Council Meeting

29 June 2017

Separately Circulated Attachment

(as indicated this is circulated separately to the Agenda)

This attachment relates to Item 6
in your Agenda

2017-18 ANNUAL PLAN

MARLBOROUGH DISTRICT COUNCIL

Only Marlborough

Council’s Mission Statement

Enabling social and economic development in balance with environmental and community needs

Annual Plan

This Annual Plan explains what Council plans to do in the 2017-18 financial year; how much Council intends to spend on its activities and services and how this will be funded – including the expected impact on rates.

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Part 1: Executive Summary

- Mayor's Message
- Elected Council Members
- Results of Consultation
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Mayor's Message

Council has been very clear this year that, coming on the back of a major earthquake, this is not the time for us to relax our grip on the public purse. For the next 12 months, core infrastructure including the reinstatement of damaged assets will take priority.

However, as we concentrate on delivering core projects and shoring up our emergency reserves, we are also conscious that we must deliver the services and amenities necessary for our growing district.

So this year's Annual Plan is focussed on roading, water supplies, stormwater and sewerage, and community facilities, largely the projects already set out in our 2015-25 Long Term Plan.

John Leggett
Mayor

We've had to take account of the nationwide increase in project costs that everyone is experiencing in the wake of the national construction boom. But we can deliver our programme with an increase of just 2.48% in rates and charges. That's only half as much estimated in our Long Term Plan, which is very pleasing. Overall, our finances remain in excellent shape, a fact reaffirmed by our long-term credit rating of AA Stable from rating agency Standard and Poor's.

We will concentrate on what we believe is important to our district; securing drinking water supplies for Seddon, Renwick and Havelock, upgrading Picton's sewerage system, replacing the aging stormwater networks in urban areas, and maintaining the district's sports and recreation amenities.

The rebuilding and repairs following the earthquake are a mix of short and longer-term work, from planning replacement community facilities for the Ward community, trying to help capture the opportunity of a coastal cycleway alongside State Highway 1, securing stopbanks and renewing fracturing pipe networks, while rebuilding our emergency reserve funds.

Other good projects have had to wait, but I hope residents and ratepayers will understand the reasons for our restraint. I do want to thank all those individuals and groups who took the time to make submissions to our Annual Plan and to present their ideas to councillors.

Next year there will be greater scope for some broader thinking as we prepare to update the district's Long Term Plan with its 10-year timetable. That will be when we consider, for example, the timetable of Blenheim's future community/cultural facility, encompassing a new library, art gallery and public space.

While our economy is generally in very good shape, the times are still challenging for some. As a district we can be proud of the strength and resilience that has been shown since the earthquake struck and I can assure you that Council will continue to work closely with the community to restore damaged infrastructure and to strengthen the support networks where that's needed.

I'm comfortable the new Council's decision-making has been guided by the requirements of the earthquake recovery, and I'm pleased to report there has been unanimous resolve to take this cautious and considered approach to Council's finances.

Elected Council Members

Back – left to right:
Clr Jenny Andrews (Blenheim Ward)
Clr Mark Peters (Blenheim Ward)
Clr Jamie Arbuckle (Blenheim Ward)
Clr Laressa Shenfield (Blenheim Ward),
Clr David Oddie (Marlborough Sounds Ward)
Clr Michael Fitzpatrick (Blenheim Ward)
Clr Gerald Hope (Wairau/Awatere Ward)

Front – left to right:
Clr Cynthia Brooks (Wairau/Awatere Ward)
Clr Terry Sloan (Blenheim Ward) (Deputy Mayor)
Mayor John Leggett
Clr Nadine Taylor (Marlborough Sounds Ward)
Clr Trevor Hook (Marlborough Sounds Ward)
Clr Geoff Evans (Wairau/Awatere Ward)

Insert: Clr Brian Dawson (Blenheim Ward)

Results of Consultation

At its meeting on 6 April Council adopted the document "2017-18 Annual Plan Update – Have Your Say". This was a high level summary outlining Council's major capital budgets and a list of the new projects proposed in this year's Annual Plan. There were no significant variations from Council's LTP,

The document encouraged members of the public to make submissions on the Annual Plan and also to raise initiatives, projects or ideas that they wish Council to consider during the LTP budgeting process later this year.

The period for submissions was open until 10 May 2017 and a total of 136 submissions were received.

The topics covered by the submissions included comment on a number of Council-funded activities and proposals as well as funding requests for new and existing projects around the region.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 6 8 June 2017. A total of 65 oral submissions were made at the hearings.

Councillors considered all submissions at a meeting held on 12 June 2017. Following the approach outlined in the Mayor's message many community requests for new spending for the coming year were either rejected or deferred.

Most of the new spending that was approved will be met by the extra revenue earned from the district's forestry operations over the past year, not from rates.

The result of the decisions on submissions was that the rates-take across the district will rise by 2.48%, compared with the 2.33% initially forecast,

Proposals approved by Council (in some cases subject to conditions) include:

- Queen Charlotte Yacht Club, contribution to new clubrooms at Picton (reserve funded) $ 270,000
- Bike Walk Marlborough Trust funding brought forward one year to progress cycle lanes in high priority urban areas ($100,000 loan funded, resultant $5,326 interest and repayments from rates) $100,000
- An additional Council planner to handle duty planner requests (reserve funded for one year) $ 90,000
- Address a recurring stormwater drainage problem with Mapps Drain which affects Oakwood Lane (reserve funded) $ 80,000
- Improve roadside access south of Waikawa School (from existing roading budget) $ 75,000
- Financial support for museums while Heritage Plan is developed (reserve funded for one year) $ 65,000
- Feasibility study for Coastal Pacific Cycle Trail (reserve funded) $ 50,000
- Increase to operating grant for Millennium Art Gallery (rate funded) $ 42,000
- Annual grant to South Marlborough Landscape Restoration Trust (rate funded) $ 30,000
- One-off grant to Havelock Community Association towards i-SITE (reserve funded) $ 23,652
- Administration costs for Picton Dawn Chorus (reserve funded for one year) $ 23,400
- Extended working hours for Business Marlborough Trust (reserve funded for one year) $ 22,500
- Annual grant for Age Concern 3-year programme to combat elder abuse (rate funded) $ 12,000
- One-off grant to Flaxbourne Settlers Association towards feasibility study (reserve funded) $ 10,000
- Increase in operating grant for Marlborough Migrant Centre (rates funded) $ 3,700
- Dog Park trial at 8 Inkerman ST subject to the land being available (from existing budgets)
- Awatere Community Trust request for funding for street flags (from existing budgets)

Financial Overview

Rates movements

The Mayor's message sets out Council's priorities in deciding its plan and resultant budgets for the 2017-18 financial year.

The cost of maintaining current levels of service provided by Council across all its activities would require a rates increase of 2.58%. This increase is marginally higher than the forecast increases in both the Consumer Price Index to June 2018 of 1.4% (RBNZ May 2017 Monetary Policy Statement) and the Local Government Cost Index of 1.97%. This reflects legislative and resourcing challenges faced by Council.

The draft budget included a very small number of new initiatives funded from Council Reserves, additional revenues or rates. Including the additional revenue sources these additional initiatives reduced the rates increase to 2.33%.

Following Council's consideration of ratepayer submissions, Council decided to approve a number of their requests, which are detailed under the Consultation section of this Plan. The rating impact of these decisions means that total rates and charges will now increase by 2.48%. This is significantly below the 5.26% rates increase signalled for 2017-18 in the LTP.

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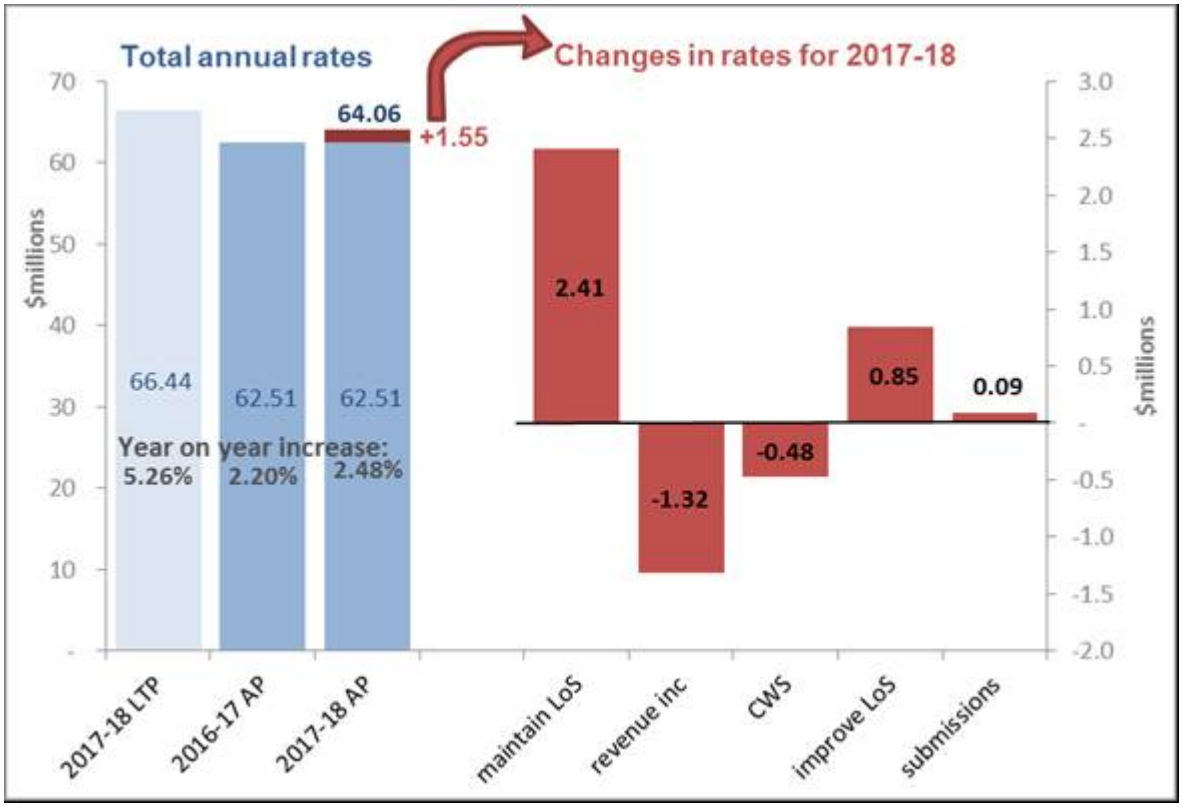


CWS refers to the Combined Water Scheme

November 2016 Earthquake

The November 2016 earthquake caused significant damage to Council and community assets; damage assessment and repair programmes are likely to take some years to complete. Due to having a disaster financing plan in place, utilising external and self-insurance, Council is in a sound position to deal with the expected costs.

The most significant damage to Council assets as so far identified is identified below.

Roading – including slips, bridge approach slumping and deformation.

River protection works – losses of rock and significant cracking and distortion of sections of stop bank and reduction in river channel hydraulic capacity in the Lower Ōpaōa (Opawa). The focus of repair work has been to restore hydraulic capacity and protection where there could be potential danger to life, should a significant rainfall event occur

Earthenware sewer pipes in Blenheim - the estimated level of damage is yet to be quantified (CCTV inspections are continuing). These pipes are nearing the end of their useful life and early planning for replacement had been started prior to the event. Repair and replacement options are being assessed. A total replacement strategy could cost in the vicinity of $5.1M which could be funded from the Sewerage Capital budget and not draw on the Disaster Recovery Reserve.

Council's stormwater network also includes earthenware pipes. This network is yet to be surveyed and a very preliminary estimate has been made.

While there is currently no significant damage evident in the water supply reticulation, pipes and connections may have been weakened with this damage not becoming evident until much later. CCTV inspections are also being undertaken where there are different types of pipe e.g. concrete. which will put additional loading on this network.

In addition there has been damage to Community assets such as community halls, Commercial buildings, land via liquefaction and residential buildings (minor).

Above ground assets are covered by specific commercial insurance policies, below ground and river protection assets are "insured" via the LAPP fund (LAPP/CDEM split), roads are uninsured but attract NZTA subsidies and land is also uninsured (except for some residential cover through EQC).

A recent meeting with LAPP representatives gave comfort that cash and reinsurance capacity is adequate to deal with the combined claims of the councils involved. Also, Treasury are including provision for claims in their budget allocation.

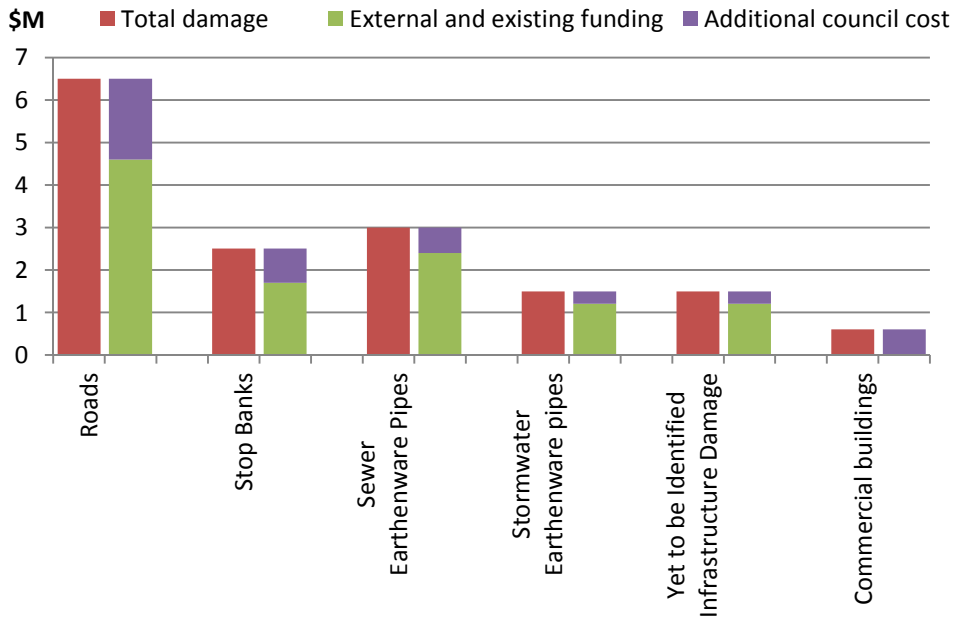
The graph below summarises the estimated costs, recoveries and ultimate cost to Council. These net costs to Council have been reflected in the 2017-18 Annual Plan budgets where appropriate.

There are also approximately $1.0M of commitments already approved for seismic repairs from the previous Seddon earthquake.

Council had, at 30 June 2016, just over $10.0M of Disaster Recovery Reserve. These are funds held specifically for assisting Council to fund damage for larger events where recoveries from external sources (such as LAPP and NZTA) are insufficient to complete remedial repairs and reconstruction. Available Reserves are more than adequate to meet the additional cost for this event.

Having said that, there are likely to be calls on the Reserve as a result of the November event. This will lead to a review in relation to the adequacy (value and timeframe) of reserve replenishment. More detailed analysis can't be completed until costs are confirmed.

Indicative costs and funding sources



Why a surplus?

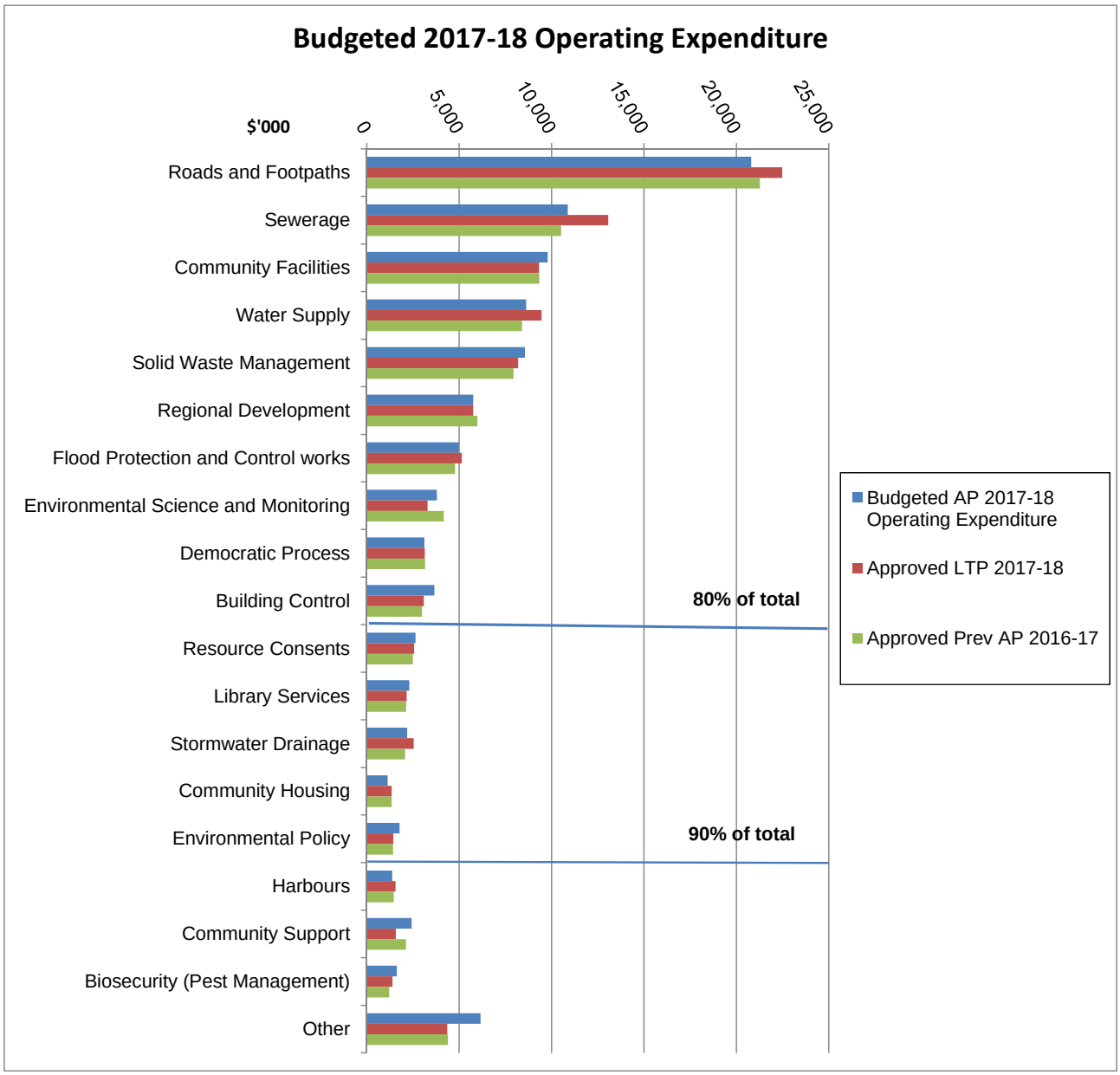
The Statement of Comprehensive Revenue and Expense shows that Council are budgeting for an (increased) accounting surplus. This number does not represent excess cash, it is mainly created by:

- Non-cash items treated as revenue, particularly vested assets (taken on by the council to care for usually from new subdivisions).
- Proceeds from asset sales, Development Contributions and subsidies which are used to fund specific capital items e.g. NZTA for roading capital expenditure.
- Dividends received which are used to fund reserves and designated capital projects.
- Rates designated to fund debt repayment.

Operating Expenditure 2017-18

The planned Operating expenditure for each activity is shown in the following graph, with a separate table showing planned expenditure levels compared to 2016-17 and the level of expenditure budgeted in the LTP for 2017-18.

It should be noted that some of the changes between the LTP and the Annual Plan result from decisions made in the 2016-17 planning process, in addition to the decisions taken this year and summarised here.



	2017-18 Annual Plan	2017-18 Year in LTP	2016-17 Annual Plan
Total Operating Expenditure	$96.3M	$96.7M	$92.8M

Capital Expenditure 2017-18

The table below shows planned capital expenditure levels compared to 2016-17 and the level of expenditure budgeted in the LTP for 2017-18

	2017-18 Annual Plan	2017-18 Year in LTP	2016-17 Annual Plan
Total Capital Expenditure	$61.9M	$41.1M	$49.1M

Following is the amount of Capital spending planned for 2017-18 by each Activity Group and the major projects included. More detailed information can be found under each Activity section:

People $1.0 Million including:

Redevelopment and upgrading of some Housing for the Elderly units.

Completion of Picton Library.

Community Facilities $4.4 Million including:

Aquatic Centre

Awatere Hall

Lansdowne park

Stadium earthquake strengthening

New and improved reserves across Marlborough, subject to Land Subdivision Reserve contributions

Roads $14.2 Million including:

Road renewals

Kenepuru Road sealed pavement

Flood Protection $3.5 Million including:

Tuamarina rock and gabion protection

Sewerage $15.4 Million including:

Picton to Waikawa main trunk sewerage upgrade

Blenheim upgrades for growth and renewals

Stormwater $2.2 Million mainly for:

Blenheim

Water $7.9 Million including:

Renwick water improvements

Strengthening of Wither's reservoir

Seddon township treatment plant

Speeds Road water treatment plant, Picton

Solid Waste $1.7 Million mainly for:

Continuing Landfill expansion

Environmental $0.9 Million including:

Multi-beam mapping of seabed of Totaranui/Queen Charlotte Sound

Regulatory $0.2 Million mainly for:

Harbour control

Regional Development $2.6 Million including :

Flaxbourne irrigation scheme

Financial Position

The table below shows the expected levels of net debt at the end of June 2018 compared to that expected at June 2017 from the 2017 Annual Plan, and 2018 as in the LTP.

Council's increased level of capital expenditure will not result in a commensurate increase in debt due to funding from revenue streams including sales of investment assets.

As evidenced by Council's AA Long Term Standard and Poors Credit Rating (the highest rating available to a New Zealand local authority) Council is well positioned financially for the future.

	2017-18 Annual Plan	2017-18 Year in LTP	2016-17 Annual Plan
Net debt	$27.4M	$69.3M	$25.4M

Annual Plan Disclosure Statement for the Period Commencing on 1 July 2017

What is the purpose of this statement?

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

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

Benchmark	Planned	Met
Rates increases affordability benchmark <= Local Government Cost index plus 2% this year 3.97%.	2.48%	Yes
Rates affordability benchmark -Maximum dollar of rates <= $89.7M.	$64.0M	Yes
Debt affordability benchmark -proposed earnings positive number >= 2.25.or negative net interest -annual interest expense <=12.5% total operating revenue.	 (91.75) 2.01%	 Yes Yes
Operations Control benchmark >=2.	11.62	Yes
Balanced budget benchmark >=100%.	110%	Yes
Essential services benchmark >=100%.	269%	Yes
Debt servicing benchmark <=10%.	1.97%	Yes

Rates Increases affordability benchmark

The Council's planned rates increases for the year are compared with a quantified limit on rates contained in the Financial Strategy included in the Council's LTP. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 2%

Rates affordability benchmark

For this benchmark, the Council's planned rates for the year are compared with a quantified limit on rates contained in the Financial Strategy included in the Council's LTP. The quantified limit is a maximum dollar value of rates of $89.7 Million.

Debt affordability benchmark

For this benchmark, the Council's proposed borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the council's long-term plan.

Benchmark One

The quantified limit on this benchmark is proposed earnings before interest and tax is at least 2.25 times the proposed net interest expense, measured as a factor of proposed net interest. A negative number means there was net interest income and this is a favourable result. Positive numbers below 2.25 are an unfavourable result.

Benchmark Two

The quantified limit on this benchmark is proposed annual interest expense cannot exceed 12.5% of proposed total operating revenue and is measured as a percentage.

Operations control benchmark

For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's long-term plan.

The Council meets the operations control benchmark if it's planned net cash flow from operating activities exceeds the planned proposed gross annual interest expense by at least two times measured as a factor of operating activities cashflow.

Balanced budget benchmark

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.

Part 2: Our Business

Activity Groups and Activities

People
- Democratic Process
- Culture and Heritage
- Community Housing
- Community Support
- Library Services
- Emergency Management

Community Facilities

Roads and Footpaths

Flood Protection and Control Works

Sewerage Including Treatment and Disposal

Stormwater Drainage

Water Supply

Solid Waste Management

Environmental Management
- Environmental Policy
- Environmental Science and Monitoring
- Resource Consents
- Environmental Protection

Regulatory
- Biosecurity (Pest Management)
- Building Control
- Environmental Health
- Animal Control
- Harbours

Regional Development
- Economic Development
- Tourism
- Marlborough Research Centre
- Parking
- Irrigation

Democratic Process

What is this Activity About?

The Marlborough District Council (Council) is a unitary authority, with the functions, duties and powers of both a regional council and a territorial authority conferred on it by the Local Government Act 2002. The Act describes the purpose of Local Government as being to enable democratic local decision-making and action by and on behalf of communities and to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.

In considering the range and diversity of the communities that are represented in Marlborough, the Council recognises the special relationship it has with tangata whenua and acknowledges the specific responsibilities it has to Maori under the Local Government Act 2002 and under the Resource Management Act 1991.

The Council Local Governance Statement (reviewed after the election in 2016) provides a comprehensive overview of its governance policies and processes.

Copies of the Local Governance Statement, and associated polices and documents, can be viewed at Council Service Centres and Libraries and on Council's website.

The Council elections were held on 8 October 2016 with the next elections taking place in 2019. Council uses the Single Transferable Vote method for the election of the Mayor (across the whole District) and 13 Councillors from three Wards (seven from the Blenheim Ward; three from the Marlborough Sounds Ward; and three from the Wairau-Awatere Ward).

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The main emerging issue within this Activity is the community's continuing expectation for more information, consultation and recognition of significant events and people, which increases the cost in these areas.

Levels of Service: Democratic Process

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, 10 = "service delivered extremely well".	6.5	6.7
Provide a service that is timely and responsive to residents' needs.	Percentage of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%
Public contribution to decision making process.	% of Council items of business open to the public.	90%	90%

Funding Impact Statement for 2017-18 Democratic Process	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,891	2,885	2,896
Other receipts	262	262	239
Total operating funding	3,153	3,147	3,135
Applications of operating funding			
Payments to staff and suppliers	1,346	1,345	1,326
Internal charges and overheads applied	1,794	1,785	1,786
Other operating funding applications	6	6	6
Total applications of operating funding	3,146	3,136	3,118
Surplus (deficit) of operating funding	7	11	17
Sources of capital funding			
Gross Proceeds from sale of assets	25	-	-
Total sources of capital funding	25	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	40	-	-
Increase (decrease) in reserves	(8)	11	17
Total applications of capital funding	32	11	17
Surplus (deficit) of capital funding	(7)	(11)	(17)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	3,146	3,135	3,118
plus - Depreciation and amortisation	6	12	11
Expenditure as per Statement of Financial Performance	3,157	3,147	3,129

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
There are no variances which are considered significant.

Culture and Heritage

What is this Activity About?

This activity involves promoting the Marlborough Community's cultural wellbeing. Council defines "culture" as encompassing the customs, practices, languages, values and world views that define social groups in Marlborough.

Practices such as arts, design, and architecture reflect and create our cultural identity. Likewise, the ways in which we approach and understand our heritage shapes our image of ourselves, and the image we convey to future generations.

Council's Arts and Culture Strategy, and its Heritage Strategy, sets out the roles played by Council and the ways in which it proposes working with the community to achieve outcomes for culture and heritage. These include:

- Forming partnerships with organisations and institutions that contribute to cultural wellbeing (eg; Marlborough Museum Past Perfect museums database project).
- Supporting projects that reflect and strengthen Marlborough cultural identity.
- Managing the cultural and heritage assets and resources in a sustainable manner.

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The Heritage and Arts sectors want to invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of arts being practised in Marlborough. This comes at an additional cost.

