 July 2024.
- d) Based on the 2022/23 actuals the throughput of refuse at the rest of the transfer stations has been assumed at a cumulative volume of 13,155 m3 per annum and landfill disposal from the other transfer stations is assumed at 2,854 tonnes per annum.
- e) Based on the entitled property count, included the expanded area from 1 July of 17,844, for the assessment of increased disposal costs on the kerbside refuse collection from the extended kerbside collection area. The estimated disposal tonnage, for the extended area is 4,859.01 has been used.

- 10. In consideration of the above measures, it needs to be remembered that with the increased kerbside collection areas, this will have an effect the 2024/25 volumes. An assumption has been made that the as the kerbside collection volumes will increase, the transfer station volumes will decrease at a similar rate.
- 11. Waste Assessment Evaluation (WAE); This is currently funded within Council. This process ensures that we are compliant with the Ministry of Environment guidelines for the levels of hazardous materials in a class 1 landfill.
- 12. In the last six months the consulting contractor, that assists with these, requested a price increase as this had not changed since 2017. This charge has gone from a fixed fee to a fair and reasonable actual charge, based on time taken.
- 13. Each application is measured individually, and the time involved varies on the complexity of the application, so each application has a different cost.
- 14. Some applications are completed by Council staff as they are of a minor nature.
- 15. Waste diversion initiatives are designed to reduce the waste to landfill. In the current fiscal year, it is estimated that we will have almost 64,000 tonnes of waste accepted at the landfill. To put this into perspective Nelson has 80,000 tonnes annual in the York Valley land fill, with a far greater population.
- 16. At the current rates the life span of the Bluegums land fill is 24 years.

17. If we are to reduce waste to Landfill, increase the life span of the landfill and reduce our greenhouse gas liability, we need to look at further initiatives and assess their viability.
18. With the new Waste Minimisation contract starting on 1 July this year there are a number of changes being made, namely removal of the coin skips, removal of Council rubbish bags and the introduction of wheelie bins, Remote Transfer Stations and increase in kerbside collection areas.

Assessment/Analysis

19. There have been no cost fluctuations for the landfill contract during this review period. The landfill contract was recently retendered and awarded within existing budgets.
20. Landfill sites are included in the emissions trading scheme (ETS). Emissions are calculated per calendar year. Carbon credits are surrendered in lieu of emissions to atmosphere. This process results in the calculation of our surrender obligation expressed in tonnes.
21. For the 2023 period the ETS was calculated using the amended Schedule 3 of the Climate Change (Unique Emissions Factors) Regulations 2009 which came into effect on 1 January 2023. The Environmental Protection Agency (EPA) are the custodians of this legislative instrument and recently introduced the amendments which have resulted in some unintended consequences. The surrender obligation for the 2023 period was 21,612 tonnes compared to the 2022 obligation of 19,445.
22. The ETS surrender obligation is based on carbon units which have been purchased at a rate of \$43.41 per tonne (GST inclusive). This rate is already priced into the gate fee and therefore has no cost implications for this review.
23. A major contributor to the ETS calculation is the Unique Emissions Factor (UEF). The UEF is calculated annually using the volume of greenhouse gases burnt through the flare verse the total tonnage of waste that has been accepted at the landfill. Under the current regulations you are allowed a 5% variation without requiring the calculation audited.
24. As we were outside this 5% threshold, we required auditing this year at a total cost of \$56,129.55 or \$0.84 per tonne. This cost does not include the Council staff time involved in locating and reporting the information required.
25. To cover the above audit costs a \$1.00 per tonne is proposed to be added to the gate fee. This accounts for 5% of the overall landfill gate fee increase.
26. The Bluegums landfill site is subject to the waste disposal levy. The Government have confirmed that the waste disposal levy will increase from \$57.50 per tonne (GST Inclusive) to \$69.00 per tonne (GST Inclusive). This accounts for 57.2% of the overall landfill gate fee increase.
27. The Bluegums landfill aftercare and reserve provisions are assessed every three years using a full cost accounting model (FCAM) recommended by the Ministry for the Environment. This model includes operational costs, capital costs, closure cost and post closure/aftercare costs. The aftercare and reserve provision will be increased by \$2.60 per tonne (GST inclusive). This accounts for 13% of the overall landfill gate fee increase. This is down from \$8.86 (GST inclusive) per tonne last year
28. There are several waste diversion initiatives that are currently being worked on.
 - a) A feasibility study that has been approved to apply funding for to divert all the organics from the landfill. This is estimated at \$86,250 (GST inclusive) cost to Council.
 - b) Polystyrene compactor purchase to eliminate this product from the landfill. Cost to Council is \$74,750 (GST Inclusive)
 - c) Upgrades in the RRC to increase the sort line capacity. This is using some of the equipment removed from the WSC after the fire and installing it in the RRC. Estimated cost to Council is \$115,000 (GST inclusive) for the installation and refurbishment.