There is also a desire in the sector for the expansion of museum facilities and to provide a greater level of trained professionals in the local industry. Council has recognised this in part by increasing the contestable grants allocation and committing to review the Heritage Strategy through a stocktake of Heritage services and undertaking a Smart & Connected process. The outcomes from this will underpin future planning and decision making for Council.

Council recognises the importance of heritage and art to Marlborough and will assist organisations in accessing resources to increase support beyond the current levels with help from other funding organisations.

Council's relationships with its partners in the heritage and arts sectors will remain its most important resource in delivering this Activity.

Levels of Service: Culture and Heritage

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9
Manage Council's arts and heritage grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes.	100%	100%
	% of achievement of reporting requirements.	95%	95%
	% of contract requirements are met.	100%	100%

Funding Impact Statement for 2017-18 Culture and Heritage	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	823	796	886
Other receipts	63	72	73
Total operating funding	886	868	959
Applications of operating funding			
Payments to staff and suppliers	106	3	106
Finance costs	-	2	2
Internal charges and overheads applied	79	70	90
Other operating funding applications	818	786	2,478
Total applications of operating funding	1,003	861	2,676
Surplus (deficit) of operating funding	(117)	7	(1,717)
Sources of capital funding			
Increase (decrease) in debt	-	52	-
Total sources of capital funding	-	52	-
Applications of capital funding			
Capital expenditure to improve the level of service	-	52	-
Capital expenditure to replace existing assets	-	52	50
Increase (decrease) in reserves	(117)	(45)	(1,767)
Total applications of capital funding	(117)	59	(1,717)
Surplus (deficit) of capital funding	117	(7)	1,717
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,003	861	2,676
plus - Depreciation and amortisation	5	6	6
Expenditure as per Statement of Financial Performance	1,008	867	2,682
Operating expenditure			
Arts	477	488	2,185
Heritage	531	379	497
Capital expenditure:			
Arts	-	-	-
Heritage	-	-	-

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Heritage operating expenditure has increased due to the grant to Totaranui 250 Trust - for the Ship Cove 250th anniversary of James Cook.*
- *Other operating funding applications has increased $1.6 M due to the $1.45 M, donation for the Civic Theatre, funded from reserves and increased grant funding for the Marlborough Heritage Trust.*

Community Housing

What is this Activity About?

This activity involves Council considering ways and means by which it can assist the people of Marlborough to have access to housing suitable to their needs. Council considers the most effective means of discharging this responsibility to be providing an option for elderly people to access appropriate and affordable housing.

Council also has an advocacy and facilitation role beyond the current provision of Housing for the Elderly. Council will continue to work closely with Housing New Zealand and the Marlborough Sustainable Housing Trust to attract more funding and provision of housing options for the Marlborough community.

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Age of units.
- Increasing proportion of elderly population in Marlborough.
- Fixed incomes of many tenants.
- Rents below market levels.
- Increasing maintenance costs.
- Increase in demand for current units and demand for Council to build more units.
- Increase in use of mobility scooters and secure storage of them – to be considered if developing new complexes.
- Damage caused by tenants smoking inside or in nearby vicinity - implementing a full smoking ban inside and outside the units to preserve life of units and decrease costs involved to renovate after smoke damage.
- Management of hoarding issues.

Currently the housing stock is of reasonable quality, but due to some units either being old or on unstable land there is a need to consider the redevelopment, disposal and upgrading of a number of units. Investigations are currently underway on how this can be achieved.

Levels of Service: Community Housing

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.1	7.1
	Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8	8
Provide up-to-date record of Occupancy levels.	Minimum occupancy in units to be maintained.	98%	98%
Provide community housing reactive maintenance service in two categories.	**Urgent Unplanned Maintenance**[1] **-** % of unplanned maintenance completed within 24 hours of notification.	98%	98%
	Non-Urgent Unplanned Maintenance[2] **-** % of unplanned non-urgent maintenance completed within 20 working days of notification.	90%	90%
Provide an annual checklist of planned maintenance/projects as set out in budget and from Committee meetings.	% of planned maintenance/projects completed in financial year.	70%	74%

[1] Urgent unplanned maintenance is for events that would make the unit unliveable if left for an extended period.

[2] Non urgent unplanned maintenance is for events that do not pose a risk to the tenant if not dealt with straight away but does need to be dealt with in the near future.

Funding Impact Statement for 2017-18 Community Housing	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
Other receipts including property rentals	1,128	1,188	1,139
Total operating funding	1,128	1,188	1,139
Applications of operating funding			
Payments to staff and suppliers	913	879	719
Finance costs	-	-	-
Internal charges and overheads applied	150	154	141
Other operating funding applications	16	18	15
Total applications of operating funding	1,079	1,051	875
Surplus (deficit) of operating funding	49	137	264
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	30	-	-
Capital expenditure to replace existing assets	135	-	315
Increase (decrease) in reserves	(116)	137	(51)
Total applications of capital funding	49	137	264
Surplus (deficit) of capital funding	(49)	(137)	(264)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,079	1,051	875
plus - Depreciation and amortisation	257	296	265
Expenditure as per Statement of Financial Performance	1,336	1,347	1,140

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Payments to staff and suppliers are lower due to less repairs and maintenance this year.*
- *Capital expenditure is higher than the LTP due to redevelopment and upgrading some of the Housing for the Elderly units.*

Community Support

What is this Activity About?

Council supports the community in a number of ways including Community Development, Energy Efficiency, Passenger Transport and Mobility Scheme and Events Management.

Community Development

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council has worked in partnership with key organisations to establish the Positive Ageing Accord to identify the aspirations of this sector and actions needed to achieve them.

Similarly Council has developed, following active input from youth, a Youth Policy and Youth Initiatives Plan that works towards achieving a better environment and services for this sector. This includes making progress towards the Mayoral Task Force goal of "that all young people under the age of 25 should be engaged in appropriate education, training, work or other options which will lead to long term economic independence and wellbeing".

Council also assists through provision of community grants with set criteria to target needs in the community.

Energy Efficiency

Marlborough District Council is offering an energy efficiency funding service to ratepayers for:

- Home insulation.
- Solar water heating;
- Clean heating.

For these services Council provides funding for the cost of an approved solution which will be recovered over nine years through a targeted homeowner property rate. This is a voluntary targeted rate and is cost neutral to Council.

Passenger Transport and Mobility Scheme

Passenger transport connects people to services and activities to enables them to enjoy a better quality of life. Council currently operates an urban bus service in Blenheim and a District wide mobility scheme for the disabled that meets community need within funding constraints.

Events Management

Provision of community based events contributes to residents' wellbeing, cultural identity and social cohesion. Events also have a role to play in attracting visitors to Marlborough along with showcasing and promoting the area. This activity provides for a number of events, including the summer concert series, Blenheim Christmas parade, senior citizens concerts, Christmas festival, Southern Jam youth festival, Children's theatre and New Year celebrations

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The changing age structure of the Marlborough community will pose some challenges for future infrastructure and delivery of services. In the coming years our community is going to be "older" – 2013 Census shows 20.5% of the population was over 65 and expected to increase to almost a third of the population by 2043. The other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. It is already apparent that ethnic and cultural diversity will be an increasingly prominent feature of the population.

These changes to the composition to the community have major planning implications for Council and non-Council services – they affect, for example, the demand for and delivery of health and education services, along with housing, transport (including passenger transport and mobility) and recreation. They have implications for the labour market and the demand for a wide range of goods and services. Delivery of community based services is also affected by the changes experienced in the community. Volunteer input is an enormously valuable community resource and support is needed to build the capacity of the sector to ensure services continue to be provided that reflect the changing needs of the community.

For Passenger Transport, the challenge is maintaining affordable and accessible services that meet community needs, within funding constraints. A full service and funding review is planned for 2017 prior to re-tendering the bus service in 2018.

For Events Management, the main challenge is to keep events relevant and interesting in times of changing population demographics. This includes challenges for the providers to achieve funding from other sources to maximise the events at a time when there is significant pressure on these sources from the community sector.

Levels of Service: Community Support

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".		
	• Community Support.	7.2	7.2
	• Community Safety	7.3	7.3
	• Events Management.	7.1	7.1
Manage Council's community grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes.	100%	100%
	Achievement of reporting requirements.	95%	95%
	Contract requirements met.	100%	100%
Manage third party providers to ensure service quality and value of community events.	Achievement of reporting requirements.	100%	100%
	Participation numbers match targets in contracts.	100%	≥95%
Implement the Positive Ageing Accord.	Number of Older Persons Forums held annually with attendance exceeding quorum.	10	10
	Frequency of Seniors Expo.	Biennial Seniors Expo	Senior Expo Held
	% of actions in Positive Ageing Accord Plan completed relevant for that year.	New measure	95%
Implement Youth Initiatives Plan.	Number of Youth Forums held annually with attendance exceeding quorum.	10	10
	% of actions in Youth Initiatives Plan completed each year.	95%	95%
Build capacity of the Volunteer Sector through provision of training in partnership with key service providers.	Number of training courses provided per annum where attendance numbers meet targets.	3	3
Provide quality service that meets and exceeds the expectations of the Ministry of Justice thus providing a quality restorative justice service to the community.	Ensure contract reports are completed within timeframes.	100%	100%
	% of compliance with Ministry of Justice contract conditions met.	100%	100%
	Monitor and manage services to agreed timeframes and budgets.	100%	100%
Provide a well-used and affordable bus service in Blenheim that is timely and responsive to community needs.	Increase levels of customer patronage by 3% per annum (total patronage for 2013-14 year was 26,498).	26,498	3%> previous year
	Complete annual passenger survey and reports results to Council by 30 June each year.	New measure	30 June
	Improve infrastructure to support bus service by adding a minimum of three bus shelters per year (as funding allows).	12 shelters	3 extra

Funding Impact Statement for 2017-18 Community Support	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,100	942	1,259
Targeted rates	175	187	250
Subsidies and grants for operating purposes	344	329	339
Fees and charges	17	18	17
Other receipts	101	122	163
Total operating funding	1,737	1,598	2,028
Applications of operating funding			
Payments to staff and suppliers	1,075	901	1,210
Internal charges and overheads applied	191	197	190
Finance costs	18	21	17
Other operating funding applications	835	449	1,005
Total applications of operating funding	2,119	1,568	2,422
Surplus (deficit) of operating funding	(382)	30	(394)
Sources of capital funding			
Increase (decrease) in debt	-	-	-
Subsidies and grants for capital expenditure	10	10	10
Total sources of capital funding	10	10	10
Applications of capital funding			
Capital expenditure to improve the level of service	45	-	-
Capital expenditure to replace existing assets	-	21	20
Increase (decrease) in reserves	(417)	19	(404)
Total applications of capital funding	(372)	40	(384)
Surplus (deficit) of capital funding	382	(30)	394
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,119	1,568	2,422
plus - Depreciation and amortisation	6	5	4
Expenditure as per Statement of Financial Performance	2,125	1,573	2,426
Operating expenditure			
Grants and Donations	979	516	1,176
Safer Communities	145	146	143
Security	132	97	133
Events Management	176	182	186
Energy Efficiency	206	156	306
Recreation	82	72	80
Passenger transport	405	404	401
Capital expenditure:			
Safer Communities	25	-	-
Passenger transport	20	21	20

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Grants and donations operating expenditure has increased due to the $100,000 grant for the Queen Charlotte Track, $270,000 for the Queen Charlotte Yacht Club and $125,000 for community grants which were previously budgeted under Arts and Heritage.*
- *Energy Efficiency operating expenditure has increased due to the new Home Clean Heating scheme.*
- *Reserves have decreased as they were applied to funding for the Queen Charlotte Yacht Club grant of $270,000 and the Queen Charlotte Track grant of $100,000.*

Library Services

What is this Activity About?

Council provides library services to all Marlborough residents through a District Library in Blenheim, a Branch Library in Picton (a combined Library and Council Service Centre) and by supporting school based community libraries in Ward, Havelock, and Waitaria Bay, along with a community library in Renwick.

The purpose of this Activity is to provide the community with a professional library service which assists customers to help themselves by encouraging a joy of reading and the pursuit of knowledge. As well as providing comprehensive book collections for informational and recreational use, the library service provides access (and in some cases training) to a wide range of electronic databases and the internet. Free internet and Wi-Fi access is provided to all library visitors via the Aotearoa People's Network Kaharoa.

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The major challenge that continues to affect Council's library services is the lack of space for collections, technology use, educational and recreational use, including class visits and regular meetings.

Council's urban design strategies have reinforced the need for improved facilities in both Blenheim and Picton. The building of the new Picton Library and Service Centre has commenced with an expected completion date of late 2017. Budgeting to replace the District Library in Blenheim is on-going with a replacement date from 2018-19.

Levels of Service: Library Services

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.1	8.1
Provide a range of current resources supporting the tastes, interests and reading levels of users.	Average age of resources.	10 years or less	<10 years
	Frequency of items being taken out (turnover rate).	4 times per year	4 times per year
	Average number of overdue items not returned 28 days after the due date each month.	185 items	<185 items
Provide a range of programmes or training opportunities that meet or exceed customers' expectations.	Evaluate the satisfaction of courses and programmes offered by the libraries by survey, where 1=Unsatisfactory, 3=Good, and 5=Excellent.	>3	>3
Provide access to information electronically.	Number of e-book and e-audio loaned.	6,600 items	10% increase on baseline

Funding Impact Statement for 2017-18 Library Services	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,843	1,766	2,011
Fees and charges	6	6	6
Other receipts including fines and infringement fees	294	320	293
Total operating funding	2,143	2,092	2,310
Applications of operating funding			
Payments to staff and suppliers	1,252	1,176	1,234
Finance costs	22	157	147
Internal charges and overheads applied	503	490	572
Total applications of operating funding	1,777	1,823	1,953
Surplus (deficit) of operating funding	366	269	357
Sources of capital funding			
Increase (decrease) in debt	724	3,500	(69)
Total sources of capital funding	724	3,500	(69)
Applications of capital funding			
Capital expenditure to meet additional demand	3,500	25	310
Capital expenditure to improve the level of service	23	3,675	24
Capital expenditure to replace existing assets	269	277	264
Increase (decrease) in reserves	(2,702)	(208)	(310)
Total applications of capital funding	1,090	3,769	288
Surplus (deficit) of capital funding	(366)	(269)	(357)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,777	1,822	1,953
plus - Depreciation and amortisation	366	339	353
Expenditure as per Statement of Financial Performance	2,143	2,161	2,306

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Capital expenditure and debt funding have reduced due to the Picton Library construction costs being brought forward to 2016-17.

Emergency Management

What is this Activity About?

The Marlborough CDEM Group has responsibility for the administration and implementation of a CDEM Group Plan. Amongst other requirements the Plan describes:

- Emergency Management policies and procedures in place to manage hazards through risk reduction strategies.
- Arrangements for declaring a state of emergency in the area.
- Arrangements for cooperation and coordination with neighbouring CDEM Groups and key stakeholders.
- How hazards managed by CDEM are prioritised according to risk. The eight most significant hazards include earthquakes, local source tsunami, marine accidents, terrorism, river floods, human pandemic, animal epidemic and plant and animal pests. Marlborough may need to deal with a number of other hazards not mentioned here.

Members of CDEM include Council, Nelson Marlborough Health (NMH), Police, Fire and Emergency New Zealand and St Johns as well as a number of Non-Government Organisations such as Red Cross.

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

A new CDEM Plan has been operating since February 2017. The new plan was written after significant public and stakeholder engagement to ensure that all Marlborough specific hazards were addressed and a process was in place to manage each one.

Marine accidents, marine pests and diseases and plant and animal pests featured highly for the first time while earthquakes and local source tsunami were the two most serious natural hazards faced by Marlborough residents.

Levels of Service: Emergency Management

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.0	8.0
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Timeliness for the completion of the update to emergency contact plans.	30 June	30 June 2018
	Level of compliance with the 10 year exercise programme for testing the CDEM Plan.	100%	100%
	% compliance with testing programme for radios, sector kits and emergency generator.	100%	100%
Urban fire is managed as per Council bylaws.	% of vegetation fire hazard complaints processed within 10 working days of receipt of call.	New measure	90%

Funding Impact Statement for 2017-18 Emergency Management	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	753	788	845
Subsidies and grants for operating purposes	-	19	-
Other receipts	97	129	109
Total operating funding	850	936	954
Applications of operating funding			
Payments to staff and suppliers	432	565	451
Internal charges and overheads applied	238	256	276
Other operating funding applications	174	71	182
Total applications of operating funding	844	892	909
Surplus (deficit) of operating funding	6	44	45
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	46	29	28
Increase (decrease) in reserves	(40)	15	25
Total applications of capital funding	6	44	53
Surplus (deficit) of capital funding	(6)	(44)	(53)
Funding balance	-	-	(8)
Reconciliation			
Total applications of operating funding	844	892	909
plus - Depreciation and amortisation	844	44	45
Expenditure as per Statement of Financial Performance	1,688	936	954

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Payments to staff and suppliers have decreased due to the transfer of the Rural Fire Service to Fire and Emergency New Zealand.

Community Facilities

What is this Activity About?

Council provides and maintains a wide range of open spaces and built facilities which meet a diversity of community needs through the development and maintenance of recreation reserves, sportsgrounds, cemeteries, public toilets, aquatic facilities, walking and cycling routes, community halls, streets and berms.

Further details on what this Activity is about is contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- The 2011 Earthquake resulted in Park buildings needing to be assessed and brought up to building code where structural damage had occurred. The 2016 Earthquake has added to the number of structures that required this process. Structural seismic strengthening works are underway at Athletic Park grandstand and Stadium 2000. A&P grandstands are currently awaiting a resource consent to remove the historical designation from the building before any decisions can be made to strengthen or remove and rebuild. Buildings on the Ward Domain await feasibility reports and the Awatere Domain building also sustained additional damage.
- Creation of a policy providing guidance around investment in newly acquired Reserves needs developing to ensure Council's investment is appropriate and equitable for the type and location of reserve.
- An increase in the major vineyard accommodation development proposals requires careful consideration of their impact on Council facilities.
- The adoption of the amended Freedom Camping Bylaw has resulted in changes to the administration of the activity. As the activity and its profile are increasing nationally, Marlborough has allocated an additional $30,000 for its management.
- Lansdowne Park redevelopment in to a multisport facility is a complex process. Planning and consultation with existing and potential users is underway. Park reconfiguration continues with the relocation of netball in 2017 and the continued development of the softball area. The development of a "Sportville" facility at the Park will provide for all the potential sport codes that make use of the park. There is opportunity to develop the facility to provide for some commercial operation to assist in subsidising the operating expenses. A business plan, including a needs assessment, is underway; this will result in design options and costings being available within the 2017/8 year. It is expected the Sportville facility will cost $5,000,000 with the ability to attract external fundraising.
- As part of the Marlborough Outdoor Sports Facility Plan a review of the long term configuration of A&P Park will be required to get the greatest capacity for the fields and renewal of facilities.
- A landscape plan is being developed for the Picton Foreshore Reserve which will create a plan for future investment. Public perception of cruise ship passenger expectations is requesting increased levels of service and asking for minimising reserve interruptions as a result of capital works. It is difficult for Council to manage these expectations.
- Pollard Park is used as one of Marlborough's key event venues but the area used, Baden Powell, is no longer able to cater for several of the events as they become increasingly popular. The expansion of the play area is also restricted by the space being shared by events. The Pollard Park Reserves Management Plan identified Churchill Glade as the preferred area to hold events. For this to be achieved investment in infrastructure is required to provide for public amenities and services. This includes extension of services to Churchill Glade, provision of public conveniences and irrigation.
- Awatere Hall redevelopment funding is being requested to be brought forward to allow the project to proceed. The current configuration of the hall is preventing the community from utilizing the facility to its potential. Design options will allow the community to best understand how the facility could potentially be best managed.
- A master plan has being drafted for district wide future developments in cemeteries. This will guide future development, management and operational requirements.

Levels of Service: Community Facilities

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.7	7.7
Neighbourhood Parks Provision of neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	That within the urban environment 98% of the area is provided with a Neighbourhood Park which is either 500 metres approximately or ten minutes' walk.	98%	98%
Public Gardens Provision of high quality public gardens in key locations that provide opportunities for amenity horticultural displays, education and contemplative leisure experiences.	Three prime areas are allocated and maintained to high horticultural amenity standard. Offering at least five various displays, educational opportunities for the community and contemplative leisure experiences.	Five educational sessions are offered.	5
Cultural Heritage The protection of specific cultural heritage sites and opportunities to experience and learn about our history.	War Memorial sites are protected, maintained and made available for memorial services.	Sites are available for at least 12 services.	12
	Provision of cemeteries will meet the future interment of the community to provide accessible and appropriate sites for burial.	300 burial sites are available.	400
Outdoor Adventure Recreation activities and built facilities, requiring a large scale non-urban environment.	Provision of opportunities for outdoor adventure based Recreation activities such as walking tracks and mountain bike tracks.	158 kms	168 kms
Civic Space Provision of open space within business/retail areas, with a high level of amenity development and maintenance designed to attract and cater for periodic high levels of use.	Provision and maintenance of central areas eg; Liz Davidson Place, Bythell Place, Stadium 2000 Pocket Park, Riverside Park and London Quay.	At least 12 areas are provided and maintained.	12
	Events are held at the Parks.	Five or more events are held.	5
	Identification and acquisition of identified sites eg; Taylor River, Spring Creek walk way. Esplanade acquisition.	At least four new identified sites were acquired each year.	4
Sport and Recreation To provide and maintain sports field capacity to meet reasonable demand. Recreation facilities will be managed to meet the recreation needs of the community or sport code.	Provision of sports facilities meets reasonable demand.	New Measure	85%
	Delivery will achieve at least 85% resident satisfaction.	New Measure	90%

Funding Impact Statement for 2017-18 Community Facilities	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,875	7,916	8,498
Subsidies and grants for operating purposes	20	11	10
Fees and charges	143	150	143
Other receipts	638	752	735
Total operating funding	8,676	8,829	9,386
Applications of operating funding			
Payments to staff and suppliers	5,681	5,596	5,937
Finance costs	644	772	803
Internal charges and overheads applied	1,649	1,628	1,719
Other operating funding applications	196	212	162
Total applications of operating funding	8,170	8,208	8,621
Surplus (deficit) of operating funding	506	621	765
Sources of capital funding			
Development and financial contributions	1,169	1,064	1,204
Increase (decrease) in debt	2,382	-	1,436
Total sources of capital funding	3,551	1,064	2,640
Applications of capital funding			
Capital expenditure to meet additional demand	1,074	388	897
Capital expenditure to improve the level of service	2,533	468	2,012
Capital expenditure to replace existing assets	851	1,260	1,450
Increase (decrease) in reserves	(401)	(431)	(954)
Total applications of capital funding	4,057	1,685	3,405
Surplus (deficit) of capital funding	(506)	(621)	(765)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,170	8,208	8,621
plus - Depreciation and amortisation	1,186	1,117	1,172
Expenditure as per Statement of Financial Performance	9,356	9,325	9,793
Operating expenditure			
Cemeteries	511	557	476
Memorials	91	100	95
Street berms, trees and plots	550	583	571
Halls	386	311	349
Public Conveniences	882	909	987
Reserves	5,150	5,086	5,590
Swimming Pools	1,786	1,783	1,763
Capital expenditure:			
Cemeteries	80	26	225
Memorials	8	82	78
Street berms, trees and plots	34	35	40
Halls	142	21	1,020
Public Conveniences	150	394	275
Reserves	4,044	1,532	1,561
Swimming Pools	-	26	1,160

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Reserves Operating expenditure has increased due to increased contract costs including $30,000 for a freedom camping ranger and repairs and maintenance, materials, planting and salaries .*
- *Capital expenditure for cemeteries has increased due to the Picton cemetery restoration work.*
- *Capital expenditure for Halls has increased due to the Awatere Community Hall replacement, which has been brought forward to 2017-18 from 2020-21. This is debt funded.*
- *Capital expenditure for Swimming Pools has increased due to the stadium earthquake strengthening, carried over from 2016-17 and funded from emergency reserves.*
- *The decrease in reserves is greater due to the stadium earthquake strengthening, carried over from 2016-17 and funded from emergency reserves.*

Roads and Footpaths

What is this Activity About?

This activity is carried out so that the movement of people and goods within and through the District can be safe, efficient and convenient.

As owner of the local road network Council provides and maintains a 1,535 kilometres roading network to standards that achieve an acceptable balance between user levels of service and cost. In addition Council is responsible for all roading related assets footpaths, kerb and channelling, street lighting and car parks (accounted for in the Regional Development Activity). 13 wharves are also owned and maintained by Council.

State Highways are the responsibility of the New Zealand Transport Agency (NZTA) and as such is a key partner in Council achieving community outcomes.

Separate Roles

Council has developed a contract with the NZTA's Marlborough Roads office to manage Council's roads on its behalf. This is achieved through a formal contract and a close management relationship between Council and Marlborough Roads to ensure the Levels of Service in Council's 10 year Roading Infrastructure Asset Management Plan is met. Also the NZTA normally provides funding assistance of 51%.

Council also works closely with the New Zealand Police on road safety issues and maintains and reviews a Road Safety Action Plan for the District.

Further details on what this Activity is about and the assets involved are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

Increasing Forest Harvests

Marlborough's main forests were developed in the late 1970's and 1980's. Increasing harvest volumes, and harvesting in new areas are creating roading issues such as dust effects, noise, wear and tear on the network along with perceived safety issues.

The forest industry is improving freight efficiency by carting logs with 50MAX availability across the entire Marlborough network and High Productivity Motor Vehicle (HPMV) availability on selected routes. Logging is putting pressure on Council's older bridge stock requiring bridge replacements and incrementally increasing pavement maintenance and renewal costs.

Pressure on Budgets for Increasing Storm Damage Costs

Climate change is expected to increase the frequency of heavy rainfall events with consequent road damage. Changes to the Transport Agency's funding assistance rate policy for emergency repairs could also impact on Council's budgets.

Unsealed Network

Marlborough has an unsealed network of approximately 620km. The current investment level is not providing the level of service that the public are demanding. An increase in investment in metal renewals and grading frequency is likely to be required in the new maintenance contract commencing 1 July 2018.

Urban Growth Effects

Proposed new zone developments need to follow planned roading layouts to ensure good community outcomes and equitable cost sharing. Capital costs are expected to be met by developers and recovered by Council development contribution zone levies.

Ageing Population

The ageing demographic of the Marlborough population is likely to increase demand for better standards of footpath including increased levels of service for mobility scooter users.

Walking and Cycling

Marlborough is eligible to receive funding assistance from NZTA for approved Urban Cycle Funding and has identified extension the Beaver Road/Eltham Road as worthy projects.

Council is also supporting the Coastal Pacific Trail Cycle-path. A feasibility study is under way for this project and if the outcome is successful further funding will be required. There is likely to be future demand for safe urban cycle routes.

Levels of Service: Roads and footpaths

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.5	6.5
Road safety Provide a safe transport infrastructure.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	8 (previous 10 year average)	Target for reducing the number of serious injuries and fatalities = Nil
Road condition Provide a quality transport infrastructure.	Average quality of ride on a sealed local road network measured by Smooth Travel Exposure[3] for: Urban roads Rural roads	 ≥ 85% ≥ 92%	 ≥ 83% ≥ 92%
	Condition Index[4].	≤ 6.5	< 6.3
	Average road roughness standards for: Urban sealed roads Rural sealed roads NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel rough will have a roughness value higher than 300.	 < 110 < 98	 < 115 < 100
Road maintenance Provide a sustainable land transport infrastructure.	The % of sealed road network that is resurfaced annually. Total sealed area is 7,995m^2 as 2014-15.	4.2%	4.2%
Footpaths To provide footpaths that meet the needs of an ageing community.	The % of footpaths within a territorial authority district that meets the Asset Management Plan rating of better than 4.	94%	94.9%
Respond to Service Requests	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	New measure	≥ 90%

[3] Smooth Travel Exposure is the percentage of vehicle kms travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the roading network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users. The Marlborough values compare favourably with peer agencies.

[4] Condition Index is an addition of weighted percentages of defects like alligator cracking, scabbing, potholes, pothole patches and flushing. It does not include age of the surfacing treatment. Lower values indicate a higher standard, where the maximum score is 100 and a lower score such as five is a very good outcome.
Because of short term pressures with funding reducing an allowance was made for some increase in the Condition Index reflecting less renewal and more maintenance.

Funding Impact Statement for 2017-18 Roads and footpaths	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,263	10,431	9,938
Targeted rates	63	63	63
Subsidies and grants for operating purposes	4,823	5,095	4,377
Fees and charges	7	6	7
Other receipts	1,266	1,220	1,376
Total operating funding	15,422	16,815	15,761
Applications of operating funding			
Payments to staff and suppliers	10,452	10,968	9,491
Finance costs	565	895	654
Internal charges and overheads applied	1,387	1,485	1,454
Other operating funding applications	24	-	-
Total applications of operating funding	12,428	13,348	11,599
Surplus (deficit) of operating funding	2,994	3,467	4,162
Sources of capital funding			
Subsidies and grants for capital expenditure	3,278	3,417	4,211
Development and financial contributions	622	253	634
Increase (decrease) in debt	1,525	1,405	1,525
Total sources of capital funding	5,425	5,075	6,370
Applications of capital funding			
Capital expenditure to meet additional demand	1,544	385	1,731
Capital expenditure to improve the level of service	3,131	2,604	3,931
Capital expenditure to replace existing assets	6,395	8,079	7,956
Increase (decrease) in reserves	(2,651)	(2,526)	(3,086)
Total applications of capital funding	8,419	8,542	10,532
Surplus (deficit) of capital funding	(2,994)	(3,467)	(4,162)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	12,428	13,348	11,599
plus - Depreciation and amortisation	8,843	9,141	9,203
Expenditure as per Statement of Financial Performance	21,271	22,489	20,802
Capital expenditure (including vested assets):	11,695	11,068	14,243

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Payments to staff and suppliers have reduced due to minor safety improvements now reclassified as capital expenditure.*
- *Capital expenditure has increased primarily due to minor safety improvements now reclassified from operating expenditure to capital expenditure and also due to an increase in traffic services renewals.*

Flood Protection and Control Works

What is this Activity About?

The activity is primarily about managing flood hazard and drainage of the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks, drainage improvements and from recent assessments of flood risks as land uses change with development.

Further details on what this Activity is about and the assets involved can be found in the 2015-25 LTP.

Emerging Issues and Expected Changes

This plan provides for further progress on the issues identified when the Council's current LTP was prepared.

The November 2016 earthquake has not materially altered the proposed maintenance and capital upgrade work program. It is possible that land movement as a result of the earthquake has led to changes to drainage outfalls or floodway capacity which will require future flood protection/drainage system modifications.

The changes/updates provided for in the 2017-18 Annual Plan are summarised as follows:

Asset Refurbishment and Upgrades to Ensure Agreed Levels of Service

Omaka River below Hawkesbury Bridge – the computer flood flow modelling to check the capacity of the floodway indicates that a couple of sections of the existing stopbanks are not up to standard and require upgrading. Capital budget is included in 2017-18 to commence the upgrade of the true right bank immediately downstream of SH6.

Lower Wairau stopbank upgrade – further progress has been made with the design of these upgrades and discussions are progressing steadily with affected landowners on the proposed works. The capital budgets reflect the likely pace of when actual works can be achieved.

Wairau River edge protection upgrades – During 2016 flood damage opened up new large erosion areas on the north bank of the river at Gibsons Road and at the Crafar Crouch processing plant. Interim stabilising works have been completed that will require strengthening. Capital provision is included to progress this necessary work.

Lower Tuamarina channel upgrade – preliminary design of the upgrade is complete and we have agreement for the works from the two key adjacent landowners. The main upgrade work is now scheduled for summer 2017-18.

Lower Opawa stopbank upgrade – the Flood Protection plan provides for steady upgrade of a number of sections of stopbanks to bring the system up to standard. The post earthquake inspections have revealed a low section of stopbank at the eastern end of Dillons Point Road that had not been previously identified in the upgrade schedule. It is proposed to complete this upgrade in summer 2017-18 and delay proposed upgrade works in the Wairau Diversion to keep within the planned capital expenditure budget.

Blenheim Stormwater Outfall Upgrades

The priority for 2017-18 will be to complete construction of the Muller Road link and associated upgrade of the Town Branch Drain to Rileys Drain outfall. This will both provide a more secure outfall for the Muller Road area and enable the current Easthaven subdivision to be completed.

Work is progressing steadily on final design and necessary resource consent application and landowner agreements for the Caseys Creek upgrade. This should enable construction of the upgrades from summer 2017-18 to meet the development requirements of the rezoned area north of Old Renwick Road.

Improvements to the Lower Wairau Drainage Network

Implementation of the upgrades is underway and will continue into 2017-18. There may be matters for further Council decision as the work proceeds.

Planning Input

Investigations of the Lower Terrace area at Renwick for suitability for further development from a flood hazard perspective are largely complete. Some Ruakanakana (Gibsons) Creek upgrade work will be required if more intensive development is to proceed. No budget provision for this is currently provided.

Levels of Service: Flood Protection and Control Works

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.0	7.0
Wairau River scheme - system and adequacy These major flood protection and control works are maintained, repaired and renewed to the standards defined in Rivers and Drainage Asset Management Plan (AMP).	% of floodway and tributary network inspected annually for condition and maintenance requirements.	90%	90%
	% of programmed maintenance and renewal works identified in the AMP 'practically'[5] completed.	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
	Timeliness of providing a report to the Assets and Services Committee on the damage to the floodway network and potential problem areas following significant flood events (generally exceeding a 1:2 year return).	<2 months post event	<2 months post event
Wairau Plains Effective drainage provided to the lower Wairau plains.	% of drain network inspected at least annually for condition and maintenance requirements.	100%	100%
	% of drains weed sprayed each year.	90%	90%
	% of drains mechanically cleared each year.	6%	6%
	% of the agreed and approved drain network extension upgraded and brought into Council management.	New measure	30%
Picton Floodways Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event.	% of floodway network inspected annually for condition and maintenance requirements.	100%	100%
	% of programmed maintenance and renewal works identified in the AMP 'practically'[5] completed.	100%	100%
Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls.[6]	% of programmed maintenance and renewal works identified in the AMP 'practically'[5] completed.	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	<5	5

[5] NZS 3910:2003 defines practical completion as when the contract works or any separable portion are complete except for minor omissions and minor defects.

[6] Channels and pump stations, including the Town Branch Caseys, Fulton and Murphys Creeks to provide for a 1 in 50 year return period storm event runoff including both infill and greenfield development.

Funding Impact Statement for 2017-18 Flood protection and control works	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	274	286	296
Targeted rates	3,598	3,972	3,747
Fees and charges	605	636	565
Internal charges and overheads recovered	200	210	200
Other receipts including rental revenue	2,405	2,590	2,716
Total operating funding	7,082	7,694	7,524
Applications of operating funding			
Payments to staff and suppliers	3,106	3,217	3,226
Finance costs	51	149	111
Internal charges and overheads applied	1,646	1,760	1,661
Other operating funding applications	36	33	35
Total applications of operating funding	4,839	5,159	5,033
Surplus (deficit) of operating funding	2,243	2,535	2,491
Sources of capital funding			
Increase (decrease) in debt	50	210	520
Total sources of capital funding	50	210	520
Applications of capital funding			
Capital expenditure to meet additional demand	240	-	200
Capital expenditure to improve the level of service	390	504	1,685
Capital expenditure to replace existing assets	900	1,003	1,664
Increase (decrease) in reserves	763	1,238	(538)
Total applications of capital funding	2,293	2,745	3,011
Surplus (deficit) of capital funding	(2,243)	(2,535)	(2,491)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,839	5,159	5,033
plus - Depreciation and amortisation	143	198	165
less - Internal charges and overheads recovered	200	210	200
Expenditure as per Statement of Financial Performance	4,782	5,147	4,998
Operating expenditure			
River Leases	242	237	276
Rivers Outside Wairau Floodplain	248	264	252
Wairau Floodplain Drainage	825	932	910
Wairau Floodplain Rivers	3,466	3,714	3,563
Capital expenditure:			
Rivers Outside Wairau Floodplain	20	21	40
Wairau Floodplain Drainage	295	295	1,010
Wairau Floodplain Rivers	1,215	1,189	2,499

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Capital expenditure for the Wairau Floodplain Drainage has increased due to enlarging of the drainage channels.*
- *Capital expenditure for the Wairau Floodplain Rivers has increased due to the additional stopbank work on the Lower Wairau River and realigning the Tuamarina stopbanks.*

Sewerage Including Treatment and Disposal

What is this Activity About?

Collection, treatment and disposal of wastewater to provide sanitary living conditions, protect the public health and minimise damaging discharges to the environment is an essential service that contributes to:

- The health of communities.
- Minimising adverse environmental effects.
- Industrial and residential development.

Council's 2015-25 LTP provides further information on the assets and areas served by Council's sewerage schemes and what is entailed in each scheme.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Increasing treatment capacity at Blenheim Sewerage Treatment Plant to meet continuing growth in trade waste.
- Significant upgrades of the sewerage reticulation network and pump stations will be required in Blenheim and Picton to reduce and control overflows.
- Upgrading Havelock's oxidation pond system to allow for industrial growth.
- The management and control of rainfall derived inflow and ground water infiltration into the wastewater reticulation. Infrastructure renewal is becoming necessary across all networks as pipelines are near the end of their useful life, in particular in Picton, including repairs to earthenware sewer pipes damaged by the November 2016 earthquakes.
- Blenheim network capacity upgrades providing capacity for future urban growth.

Levels of Service: Sewerage Including Treatment and Disposal

Level of Service	Indicator	Baseline	2017-18 Target
Customer Satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.0	8.0
	The total number of complaints received by the territorial authority about any of the following: (a) Sewage odour (b) Sewerage system faults (c) Sewerage system blockages, and (d) The territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.	7.5	7.0
System and Adequacy Provide a level of service quality that minimises environmental risks.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.	0.31	0.31
Discharge Compliance Provide a reliable wastewater service with adequate system capacity and performance.	Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.	1.00	0.81
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) Abatement notices (b) Infringement notices (c) Enforcement orders, and (d) Convictions, received by the territorial authority in relation those resource consents.	Nil	Nil

Levels of Service: Sewerage Including Treatment and Disposal

Level of Service	Indicator	Baseline	2017-18 Target
Fault Response Times Provide a service that is timely and responsive to customers' needs.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:		
	(a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	New Measure	1.5 hours
	(b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New Measure	4.5 hours

Funding Impact Statement for 2017-18 Sewerage	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
Targeted rates	7,992	9,473	7,939
Fees and charges	62	65	62
Other receipts	1,915	2,213	2,032
Total operating funding	9,969	11,751	10,033
Applications of operating funding			
Payments to staff and suppliers	2,862	2,920	2,783
Finance costs	2,469	4,167	2,441
Internal charges and overheads applied	2,223	1,996	2,542
Total applications of operating funding	7,554	9,083	7,766
Surplus (deficit) of operating funding	2,415	2,668	2,267
Sources of capital funding			
Development and financial contributions	565	496	565
Increase (decrease) in debt	8,593	1,142	11,774
Total sources of capital funding	9,158	1,638	12,339
Applications of capital funding			
Capital expenditure to meet additional demand	4,166	1,937	6,096
Capital expenditure to improve the level of service	3,494	2,233	5,229
Capital expenditure to replace existing assets	4,210	548	3,966
Increase (decrease) in reserves	(297)	(412)	(685)
Total applications of capital funding	11,573	4,306	14,606
Surplus (deficit) of capital funding	(2,415)	(2,668)	(2,267)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	7,554	9,083	7,766
plus - Depreciation and amortisation	3,055	3,994	3,114
Expenditure as per Statement of Financial Performance	10,609	13,077	10,880
Operating expenditure			
Combined scheme	8,691	10,797	8,869
Riverlands Industrial	1,796	2,090	1,922
St Andrews (new)	6	60	7
Loan units (no-lump sum)	116	130	107
Capital expenditure (including vested assets):			
Combined scheme	11,990	3,699	14,459
Riverlands Industrial	-	6	952
Tuamarina (new)	-	-	-
St Andrews (new)	-	1,142	-

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Finance costs have reduced as a result of project timing changes.*
- *Debt has increased to fund the increased capital expenditure*
- *Capital expenditure for the combined scheme has increased due to Blenheim and Picton sewer capital expenditure which was carried over to 2017-18.*
- *Capital expenditure for St Andrews has reduced as it is deferred to 2018-19 and 2019-20.*

Stormwater Drainage

What is this Activity About?

Council provides a stormwater drainage system to manage stormwater run-off from urban catchments. Collection and disposal of stormwater contributes to:

- Safety of the community by minimising the incidence of flooding.
- Minimising damage to properties from flooding.
- Reduced erosion.
- Facilitating commercial and residential development.
- The aquatic environment through the management of quality of urban stormwater run-off.

Council's 2015-25 LTP provides further information on the areas served by Council's stormwater drainage and what is entailed in each

Emerging Issues and Expected Changes

Stormwater management in Blenheim is a current and future challenge for the town. Many challenges are created by the flat topography and unique and sensitive receiving environments. Council has approved a Stormwater Strategy which provides clear direction and an integrated approach in managing Blenheim's stormwater into the future. This Strategy sets out a 10 year plan of Activity and provides a comprehensive framework to manage both the quality and quantity of stormwater. It also provides for an overhaul of the resource consent structure for Blenheim's stormwater. The Strategy requires clear responsibility, improved integration, rigorous monitoring and a more modern approach to regulation. Ongoing investment in the Stormwater Strategy is expected to return a much improved infrastructure operating in harmony with Blenheim's sensitive receiving environments.

Stormwater management is a significant factor in the identification and planning of new urban development pockets as part of the Urban Development Strategy.

The impact of climate change is also a factor that is becoming increasingly important in future planning. The current indications are that extreme weather events will become more frequent and more intense. Existing design standards and infrastructure will be severely tested by changing weather patterns.

The following issues are emerging within this Activity:

- Increasing public expectations on the performance of stormwater networks to remove flood water more quickly on or close to properties.
- Increasing public expectations for the quality of waterways into which urban stormwater is discharged.
- Lack of stormwater reticulation systems in rural towns.
- Review of stormwater discharge consents.
- Urban growth.
- Climate change.
- Provision of acceptable solutions to achieve required quality standards which are cost effective and sustainable.

Levels of Service: Stormwater Drainage

Level of Service	Indicator	Baseline	2017-18 Target
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.6	6.7
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	2	2
System adequacy Provide a reliable stormwater	The number of flooding events that occur in a territorial authority district.	Actual number to be reported	Actual number to be reported

Levels of Service: Stormwater Drainage

Level of Service	Indicator	Baseline	2017-18 Target
service.	For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the territorial authority's stormwater system.	3	3
Discharge compliance Minimise the environmental risks of stormwater discharge.	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) Abatement notices (b) Infringement notices (c) Enforcement orders, and (d) Convictions, received by the territorial authority in relation those resource consents.	Nil	Nil
Response times Provide a service that is timely and responsive to customers' needs.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	1 hour	1 hour

Funding Impact Statement for 2017-18 Stormwater drainage	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,852	1,950	1,935
Fees and charges	51	54	51
Other receipts	142	176	159
Total operating funding	2,045	2,180	2,145
Applications of operating funding			
Payments to staff and suppliers	297	262	293
Finance costs	18	20	50
Internal charges and overheads applied	372	383	368
Total applications of operating funding	687	665	711
Surplus (deficit) of operating funding	1,358	1,515	1,434
Sources of capital funding			
Development and financial contributions	25	26	25
Increase (decrease) in debt	-	-	1,060
Total sources of capital funding	25	26	1,085
Applications of capital funding			
Capital expenditure to meet additional demand	51	54	1,151
Capital expenditure to improve the level of service	20	21	475
Capital expenditure to replace existing assets	69	91	560
Increase (decrease) in reserves	1,243	1,375	333
Total applications of capital funding	1,383	1,541	2,519
Surplus (deficit) of capital funding	(1,358)	(1,515)	(1,434)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	687	1,039	711
plus - Depreciation and amortisation	1,395	1,501	1,488
Expenditure as per Statement of Financial Performance	2,082	2,540	2,199
Operating expenditure			
Blenheim Stormwater	1,441	1,884	1,581
Other Stormwater Schemes	641	655	625
Capital expenditure (including vested assets):			
Blenheim Stormwater	290	111	2,136
Other Stormwater Schemes	50	55	50

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Capital expenditure for Blenheim stormwater, funded from debt and reserves has increased due to the Caseys Creek drainage upgrade being deferred from 2016-17 to 2017-18.

Water Supply

What is this Activity About?

Council drinking water supplies are necessary so that larger communities can receive an adequate supply of drinkable water thereby contributing cost effectively to:

- The health of the community.
- Community safety through the firefighting capability of the water supply system.
- Industrial and residential development.

Around 82% of the population of Marlborough are supplied from Council reticulated supplies with the majority of schemes either compliant with Drinking Water Standards for New Zealand (DWSNZ) or planned to meet them in the relatively near future.

Council's 2015-25 LTP provides further information on the assets and areas served by Council's water schemes and what is entailed in each scheme.

Emerging Issues and Expected Changes

The following issues are also emerging within this Activity:

- Compliance with the DWSNZ continues to require significant capital expenditure which has affordability issues for smaller communities – eg; Awatere, Renwick, Wairau Valley, and Havelock. Upgrades to treatment plants to meet the DWSNZ are being investigated. The Ministry of Health has approved a drinking water subsidy of $1M for the Seddon supply to reduce the cost of implementing treatment for the Seddon community.
- Growth in demand for water causes supply capacity issues, in particular for Picton, Renwick and Havelock. Therefore demand management techniques are being considered including universal metering, pressure zone management and leakage control.
- Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life. In particular for older networks as in the Awatere, and in networks where asbestos cement pipe is failing at rates earlier than predicted, this also affects Renwick and Havelock.
- Water drawn from the Havelock supply wells exhibited a prolonged period of elevated chloride in 2013 and 2015 and there is a concern that this could reoccur and escalate. The water is safe to drink but if the concentration of chloride increases in future, it may be able to be tasted and also cause corrosion of plumbing.
- Firefighting capacity in some industrial/commercial areas is lower than sought by New Zealand Fire Service (NZFS). The cost of upgrades may be unaffordable requiring setting of levels of service lower than NZFS guidelines.

Levels of Service: Water Supply

Level of Service	Indicator	Baseline	2017-18 Target
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.0	8.2
	The total number of complaints received by the local authority about any of the following:		
	(a) Drinking water clarity	1.30	1.10
	(b) Drinking water taste	1.90	1.90
	(c) Drinking water odour	0.65	0.65
	(d) Drinking water pressure or flow	1.90	1.70
	(e) Continuity of supply, and	1.30	1.30
	(f) The local authority's response to any of these issues expressed per 1,000 connections to the local authority's networked reticulation system[7].	0.65	0.65

[7] Assumes 15,591 connections. Estimated in accordance with DIA recommended option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

Levels of Service: Water Supply

Level of Service	Indicator	Baseline	2017-18 Target
Safety of drinking water Provide a level of water quality that meet community needs and is appropriate to the degree of public health risk.	The extent to which the local authority's drinking water supply complies with: (a) Part 4 of the drinking-water standards (bacteria compliance criteria), and (b) Part 5 of the drinking-water standards (protozoal compliance criteria).	Blenheim Picton Havelock Renwick Riverlands Awatere Wairau Valley	a)Y b)Y a)Y b)Y a)Y b) N a)Y b) N a)Y b) N a)N b) N a)N b) N
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system8.7F	Blenheim <44% Picton <48% Havelock <51% Renwick <50% Riverlands N/A Awatere <28% Wairau Valley <42%	<44% <48% <51% <50% N/A <28% <42%
Fault response times Provide a service that is timely and responsive to customers' needs.	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:		
	(a) Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	30 minutes	30 minutes
	(b) Resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	3 hours	3 hours
	(c) Attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	8 hours	8 hours
	(d) (d) Resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	13 hours	13 hours
Demand management Provide a reliable water supply service.	The average consumption of drinking water per day per resident within the territorial authority district.	800 litres	800 litres
	% of properties that receive a minimum water pressure of 300kPa at the property boundary (except in the Awatere Valley and Wairau Valley township).		
	Blenheim	99%	99%
	Picton	99%	99%
	Havelock	100%	100%
	Renwick	69%	69%
	% of system where fire flows are equal to greater 25 litres/sec.		
	Blenheim	85%	88%
	Picton	87%	87%

[8] The water loss figures shown are based on the best available information and do not include legitimate commercial/industrial night usage, day/night adjustment factor or system specific issues that are not currently monitored. Water loss has been calculated in accordance with Method Option 2 (minimum night flow analysis) recommended by the Department of Internal Affairs guidance for non-financial performance measures for water supply.

Levels of Service: Water Supply

Level of Service	Indicator	Baseline	2017-18 Target
	Havelock	100%	100%
	Renwick	55%	55%
	% of system where fire flows are less than 12.5 litres/sec.		
	Blenheim	0.7%	0.5%
	Picton	1.0%	1.0%
	Havelock	0.0%	0.0%
	Renwick	2.0%	2.0%

Funding Impact Statement for 2017-18 Water Supply	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
Targeted rates (other than for water supply)	5,803	6,621	4,739
Fees, charges and targeted rates for water supply	2,738	3,095	3,095
Total operating funding	8,541	9,716	7,834
Applications of operating funding			
Payments to staff and suppliers	2,513	2,725	2,659
Finance costs	1,424	1,763	1,261
Internal charges and overheads applied	1,584	1,712	1,577
Total applications of operating funding	5,521	6,200	5,497
Surplus (deficit) of operating funding	3,020	3,516	2,337
Sources of capital funding			
Development and financial contributions	285	300	285
Subsidies and grants for capital expenditure	1,007	-	483
Increase (decrease) in debt	1,000	3,141	-
Total sources of capital funding	2,292	3,441	768
Applications of capital funding			
Capital expenditure to meet additional demand	855	365	1,530
Capital expenditure to improve the level of service	3,942	5,023	4,003
Capital expenditure to replace existing assets	638	1,198	2,173
Increase (decrease) in reserves	(124)	371	(4,601)
Total applications of capital funding	5,312	6,957	3,105
Surplus (deficit) of capital funding	(3,020)	(3,516)	(2,337)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,521	6,200	5,497
plus - Depreciation and amortisation	2,940	3,265	3,132
Expenditure as per Statement of Financial Performance	8,461	9,465	8,629
Operating expenditure			
Combined Scheme	8,077	9,040	7,659
Awatere Rural (new)	-	-	646
Riverlands Water	384	425	314
Capital expenditure (including vested assets):			
Combined Scheme	5,465	6,678	7,515
Awatere Rural (new)	-	-	159
Riverlands Water	165	114	227

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *The finance costs and overheads allocation are reduced due to project timings and increased use of reserves.*
- *The decrease in reserves is more due to the new Combined Water Scheme enabling the use of the now combined reserves, built up from previous years' surplus, to reduce targeted rates.*
- *The Combined Water Scheme is new resulting from consultation in the 2016-17 Annual Plan resulting in combined funding for Blenheim, Renwick, Havelock and the Seddon water schemes spreading costs more evenly.*
- *The Combined Water Scheme structure also resulted in the creation of the new unit for Awatere Rural.*
- *Capital expenditure is increased due to Blenheim reservoir and Picton pipelines projects carried over from 2016-17.*

Solid Waste Management

What is this Activity About?

Council is bound by legislation to ensure that our solid waste is managed in a safe and sanitary manner that reduces any potential environmental impact and protects public health. Council provides significant waste management infrastructure, including seven transfer stations, central landfill, salvage yard, e-waste collection point, rural community recycling collection points, greenwaste acceptance facility, hazardous waste collection and storage, and resource recovery centre.

The reduction in biodegradable and other recyclable materials into the landfill site will continue to be the focus of waste management activities over the life of the next Waste Management Minimisation Plan, in particular food waste. In addition to the environmental benefits this work will extend the life of the asset.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- The operational development of the waste sorting centre will continue during the 2017-18 period as systems and processes are embedded to achieve the diversion of waste. A diversion level of up to 60% is projected by June 2017 with the objective of further improving that in 2018.
- A review of the kerbside collection methodology will take place over the 2017-18 period including considering the implications of switching to wheelie bins as the main method of collection. Changes, if any, would be budgeted into the 2018-19 period and commencement of any new service would be from 1 July 2019 onwards.
- The establishment of a pyrolysis plant in Marlborough, based at the Bluegums Landfill site, is planned for the 2017-18 period. This will provide an alternative solution to disposal for mixed timber including copper chromium and arsenic (CCA) treated posts.
- A Marlborough litter project will run across 2017 and 2018 to investigate the impact of litter on our community, amenity and infrastructure.
- The development of a social enterprise associated with the reuse of diverted materials from the waste sorting centre will be explored during the 2017-18 period.
- A response to the food waste reduction project will be developed during the 2017-18 period.
- A solution for dealing with waste from the Marlborough Sounds boat access only community will continue to be developed during the 2017-18 period. This will include a permanent litter solution for the Picton CBD and foreshore area.

Levels of Service: Solid Waste Management

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6
Reduce the amount of waste sent to the landfill.	% growth in diverted material throughput at the Resource Recovery Centre (RRC).	4,425 tonnes	10% growth from 2014-15
	% growth in sales at the Reuse Shop.	$100k (incl GST)	7.5% growth from 2014-15
	% growth in tonnage diversion from the Waste Sorting Centre (previously Commercial Industrial Sorting Facility).	New measure	8,000 diverted after year one of operation
	Amount of organic material composted.	14,000	7.5% on 2014-15 baseline
Effective operation of waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	12 per annum	<9
	% of Kerbside Refuse and Recycling Collection Service complaints/missed lifts.	13,200 households	<1% of 2014-15
	Number of resident's complaints in regards to Compost operation.	12 per annum	<9
	Number of resident's complaints in regards to the transfer stations, Reuse Centre, Resource Centre, e-waste facility, coin skips and salvage yard.	24 per annum	<16

Funding Impact Statement for 2017-18 Solid Waste Management	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,320	1,362	1,384
Targeted rates	1,393	1,433	1,456
Subsidies and grants for operating purposes	135	142	167
Fees and charges	5,087	5,167	5,763
Other receipts	344	127	226
Total operating funding	8,279	8,231	8,996
Applications of operating funding			
Payments to staff and suppliers	5,056	5,146	5,989
Finance costs	456	478	435
Internal charges and overheads applied	1,022	1,024	1,136
Other operating funding applications	355	334	325
Total applications of operating funding	6,889	6,982	7,885
Surplus (deficit) of operating funding	1,390	1,249	1,111
Sources of capital funding			
Increase (decrease) in debt	50	-	450
Total sources of capital funding	50	-	450
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	450
Capital expenditure to replace existing assets	50	11	1,231
Increase (decrease) in reserves	1,390	1,238	(120)
Total applications of capital funding	1,440	1,249	1,561
Surplus (deficit) of capital funding	(1,390)	(1,249)	(1,111)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	6,889	6,982	7,885
plus - Depreciation and amortisation	1,082	1,209	684
Expenditure as per Statement of Financial Performance	7,971	8,191	8,569
Operating expenditure			
Landfills	3,369	3,504	3,532
Refuse Collections	1,571	1,612	1,671
Transfer Stations	1,835	1,862	2,107
Waste Projects	1,196	1,213	1,260
Capital expenditure:			
Landfills	50	11	1,681
Refuse Collections	-	-	-
Transfer Stations	-	-	-
Waste Projects	-	-	-

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Payments to staff and suppliers have increased primarily due to the increase cost in contracts from the new greenwaste contract and the increased cost of the regional landfill contract and due to the increase in the unit price for the emission trading scheme, $161,000.*
- *Landfill capital expenditure has increased for the gas system development and the Pyrolysis plant.*

Environmental Policy

What is this Activity About?