d) Purchase of containers and roof to increase the Reuse shops capacity to then include construction waste as products to resell. This would require the purchase of the containers and the roof. The cost to the Council is approximately \$54,050 (GST inclusive)

29. If we can divert all the organic waste and construction and demolition waste from the landfill we can reduce the total volume by an estimated 50% of the current 66,000 tonnes. This will double the life of the landfill and reduce the ETS liability to almost zero.

30. The total landfill tonnage rate increase is \$20.10 per tonne (GST inclusive), a 9.4% increase. The following table summarises landfill gate fee increases.

Description	Cost per tonne (GST inclusive)	% of increase
Waste disposal levy	\$11.50	57%
ETS cost	\$1	5%
Contract cost	\$0	0
Aftercare/reserve provision	\$2.60	13%
Diversion Initiatives	\$5.00	25%
Total	\$20.10	100%

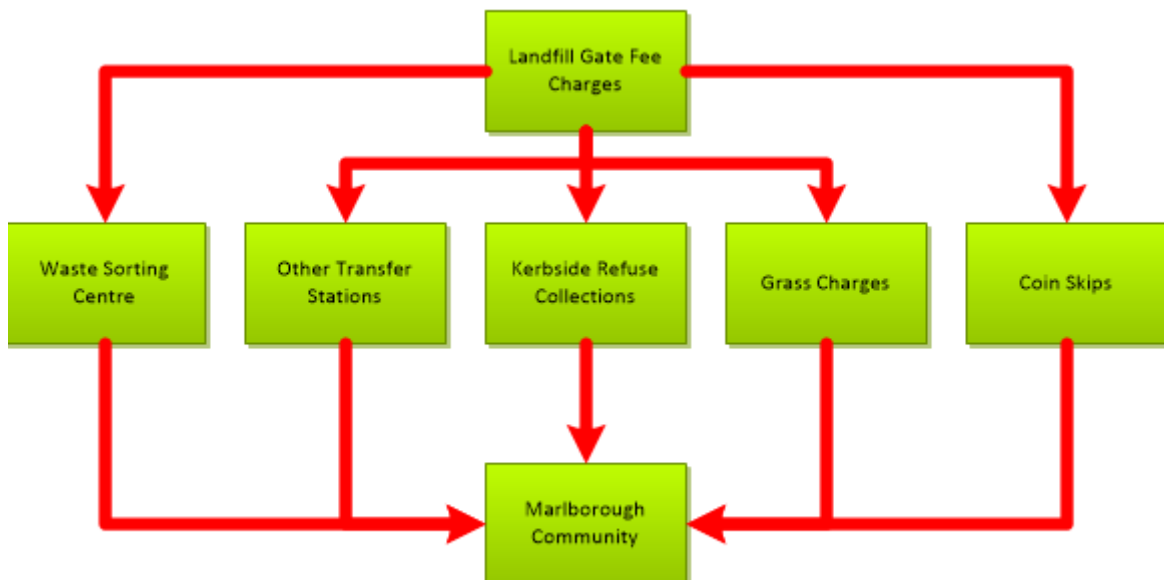
31. This compares with a \$31.68 per tonne (GST inclusive) increase last year.