This Activity is the first of the cycle of Activities that play an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor-Review cycle and is represented by the following diagram:

This activity involves the development and review of policy and planning provisions under the RMA in response to resource management issues for Marlborough. These provisions are aimed at the sustainable use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment.

Many of the provisions are mandatory under the RMA: Council is required to prepare a Regional Policy Statement, a Regional Coastal Plan and a District Plan. It may also develop other regional plans, as necessary.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The Council has been reviewing its resource management framework, consisting of the Marlborough Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan, over a number of years. This has been a significant undertaking for Council and the Marlborough community.

The outcome of the review was the public notification of the proposed Marlborough Environment Plan (MEP) on 9 June 2016. The Plan attracted 1,322 submissions.

The significant task for the Environmental Policy Activity in 2017-18 will be the hearing of submissions to, and making decisions on, the MEP in accordance with the First Schedule of the RMA.

This task will be undertaken by an appointed panel of accredited hearing commissioners, consisting of four elected Councilors and three independent commissioners. The hearings are to commence in August 2017 and decisions must be publicly notified by 9 June 2018. Adding to the complexity of this task is Government issuing five National Policy Statements with more in the pipeline, all of which must be incorporated into the MEP.

In notifying the MEP Council decided not to notify marine farming provisions, opting instead to continue the reviewing the process. This review commenced in March 2017 and may result in the notification of a Variation to the MEP in the 2017-18 year.

Any submitter to the MEP can appeal the decision of the Council to the Environmental Court.

Levels of Service: Environmental Policy

Level of Service	Indicator	Baseline	2017-18 Target
A second generation resource management framework for Marlborough.	Decisions on submissions to the MEP publicly notified.		June 2018
	Notification of a Variation to the MEP managing marine farming activity in the coastal marine area.	New measure	Prior to June 2018

Funding Impact Statement for 2017-18 Environmental Policy	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,268	1,326	1,270
Other receipts	97	120	104
Total operating funding	1,365	1,446	1,374
Applications of operating funding			
Payments to staff and suppliers	1,054	1,077	1,433
Internal charges and overheads applied	308	309	291
Other operating funding applications	62	-	54
Total applications of operating funding	1,424	1,386	1,778
Surplus (deficit) of operating funding	(59)	60	(404)
Sources of capital funding			
Increase (decrease) in debt	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	(59)	60	(404)
Total applications of capital funding	(59)	60	(404)
Surplus (deficit) of capital funding	59	(60)	404
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,424	1,386	1,778
plus - Depreciation and amortisation	-	60	-
Expenditure as per Statement of Financial Performance	1,424	1,446	1,778

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Payments to staff and suppliers have increased due to the 2017-18 additional expense for the independent Commissioners for the hearings for Marlborough Environmental Plan submissions, which is funded from reserves.

Environmental Science and Monitoring

What is this Activity About?

The activity involves establishing and maintaining an efficient environmental resource information base to allow Council to properly discharge its resource management functions and to provide advice to the community on environmental resources and on issues affecting the resources of the District. The activity includes the investigation, monitoring and analysis of the District's natural resources (land, air, water, coastal).

The monitoring of natural and physical resources is effectively carried out to:

- Obtain information about the condition of the environment and raise awareness of environment issues.
- Assist in identifying areas where there is a need to improve the quality of the environment and enable Council to support a range of methods that can be applied to address specific issues.
- Allow Council to assess the effectiveness of its policies and methods contained in the RMA policy and planning documents.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

Diffuse pollution and sediment runoff as a consequence of intensive urban and rural land use, will remain as the main human induced threats to both our fresh and coastal water quality in the District. The extraction of fresh water for irrigation and consumptive use requires careful management to balance community aspirations of economic growth while ensuring environmental sustainability is not compromised.

The Government is increasingly directing Council services through legislative change. The National Policy Statement for Freshwater continues to impact on the levels of service required for the setting of catchment based limits for both freshwater quantity and quality. Investigations are required to determine sustainable water allocation limits on the Wairau Aquifer. In addition projects are expected to gather information in order for the community to set fresh water contaminate limits in high risk catchments by 2024.

Monitoring programmes associated with our land resources and biodiversity activities will continuously evolve to meet the community expectations and the changing environment. In respect of land management we are required to meet the expectations of the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health 2012. This will involve improvements to data management and a number of projects are expected to identify land where historical land use activities may result in sites being classified as potentially contaminated.

The Significant Natural Areas Programme is one of the main drivers for Council's terrestrial and freshwater biodiversity function. The programme requires a refresh of our community based priorities to ensure that outcomes are aligned with both Council MEP policy and that of other stakeholders.

The effects of land use, particularly sediment runoff and impacts from aquaculture and other coastal users on our marine ecosystems need to be better understood so we can manage our environment in an integrated and sustainable way. Resourcing for monitoring and research projects in the coastal area are expected to be delivered in conjunction with collaborative partnerships.

Council is also expected to meet increasing demands under the Environmental Reporting Act 2015 and the regional sector initiative under the Environmental Monitoring and Reporting framework for readily available resource information for national environmental reporting.

Levels of Service: Environmental Science and Monitoring

Level of Service	Indicator	Baseline	2017-18 Target
Monitor, investigate, gather and analyse information, and report on the state of Marlborough's natural resources including: Fresh Water, Land, Air and Coastal.	Timeliness of completion data integrity audits and quality coding (in accordance with National Environmental Monitoring Standards).	30 June	30 June
	Number of technical SoE monitoring report cards completed.	5	5
	Timeliness completion of resource investigations and reporting to Council.	30 June	30 June
Effective real time environmental monitoring network is operated.	% availability of the environmental monitoring network.	99%	99%
Promotion of resource management programmes to help maintain or improve the condition of the environment.	Increase in the number of protected (either Council agreements and/or legal covenants) terrestrial or wetland indigenous biodiversity sites on private land.	80	92
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	% of planned educational or communication programmes are completed annually.	100%	100%

Funding Impact Statement for 2017-18 Environmental Science and Monitoring	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,077	2,958	3,405
Fees and charges	5	5	5
Internal charges and overheads recovered	65	65	65
Other receipts	235	267	280
Total operating funding	3,382	3,295	3,755
Applications of operating funding			
Payments to staff and suppliers	3,303	2,427	2,700
Finance Costs	18	20	25
Internal charges and overheads applied	810	796	912
Other operating funding applications	-	-	23
Total applications of operating funding	4,131	3,243	3,660
Surplus (deficit) of operating funding	(749)	52	95
Sources of capital funding			
Increase (decrease) in debt	35	-	-
Total sources of capital funding	35	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	35	-	750
Capital expenditure to replace existing assets	185	158	150
Increase (decrease) in reserves	(934)	(106)	(805)
Total applications of capital funding	(714)	52	95
Surplus (deficit) of capital funding	749	(52)	(95)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,131	3,243	3,660
plus - Depreciation and amortisation	111	117	205
less - Internal charges and overheads recovered	65	65	65
Expenditure as per Statement of Financial Performance	4,177	3,295	3,800

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Payments to staff and suppliers have increased due to the increased level of services for collecting and analysing data for coastal monitoring programmes to meet national standards.*
- *Capital expenditure has increased due to the inclusion of the multi-beam mapping of the entire seabed of Totaranui/Queen Charlotte Sound project, which is funded from Reserves.,*

Resource Consents

What is this Activity About?

This activity involves discharging Council's statutory obligations under the RMA. This activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds and the Wairau/Awatere Resource Management Plans and the proposed Marlborough Environmental Plan. Specifically this activity processes five different types of resource consents:

- Land Use Consents.
- Water Permits.
- Discharge Permits.
- Subdivision Consents.
- Coastal Permits.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The challenges for this Activity are centred on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents and providing a fair, cost effective and consistent service to the community.

Council as a large unitary is faced with processing a constantly fluctuating work flow including a number of applications of a complicated nature, particularly those involving the allocation of water and coastal space.

New provisions to the Resource Management Amendment Act 2013 were introduced in March 2015. The new provisions relate to section 88 and Schedule 4 which require significantly more information at lodgment stage for applications to be accepted. Applications that do not provide the required level of information "must" be rejected.

Previously Council had discretion over the rejection of applications under section 88. Since the new provisions were introduced this discretion was removed and consequently an increased number of incomplete applications have been rejected and this trend is expected to continue in future years.

Due to the increased number of resource consent enquiries, in order to provide an effective duty planner service that better meets the needs of the public Council has created a second Duty Planner position.

Levels of Service: Resource Consents

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.0
Provide a consent service that is fair, consistent, cost effective, timely and responsive to customers' needs.	% of resource consent applications processed within statutory timeframes.	99.7%	99%
	% of objections under section 357(b) compared to total number of applications processed[9].	<0.2	<0.5%
Provide consistent, appropriate and timely information to applicants and the public on the RMA, resource consent and approval process.	% of incomplete applications rejected under the requirements of RMA - section 88.	<1.7%	<15%

[9] RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Funding Impact Statement for 2017-18 Resource Consents	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	869	946	853
Fees and charges	1,565	1,529	1,635
Internal charges and overheads recovered	23	23	23
Other receipts	67	85	70
Total operating funding	2,524	2,583	2,581
Applications of operating funding			
Payments to staff and suppliers	1,729	1,756	1,847
Internal charges and overheads applied	794	828	824
Total applications of operating funding	2,523	2,584	2,671
Surplus (deficit) of operating funding	1	(1)	(90)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	3	3	3
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(2)	(4)	(93)
Total applications of capital funding	1	(1)	(90)
Surplus (deficit) of capital funding	(1)	1	90
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,523	2,584	2,671
plus - Depreciation and amortisation	1	1	-
less - Internal charges and overheads recovered	23	23	23
Expenditure as per Statement of Financial Performance	2,501	2,562	2,648

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
There are no variances which are considered significant.

Environmental Protection

What is this Activity About?

Council monitors the effect of implementing its Resource Management Plans (RMP) by monitoring compliance with the conditions of permitted activity rules and Resource Consent conditions.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Development and resourcing of targeted monitoring programmes for environmentally significant activities.
- Improving delivery of service under increasing demand.
- Notification of the new Marlborough Environment Plan.
- Increasing numbers of active consents and complaints.
- Increasing expectation of customers to access information electronically.
- Development of technological solutions to improve monitoring and reporting capability and efficiency.

Levels of Service: Environmental Protection

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.5	6.5
Monitor activities that have either a greater environmental impact warranting special consideration, or are activities that generate community concern or are related to trends highlighted through the State of the Environment Report.	Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or RMP and consents.	N/A	31 August
		New Measure	Improved or unchanged compliance level
	Report on waste from wineries for compliance with resource consent conditions (waste water and grape marc).	N/A	30 November
		New Measure	Improved or unchanged compliance level
	Report on resource consents for forestry in the district.	N/A	30 November
		New Measure	Improved or unchanged compliance level
Monitor and investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	80%	80%
	% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.	99%	99%

Funding Impact Statement for 2017-18 Environmental Protection	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,123	1,171	629
Fees and charges	44	42	577
Other receipts including fines	88	108	54
Total operating funding	1,255	1,321	1,260
Applications of operating funding			
Payments to staff and suppliers	828	892	816
Internal charges and overheads applied	427	429	444
Total applications of operating funding	1,255	1,321	1,260
Surplus (deficit) of operating funding	-	-	-
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	-	-	-
Total applications of capital funding	-	-	-
Surplus (deficit) of capital funding	-	-	-
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,255	1,321	1,260
plus - Depreciation and amortisation	-	-	-
Expenditure as per Statement of Financial Performance	1,255	1,321	1,260

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Fees and charges have increased due to the newly introduced water consent monitoring and the moorings monitoring fees.*
- *These new fees reduce the rates funding for this activity.*

Biosecurity (Pest Management)

What is this Activity About?

The Biosecurity Act 1993 outlines the Marlborough District Council's leadership responsibilities to help prevent, reduce or eliminate adverse effects from harmful organisms that are present in the region.

The ways in which Council undertake its activities include:

- Promoting the alignment of pest management in the region.
- Facilitating the development and alignment of regional pest management plans and regional pathway management plans in the region.
- Promoting public support for pest management and facilitating communication and co-operation among those involved in pest management to enhance effectiveness, efficiency, and equity of programmes.
- Monitoring to determine whether or not pests are present and undertaking surveillance of pests, and unwanted organisms.
- Provide in accordance with relevant pest management plans, undertaking investigations, eradication or management of pests.

The main regulatory framework for managing pests is through the implementation of either a Regional Pest Management Plan (RPMP) or small scale management programmes which outlines programmes for pests that have a regional focus.

The Council also provides a range of non-regulatory pest management services through the provision of community partnerships and funding.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

Over the next few years our focus is centered on the need to adequately respond to:

- The statutory review of the RPMP, which is expected to be completed by 2017-18. The review will include the existing pest programmes and provide for new approaches to pest management, including the implementation of a non-regulatory framework for pest programmes that do not require rules or obligations for occupiers.
- Additionally, there is potential for new pest specie programmes that threaten the terrestrial, freshwater and marine environments.
- The spread of Chilean needle grass continues to be a threat to the environment. Various non-regulatory approaches such as partnerships to manage this pest, coupled with regulatory tools are expected to be necessary in the future. Council has already approved some additional funding for land management programmes designed to assist landowners with operations to contain Chilean needle grass, while Council is also supporting a community based response through the Chilean Needle Grass Action Group.
- The Ministry of Primary Industries is providing additional funding over the next few years pursuant to the National Wilding Conifer Strategy to contain wildings on priority sites in parts of South Marlborough. Council is allocating operational resources to the Marlborough Sounds Restoration Trust and the South Marlborough Landscape Restoration Trust for delivering wilding conifer programs in north Marlborough.
- Marine biosecurity and the threats posed by these invaders continue to be complex and Council continues to explore a range of options to reduce the risk of organisms spreading and causing impacts on our economy and the ecosystem. The Council in conjunction with the Top of the South Marine Biosecurity Partnership is looking to introduce a small scale management plan to managing specific risks posed by the Mediterranean Fanworm.

Levels of Service: Biosecurity (Pest Management)

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.3
Monitoring and controlling the spread and impacts of animal and plant pests.	% of 'high priority' sites (land occupier obligations) inspected or audited to confirm compliance.	95%	95%
	% of 'active' pest sites managed annually through a service delivery programme.	95%	95%
	The number of hours spent searching (surveillance) for pests outside known areas.	500 hours	>500 hours
Prepare, publish, and implement the RPMS operational plan.	Timeliness completion of annual plan to the Environment Committee.	30 October	30 October

Funding Impact Statement for 2017-18 Biosecurity (Pest Management)	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,041	1,246	1,218
Subsidies and grants for operating purposes		-	483
Fees and charges	20	21	12
Other receipts	91	125	112
Total operating funding	1,152	1,392	1,825
Applications of operating funding			
Payments to staff and suppliers	875	1,046	1,258
Internal charges and overheads applied	345	345	341
Other operating funding applications	-	-	30
Total applications of operating funding	1,220	1,391	1,629
Surplus (deficit) of operating funding	(68)	1	196
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	(68)	1	196
Total applications of capital funding	(68)	1	196
Surplus (deficit) of capital funding	68	(1)	(196)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,220	1,391	1,629
plus - Depreciation and amortisation	-	-	3
Expenditure as per Statement of Financial Performance	1,220	1,391	1,632

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

Subsidies and grants for operating purposes have increased due to the Ministry of Primary Industries budgeted contribution to the National Wilding Conifer control programme, of which $192k is applied to Reserves to fund future years' expenditure

Building Control

What is this Activity About?

This activity is important for the safety and health of the residents, workers and visitors to the Marlborough District because the main thrust of the Building Act and Regulations is the health and safety of building users. The efficient processing of Building Consents is a key focus of this activity to ensure we are responsive to customer needs.

The most significant component of this activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing a Code Compliance Certificate. The standard of compliance required is set out in the Building Regulations and it's compliance with the New Zealand Building Code.

This Activity also involves other functions under separate legislation including:

- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act 2004.
- Council is required to have an accredited Building Control Authority (BCA).
- Council is required to hold Land Information Memoranda (LIM) pursuant to section 44A of the Local Government Information and Meetings Act 1987.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

Earthquake Prone Buildings

The Building (Earthquake – prone Buildings) Amendment Act 2016 was given assent on 13 May 2016. At the time of writing this statement the final methodology and regulations have not yet been provided by the Government. An initial budget of $1.2 Million was made for this work. However, more recent information suggests that Council's involvement will be much lower in the budget.

Building (Pools) Amendment Act 2016

This new legislation came into effect on 1st January 2017 and replaces the Fencing of Swimming pools Act 1987. The main effect on the Building Control Groups budget is the immediate increase of annual inspections of pools that the group will now need to undertake. The Act increases the required inspection regime the council must undertake to 33 1/3% of all pools per year. From 2017-18 a Targeted rate to swimming pools owners has been approved to cover the cost of this Activity.

IANZ Accreditation

The Building Control Group was re accredited as a Building Consent Authority on 28 of July 2016. The next accreditation round is scheduled for May 2018.

Levels of Service: Building Control

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.2	6.2
Provide a service that is responsive to customer needs and minimise risks to public safety.	% of Building Consents applications granted within 20 working days of receipt of the application.	96.5%	96%
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	86%	90%
	% of swimming pools inspected annually.	33 1/3%	>33 1/3%
	% of Building Warrants of Fitness audited annually.	20%	20%
Provision of Land Information Memoranda.	Number of liability claims made because of incomplete or inaccurate information supplied.	1	<3

Funding Impact Statement for 2017-18 Building Control	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	374	500	753
Fees and charges	2,509	2,464	2,460
Other receipts	119	140	77
Total operating funding	3,002	3,104	3,290
Applications of operating funding			
Payments to staff and suppliers	1,957	2,052	2,487
Internal charges and overheads applied	1,014	1,018	1,163
Other operating funding applications	20	21	20
Total applications of operating funding	2,991	3,091	3,670
Surplus (deficit) of operating funding	11	13	(380)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	11	13	(380)
Total applications of capital funding	11	13	(380)
Surplus (deficit) of capital funding	(11)	(13)	380
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,991	3,091	3,670
plus - Depreciation and amortisation	-	-	-
Expenditure as per Statement of Financial Performance	2,991	3,091	3,670
Operating expenditure			
Building Control	2,789	2,903	3,470
LIMs	202	188	201
Capital expenditure:			
Building Control	-	-	-

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Payments to staff and suppliers have increased due to the increased costs of $400,000 for the earthquake prone building inspections which is funded from reserves.

Environmental Health

What is this Activity About?

This activity provides services to protect the public health through registration and inspection of premises that prepare or sell food and the investigation of food complaints, as required by the Health Act 1956 and Food Act 2014. The activity also promotes public health and food safety by undertaking education activities and providing information material to the public.

Further, our Environmental Health Officers have duties under the Sale and Supply of Alcohol Act 2012, which requires reporting on licence applications and monitoring compliance with licence conditions. Staff also investigate nuisance complaints such as noise, smoke, odours, pest control and hazardous substances.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Implementation of the new Food Act 2014 which places responsibilities and functions on Council.
- Transitioning food businesses to the new Food Act plans and programmes.
- Increasing expectation of customers to access information electronically, including the development of technological solutions to improve verification and reporting capability and efficiency.

Levels of Service: Environmental Health

Level of Service	Indicator	Baseline	2017-18 Target
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%
	Number of annual inspections of markets and events with 10 or more food stalls.	≥12	≥12
	% of complaints of critical nature (food poisoning) actioned within one working day.	100%	100%
	% of complaints of a non-critical nature assessed within seven working days.	100%	100%
Administer Food Control Plans under the Food Act 2014.	Register businesses required under Food Act 2014 in Food Control Plans and National Programmes.	New Measure	100%
	Audit registered business as scheduled in the Food Act 2014 and Regulations.	New Measure	100%
Carry out the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse.	% of 'On-Licences' inspected once a year[10].	90%	90%
Provide a service for investigation of noise complaints.	Report on performance of noise control contract.	New Measure	30 September
	Assess complaints concerning unreasonable noise within one working day.	89%	90%

[10] An 'On-Licence' allows the sale or supply of liquor to any person present on the premises for the consumption on the premises.

Funding Impact Statement for 2017-18 Environmental Health	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	162	137	161
Fees and charges	10	11	356
Other receipts	341	346	14
Total operating funding	513	494	531
Applications of operating funding			
Payments to staff and suppliers	346	326	364
Internal charges and overheads applied	164	164	164
Total applications of operating funding	510	490	528
Surplus (deficit) of operating funding	3	4	3
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	3	4	3
Increase (decrease) in reserves	-	-	-
Total applications of capital funding	3	4	3
Surplus (deficit) of capital funding	(3)	(4)	(3)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	510	490	528
plus - Depreciation and amortisation	3	3	3
Expenditure as per Statement of Financial Performance	513	493	531

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

Fees and charges and other receipts are showing off-setting variances due to the reclassification of liquor licences and food inspections revenue from "other receipts" to "fees and charges"

Animal Control

What is this Activity About?

The activity involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs in accordance with the Dog Control Act. It is also responsible for providing services in relation to wandering livestock on public land and roads.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Increasing expectations of customers to access information and complete electronic transactions.
- Development of strategies to increase the number of microchipped dogs.
- Increasing numbers of callouts for wandering stock.
- Calls from the community for Council to establish Dog Parks with the possibility of establishing a park in Renwick in 2017-18.

Levels of Service: Animal Control

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.2	7.2
To provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	% of compliance with the service specifications in the Animal Control contract. The key service specifications relate to Education, Unaccounted for Dogs and Complaints.	100%	100%
	Report on contract performance.	New measure	30 September
	Compliance with DCA requirements by preparing and publicising a report annually.	30 September	30 September

Funding Impact Statement for 2017-18 Animal Control	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	136	137	143
Fees and charges	572	586	572
Other receipts	24	26	25
Total operating funding	732	749	740
Applications of operating funding			
Payments to staff and suppliers	653	669	660
Internal charges and overheads applied	68	68	68
Other operating funding applications	9	9	9
Total applications of operating funding	730	746	737
Surplus (deficit) of operating funding	2	3	3
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	2	3	3
Total applications of capital funding	2	3	3
Surplus (deficit) of capital funding	(2)	(3)	(3)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	730	746	737
plus - Depreciation and amortisation	2	3	2
Expenditure as per Statement of Financial Performance	732	749	739
Operating expenditure			
Dog Control	646	660	653
Other Animal Control	86	89	86

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
There are no variances which are considered significant.

Harbours

What is this Activity About?

This activity involves ensuring safety in Marlborough's extensive marine waterways. The Marlborough Sounds comprises approximately 1,800 kilometres of coastline (which is 18% of New Zealand's entire coastline) and 4,136 kilometres² of water area. The Sounds is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries.

Further details on what this Activity is about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

Over the course of the last decade, commercial vessel movements in the harbour have increased significantly, particularly in regard to the cruise and log trades. The rapid rate of growth has now slowed but the trend continues upward. Similar growth has occurred in water tourism and within the recreational boating sector inclusive of kayaks, powerboats, paddle boards and jet skis.

The ongoing provision and management of a safe and navigable waterway requires an ongoing awareness as to the ever-changing risk profile of the harbour. Risk mitigation and management strategies must be constantly reviewed and revised.

Emerging issues include the need to:

- Improve tide wave and current data for Tory Channel and the Northern Entrance and ensure availability of this data for all harbor users.
- Improve alignment of the Port and Harbour Safety Management Systems to meet the requirements of the NZ Port and Harbour Safety Code. This will include the establishment of a system to enable the safe transit of cruise ships and the evaluation of proposals for longer ships to transit Tory Channel and implementation of necessary mitigations.
- Improve the monitoring of ships exercising pilotage exemption privileges through more efficient use of the harbor vessel traffic monitoring system.
- Provision of additional navigation buoys and lights to mark a deep draft shipping route into Picton.
- Establish core pilotage training criteria to set the standard for all pilot exemption certificate training programs.
- Review need for an anchorage for large ships at the northern entrance.
- Upgrade and review additional risk mitigation strategies as required. This exercise will be informed by the outcomes of the full review of the Harbour Risk Assessment presently being completed by Marico Marine.
- Implementation of Plan Change 21- Moorings Management Area in Waikawa Bay.
- Implement new databases/management systems for harbor incidents, aids to navigation and marine farm auditing.

Levels of Service: Harbours

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4
Provide a safe environment for all users through effective public education.	Number of patrols from Labour weekend through to end of Easter of the following year.	New measure	≥55
	% of navigation warnings issued within two hours of a reported event that may impact on navigation safety.	100%	100%
Ensure that Port and Harbour Safety Code requirements are met.	% of funded mitigation measures completed.	80%	80%
Ensure navigation safety and bylaw requirements in the Marlborough Sounds area are adhered to.	Number of random light inspections of marine farms undertaken.	>200	>200
	Information regarding accidents and incidents is received and, where relevant, passed onto MNZ within five days.	100%	100%

Levels of Service: Harbours

Level of Service	Indicator	Baseline	2017-18 Target
Ensure that navigation aids, swimming and water-ski lanes are maintained effectively.	% of time aids to navigation are working in compliance with the IALA standards.	Cat 1 = 99.8% Cat 2 = 99.0% Cat 3 = 97.0%	100% 100% 100%
	% of pre summer season inspections of swimming and water-ski lanes undertaken.	100%	100%
	Number of inspections of swimming and water-ski lanes undertaken during the summer season.	4	4

Funding Impact Statement for 2017-18 Harbours	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
General rates, uniform annual general charges, rates penalties	947	1,006	983
Fees and charges	432	454	432
Other receipts	139	159	143
Total operating funding	1,518	1,619	1,558
Applications of operating funding			
Payments to staff and suppliers	1,063	1,151	982
Finance Costs	38	41	34
Internal charges and overheads applied	206	193	220
Other operating funding applications	2	1	1
Total applications of operating funding	1,309	1,386	1,237
Surplus (deficit) of operating funding	209	233	321
Sources of capital funding			
Gross proceeds from sale of assets	-	-	-
Increase (decrease) in debt	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	-	179	70
Capital expenditure to replace existing assets	104	32	142
Increase (decrease) in reserves	105	22	109
Total applications of capital funding	209	233	321
Surplus (deficit) of capital funding	(209)	(233)	(321)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,309	1,386	1,237
plus - Depreciation and amortisation	162	181	147
Expenditure as per Statement of Financial Performance	1,471	1,567	1,384

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:
Payments to staff and suppliers have reduced due to reduction in the budgeted for casual staff.

Regional Development

What is this Activity About?

This activity is aimed at developing the District's economy to achieve long term economic growth to the benefit of the Marlborough community. It is about identifying where the direction of growth needs to be, how we will get there and what needs to be done. It is important to recognise that regional development is not just supporting businesses, but also about ensuring our community and workforce have the health, skills and knowledge to play their part in the development of Marlborough's economy and to benefit from the wealth created.

Services provided by Council specifically for the benefit of the District's economy include:

- Economic Development.
- Marketing and Tourism.
- Marlborough Research Centre.
- Parking.
- Irrigation.

Council also plays a key role in the local economy through its core services of roading, water infrastructure, regulatory activity and through its investment in community infrastructure such as libraries and leisure facilities.

Economic Development

Council undertakes a number of actions targeted at assisting business growth and development under the 'Smart Business Marlborough' banner. These are focused around providing access to information, advice, resources and other specific guidance. The actions include:

- Up to date regional economic data.
- Supporting regional promotion via the Only Marlborough toolkit.
- Start-up business advice and mentoring delivered by Business Trust Marlborough.
- Support for the Food and Beverage Innovation Cluster delivered via Marlborough Research Centre.
- Commercial and industrial development guidance, and
- International and education connections, including a new sister region relationship with the wine region of Ningxia, China.

The Small Townships Programme is a new activity to support the development of liveable towns through investment in outdoor public spaces. A $5 Million fund over nine years will be used to develop plans with our small communities and to implement projects.

Marketing, Visitor Economy and Commercial Events

Destination marketing services are undertaken on Council's behalf by Destination Marlborough which exists to grow and support a sustainable visitor economy. Destination Marlborough also hosts the convention bureau, the purpose of which is to promote Marlborough as a location for business events.

The Regional Events Advisor supports quality events in accordance with the Regional Events Strategy, the delivery of quality commercial events in the region thus attracting visitors to stay and spend in the region. A Commercial Events Fund has been established.

Marlborough Research Centre

This activity is delivered by the Marlborough Research Centre Trust and provides support for public good research in support of Marlborough's primary industries.

Parking

A large number of our businesses are located in or close to our main town centres of Blenheim and Picton. The ability for customers, staff and visitors to access these businesses is supported by the provision of over 2,000 on and off-street parks in Blenheim and Picton.

Irrigation

Council has developed an irrigation scheme for the Southern Valleys for horticultural and farming over an area of approximately 4,500 hectares to the south of Renwick.

Council is working with the community to develop an irrigation scheme in the Flaxbourne area.

Further details on what these Activities are about are contained in the 2015-25 LTP.

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- A bid to government for a Regional Research Institute for Viticulture and Oenology was successful and will be established in 2017 led by New Zealand Winegrowers. Subject to final Government approval Council has agreed to contribute $825,000 over the next six years.
- The Kaikoura Earthquake in November 2016 closed SH 1 between Christchurch and Marlborough. Visitors from Canterbury typically spent $74 Million annually in Marlborough making up one third of all domestic visitor spend in the region. While State Highway One (SH1) is not fully operational visitor spend from Canterbury is likely to be compromised. More emphasis on attracting visitors from Wellington/lower North Island, Nelson/Tasman and Auckland where transport links are unaffected will need to be prioritised throughout 2017.
- Council is expected to consider establishing a full Sister Region relationship with the Chinese

region of Ningxia to support economic relationships between the two wine regions.

- A review of Council's objectives and means of delivery for this Activity.

Levels of Service: Regional Development

Level of Service	Indicator	Baseline	2017-18 Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey where 10 = "service delivered extremely well".	Economic Development – 6.4 Tourism – 7.2 MRC – 6.8 Parking – 6.8 Irrigation – 6.9	6.4 7.2 6.8 6.8 6.9
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	% of funded Action Plan targets achieved.	New measure	80%
Manage Marlborough Research Centre contract to ensure service quality and value.	Number of published research papers.	98 papers	100 papers
Effective promotion of Marlborough as a visitor destination.	% change in domestic and international visitors spending in Marlborough.	% change in visitor spend equal or better than national trends	% change in visitor spend equal or better than national trends
	% achievement of Destination Marlborough Business Plan Key Performance measures.	80%	80%
Provision of convenient and affordable car parks to support CBD businesses.	Occupancy rates of off-street car parks in Blenheim.	Kerbside – 65% Off-street – 76% (Queen St and Clubs only) Parking building – 30%	<70% <85% >30%
Support for land based industries through the supply of irrigation water.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	< 1 event per annum	< 1 event per annum

Funding Impact Statement for 2017-18 Regional Development	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,851	1,549	1,973
Targeted rates	1,516	1,640	1,571
Fees and charges	1,749	1,904	1,739
Other receipts	229	232	249
Total operating funding	5,345	5,325	5,532
Applications of operating funding			
Payments to staff and suppliers	3,084	2,336	3,006
Finance costs	1,272	1,708	1,131
Internal charges and overheads applied	677	549	552
Other operating funding applications	328	375	437
Total applications of operating funding	5,361	4,968	5,126
Surplus (deficit) of operating funding	(16)	357	406
Sources of capital funding			
Increase (decrease) in debt	138	7,744	1,082
Total sources of capital funding	138	7,744	1,082
Applications of capital funding			
Capital expenditure to meet additional demand	80	7,827	80
Capital expenditure to improve the level of service	4,329	-	2,355
Capital expenditure to replace existing assets	62	279	170
Increase (decrease) in reserves	(4,349)	(5)	(1,117)
Total applications of capital funding	122	8,101	1,488
Surplus (deficit) of capital funding	16	(357)	(406)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,361	4,968	5,126
plus - Depreciation and amortisation	680	799	641
Expenditure as per Statement of Financial Performance	6,041	5,767	5,767
Operating expenditure			
Economic Development	914	497	1,021
Marketing and Tourism	980	958	1,005
Research Centre	277	137	286
Irrigation	1,785	1,990	1,469
Parking	2,085	2,185	1,994
Capital expenditure:			
Economic Development	-	-	25
Irrigation	4,333	7,744	2,444
Parking	138	362	136

Explanation of Variances between LTP for 2017-18 and Annual Plan for 2017-18:

- *Payments to staff and suppliers has increased,*
  - *Economic Development includes $130,000 for development of the Smart and Connected programme, $100,000 to fund a permanent Events Coordinator to enable Marlborough to more effectively bid for events, $75,000 grant to the New Zealand Research Institute of Viticulture and Oenology and a $25,000 increase in the commercial events Fund.*
  - *Marketing and Tourism includes a $111,500 increase in the Destination Marlborough grant to establish a fulltime convention bureau.*
  - *The Research Centre includes $140,000 increase in the operating grant.*
- *Finance costs have reduced due to delays in the Flaxbourne irrigation scheme capital programme.*
- *Capital expenditure:*
  - *irrigation has reduced due to delays in the Flaxbourne irrigation scheme capital programme.*
  - *Parking has reduced due to reduction in the budgeted number of new parking meters.*

Part 3: Financial Information

- Statement of Comprehensive Revenue and Expense
- Statement of Other Comprehensive Revenue and Expense
- Statement of Changes in Net Assets/Equity
- Statement of Financial Position
- Statement of Cash Flows
- Notes to Financial Statements
- Assumptions, Disclosures and Compliance

Statement of Accounting Policies

Statement of Comprehensive Revenue and Expense

Marlborough District Council Forecast Statement of Comprehensive Revenue and Expense				
for the year ending 30 June:	note:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Revenue:				
General rates, uniform annual general charges, rates pena	2	38,901	43,009	42,269
Targeted rates (other than a targeted rate for water supply)	2	23,075	23,424	21,786
Finance income	3	696	710	2,369
Development and financial contributions		1,792	1,305	1,813
Other revenue	4	42,082	42,195	44,505
Gains	4	1,825	1,227	7,920
Total revenue	1	**108,371**	**111,869**	**120,662**
Expenditure by function:				
Roads and footpaths		21,272	22,490	20,802
Sewerage		10,524	13,076	10,880
Community Facilities		9,340	9,328	9,793
Water Supply		8,407	9,465	8,629
Solid Waste Management		7,951	8,191	8,569
Regional Development		5,988	5,767	5,767
Flood protection and control works		4,782	5,147	4,998
Environmental Science and Monitoring		4,178	3,294	3,800
Democratic Process		3,157	3,147	3,129
Building Control		2,991	3,091	3,670
Resource Consents		2,500	2,561	2,648
Library Services		2,143	2,161	2,306
Stormwater drainage		2,081	2,539	2,199
Community Housing		1,352	1,347	1,140
Environmental Policy		1,426	1,446	1,778
Harbours		1,470	1,567	1,384
Community Support		2,126	1,572	2,426
Biosecurity (Pest Management)		1,220	1,392	1,632
Environmental Protection		1,256	1,321	1,260
Emergency Management		883	936	954
Culture and Heritage		1,009	867	2,682
Animal Control		732	749	739
Environmental Health		512	493	531
		97,301	**101,947**	**101,716**
less internal interest eliminated	3	4,513	5,208	5,406
Total expenditure by function		**92,788**	**96,739**	**96,310**
Non-activity expenditure				
Other expenditure	5	3,353	4,464	5,031
Marlborough Regional Forestry	5	4,543	4,567	5,502
Total non-activity expenditure		**7,896**	**9,032**	**10,533**
Total expenditure	5	**100,684**	**105,770**	**106,843**
Surplus		**7,686**	**6,099**	**13,819**

Statement of Other Comprehensive Revenue and Expense

Statement of Other Comprehensive Revenue and Expense				
for the year ending 30 June:	note:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Surplus for the year		7,686	6,099	13,819
Other comprehensive revenue:				
Gain on property revaluations	8	16,156	33,163	31,576
Total other comprehensive revenue and expense		16,156	33,163	31,576
Total comprehensive revenue and expense		23,843	39,261	45,395

Statement of Changes in Net Assets/Equity

Statement of Changes in Net Assets/Equity				
for the year ending 30 June:	note:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Balance at 1 July		1,427,497	1,450,855	1,445,947
Total comprehensive revenue and expense for the year		23,843	39,261	45,395
Balance at 30 June		1,451,340	1,490,117	1,491,343

Statement of Financial Position

Marlborough District Council Forecast Statement of Financial Position as at 30 June:	note:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Assets:				
Current assets:				
Cash and cash equivalents		729	853	486
Debtors and other receivables	6	8,358	7,851	6,199
Other financial assets	7	7,762	6,528	8,493
Inventory (including non-current assets held for sale)		2,042	2,464	787
Total current assets		**18,891**	**17,696**	**15,964**
Non-current assets:				
Other financial assets	7	11,819	12,348	66,439
Intangible assets		584	605	603
Biological assets		14,858	13,333	14,773
Property, plant and equipment	8	1,460,173	1,544,970	1,506,037
Total non-current assets		**1,487,435**	**1,571,256**	**1,587,852**
Total assets		**1,506,326**	**1,588,952**	**1,603,816**
Liabilities:				
Current liabilities:				
Creditors and other payables	9	12,195	11,856	13,019
Employee entitlements		1,766	1,774	1,859
Total current liabilities		**13,961**	**13,630**	**14,878**
Non-current liabilities:				
Borrowings	10	39,000	82,500	96,000
Provisions		1,693	2,193	1,317
Employee entitlements		332	513	280
Total non-current liabilities		**41,025**	**85,206**	**97,596**
Total liabilities		**54,986**	**98,836**	**112,474**
Net assets		**1,451,340**	**1,490,117**	**1,491,342**
Equity:				
Accumulated funds	13	593,363	575,263	597,699
Other reserves	13	857,977	914,854	893,643
Total equity		**1,451,340**	**1,490,117**	**1,491,342**

Statement of Cash Flows

Forecast Statement of Cash Flows				
for year ending 30 June:	note:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Cash flows from operating activities:				
Receipts from rates revenue		61,976	66,431	64,055
Interest received		696	710	2,369
Dividends received		1,214	900	874
User charges and other revenues		39,900	40,489	40,804
Payments to suppliers and employees		(77,625)	(76,320)	(79,994)
Interest paid		(2,157)	(5,571)	(2,322)
Net cash flows from operating activities		**24,003**	**26,639**	**25,787**
Cash flows from investing activities:				
Sale of assets		13,082	1,896	27,774
Movements in investments		(0)	-	500
Purchase of fixed assets		(48,012)	(38,230)	(62,517)
Net cash flows from investing activities		**(34,930)**	**(36,334)**	**(34,243)**
Cash flows from financing activities:				
Movement in borrowings (external)		**11,000**	**10,000**	**8,000**
Net increase/(decrease) in cash		**73**	**305**	**(457)**
Cash and cash equivalents:				
at the beginning of the year		656	548	943
at the end of the year		**729**	**853**	**486**

Notes to Financial Statements

1. Summary cost of services

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Revenue:			
People	9,907	9,840	10,535
Community Facilities	9,846	9,893	10,591
Roads and footpaths	19,946	21,142	21,231
Flood protection and control works	6,882	7,485	7,324
Sewerage	10,654	12,374	10,718
Stormwater drainage	2,269	2,415	2,370
Water Supply	10,028	10,220	8,797
Solid Waste Management	8,279	8,231	8,995
Environmental Management	8,438	8,557	8,882
Regulatory	6,915	7,355	7,941
Regional Development	5,340	5,325	5,533
Total activity revenue	**98,504**	**102,837**	**102,917**
Plus other revenue (including forestry)	17,154	19,665	25,371
Less internal revenue	(7,288)	(10,633)	(7,626)
Total revenue	**108,370**	**111,869**	**120,662**
Expenditure:			
People	10,670	10,030	12,637
Community Facilities	9,340	9,328	9,793
Roads and footpaths	21,272	22,490	20,802
Flood protection and control works	4,782	5,147	4,998
Sewerage	10,524	13,076	10,880
Stormwater drainage	2,081	2,539	2,199
Water Supply	8,407	9,465	8,629
Solid Waste Management	7,951	8,191	8,569
Environmental Management	9,360	8,622	9,487
Regulatory	6,926	7,292	7,956
Regional Development	5,988	5,767	5,767
Total activity expenditure	**97,301**	**101,947**	**101,717**
Plus other expenditure (including forestry)	10,671	14,456	12,752
less internal interest eliminated	(7,288)	(10,633)	(7,626)
Total operating expenditure	**100,684**	**105,770**	**106,843**

2. Rates revenue

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
People	7,585	7,364	8,147
Community Facilities	7,875	7,916	8,498
Roads and footpaths	9,326	10,494	10,001
Flood protection and control works	3,872	4,258	4,043
Sewerage	7,992	9,473	7,939
Stormwater drainage	1,852	1,950	1,935
Water Supply	8,400	9,566	7,693
Solid Waste Management	2,713	2,795	2,840
Environmental Management	6,337	6,401	6,157
Regulatory	2,660	3,025	3,256
Regional Development	3,362	3,189	3,544
Total activity rates	61,974	66,431	64,053
Non-activity rates	2	2	2
Total gross rates revenue	**61,976**	**66,433**	**64,055**
Rates remissions	543	557	599
Rates revenue net of remissions	**61,433**	**65,876**	**63,456**

3. Finance revenue and finance costs

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Finance revenue - interest revenue			
Term deposits	696	710	2,369
Total finance revenue	**696**	**710**	**2,369**
Finance costs - interest expense			
Total internal interest expense	6,523	10,633	7,626
Bank charges on borrowings	147	146	102
less internal interest eliminated	(4,513)	(5,208)	(5,406)
Total finance costs	**2,157**	**5,571**	**2,322**
Net finance costs	**1,461**	**4,861**	**(47)**

4. Other revenue including gains

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
NZTA Roading Subsidy	8,262	5,251	8,743
Fees and Charges	8,294	8,569	8,880
Marlborough Regional Forestry	6,576	7,202	6,803
Regulatory revenues	4,322	4,251	4,939
Rental revenues	4,923	4,710	4,515
Contributions	1,358	1,104	1,473
Vested Assets	1,139	1,197	1,139
Trade Waste - Operating Charges	1,113	1,190	1,207
Infringements and fines	632	664	632
Dividends received	900	950	1,801
Subsidies & Grants	1,355	3,773	1,336
Petroleum Tax	367	386	367
Penalties - Rates	345	363	345
Trade Waste - Capital Charges	802	1,024	825
Licence revenue	325	330	353
Rental revenue from investment properties	165	161	168
Other revenue	1,205	1,070	979
Gain on Sale of Fixed Assets	1,824	1,227	7,920
Total other revenue and gains	**43,907**	**43,422**	**52,425**

5. Expenditure

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Other non-activity expenditure			
Non-activity expenditure in the Statement of comprehensive revenue and expense is made up of:			
Insurance	1,035	1,199	1,064
Property costs	1,721	1,387	1,681
Rate remissions as note 2	265	273	283
Other (inc Marlborough Regional Forestry)	4,875	6,173	6,944
Total other expenditure	**7,896**	**9,032**	**9,972**
Expenditure disclosures			
Total expenditure in the Statement of Comprehensive revenue and expense includes the following amounts which are required to be disclosed separately:			
Depreciation and amortisation expense	22,340	24,470	22,825
Personnel costs	20,134	20,192	21,644
Finance costs as note 3	2,157	5,571	2,322
Grants	3,373	2,535	3,943
Insurance premiums	1,676	1,830	1,753
Councillors remuneration	673	659	670
Payments under operating leases	454	452	477
Fees to principal auditor:			
audit fees for financial statement audit	126	128	128
audit fees for LTP	-	96	95
Property plant and equipment loss on disposal	109	6	42
Other operating expenses	45,100	45,264	46,881
Marlborough Regional Forestry	4,543	4,567	6,063
Total expenditure	**100,685**	**105,770**	**106,843**

6. Debtors and other receivables

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
NON EXCHANGE RECEIVABLES			
Rates Receivables	2,422	1,098	2,840
Other Receivables (fees and charges and other)	3,736	3,780	2,169
GST (net)	664	728	776
Prepayments	267	850	67
Other (This is accruals)	688	585	96
Total Non Exchange Receivables	7,776	7,041	5,948
EXCHANGE RECEIVABLES			
Metered Water Receiveables	790	857	242
Total Exchange Receivables	**790**	**857**	**242**
Less provision for impairment	(208)	(46)	8
Total debtors and other receivables	**8,358**	**7,852**	**6,198**

7. Other financial assets

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Current portion:			
Term deposits and bonds with maturities of 4-12 months	7,762	6,528	8,493
Total current portion	7,762	6,528	8,493
Non-current portion:			
Term deposits and bonds and community loans with maturities 12 months plus	5,085	5,838	4,705
Term deposits and bonds and community loans with maturities 12 months plus Community loans			
Intercompany Loan to MDCH	-	-	55,000
Unlisted shares in subsidiaries	6,000	6,000	6,000
Shares: NZ Local Govt. Insurance Corp	85	85	85
Shares other	649	425	649
Total non-current portion	11,819	12,348	11,439
Total other financial assets	19,581	18,876	19,932

Council is required to disclose its investments in council-controlled organisations:

Marlborough Regional Forestry (eliminated in these accounts)			
Venture share	5,348	6,000	5,348
Loan	-	-	-
Marlborough District Council Holdings Limited			
Shares	6,000	6,000	6,000
Marlborough Housing for the Elderly Trust			
None			

8. Property, plant and equipment

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Opening value	**1,416,745**	**1,495,790**	**1,452,159**
Capital additions by activity			
Democratic Process	40	-	-
Culture and Heritage	-	52	50
Community Housing.	165	-	315
Community Support	45	21	20
Library Services	3,792	3,977	598
Emergency Management	46	29	28
People	**4,088**	**4,079**	**1,011**
Community Facilities	**4,459**	**2,116**	**4,359**
Roads and footpaths	**11,695**	**11,724**	**14,243**
Flood protection and control works	**1,530**	**1,505**	**3,549**
Sewerage	**11,991**	**4,845**	**15,411**
Stormwater drainage	**340**	**376**	**2,386**
Water Supply	**5,631**	**6,793**	**7,903**
Solid Waste Management	**50**	**11**	**1,681**
Environmental Science and Monitoring	-	-	-
Environmental Policy and Protection	220	158	900
Resource Consents	3	3	3
Environmental Management	**223**	**161**	**903**
Building Control	-	-	-
Environmental Health	3	4	3
Biosecurity	-	-	-
Animal Control	-	-	-
Harbours	104	210	212
Regulatory	**107**	**214**	**215**
Regional Development	**4,471**	**8,106**	**2,605**
Forest Park Development	**2,610**	**-**	**3,620**
Information Services	**1,397**	**748**	**3,661**
Commercial Property	**-**	**-**	**-**
Plant Operations	**394**	**366**	**201**
Office Services	**100**	**105**	**100**
Asset Services Management	**-**	**-**	**-**
Total capital expenditure	**49,086**	**41,149**	**61,848**
Disposals	**(4,384)**	**(10)**	**(6,662)**
Less carryovers movement	**4,038**	**(1,057)**	**(2,905)**
Depreciation	**(20,884)**	**(23,460)**	**(22,575)**
Revaluation	**16,156**	**33,163**	**24,775**
Closing value including intangibles	**1,460,757**	**1,545,575**	**1,506,640**

9. Creditors and other payables

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Trade payables	3,139	5,297	6,550
Accrued expenses	4,470	2,804	1,880
Revenue in advance	2,748	1,770	2,518
Deposits	1,453	1,569	1,540
Agency account	106	114	260
Trust funds	253	298	255
Amounts due to related parties	26	4	16
Total creditors and other payables	**12,195**	**11,856**	**13,019**

10. Borrowings

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Culture and Heritage	-	2,127	49
Community Housing	299	290	275
Library Services	714	9,596	2,398
People	1,013	12,013	2,722
Community Facilities	11,872	12,950	13,953
Roads and footpaths	10,227	11,928	11,306
Flood protection and control works	846	2,175	2,361
Sewerage	44,289	57,717	45,754
Stormwater drainage	288	261	1,345
Water Supply	23,750	27,400	21,598
Solid Waste Management	7,421	6,469	7,079
Environmental Management	319	284	403
Regulatory	616	572	557
Regional Development	22,675	27,507	19,097
Commercial Property	5,288	5,448	4,757
Works Depot	713	690	685
MDCH financing	-	-	55,000
Total Loans	**129,317**	**165,414**	**186,617**
Less internal loans	90,317	82,914	90,617
Borrowings (external loans)	**39,000**	**82,500**	**96,000**

11. Exchange/Non Exchange Revenue

for the year ending 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
Non exchange revenue			
General rates and charges	59,237	63,338	63,185
Donations, Subsidies and Grants	9,627	9,024	10,079
Fees and Charges	13,221	13,456	14,423
Other Revenue	10,154	9,073	16,304
Total non exchange revenue	92,230	94,891	103,991
Exchange revenue			
Metered water	2,738	3,095	871
Rentals and Leases	5,231	5,022	4,827
Marlborough Regional Forestry	6,576	7,202	6,803
Interest and Dividends	1,596	1,660	4,170
Total exchange revenue	16,141	16,978	16,671
Total Revenue	**108,371**	**111,869**	**120,662**

12. Contingencies

Along with being guarantor for a small number of community organisation bank loans, the Council has a loan guarantee for the Marlborough Civic Theatre Trust (The Trust) for a total of $2.89 Million. This is budgeted to be paid to The Trust over the next two years.

13. Reserves

as at 30 June:	AP 2017 $000's	LTP 2018 $000's	2018 $000's
13.1 Reserve funds - Council wide			
Emergency Events reserves			
Purpose: Council's Emergency events reserve, which is part of Council's risk management strategy, exists to: - protect Council's infrastructural assets; - make a provision for restoration of Council's roading network in the event of extraordinary flood damage; - provide for the restoration of Council's Wairau floodplain river protection assets.			
Activities to which it relates: Infrastructural Assets including the roading network and rivers.			
Opening balance	8,883	6,261	8,488
Transfer to reserve	2,172	2,425	3,850
Transfer from reserve	(1,600)	(1,658)	(1,475)
Capex transfer from reserve	(55)	(1)	(1,100)
Closing balance	9,400	7,027	9,763
Forestry and Land Development reserve			
Purpose: Receives revenue from Marlborough Regional Forestry and from the sale of non-activity assets for funding any projects approved by Council.			
Activities to which it relates: Any Activity approved by Council.			
Opening balance	1,441	1,744	(3,298)
Transfer to reserve	7,775	3,659	14,526
Transfer from reserve	(6,846)	(825)	(2,033)
Capex transfer from reserve	(677)	(2,059)	(5,726)
Closing balance	1,694	2,518	3,469
Infrastructure Upgrade reserve			
Purpose: To be used for essential infrastructure to assist the funding of new assets (*up to a maximum of 50%*) and to assist the funding of significant capital upgrads which increase the targeted level of service supplied to the community.			
Activities to which it relates: Infrastructure such as warer and sewerage and othe activities determined by Council from time to time.			
Opening balance	6,635	6,339	5,848
Transfer to reserve	2,250	2,397	1,902
Transfer from reserve	(54)	(376)	-
Capex transfer from reserve	(2,296)	(2,134)	(1,873)
Closing balance	6,536	6,227	5,877
Land Subdivision reserve			
Purpose: To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.			
Activities to which it relates: Community facilities including: Reserves, Halls, Swimming Pools.			
Opening balance	135	47	233
Transfer to reserve	1,169	1,222	1,204
Capex transfer from reserve	(1,679)	(1,222)	(979)
Closing balance	(375)	46	458
Port Marlborough NZ Ltd Special Dividend reserve			
Purpose: Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.			
Activities to which it relates: Various.			
Opening balance	4,313	4,313	4,313
Transfer to reserve	259	259	259
Transfer from reserve	(259)	(259)	(259)
Closing balance	4,313	4,313	4,313
Wairau Rivers reserve			
Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.			
Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.			
Opening balance	1,738	1,403	2,265
Transfer to reserve	1,046	869	755
Transfer from reserve	(416)	(289)	(457)
Capex transfer from reserve	(1,026)	(889)	(1,679)
Closing balance	1,342	1,094	884
13.2 Reserve funds - Activity specific			
These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:			
General reserve: to accumulate targeted rates or other revenue for use in subsequent years.			
Depreciation reserve: to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.			
Landfill aftercare reserve: to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.			
Development contribution reserve: to accumulate development and financial contributions to fund qualifying capital expenditure.			
Landfill aftercare reserve			
Opening balance	355	616	375
Transfer to reserve	-	-	22
Closing balance	355	616	397
Operational (General and Depreciation) reserves			
Opening balance	13,861	12,004	23,720
Transfer to reserve	20,562	20,737	19,967
Transfer from reserve	(19,881)	(15,906)	(23,139)
Closing balance	14,542	16,835	20,548
Development Contribution reserves			
Opening balance	(263)	(958)	(838)
Transfer to reserve	164	168	185
Transfer from reserve	(10)	(10)	(1,129)
Closing balance	(109)	(800)	(1,782)

Funding Impact Statement

Funding Impact Statement Accounting Policies

The format of the FIS (down to the "Funding balance" line) is laid down by government regulations which require that non-cash items are excluded from the FIS. This means that the information on the FIS differs from the information in Council's financial statements which are prepared in accordance with generally accepted accounting principles (GAAP).

The "Sources of operating funding" section of the FIS includes revenue to the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in "Sources of capital funding" - *whereas* under GAAP they are included in either "Development and financial contributions" or "Other revenue" in the Revenue Statement.
- Any gain from sale of assets is not included, instead the sale proceeds are included in "Sources of capital funding" - *whereas* under GAAP any such gain is included in "Gains" in the Revenue Statement.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – *whereas* in Council's Revenue Statement they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council is excluded and is also excluded from capital expenditure - *whereas* under GAAP this amount is included in "Other revenue" in the Revenue Statement and added to the value of fixed assets in the Statement of Financial Position. However, for some activities a more detailed breakdown of capital expenditure is provided at the bottom of the FIS and this includes the value of vested assets.
- Some of this total may be designated by Council to fund capital expenditure.

The "Applications of operating funding" section includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment- *whereas* under GAAP it is included in Expenditure in the Revenue Statement. The value of this expense is shown in the reconciliation section.
- In Council's Revenue Statement internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The "Finance costs" shown are the amount paid by the activity to Council's Investment unit and so are also an internal cost.
- Any loss on sale of assets is not included as it does not involve a cash payment - *whereas* under GAAP it is included in Expenditure in the Revenue Statement.