32. The landfill has two main price rates based on the density of the waste. Low density (light) waste consumes more airspace and is priced at the higher rate and vice versa for the higher density (heavier) waste. The following table summarises the overall percentage increase against the landfill waste types. The rates included in the table are GST inclusive.

Waste Type	Current gate fee	Revised gate fee	% change
Light waste	\$214.23	\$234.33	9.4%
Heavy waste	\$179.23	\$199.33	11.2%

Waste

33. The landfill gate fee increase impacts on the following budgets, waste sorting centre, transfer stations, kerbside refuse collections and coin skips.



Waste Sorting Centre (WSC)

34. Cost fluctuations for the waste sorting centre contract amount to \$48,533.20 (GST inclusive) this year with the new contract starting. This equates to an increase in the gate fee of \$0.15 per tonne (GST inclusive). This accounts for 1% of the overall WSC gate fee increase.
35. The waste sorting centre disposal cost increase amounts to \$190,767.24 (GST inclusive) per annum. This equates to an increase in the gate fee of \$28.17 per tonne (GST inclusive). This accounts for 99% of the overall WSC gate fee increase.
36. The current minimum weigh charge at the waste sorting centre is \$6.67 (GST inclusive) based on 30 kilograms. The minimum charge will now increase to \$7.50 (GST inclusive) based on 30 kilograms. This will impact on an estimated 12% of the site users.
37. The tyre rate will remain the same as no additional costs have been incurred under the current contract arrangements. However, with the introduction of the Tyrewise product steward scheme which starts on 1 September this year this price will be dropped from this date.
38. With the removal of the current Council rubbish bag system, it is proposed that a new charge is introduced for the deposit of non-council plastic rubbish bags.
 - a) This rate would only be used for bags up to 60 litres.
 - b) This rate would only be used for bags that weigh up to 15kg.
 - c) Only available for the disposal of domestic waste.
 - d) This rate is to be set at \$3.00 per bag.
39. The total waste sorting centre rate increase is \$28.32 per tonne (GST inclusive). The following table summarises the waste sorting centre gate fee increases.

Description	Cost per tonne (GST inclusive)	% of increase
Disposal cost	\$28.17	99%
Contract cost	\$0.15	1%
Total	\$28.32	100%

40. The following table summarises the overall percentage increase against the waste sorting centre waste types.

Description	Current Charges	Revised Charges	% change
General refuse per tonne (including official Council refuse bags)	\$222.18	\$250.50	13%
Cleanfill per tonne	\$142.18	\$170.50	20%
Minimum weigh charge	\$6.67	\$7.50	12%
Tyres per tonne	\$687.50	\$687.50	0%
Non-Council plastic rubbish bag	n/a	\$3.00	n/a
Lost ticket	\$40.00	\$40.00	0%

Other Transfer Stations

41. With the new contract starting on 1 July there are no cost fluctuations for the other transfer stations. There is a nil increase this year.
42. Landfill disposal cost increases to other transfer stations amount to \$73,264 (GST inclusive) per annum. This equates to an increase in gate fee of \$5.17 per cubic metre (GST inclusive). This accounts for 100% of the other transfer station gate fee increase.

43. The total other transfer stations gate fee increase is \$5.17 per cubic metre (GST inclusive). The following table summarises the other transfer stations gate fee increases.