The "Sources of capital funding" section shows direct sources of funding the capital expenditure of the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are included - *whereas* under GAAP they are included in either "Development and financial contributions" or "Other revenue" in the Revenue Statement.
- Any proceeds from the sale of an asset are included in here - *whereas* under GAAP only the loss or gain on sale would be included in the Revenue Statement.
- Funding from a reserve is included as a negative value of "Increase (decrease) in reserves" in the "Applications of capital funding" section.
- While loans are included here there are some special situations in which a loan is used to fund operating expenditure.
- Capital expenditure may also be funded from items included as "Sources of operating funding", e.g. activities with low levels of Capital expenditure often fund it directly from rates.

The "Applications of capital funding" section shows how much funding has been:

- used to fund capital expenditure.
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

The Surplus (deficit) of operating funding and capital funding represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differs from a surplus which would be calculated under GAAP.

Council's management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all Activity Groups will not agree to Councils financial statements. Similarly adding all "Internal charges and overheads recovered" gives a different answer to adding all "Internal charges and overheads applied" as most recoveries are to the management units.

Below each FIS a reconciliation is given of the "Total applications of operating funding" in the FIS and the operating expenditure disclosed for that activity in the Revenue Statement.

For some activities a further breakdown is given of the operating and capital expenditure, eg: to individual scheme. This operating expenditure breakdown uses information form the Revenue Statement and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

Funding Impact Statement (excluding GST)

Marlborough District Council	AP 2016.17 $000's	LTP 2017.18 $000's	AP 2017.18 $000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	39,246	40,522	41,744
Targeted rates (other than a targeted rate for water supply)	20,337	23,178	20,915
Subsidies and grants for operating purposes	5,323	5,597	5,375
Fees, charges, and targeted rates for water supply	15,959	16,551	16,518
Interest and dividends from investments	1,596	1,660	4,170
Other receipts including fuel tax, fines and infringement fees	15,986	16,370	15,464
Total operating funding	98,446	103,879	104,186
Applications of operating funding			
Payments to staff and suppliers	73,940	73,714	75,551
Finance costs	2,157	5,571	2,322
Other operating funding applications	3,594	3,019	5,589
Total applications of operating funding	79,692	82,304	83,461
Surplus of operating funding	18,754	21,575	20,725
Sources of capital funding			
Subsidies and grants for capital expenditure	4,294	3,427	4,704
Development and financial contributions	1,410	1,305	1,813
Increase in debt	11,000	10,000	8,000
Gross proceeds from sale of assets	10,835	1,901	11,275
Total sources of capital funding	27,540	16,633	25,792
Applications of capital funding			
Capital expenditure to meet additional demand	14,943	9,962	17,046
Capital expenditure to improve the level of service	18,075	10,858	27,181
Capital expenditure to replace existing assets	16,068	20,333	17,621
Increase (decrease) in reserves	(2,792)	(2,944)	(14,831)
Increase (decrease) of investments	-	-	(500)
Total applications of capital funding	46,294	38,208	46,517
(Deficit) of capital funding	(18,754)	(21,575)	(20,725)
Funding balance	-	-	-
Reconciliation			
Total operating funding	98,446	103,879	104,186
plus - Subsidies and grants for capital expenditure	4,294	3,427	4,704
plus - Development and financial contributions	1,410	1,305	1,813
plus- Gain on sale of fixed assets	1,824	1,226	7,920
plus - Contributions/ Vested Assets	2,395	2,032	2,039
Total income as per Income Statement	108,371	111,869	120,662
Total applications of operating funding	79,692	82,304	83,461
plus - Depreciation and amortisation	20,883	23,460	23,340
plus - Loss on sale of fixed assets	109	6	42
Expenditure as per Income Statement	100,684	105,770	106,843
Surplus of operating funding	18,754	21,575	20,725
less - Depreciation and amortisation	20,884	23,460	23,340
less - Loss on sale of fixed assets	109	6	42
plus - Subsidies and grants for capital expenditure	4,294	3,427	4,704
plus - Development and financial contributions	1,410	1,305	1,813
plus- gain on sale of fixed assets	1,824	1,227	7,920
plus - Contributions/ Vested Assets	2,395	2,032	2,039
Surplus as per Income Statement	7,686	6,099	13,819

Assumptions, Disclosure and Compliance

Assumptions

With any financial forecasting, a number of assumptions must be made. The following assumptions have been made in the preparation of this document. Also presented for each assumption is the "Level of uncertainty", "Risk" and "Financial Impact" for each.

Legislative

Assumption

Local Government may be significantly affected by changes in legislation. It is assumed that legislative and Government Policy changes will not significantly impact upon Council's current responsibilities and activities.

Level of Uncertainty

Medium to high.

Risk

Government has signalled that it wishes to continue its reform agenda for Local Government including the Resource Management Act 1991 and the delivery of core services. It has also issued a National Policy Statement for Water and Food Hygiene and has recently completed a major review of the Health and Safety in Employment Act. All of these changes will potentially have a significant impact on Council.

Financial Impact

To date Government's reforms have not reduced legislative obligations, costs or the impact on the ratepayer. It is too early to assess the financial impact of the Government's signalled policy announcements.

Inflation

Assumption

The costs, revenues and asset values reflected in this plan are based on current costs.

Level of Uncertainty

Medium to high.

NB: The forecast increases for Capital Expenditure are generally higher than operating cost increases and it is the Capital Expenditure that has historically driven rates increases.

Risk

There is a risk that the local inflation rates may be higher or lower than the national averages.

Financial Impact

Should local inflation exceed the national average, this could result in either an increase in rates and debt servicing or deferral of capital projects which may impact upon the level of service that can be provided.

Interest Rate on Council Borrowings

Assumption

Council has assumed a long term interest rate on loans of 6%.

Level of Uncertainty

Low.

Risk

As a result of the continuing impact of the Global Financial Crisis and the expectation of increased interest rates in the future, MFL to review Council has adopted a conservative approach as interest rates can increase significantly within short timeframes, as has happened in the past. Council will attempt to mitigate the impact of interest rate rises with a prudent hedging programme that operates in accordance with its Treasury Policy. However, because of Council's current low debt level, its ability to hedge significant amounts of its forecast debt is limited.

Financial Impact

Increases in interest rates above 6% will result in higher debt servicing costs.

Population Growth

Assumption

Council has assumed population growth will occur at slightly above the Department of Statistics medium population growth projection.

Level of Uncertainty

Low.

Risks

Population growth occurs at rates above or below the level forecast with corresponding impacts on the revenue received from development contributions.

Financial Impact

If population growth occurs at a slower rate than forecast, then the level of development contributions received will be lower than expected, however the financial impact will be mitigated as the need to proceed with growth driven projects is reviewed annually.

Economic Life

Assumption

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is shown in the Statement of Accounting Policies. The useful lives are consistent with Council's experience with respect to its ongoing replacement programme.

Level of Uncertainty

Low.

Risk

Assets wear out and need to be replaced earlier than anticipated.

Financial Impact

Depreciation and borrowing costs would increase if replacement Capital Expenditure was required earlier than anticipated. However, these impacts could be mitigated in part by reprioritising the Capital Expenditure programme. There may also be an increase in maintenance costs to keep the asset operational until it is decided to proceed with replacement.

Subsidy Rates

Assumption

The New Zealand Transport Agency (NZTA) has recently reviewed its financial assistance policy and it is assumed that Council will retain its newly established subsidy rate of 51% for road maintenance and construction works.

Level of Uncertainty

Low.

Risk

NZTA will either reduce the subsidy rate and/or toughen the criteria for the inclusion of works in the qualifying programme.

Financial Impact

If the subsidy rate is reduced, either a reduction in the level of service or an increase in rates would be required. Council is already receiving very good pricing for road maintenance compared to other Local Authorities, through its collaboration with NZTA in the form of Marlborough Roads.

Natural Disasters

Assumption

Should a major natural disaster occur the District could be faced with significant repair and reconstruction costs. Council has estimated the maximum probable loss (MPL)/cost as a result of a major earthquake, flood or tsunami at approximately $77 Million. It is assumed that this forecast is accurate. It is also assumed that:

- The forecast contributions from the Local Authority Protection Programme (LAPP), insurance, Government and the NZTA will be received.
- Through a combination of Council's reserves, investment realisation, credit facilities and rescheduling capital and other works, Council can meet the remaining costs associated with a major disaster.

The LAPP fund is a mutual pool set up to assist Councils cover their share of damage to "below ground" and river protection assets resulting from a significant natural event. At the time the fund was formed commercial insurance alternatives for these assets was not available. There was also a clear requirement from Central Government that any assistance given to rebuild infrastructure following a disaster will only be made available if Council has made adequate financial provisions to cover its own repair obligations.

Council continues to review its options and strategies to address asset damage from major disasters.

Above ground assets are insured through commercial insurance. These costs have been more favourable over the last few years following a "softening" of the commercial insurance market. This together with a steady increase in the value of assets, led Council to reconsider its previous level of self-insurance and to reduce this in most cases to the current excess which is $10,000.

Level of Uncertainty

Low.

Risks

The actual costs of recovery from a major natural disaster are higher than the forecast MPL of approximately $75 Million.

Financial Impact

Should Council's current estimate of MPL and existing arrangements prove inadequate, either an increase in debt and corresponding increase in rates or a slowing in the rebuild would need to occur.

Taxation Framework

Assumption

Council has assumed that existing taxation framework for the Marlborough District Council group will continue.

Level of Uncertainty

Low.

Risk

That the Inland Revenue Department (IRD) takes a view that Council's Holding Company structure is inconsistent with taxation legislation resulting in an increase in associated tax costs.

Financial Impact

Council has mitigated the potential for this to happen by obtaining independent legal advice and a "Binding Ruling" from the IRD on the establishment of MDC Holdings Ltd. Council has not deviated from the principles determined at establishment, so the risk and financial impacts should be low.

Asset Ownership and Valuation

In the preparation of the Annual Plan it has been assumed that Council will retain:

- Ownership of MDC Holdings Limited and its subsidiaries.
- Its ownership share (88.5%) in Marlborough Regional Forestry, with Kaikoura District Council owning the remaining 11.5%.
- Ownership of all substantial assets currently owned.

It has also been assumed that Council will revalue its major assets annually.

Level of Uncertainty

Low.

Risk

The asset values shown in the Annual Plan have been adjusted based on the BERL indices. The risk is that the results of actual revaluations may be higher or lower than those disclosed in the Annual Plan.

Financial Impact

If asset revaluations are higher than forecast, this will increase the resulting depreciation cost and rates as Council moves to provide for asset replacement.

Sources of Funds for Capital Expenditure

Council has assumed that the funds from a range of sources to fund Capital Expenditure will be received.

Level of Uncertainty

Low.

Risk

That the forecast funding will not be received as forecast.

Financial Impact

As it is proposed to fund Capital Expenditure from a range of sources it should be possible to compensate a funding shortfall from one source with funding from another ie; borrowing. If it is decided to increase borrowing a debt servicing cost and a corresponding increase in rates will arise. The alternative is to slow Capital Expenditure especially if the project is growth related and the funding shortfall relates to Development Contributions.

Climate Change

Council has assumed that the climate changes in relation to rainfall, temperature and sea level will occur as predicted. It has been further assumed that climate change will have minimal impact over the period of the LTP.

Level of Uncertainty

Low.

Risk

That asset and hazard planning has not adequately assessed climate change.

Financial Impact

For the period of the LTP, the financial impact is assessed as low as climate change on the whole is occurring very slowly, providing extended lead times for mitigation measures if required.

Emissions Trading Scheme (ETS)

Any direct impacts of the ETS through potential price increases are assumed to be covered by Council's inflation assumptions and thus factored into the forecasts.

Specific ETS costs relating to waste and landfill have been incorporated into those estimates, together with the increased revenue that will be received.

Pre 1990 forestry has been registered. Any costs associated with ETS will be minimal given Council's rotation and replanting policy.

Level of Uncertainty

Low.

Risk

The impact and scope of the ETS may be more than assumed.

Financial Impact

The Council will face increased compliance and operating costs, which if significant enough, may require higher fees and charges or increased rating requirements to fund them. However, Council had already taken steps to reduce the landfill liability and fix the price of the Emission Trading Units that will be required to be surrendered for the first three years of the Scheme's operation.

Resource Consents

Council has assumed that it will continue to hold and comply with appropriate resource consents to enable it to continue its activities, especially in relation to sewerage and stormwater.

Level of Uncertainty

Low.

Risk

Appropriate consents are either not renewed or require improvements in level of service before being granted.

Financial Impact

The main financial impact could occur if levels of service require improvement before a resource consent renewal is granted. The resulting increase in costs will require an increase in borrowing which in turn will impact on rates.

Statement of Accounting Policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2016 and ending on 30 June 2017.

These prospective financial statements were authorised for issue by Council on 30 June 2016.

These prospective financial statements are prepared to meet the requirements of the Local Government Act 2002, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAPP") and the information provided may not be appropriate for other purposes.

1. Reporting Entity

Marlborough District Council is a unitary authority located in New Zealand that is governed by the Local Government Act 2002.

MDC is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.

These prospective financial statements therefore reflect the activities and position of MDC plus the Council's 88.5% share in the joint committee Marlborough Regional Forestry, which is also domiciled in New Zealand.

The primary objective of MDC is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as public benefit entities (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).

2. Basis of Preparation

These prospective financial statements have been prepared in accordance with Tier 1 PBE standards. As a result of applying the new accounting standards, there have been no significant changes in the Council's accounting policies.

(i) Statement of Compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: sections 95, 100, 101, 111 and Part 2 of Schedule 10 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

(ii) Prospective financial statements

The prospective financial statements comply with Tier 1 PBE Accounting Standards (including PBE FRS 42 – Prospective Financial Statements and PBE FRS 46 – First Time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs). The prospective financial statements have been prepared using the best information available at the time they were prepared.

(iii) Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

(iv) Functional and Presentational Currency

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

(v) Changes in Accounting Policies

There have been no significant changes in the accounting policies.

(vi) Accounting Estimates and Assumptions and Critical Judgments in Applying Accounting Policies

In preparing these prospective financial statements MDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumption are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The actual results achieved are likely to vary from the information presented and the variations may be material.

3. Significant Accounting Policies

(i) Investments in subsidiaries

Investments in subsidiaries are recorded in the parent entity's financial statements at cost less any subsequent accumulated impairment losses.

(ii) Interests in Joint Committees

There is a contractual arrangement whereby Council and Kaikoura District Council (KDC) undertake an activity that is subject to joint control.

The Council's share of jointly controlled assets and any liabilities incurred jointly with KDC are recognised in the Council's

financial statements on a proportionate basis and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Revenue from the sale or use of Council's share of the output of jointly controlled assets, and its share of the joint committee expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Council and their amount can be measured reliably.

Where Council transacts with the joint committee, unrealised profits and losses are eliminated to the extent of Council's share in the joint venture, except to the extent that unrealised losses provide evidence of impairment of the asset.

(iii) Revenue

Most of the Council's revenue is from non-exchange transactions accounted for under PBE IPSAS 23.Exchange transactions are recognised under PBE IPSAS 9. Professional judgement is exercised to determine whether the substance of a transaction is non-exchange or exchange.

For non-exchange revenue there is a recognition of a liability to the extent of unfulfilled conditions.

Revenue from non-exchange transactions

Rates Revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Revenue is measured at the fair value of consideration received or receivable. Rates revenue is recognised by Council as being revenue when the Council has struck the rates and provided the rates assessment. It is a non-exchange revenue.

Government Grants

NZTA roading subsidies (received in respect of maintaining the roading infrastructure) and other government grants/subsidies are recognised as revenue upon entitlement ie; when conditions pertaining to eligible expenditure have been fulfilled. This revenue is reflected in the financial statements as subsidy revenue. Other Government assistance received includes contributions towards the upkeep of Returned Servicemen Association cemetery plots, community housing, community safety and environmental control.

Provision of Services partial cost recovery/subsidised

Revenue from a subsidised sale of services is recognised as non-exchange revenue .Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date.

Vested Assets

Assets vested in Council, with or without conditions, are recognised as revenue when control over the assets is obtained.

Financial/Development Contributions

Financial/Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise Financial/Development contributions received are recognised as liabilities until such time the Council provides, or is able to provide, the service. Development contributions are classified as part of "Other revenue".

Revenue from exchange transactions

Water Billing Revenue

Water Billing is recognised on an accrual basis.

Provision of Services Full Cost Recovery

Significant revenue from full cost recovery sale of services is recognised as exchange revenue. Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date.

Sales of Goods

Sales of goods are recognised when goods are delivered and title has passed.

Interest and Dividends

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established.

(iv) Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using effective interest method.

(v) Grant Expenditure

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

where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

(vi) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Leases

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. All operating lease contracts contain review clauses in the event that MDC exercises its option to renew. The lessee does not have an option to purchase the property at expiry of the lease period.

Rentals payable under operating leases are charged to revenue on a straight-line basis over the term of the relevant lease.

(vii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other Receivables

Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Revenue Statement where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Receivables are recognised as exchange or non-exchange transactions under PBE IPSAS 23 and PBE IPSAS 9.

Derivative Financial Instruments and Hedge Accounting

MDC enters into interest rate swaps to manage interest rate risk and, from time to time, foreign currency forward contracts to manage foreign currency rate fluctuation risk. The Council does not use derivative financial instruments for speculative purposes.

Derivative financial instruments fall into the "fair value through surplus or deficit" category.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. Derivative instruments entered into by MDC do not qualify for hedge accounting. Changes in the fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised in the surplus or deficit.

(viii) Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade-date, the date on which MDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and MDC has transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit as below;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue.

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

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and those designated at fair value through surplus or deficit at initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

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

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

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

Held-to-maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where there is a positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

Fair value through other comprehensive revenue and expense
Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

(ix) Impairment of Financial Assets

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

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

Financial assets at fair value through other comprehensive revenue

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense,, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

(x) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provision has been made for obsolescence for inventories held for maintenance purposes, where applicable.

(xi) Non-current Assets Held for Sale

Non-current assets (or disposal groups) classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The valuation of net realisable value was carried out by Alexander Hayward Limited and Abel Properties Limited.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

(xii) Property, Plant and Equipment

MDC has the following classes of property, plant and equipment:

- Land and buildings.
- Improvements on land.
- Library books and parking meters.
- Infrastructural assets.
- Other.

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

Revaluation

Land and buildings and infrastructural assets are revalued with sufficient regularity that the carrying amount does not differ materially from that which would be determined using fair values at balance date, generally every year.

Revaluation increments and decrements are credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve this balance is expensed in the Revenue Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Revenue Statement will be recognised first in the Revenue Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

Additions between valuations are recorded at cost, except for vested assets. Cost represents the value of the consideration given to acquire the assets

and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended use. Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation which is their deemed cost. Vested infrastructural assets are initially valued based on the actual quantities of infrastructural components vested and the current "in the ground" cost of providing identical services and this is their deemed cost.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation on revalued assets is charged to the Revenue Statement.

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

Asset	Life	Rate
Roads, Streets and Bridges	4 – 100 years	1 – 25%
- Land under roads and pavement formation	Not depreciated	
- Earth water channels	Not depreciated	
- Street berms	Not depreciated	
Carparks	5 – 50 years	2 – 20%
- Land and formation	Not depreciated	
Buildings (excluding properties intended for sale)	100 years	1%
Council Computers	4 - 5 years	20 - 25%
Plant, equipment (excluding Council infrastructural assets)	5 - 20 years	5 - 20%
Mowers/chainsaws	1 – 2.5 years	40 - 100%
Sewerage	10 to 100 years	1 – 10%
- Oxidation ponds:	Not depreciated	
Stormwater	25-100 years	1 – 4%
Water	20-100 years	1 - 5%%
Rivers and Drainage	Mostly Not depreciated	
- Pump stations	35 - 100 years	1 - 4%
- Dam	100 years	1%
Library books	13.33 years	7.69%

Disposals

On the subsequent sale or retirement of a revalued asset, the attributable revaluation profit remaining, net of any related deferred taxes, in the revaluation reserve is transferred directly to accumulated funds.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Revenue Statement.

(xiii) Intangible Assets - Software

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by MDC are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overhead costs.

The computer software has a finite life of four to five years. Amortisation is included in the Revenue Statement.

(xiv) Impairment of Property, Plant and Equipment and Intangible Assets

At each balance sheet date MDC reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists and for indefinite life intangibles, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset MDC estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value in use.

For assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

For non-revalued assets impairment losses are recognised as an expense immediately.

For revalued assets, other than investment property, the impairment loss is treated as a revaluation decrease to the extent it reverses previous accumulated revaluation increments for that asset class.

Where an impairment loss subsequently reverses the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as revenue immediately unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase to the extent that any impairment loss had been previously charged to equity.

Forestry Assets

Forestry assets are owned and managed by Marlborough Regional Forestry. They are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the Revenue Statement. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

The fair value of all trees is based on estate based Net Present Value (NPV) method, using the present value of future cash flows discounted at a pre-tax market determined rate.

Marlborough District Council own and manage some trees for soil conservation purposes. These are revalued as per Council's policy on property, plant and equipment.

(xv) Investment Property

The classification of property is a matter of professional judgement that requires analysis of the substance of the circumstances surrounding its occupation. The decision as to whether a property or part of a property is classified as 'Investment Property' is based on the criteria in PBE IPSAS 16, Investment Property and recognising the following:

Properties leased to third parties under operating leases will generally be classified as 'Investment Property' unless:

- The occupants provide services that are integral to the operation of the owner's business and/or these services could not be provided efficiently and effectively by the lessee in another location.
- The owner of the property is a public benefit entity, and the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.
- The property is being held for future delivery of services.
- If the lessor uses services of the owner and those services are integral to the reasons for their occupancy of the property.

Investment property is measured initially at its cost, including transaction costs. Investment property is then restated to fair value at balance date, based on an independent valuation.

Gains or losses arising from changes in the fair value of investment property are included in the surplus or deficit for the period in which they arise.

(xvi) Trade and Other Payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

(xvii) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, these loans and borrowings are subsequently measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the loan or borrowing. Amortised cost is calculated taking into account any issue costs, and any discount or premium on drawdown.

Bank loans are classified as current liabilities (either advances or current portion of term debt) unless MDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(xviii) Employee Entitlements

Provision is made in respect of the MDC's liability for retiring gratuity allowances, annual and long service leave, and sick leave.

The retiring gratuity liability and long service leave liability are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (eg; annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date. Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

(xix) Superannuation Schemes

Defined contribution schemes

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

Defined benefit schemes

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

(xx) Provisions

Provisions are recognised when MDC has a present obligation as a result of a past event, a reliable estimate can be made for the amount of the obligation and it is probable that MDC will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

Council has a legal obligation to provide ongoing maintenance and monitoring services at the Blenheim landfill site after closure. To provide for these estimated costs of aftercare, a charge is made each year based on the net present value of the after care cost which it is estimated will be incurred following the closure of the landfill.

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation.

However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

(xxi) Equity

Equity is the community's interest in MDC and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the special uses that MDC intends to make of its accumulated profits. These components of equity are:

- Accumulated Funds.
- Ordinary revenues.
- Property Revaluation reserves.
- Restricted Reserves.

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

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

Council created reserves are reserves established by Council decision. The Council may alter the purpose of the reserve without reference to any third party or the Courts. Transfer to and from these reserves is at the discretion of Council.

Property revaluation reserves relate to the revaluation of property, plant and equipment to fair value.

(xxii) Goods and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

(xxiii) Cost Allocation

The cost of providing support services for the Council are accumulated and are allocated to each activity using appropriate allocation bases which reflect the usage and /or capacity for each significant activity.

(xxiv) Foreign Currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or rates that approximate those rates. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the surplus or deficit for the period.

In order to hedge its exposure to certain foreign exchange risks, MDC enters into forward contracts in accordance with the Council treasury policies (see above for details of MDC's accounting policies in respect of such derivative financial instruments).

(xxv) Annual Plan Figures

The comparative 2015-16 and 2016-17 figures are those approved by the Council in its 2015-25 LTP. They have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

(xxvi) Emissions Trading Scheme (ETS)

Marlborough Regional Forestry (MRF) is a participant in the ETS with regard to both its significant holdings of "pre 1990" forests and currently minor holding of "post 1989" forests.

Pre 1990 emission units (NZU's) received are recognised at cost ($nil) and subsequently measured at cost subject to impairment. It is not anticipated that MRF will have any future liabilities or obligations with regard to its pre 1990 forests.

Post 1989 NZU's received are recognised at cost ($nil) and subsequently measured at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required. If operations proceed as planned there will always be post 1989 units on hand equal to any liability.

Any future cash flows associated with units receivable/payable will be taken into

consideration in determining the valuation of the forest estate.

Council's regional landfill has entered the ETS and has incurred liabilities from 1 January 2013. NZU's purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

Part 4: Rates Information

- Rates Movements 2017-18
- Indicative Impacts on Benchmark Properties
- Rates Funding Impact Statement

Rates Movements 2017-18

Total Rates and Charges for 2017-18 are estimated at $64,055,365 (GST exclusive). This represents an increase of $1,550,095 (2.48%) on last year's levy.

The rating effect will be different for individual properties because of movements in general-type rates not impacting uniformly on all geographic rating areas and movements in targeted separate rates (such as Sewerage and Water etc) affecting only those properties able to receive these services.

General Rates and Charges		
Roads and Footpaths	$682,286	Increased costs, predominantly depreciation, for General Roading. Also, there are the flow on costs of debt servicing and depreciation for the small townships' capital projects and for Blenheim CBD works.
Community Facilities	$635,261	Increased operating costs are budgeted for Reserves including: • Lansdowne Park (netball courts, storm-water, and carparks); • Picton Foreshore (increased lighting costs and re-sanding the beach); • Walkways including Picton Rural, Koromiko Forest and the Wither Hills for track maintenance and upgrades; • The new Picton and Sounds public conveniences operating, maintenance and debt servicing costs; • contract management costs for Flaxbourne conveniences; • Additional reserves and amenities resourcing; and • Freedom camping patrols.
Building Consents	$408,208	Increased rating requirement due to increased personnel costs to meet IANZ accreditation requirements and as personnel numbers is one of the overhead drivers, there has been an increase in the overhead allocation. Fencing of swimming pool inspections.
Environmental Management	$226,607	Sounds multi-beam survey capitalised and related depreciation funding, integrated catchment management plans, NPS for Freshwater and Contaminated Lands and marine biosecurity land management resourcing. Offset by the introduction of water consent and moorings monitoring fees.
Biosecurity	$197,007	Increased costs including an additional marine biosecurity resource.
Libraries	$172,401	Increased interest and depreciation costs resulting from the Picton library project and extension of Saturday library hours.
Community Support	$163,212	The increase is due to Council community grants now all budgeted under this activity. Last year $125,000 was budgeted under Arts and Heritage. Increased Art Gallery operating funding.
Regional Development	$112,530	Increased costs including overhead allocation.
Stormwater	$80,274	Blenheim stormwater is higher due to the flow on costs of debt servicing and depreciation for the Casey's Creek project which is essential for the Northwest development.
General Revenues	($430,147)	Additional dividends and reduced external interest have enabled the return to previous levels of support for general rates and charges.
Targeted Rates and Charges		
Wairau Valley River Works	$133,216	Increased interest costs due Rivers land purchases, increased maintenance costs for the floodway reserve land and Wither Hills soil conservation,
Combined Water	($477,439)	Reduced interest costs as a result of capital expenditure delays, reduction of 2017-18 capital expenditure and utilisation of Water Reserves built up from previous years' surpluses.
TOTAL	**$1,369,928**	**(Total Annual Plan movement $1,550,095, i.e. 88%)**

Indicative Impact on Benchmark Properties

Council uses Benchmark Properties in different geographic areas to illustrate the effect of its rating proposals.

The rating effect on individual properties varies because movements in general-type rates do not impact uniformly on Council's geographic rating areas and movements in targeted separate rates (such as Sewerage and Water) affect only properties in those rating areas.

Benchmark Properties	Land Value	Capital Value	16-17 Actual Rate Levy	17-18 Final Plan Rate Levy	17-18 Total $ Rate Mvt	17-18 Total % Rate Mvt
01-Blenheim Residential	175,000	320,000	2,530	2,545	15	0.59%
02-Blenheim Residential	160,000	310,000	2,500	2,519	19	0.77%
03-Blenheim Residential	195,000	410,000	2,666	2,678	11	0.43%
04-Blenheim Residential	195,000	520,000	2,882	2,898	16	0.56%
05-Blenheim Residential	170,000	435,000	2,609	2,628	18	0.70%
06-Blenheim Vacant Section	165,000	165,000	2,043	2,057	15	0.73%
07-Blenheim Commercial	122,000	480,000	3,538	3,637	99	2.80%
08-Blenheim Commercial	385,000	990,000	7,844	8,043	199	2.54%
09-Picton Residential * 1	105,000	340,000	2,669	2,619	-50	-1.88%
10-Picton Residential * 2	155,000	320,000	3,011	3,025	14	0.47%
11-Picton Vacant Section * 1	100,000	100,000	2,042	2,062	19	0.94%
12-Picton Commercial * 1	280,000	395,000	5,990	5,915	-75	-1.24%
13-Picton Motels (19 units) * 2	375,000	1,270,000	6,708	6,878	170	2.53%
14-Blenheim Vicinity	1,060,000	2,140,000	5,632	5,912	280	4.97%
15-Blenheim Vicinity	690,000	1,490,000	3,725	3,898	173	4.65%
16-Blenheim Vicinity	4,470,000	8,690,000	18,545	19,753	1,208	6.51%
17-Blenheim Vicinity	1,750,000	3,090,000	8,326	8,806	480	5.77%
18-Blenheim Vicinity	5,130,000	7,990,000	20,975	21,984	1,009	4.81%
19-Renwick Residential * 3	136,000	325,000	2,152	2,219	67	3.10%
20-Renwick Residential * 4	131,000	250,000	2,189	2,251	62	2.83%
21-Spring Creek Residential	134,000	305,000	1,680	1,737	58	3.43%
22-Grovetown Residential * 5	175,000	380,000	2,897	2,960	63	2.18%
23-Grovetown Residential * 5	139,000	210,000	2,464	2,522	58	2.33%
24-Rarangi Residential	220,000	800,000	1,314	1,391	77	5.86%
25-Picton Vicinity	1,380,000	1,600,000	3,212	3,244	32	0.99%
26-Ngakuta Bay - bach	155,000	410,000	873	625	-248	-28.41%
27-General Rural - French Pass	1,820,000	2,000,000	6,044	6,400	356	5.89%
28-General Rural - Manaroa	3,710,000	4,610,000	12,948	13,675	727	5.62%
29-General Rural - Opouri Valley	2,660,000	3,300,000	8,473	8,978	506	5.97%
30-General Rural - on Awatere Water	1,580,000	2,080,000	5,689	6,200	511	8.98%
31-Havelock Residential	155,000	360,000	2,225	2,049	-176	-7.89%
32-Seddon Residential	62,000	235,000	3,093	2,998	-95	-3.09%
33-Wairau Valley Township Residential	134,000	445,000	2,332	2,186	-146	-6.27%
34-Sounds Admin Rural - farm	4,900,000	5,730,000	10,664	12,158	1,494	14.01%
35-Sounds Admin Rural - bach	165,000	325,000	732	790	58	7.87%
36-Sounds Admin Rural - bach	270,000	465,000	948	1,028	80	8.47%

GST has been calculated on the basis of 15% for the year.
*1 These properties pay the Sewer Treatment Loan Rate because they did not make a Lump Sum payment.
*2 These properties opted to make Sewer Treatment Lump Sum payments.
*3 This property opted to make Sewer Lump Sum payments.
*4 This property opted to make Sewer loan repayments over a 20 year term, in lieu of Lump Sum payments.
*5 These properties pay the Sewerage Loan Rate because they did not make a Lump Sum payment.

Rates Funding Impact Statement

The Rates Funding Impact Statement provides the following information:

- Detailed explanations of the types of rates that are to be set, their purpose, and the basis on which they are calculated.
- A narrative description of the geographic areas that are used for Targeted General-type Rates and Charges.
- General Information in respect of rates instalment dates and penalties for late payment.

The GST inclusive (incl) amounts shown in this Statement have been calculated using GST at 15%.

Terminology

Unless otherwise specified:

- The terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be.
- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are set differentially for the six geographic areas as a fixed amount on every separately used or inhabited part of a rating unit).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, eg: Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau Valley River Works rates and the Kenepuru Road rate, which are levied on capital value, the Southern Valleys' Irrigation Loan rate and the Flaxbourne Community Irrigation Scheme Loan rate which are based on irrigable hectares; or the Energy Efficiency rates which are based on the service amount).
- LTP refers to Council's LTP which was adopted on 25 June 2015.
- A Separately Used or Inhabited Part of a Rating Unit (SUIP)

Definition

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

For the purposes of this definition:

- a SUIP includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.
- a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
- vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Examples of the application of the definition

- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.

Residential	Residential	= 2 SUIPs

- Where a rating unit contains both a commercial or industrial type use, and a residential or rural type use they will be treated as two SUIPs.

Commercial or Industrial	Residential or Rural	= 2 SUIPs

- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.

Commercial	Commercial	= 2 SUIPs

Exceptions to the definition

- Predominantly residential rating units where the owner of the unit resides and operates a business (including a homestay or farmstay activity) from the same rating unit will be charged as being one SUIP.

Owner operated business	Predominant Use – Owner occupied residential	= 1 SUIP

- Where two dwellings are located on a farm, vineyard, forestry or horticultural block, the first dwelling is considered an integral part of the farm, vineyard, forestry or horticultural block and every additional dwelling is assessed as a SUIP.

Two Residential	Rural	= 2 SUIPs

- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

Motel	Dwelling	= 1 SUIP

- GST inclusive (incl) amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers. The GST rate used in these calculations is 15%.
- GST exclusive (excl) amounts are used to indicate Rate Revenue Movements affecting the Council.

The Council has adopted the following differential rating categories for general-type rates:

Residential or Rural

All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation.

“Rural purposes” means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category.

Forestry is included in this category for the purposes of the General Works and Services Rate.

Commercial or Industrial

All land used for a commercial or industrial purpose. "Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision. "Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods. For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as "utilities".

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration with the exemption of:

- Properties where the principal purpose is the provision of longstay accommodation ie: 28 days or more.
- Properties that provide accommodation for five or less people.
- Properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farmstay category.

Homestay or Farmstay

Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes, where a Building Act or Resource Consent was required for such a use.

Utilities

Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.

Multiple Land Uses

The Council will partition a rating unit where there are two or more land uses that fit into different differential rating categories except for predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.

Targeted General Type Rates and Charges $41,048,267 GST excl ($47,205,508 GST incl)

Although general-type rates and charges have increased overall by 5.21% ($2,032,848 GST excl), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas.

Geographic Area General Works and Services Rates $25,510,330 GST excl ($29,336,880 GST incl)

General Works and Services Rates are set differentially for six geographic areas, depending on where the land is situated.

Within each geographic area, the rating units are further differentiated into categories of rateable land in accordance with the use to which the land is put in one or more of the following categories of rateable land:

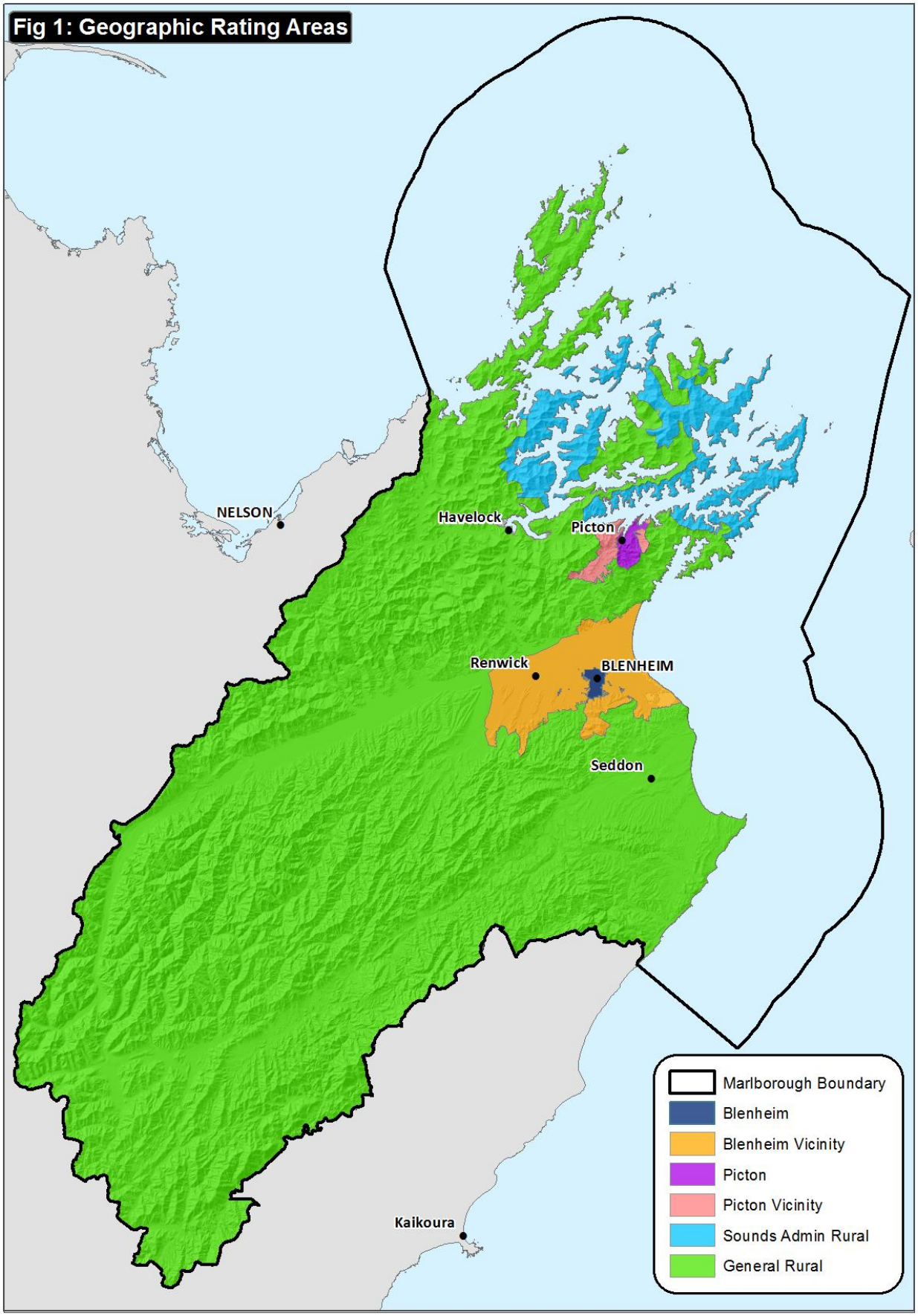
- Residential or rural.
- Commercial or industrial.
- Homestay or farmstay.

For these rates Utilities will be treated as falling within the commercial or industrial differential category.

These rates (*which are levied on a land value basis*) fund the Geographic Area’s share of the Net Cost of Operations, Capital Expenditure and Debt Servicing Cost charges, after making provision for other targeted rates and charges, general revenue and utilisation of various reserves.

Overall, these rates will increase by $719,169 (3.09%) GST excl; however there are varying impacts on the geographic areas and their differential rates.

Geographic Rating Areas



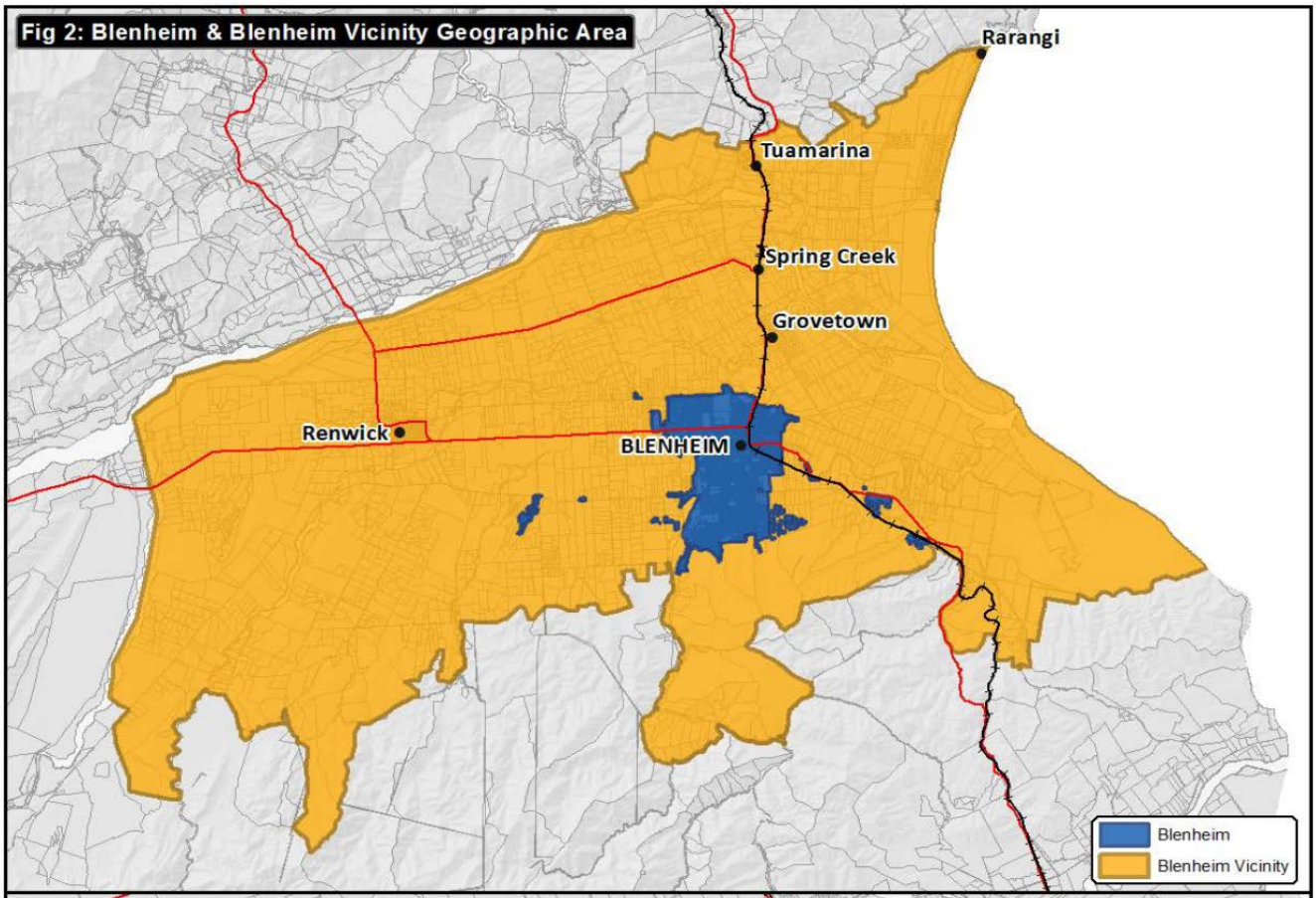


Fig 2: Blenheim & Blenheim Vicinity Geographic Area
Rarangi
Tuamarina
Spring Creek
Grovetown
Renwick
BLENHEIM
Blenheim
Blenheim Vicinity

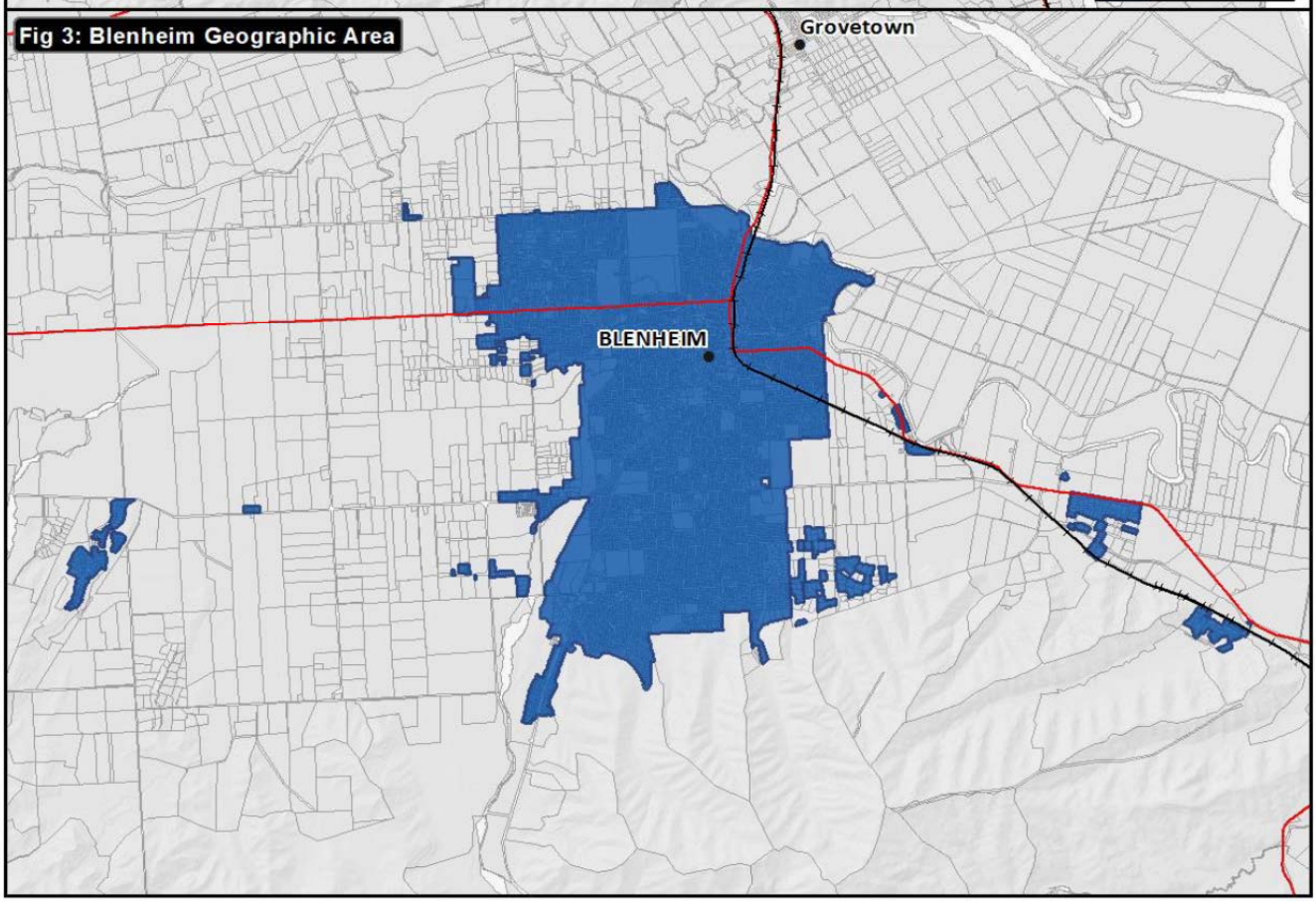


Fig 3: Blenheim Geographic Area
Grovetown
BLENHEIM

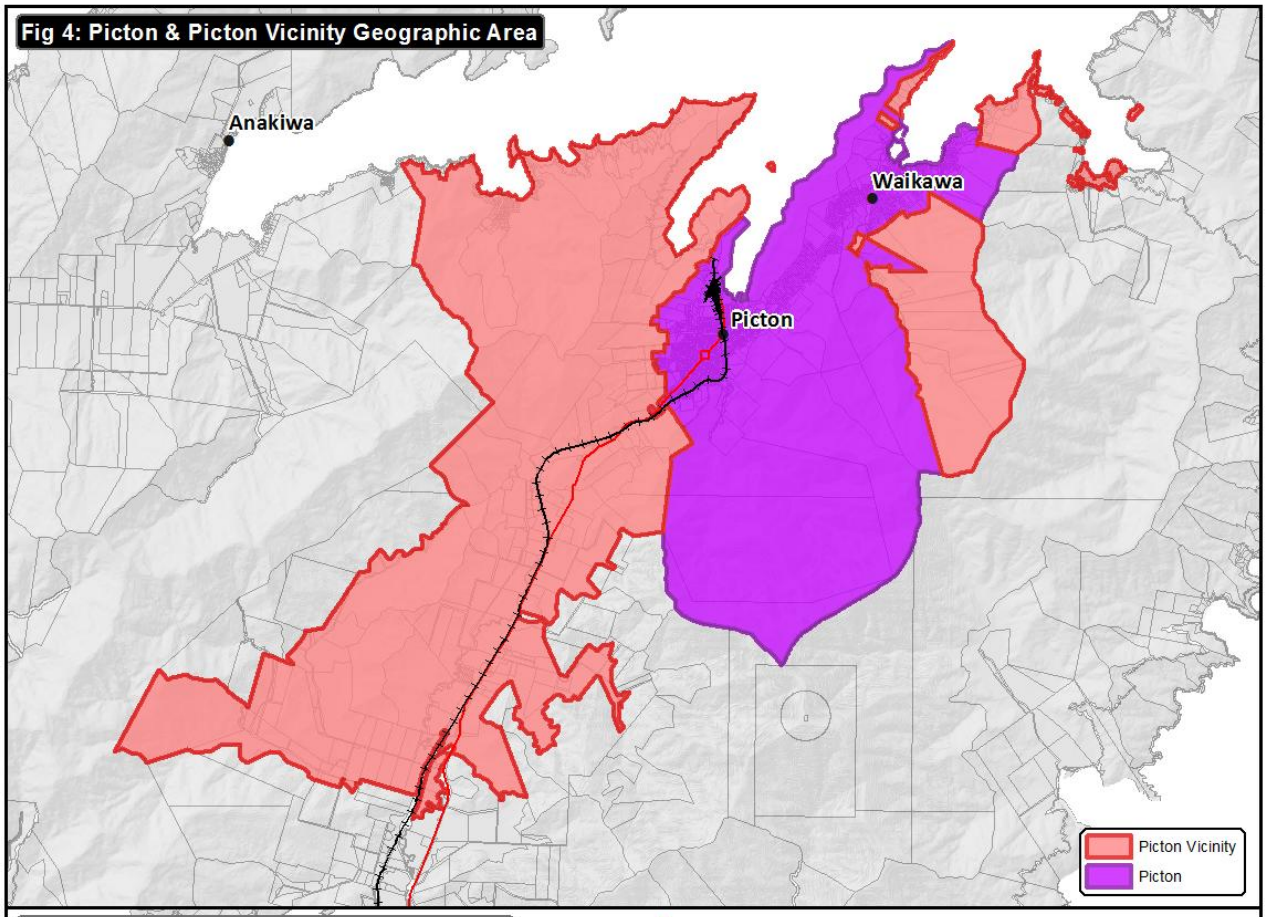


Fig 4: Picton & Picton Vicinity Geographic Area
Anakiwa
Waikawa
Picton
Picton Vicinity
Picton

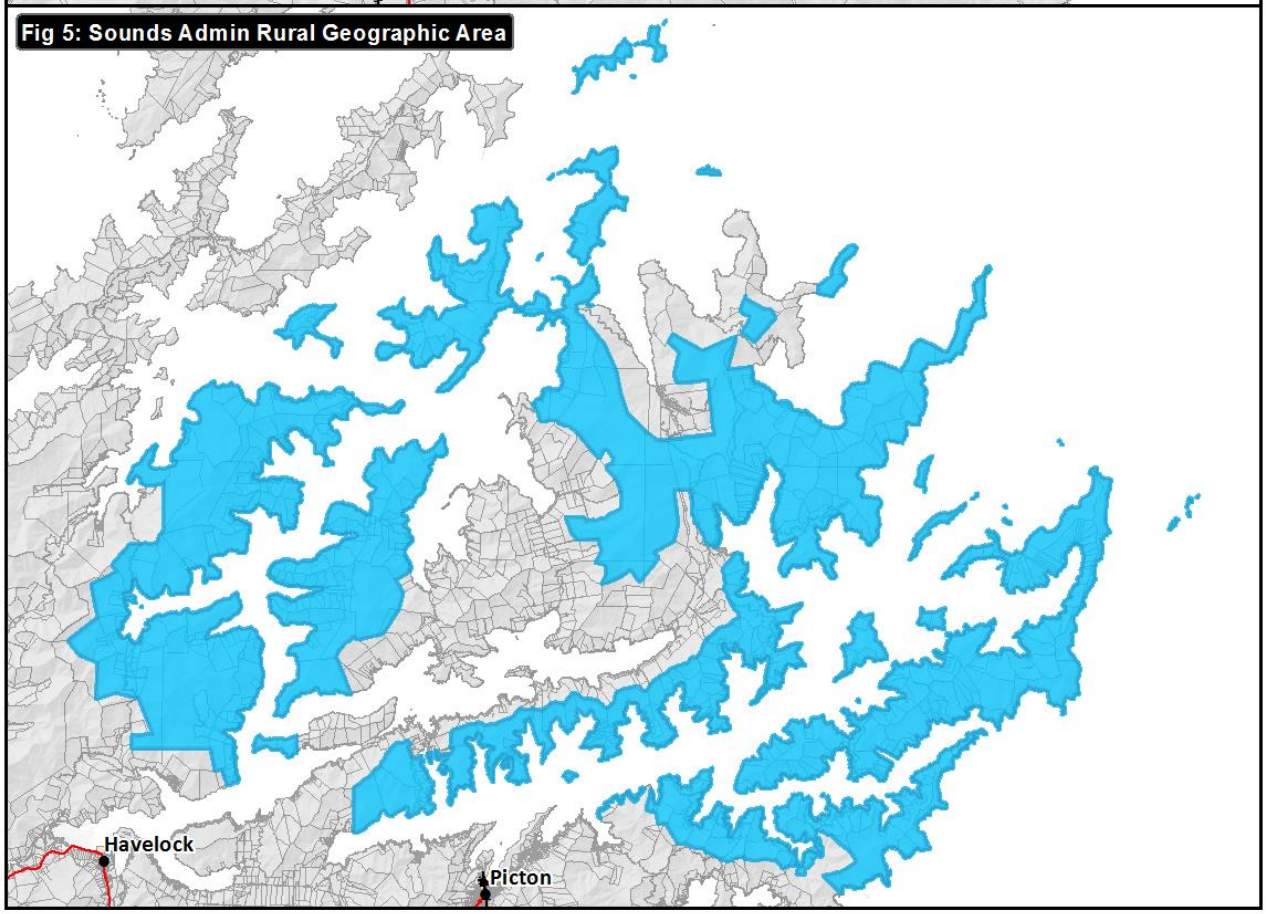


Fig 5: Sounds Admin Rural Geographic Area
Havelock
Picton

.***General Works and Services rate amounts (GST incl) set in each geographic area are as follows:***

Geographic Area	Differential Rating Categories	Levy (GST excl)	Levy (GST incl)	Cents in $ (GST incl)
Blenheim	Res/Rural	5,738,460	6,599,229	0.395484
	Com/Ind	3,932,666	4,522,566	1.394158
	Hsty/Fsty	3,061	3,520	0.645311
Blenheim Vicinity	Res/Rural	5,361,534	6,165,764	0.295740
	Com/Ind	296,405	340,866	0.583392
	Hsty/Fsty	12,615	14,507	0.368175
Picton	Res/Rural	1,773,455	2,039,473	0.654714
	Com/Ind	814,517	936,695	1.213776
	Hsty/Fsty	3,643	4,190	0.795487
Picton Vicinity	Res/Rural	229,548	263,980	0.171529
	Com/Ind	20,835	23,961	0.469182
	Hsty/Fsty	403	463	0.246165
General Rural	Res/Rural	6,422,322	7,385,670	0.318697
	Com/Ind	157,454	181,072	0.535537
	Hsty/Fsty	3,684	4,236	0.373044
Sounds Admin Rural	Res/Rural	711,454	818,172	0.226937
	Com/Ind	27,739	31,900	0.377304
	Hsty/Fsty	535	616	0.264656

Geographic Area General Works and Services Charges $15,537,937 GST excl ($17,868,628 GST incl)

A targeted Geographic General Area Works and Services rate on the basis of a fixed amount on every separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective area's share of the Net Cost of Operations, Capital Expenditure and Debt Servicing Cost costs, after making provision for targeted rates and charges, general revenue and utilisation of various reserves.