Description	\$ per cubic metre (GST inclusive)	% of increase
Disposal cost	\$5.17	100%
Contract cost	0	0
Total	\$5.17	100%

44. The following table summarises the overall percentage increase against the other transfer station waste types.

Description	Current Charges	Revised Charges	% change
General refuse per cubic metre (including official Council refuse bags)	\$64.33	\$69.50	8%

Kerbside Refuse Collection

45. The kerbside refuse collection disposal is moving away from the current bag system to wheelie bins. These costs were factored into the consultation and have been set for residential properties at:
- 80 litre bin - \$140.00 (GST inclusive).
 - 140 litre bin - \$160.00 (GST inclusive)
 - 240 litre bin - \$200.00 (GST inclusive)
46. The current rate for residential properties is set at \$152.00 (GST inclusive).
47. The cost for commercial properties were factored into the consultation and have been set at:
- 80 litre bin - \$80.00 (GST inclusive).
 - 140 litre bin - \$100.00 (GST inclusive)
 - 240 litre bin - \$140.00 (GST inclusive)
48. The current rate for commercial properties is set at \$96.00 (GST inclusive).

Kerbside Recycling Collection

49. Kerbside recycling collection is included in the figures above for the 2024-25 year.
50. There is no recycling offered to commercial properties yet.

Grass

51. Grass and greenwaste charging has reverted back to tonnage with the weighbridge upgrades at the WSC completed. A tonnage rate for both grass and greenwaste was set at this time calculated at on actual weighed inputs compared to actual measured volumes for the same period.
- Current grass charges per tonne - \$172.78
52. The grass waste disposal costs will increase by \$28.32 per tonne (GST inclusive). This is a 16% increase on the current grass gate fee.

Coin Skips

53. The coin skip cost will not be changed, as they are being phased out with the introduction of the Remote Transfer Stations.

Waste Acceptance Evaluations (WAE)

54. There is currently no charge for this service and Council is incurring considerable costs.
55. It is proposed that that if these evaluations are completed in house they are completed at no extra charge, status quo.
56. It is proposed that we charge the applicant the actual costs incurred by Council, as invoiced by the consultant, for each application.
57. The actual cost of the application is totally dependant on the complexity and time spent to complete the application.

Option One (Recommended Option)

58. Implement the updated waste fees and charges with effect from 1 July 2024.
59. Recover all costs associated with an increase in the waste disposal levy, landfill aftercare/reserve provisions, WAE applications, Landfill diversion initiative and contract escalations from user pays (gate fee) contributions and an amendment to the kerbside refuse collection targeted rate.

Advantages

60. Those utilising the service pay for the cost increases.

Disadvantages

61. Nil.

Alternative Options

62. There is no alternative option to these revised waste fees and charges as they are initiated by Government legislative changes designed to support the policy of landfill avoidance. Any attempt to reduce the impact of these changes would undermine this policy approach.
63. Instead the community should be encouraged to focus on reduction, reuse and recycling to limit the amount of material sent to landfill.

Next steps

64. Notify the affected parties of the waste fees and charges increases including:
- a) Landfill users
 - b) Transfer station users
 - c) Kerbside collection targeted ratepayers
65. Amend the Council website information and all site signage when the revised waste fees and charges are applied.
66. Supply handout notifications to the public via the transfer station sites outlining the revised charges.

Author	Mark Lucas, Solid Waste Manager
Authoriser	Stephen Rooney, Operations and Maintenance Engineer

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables <i>democratic local decision-making and action by, and on behalf of the community and relates to consideration of providing a public service, its need, and cost effectiveness.</i>			
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"/>
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"/>	✓
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			
The revised waste fees and charges are a result of central Government legislative changes.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
The community have already been made aware of the reasons for the revised waste fees and charges.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications caused by this request.			
Climate Change Implications			
There are no known climate change implications as a result of this request.			

Waste fees and charges (rounded)

Waste Sorting Centre Blenheim	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
General refuse per tonne	\$222.18	\$250.50
Cleanfill per tonne	\$142.18	\$170.50
Minimum weigh charge	\$6.67	\$7.50
Tyres per tonne	\$687.50	No change - Removed on 1 September
Official Council refuse bags (bins in the RRC)	No charge for disposal at transfer station	No charge for disposal at transfer station
Non Council plastic rubbish bag (60l or 15kg max)		\$3.00
Lost ticket	\$40.00	\$40.00
Other Transfer Stations	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
General refuse per cubic metre rate	\$64.33	\$69.50
Official Council refuse bags	No charge for disposal at transfer station	No charge for disposal at transfer station
Non-Council plastic rubbish bag ((60l or 15kg max)	\$3.86	\$3.00
Medium 80 litre refuse bags	\$5.15	\$5.56
Large refuse bags	At site operator's discretion based on current rate per cubic metre	At site operator's discretion based on current rate per cubic metre
240 litre refuse wheelie bin	\$15.44	\$16.68
120 litre refuse wheelie bin	\$7.72	\$8.34
205 litre (44 gallon) refuse drum	\$13.19	\$14.25
Standard woolpack filled with refuse	\$30.88	\$33.35
1 tonne sacks filled with refuse	\$46.32	\$50.00
Scrap metal per cubic metre	\$16.00	\$17.50
Car body (Blenheim) - stripped	Not accepted contact a local scrap dealer	Not accepted contact a local scrap dealer
Car body - not stripped	Not accepted contact a local scrap dealer	Not accepted contact a local scrap dealer

Whole tyres	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
- Car tyres	\$5.50	No change - Removed on 1 September
- Four wheel drive tyres	\$6.50	No change - Removed on 1 September
- Light truck to 17.5 t	\$9.50	No change - Removed on 1 September
- Heavy truck tyres	\$17.50	No change - Removed on 1 September
- Truck tyres with rims	\$30.00	No change - Removed on 1 September
Tractor tyres (small)	\$47.50	No change - Removed on 1 September
Tractor tyres (medium)	\$60.00	No change - Removed on 1 September
Tractor tyres (large)	\$70.50	No change - Removed on 1 September
Loader tyres (small)	\$60.00	No change - Removed on 1 September
Loader tyres (medium)	\$70.50	No change - Removed on 1 September
Loader tyres (large)	\$82.00	No change - Removed on 1 September
Whiteware - fridges, ranges, etc	\$15.00	No change - Removed on 1 September
Electrical goods - TVs, computers, etc	See our e-Waste Collection Facility page	See our e-Waste Collection Facility page
Hazardous Waste	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
Used oil for quantities less than 20 litres	No charge	No charge
Used oil for quantities greater than 20 litres	20 cents per litre	31 cents per litre
Toxic and hazardous material	By assessment contact MDC on Ph: 03 520 7541	By assessment contact MDC on Ph: 03 520 7541

Regional Landfill (commercial users only - by arrangement - Phone Council 03 520 7400)	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
General refuse per tonne	\$214.23	\$234.33
Offal burial per tonne	\$214.23	\$234.33
Ash per tonne	\$179.23	\$199.33
Winery filter media per tonne	\$179.23	\$199.33
Mussel shells per tonne	\$179.23	\$199.33
Sawdust per tonne	\$179.23	\$199.33
Liquid Waste per tonne	\$179.23	\$199.33
Polystyrene items per tonne	\$1,619.23	\$1,771.43
All mixed loads per tonne	\$214.23	\$234.33
Minimum tonnage charge	Nil	Nil
Waste Acceptance Evaluation (internal)	Nil	Nil
Waste Acceptance Evaluation (external assistance required)	Nil	Actual Costs recovery model
Asbestos	By assessment contact MDC on Ph: 03 520 7541	By assessment contact MDC on Ph: 03 520 7541
Toxic and hazardous material including contaminated soils	By assessment contact MDC on Ph: 03 520 7541	By assessment contact MDC on Ph: 03 520 7541
Hardfill/Cover fill	By assessment contact MDC on Ph: 03 520 7541	By assessment contact MDC on Ph: 03 520 7541
Refuse Bags - Blenheim and Picton	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
Plastic bags	\$1.85 each	No longer being used
Greenwaste Acceptance Facility and Composting	Current Charges (from 1 July 2023)	Revised Charges (from 1 July 2024)
Greenwaste material to Blenheim compost site per tonne	\$63.12	\$68.17
Grass clippings for landfill disposal per tonne	\$172.78	\$201.10
Greenwaste to Picton Transfer Station per cubic metre	\$31.90 /m ³	\$34.45 /m ³

9. Use of Closed Landfill Sites for Commercial Use

(Clr Dalliessi) (Prepared by Mark Lucas)

W300-005-011-10

Purpose of Report

1. To seek Council approval in principle to conduct further discussions in relation to leasing closed landfill sites to private companies to use for the purpose of storing and recycling of waste.

Executive Summary

2. Marlborough has been identified as a region that is desirable for a number of recycling industries to move to and deal with the waste streams that we currently have. As with everything in our region, land is a premium and this is a continue problem for these industries. Making our closed landfill site available for these industries could help these companies to divert waste from the landfill.

RECOMMENDATIONS

1. That Council give an agreement in principle to engage with companies that wish to lease closed landfill sites for the purpose of operating their company.
 2. That Council delegate authority to the Chair Assets and Services, Chief Financial Officer, and Assets & Services Manager to manage the process moving forward.
-

Background/Context

3. The Council currently owns and maintains nine closed landfill sites around Marlborough.
4. These landfills have a combined budgeted costs (FY24) of \$118,676.00.
5. The Havelock, Picton, Seddon, Ward, Wairau Valley, and Rai Valley closed landfill sites, currently have Council transfer stations on them.
6. Several companies have approached Council to potentially use some of the closed landfill sites for the purpose of operating their business.
7. The Council would not be binding, at this stage, into an agreement without further investigation.
8. As these sites are considered contaminated, all consent conditions would need to be considered in conjunction with the RMA and NES requirements before any proposal was approved.
9. The use of the sites would require management around the greenhouse gas emissions, but this would be considered as part of any proposal.
10. I have discussed the H&S issues, internally, around construction buildings on a closed landfill that is emitting methane.
11. The risks involved with this can be mitigated/eliminated during the design phase of the building. The major changes relate to the floor slab design and venting in the roof.
12. The Council owned Resource Recovery Centre is an example of a building design that can mitigate/eliminate the risk of gas build up from these sites.
13. The floor slab is designed to prevent gasses from penetrating it and has piping to capture the gasses. There is also vent systems that keep the building in a negative pressure state and thus keeping air flowing through the building.

14. The lease agreement and subsequent income, for the sites, would be used to offset the current cost to monitor and maintain the sites.

Assessment/Analysis

15. This proposal has no risk or cost to the Council at this point, it is just a request to allow discussions to commence.
16. The potential income is unknown at this point. Each case present to Council would be assessed on its own merits and it would have to be fiscally responsible to be approved.
17. By delegating the Chair Assets and Services, Chief Financial Officer, and Manager Assets & Services, any risk to Council can be considered and mitigated in accordance with Council requirements.

Option One (Recommended Option)

18. The Council approves an agreement in principle for discussions to start with companies re the lease of our closed landfills.

Advantages

19. The Council has the potential to receive income for the closed landfills that will offset some/all of the current costs to maintain the sites.
20. By considering companies that will divert waste to landfill it will assist in the ability to achieve the reduction requirements set by the Ministry of Environment before 2030.

Disadvantages

21. Nil.

Option Two – Status Quo

22. Council do not recommend this process further.

Advantages

23. Nil

Disadvantages

24. The potential lost revenue for any lease agreement approved.

Author	Mark Lucas, Solid Waste Manager
Authoriser	Richard Coningham, Assets & Services Manager

Summary of decision-making considerations			
	<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 Waste Management and Minimisation Plan by reducing waste to landfill.			
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 is no major costs at the moment, however there may be costs for site development if the lease is agreed, however these cost would be off set with rent.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed, other than under the RM application.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
In assessing the preferred option, staff have considered the effects of climate change, by reducing greenhouse gasses through the reduction of waste to landfill.			

10. Information Package

RECOMMENDATION

That the Assets & Services Information Package dated 16 April 2024 be received and noted.