These charges are set *differentially* for six geographic areas, depending on where the land is situated; on the same basis as for the Geographic Area General Works and Services Rates. There is also a differential charge for Utilities.Overall, these charges will increase by $783,782 (5.31%) GST excl, but there are varying impacts on the geographic areas and their differential charges.

Total Revenue sought from General Works and Services Charges in each geographic area (*including Utilities*) will be as follows:

Geographic Area	Levy (GST excl)	Levy (GST incl)	Unit Charge (GST incl)
Blenheim	8,148,789	9,371,107	748
Blenheim Vicinity	2,427,272	2,791,363	677
Picton	1,919,197	2,207,077	781
Picton Vicinity	149,574	172,010	358
General Rural	2,346,190	2,698,119	501
Sounds Admin Rural	520,199	598,229	414
Utilities	26,716	30,723	580

Debt Servicing Rates and Charges $1,156,158 GST excl ($1,329,582 GST incl)

Grovetown Sewerage Loan Rate $96,835 GST excl ($111,360 GST incl)

The Grovetown Sewerage Loan Rate is calculated on the land value of every rating unit in the Grovetown Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on an interest only basis for the first year and progressively moving to a table mortgage basis over the ensuing nine years. The loan rate will continue until 30 June 2039.

On a rating unit with a land value of $175,000 the sewerage loan rate remains at $1,026.01. The cents in the dollar rate is 0.586293 cents GST incl.

Picton Sewerage Treatment Loan Rate $26,801 GST excl ($30,822 GST incl)

The Picton Sewerage Treatment Loan Rate is calculated on the land value of every rating unit in the Picton Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs. The loan rate will continue until 30 June 2018.

A decrease of $29,928 GST excl will occur.

On a rating unit with a land value of $105,000, the Picton Sewerage Treatment Loan rate will decrease from $48.88 to $23.09 GST incl.

The new cents in the dollar rate is 0.021992 GST incl.

Renwick Sewerage Loan Rate

$30,741 GST excl
($35,352 GST incl)

The Renwick Sewerage Loan Rate is calculated on the land value of every rating unit in the Renwick Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs. The loan rate will continue until 30 June 2026.

An increase of $1,117 GST excl will occur.

On a rating unit with a land value of $131,000, the loan rate will increase from $80.99 to $81.30 and the new cents in the dollar rate is 0.062060 GST incl.

Southern Valleys' Irrigation Loan Rate

$1,000,728 GST excl
($1,150,837 GST incl)

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on capital expenditure. The loan rate will continue until 30 June 2027.

An increase of $3,706 GST excl will occur.

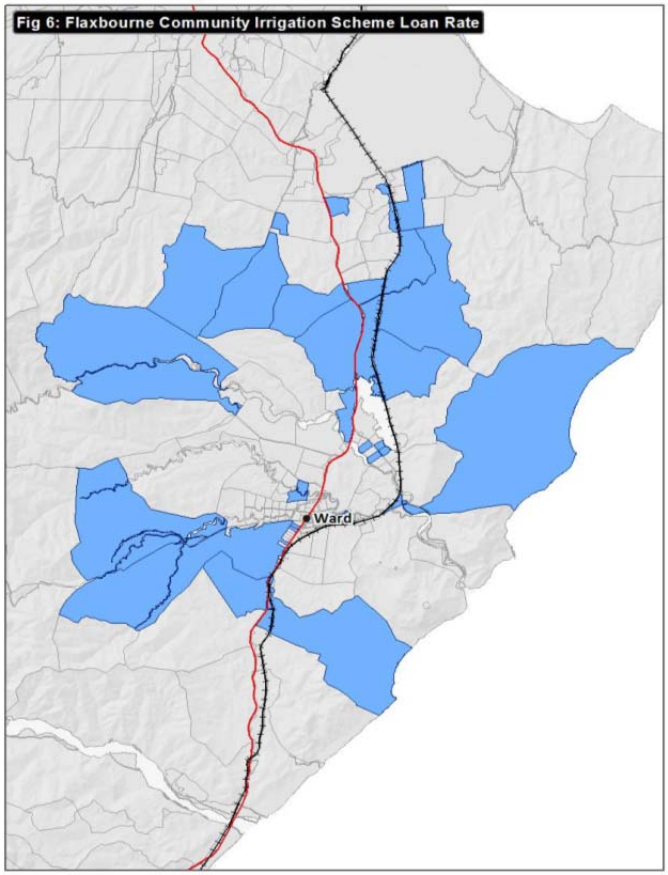
The new targeted loan rate is $309.45 GST incl.

Flaxbourne Community Irrigation Scheme Loan Rate

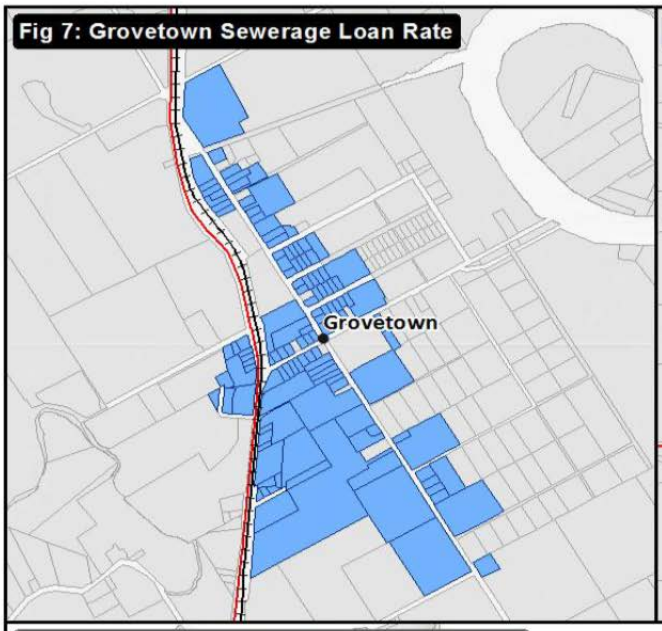
$1,053 GST excl
($1,211 GST incl)

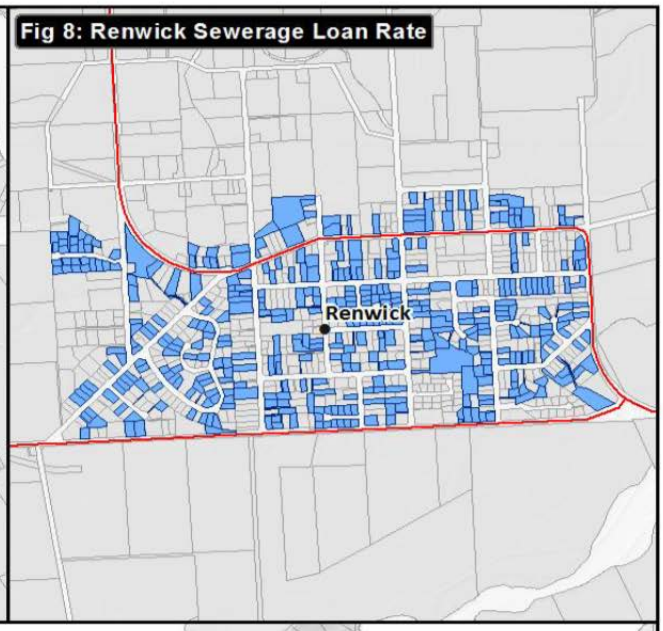
This rate is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m^3 per hectare on land identified within the Flaxbourne Special Rating Area. The quantum of the loan rate will alter as the scheme proposal is progressed and will be used to either fund investigation costs incurred should the scheme not proceed or the total capital cost of the scheme should construction contracts be awarded.

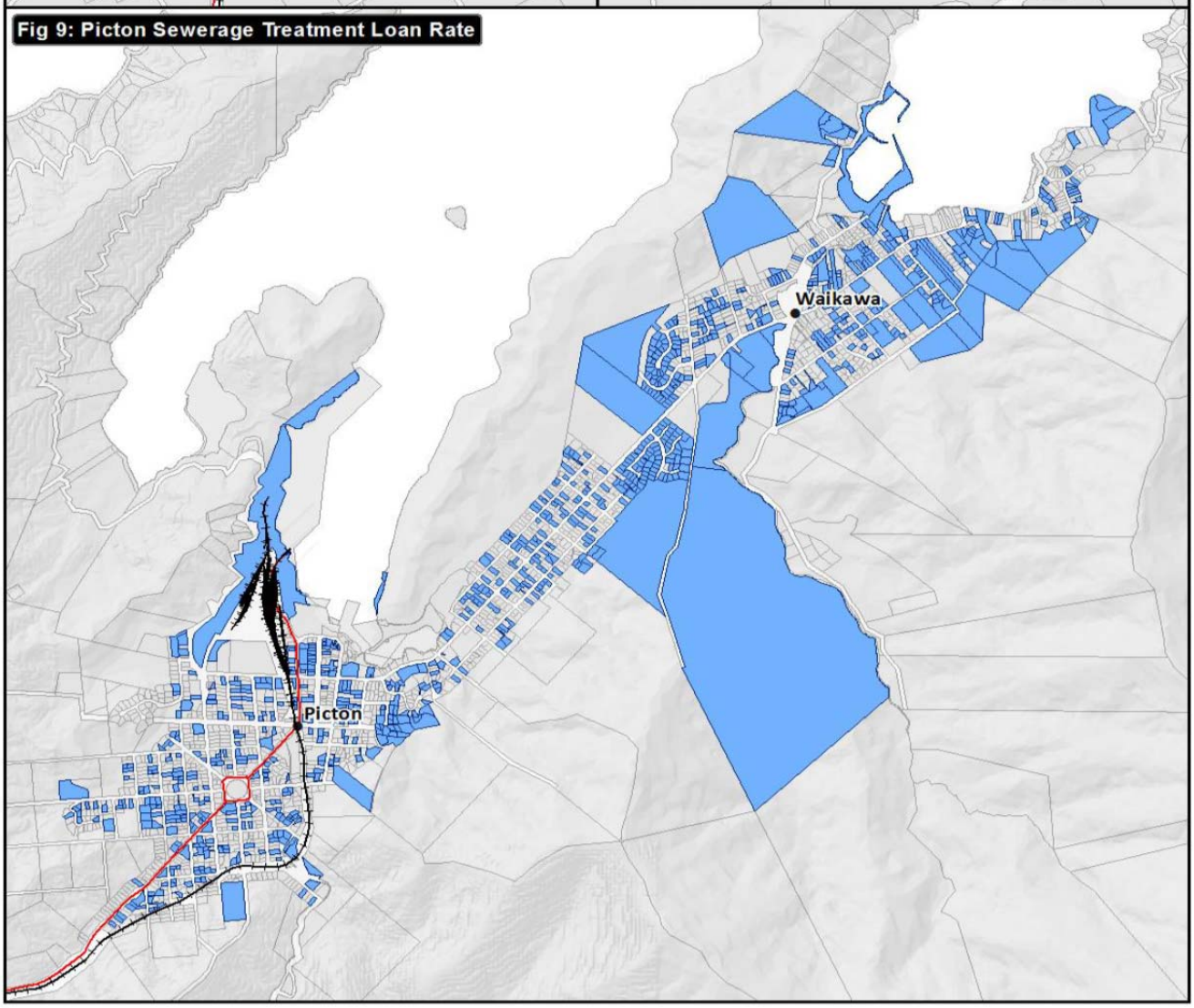
The targeted loan rate remains at $1 GST inclusive.



Special Rating Areas







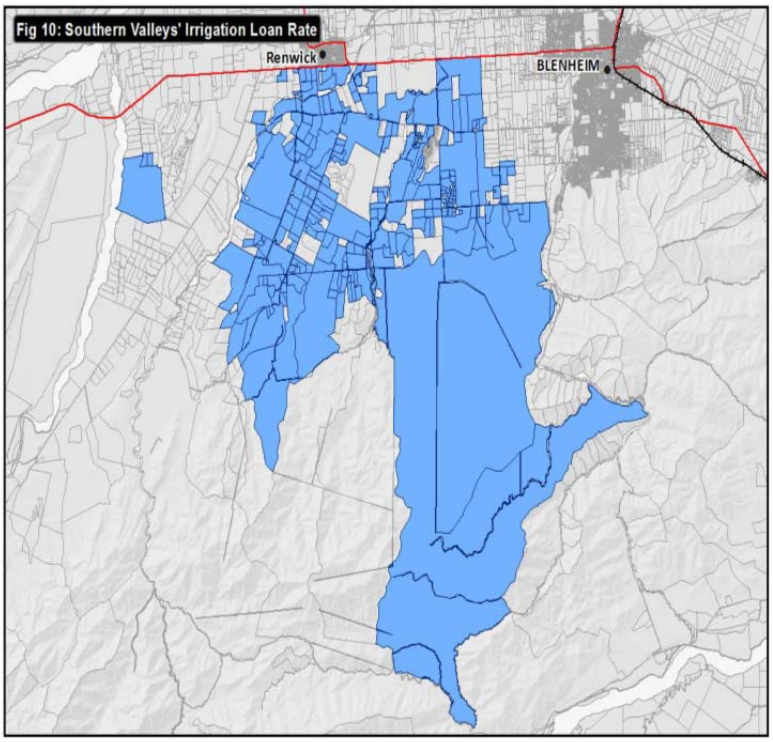


Fig 10: Southern Valleys' Irrigation Loan Rate

Roading Rates and Charges

$63,362 GST excl
($72,867 GST incl)

French Pass Road Charge

$27,865 GST excl
($32,045 GST incl)

This charge is calculated on every rating unit in the French Pass Rating Area, to be applied towards the cost of seal extension in the targeted area. The charge will continue until the sealing costs are fully repaid.

No increase in the charge levy has occurred and the charge remains at $99 GST incl on each rating unit.

Kenepuru Road Rate ***$35,497 GST excl***
($40,822 GST incl)

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding to be applied towards roading improvements in the targeted area. The charge will continue until the roading improvements costs are fully repaid.

No increase in the rate levy has occurred and the rate in the dollar based on capital value remains at 0.013873 cents GST incl.

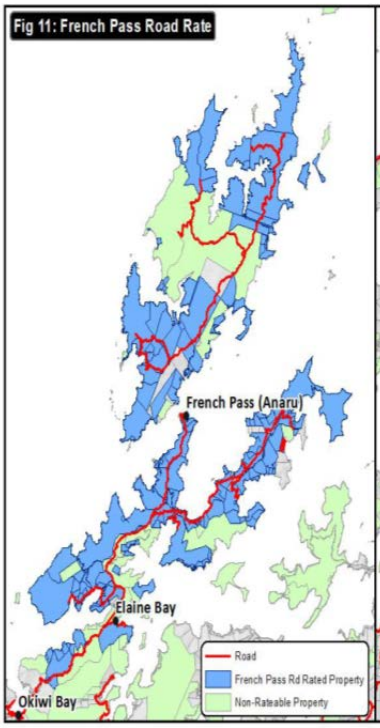


Fig 11: French Pass Road Rate

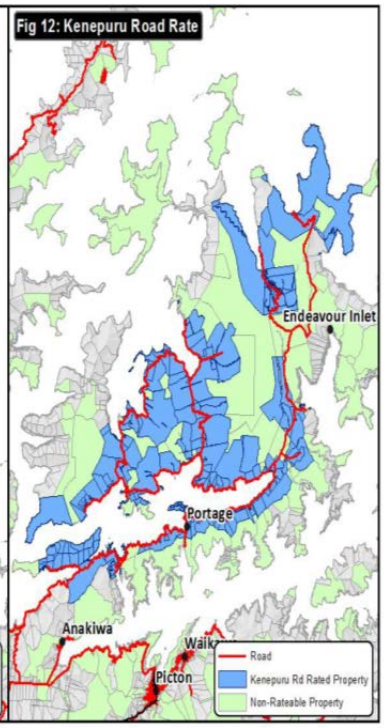


Fig 12: Kenepuru Road Rate

Wairau Valley River Works Rate
$3,746,562 GST excl
($4,308,546 GST incl)

This differential rate covers the costs of river planning, control and flood protection in the Wairau Valley Rivers Rating Area and is calculated on a Capital Value basis on every rating unit in the Wairau Catchment. The differentials reflect the benefits derived by each group.

The funding requirements from each area are as follows:

Blenheim Vicinity	47.57%
Blenheim Urban	47.84%
Other Urban	4.59%

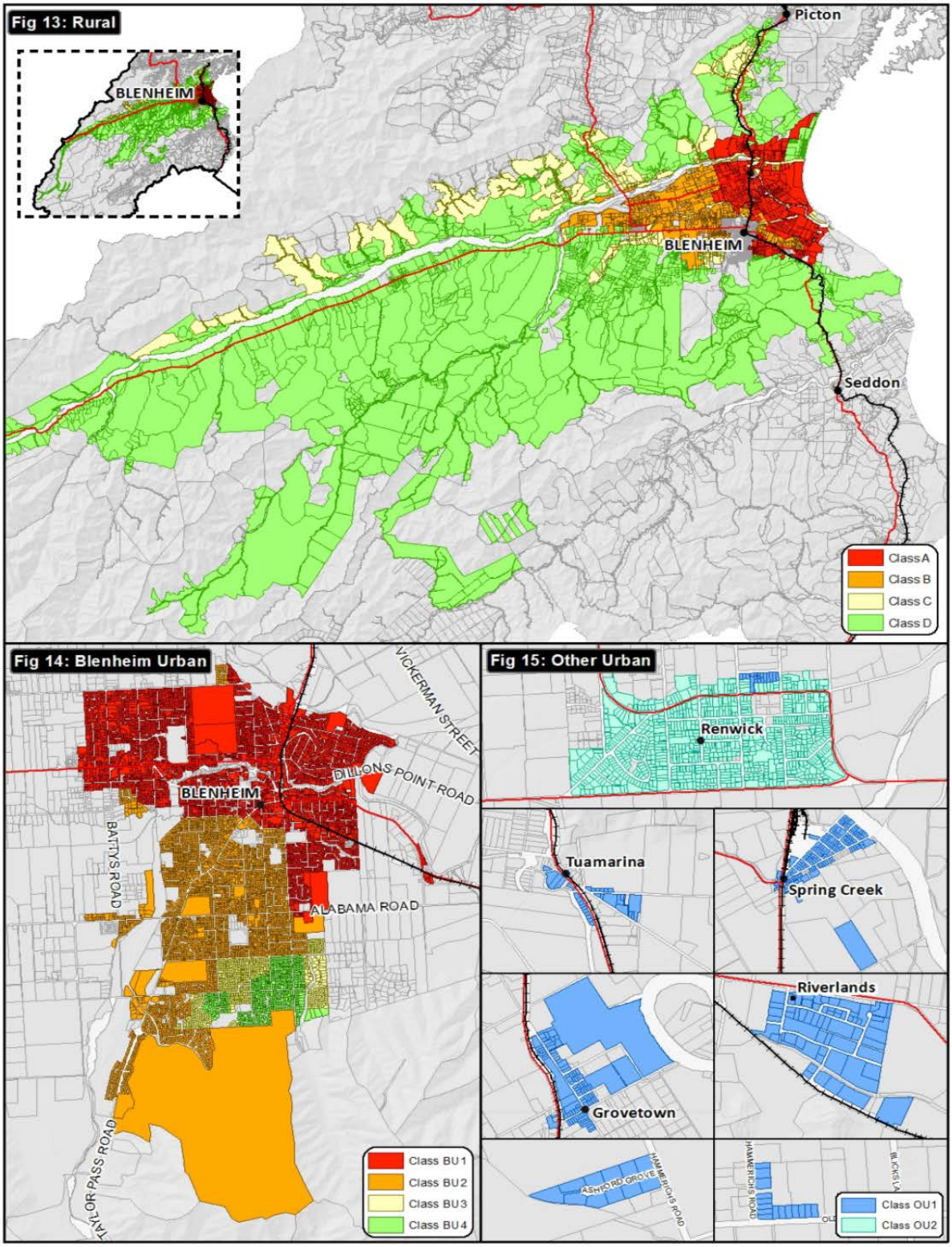
A 3.38% increase ($122,445 GST excl) in the overall rates levy has occurred.

The following is a schedule of the cents in the dollar to be set and assessed on the capital values in each group. (In brackets is the levy amount for each $10,000 of Capital Value).

Rating Areas	Levy (GST excl)	Levy (GST incl)	Cents in the $ (GST incl)	Levy Amount*
Rural A Rating Units	501,849	577,127	0.071526	(7.15)
Rural B Rating Units	947,862	1,090,042	0.066519	(6.65)
Rural C Rating Units	155,779	179,146	0.042916	(4.29)
Rural D Rating Units	176,748	203,260	0.007868	(0.79)
Blenheim Urban 1 Rating Units	1,146,699	1,318,704	0.060444	(6.04)
Blenheim Urban 2 Rating Units	537,082	617,644	0.042311	(4.23)
Blenheim Urban 3 Rating Units	61,268	70,458	0.028879	(2.89)
Blenheim Urban 4 Rating Units	47,307	54,403	0.022835	(2.28)
Other Urban 1 Rating Units in Wairau Catchment	92,198	106,027	0.052627	(5.26)
Other Urban 2 Rating Units in Wairau Catchment	79,770	91,735	0.033832	(3.38)

* Levy amount for each $10,000 of Capital Value.

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges $7,785,058 GST excl ($8,952,816 GST incl)

An overall decrease of $57,657 (GST excl) will occur (0.74%).

Combined Sewerage Scheme Capital Works Rate $2,105,166 GST excl ($2,420,940 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Sewerage Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined sewerage scheme.

There is a 2.98% ($64,652 GST excl) decrease in this rate.

On a Blenheim rating unit in the Blenheim Group area with a land value of $175,000 the rate will decrease

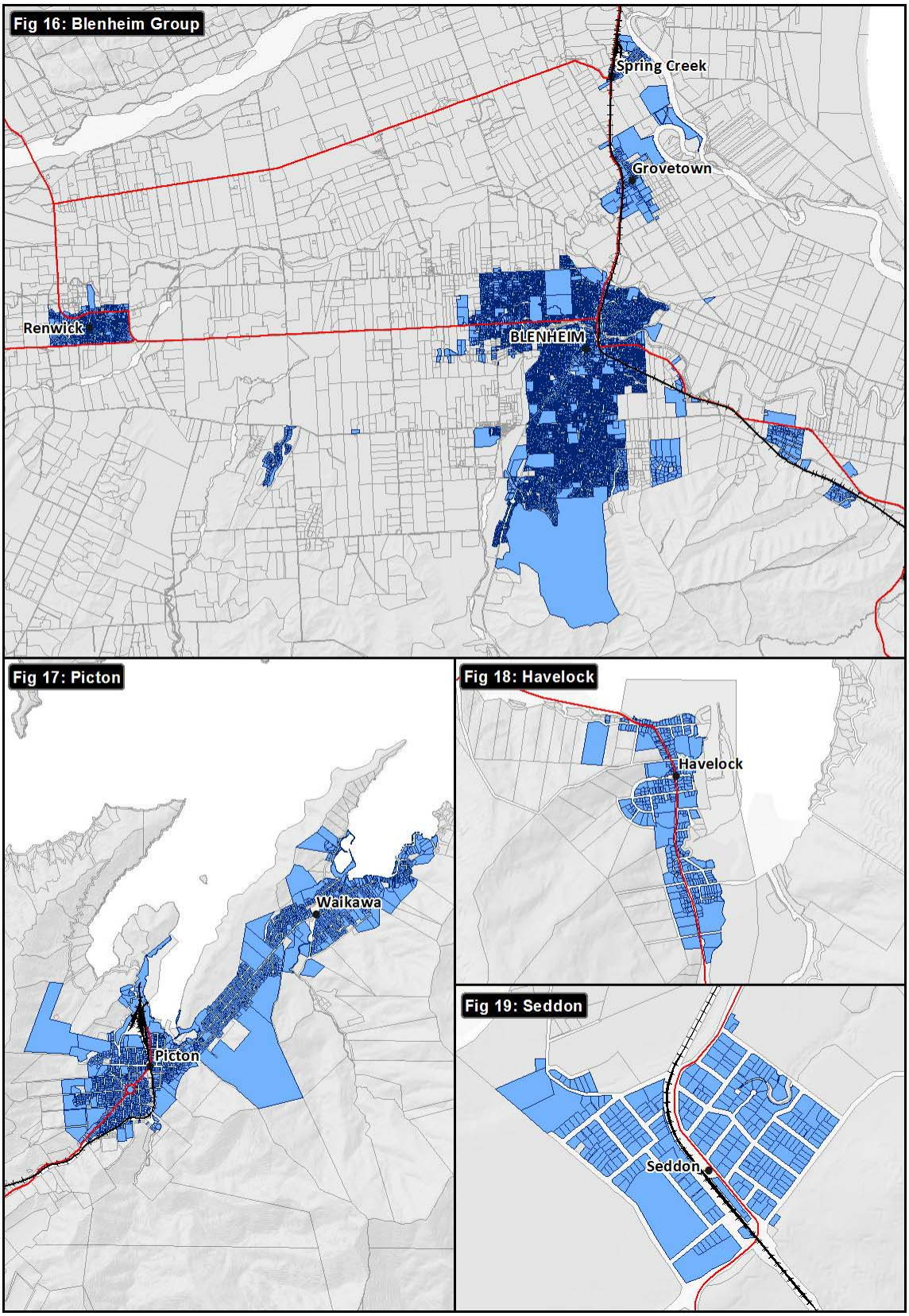
from $159.58 to $153.63 - a rate in the dollar of 0.087786 cents GST incl.

On a Havelock rating unit with a land value of $155,000 the rate will decrease from $125.80 to $121.10 - a rate in the dollar of 0.078130 cents GST incl.

On a Picton rating unit with a land value of $155,000 the rate will decrease from $166.79 to $160.56- a rate in the dollar of 0.103588 cents GST incl.

On a Seddon rating unit with a land value of $62,000 the rate will decrease from $94.98 to $91.44 - a rate in the dollar of 0.147480 cents GST incl.

Combined Sewerage Rating Areas



Combined Sewerage Scheme Charge $5,679,892 GST excl ($6,531,876 GST incl)

This uniform charge funds operating costs of the combined sewerage scheme including treatment, reticulation, depreciation and other costs associated with the combined sewerage scheme improvements. Blenheim and Picton rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be levied an additional trade waste charge.

There is a 0.12% ($6,995 GST excl) increase in this charge.

The charge will decrease from $388 to $386 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from $194 to $193 GST incl on every separately used or inhabited part of every serviceable rating unit.

Water Supply Rates and Charges $8,260,870 GST excl ($9,500,000 GST incl)

An overall decrease of $637,529 (GST excl) will occur (7.16%).

Combined Water Scheme Rates and Charges $5,899,907 GST excl ($6,784,892 GST incl)

Combined Water Scheme Capital Works Rate $1,860,746 GST excl ($2,139,855 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Water Rating Area on a differential basis, including Koromiko rating units subject to the special pipeline agreement, and funds the Capital Expenditure and Debt Servicing costs of the combined water scheme.

On a Blenheim rating unit with a land value of $175,000 the rate will be $137.06 - a rate in the dollar of 0.078319 cents GST incl.

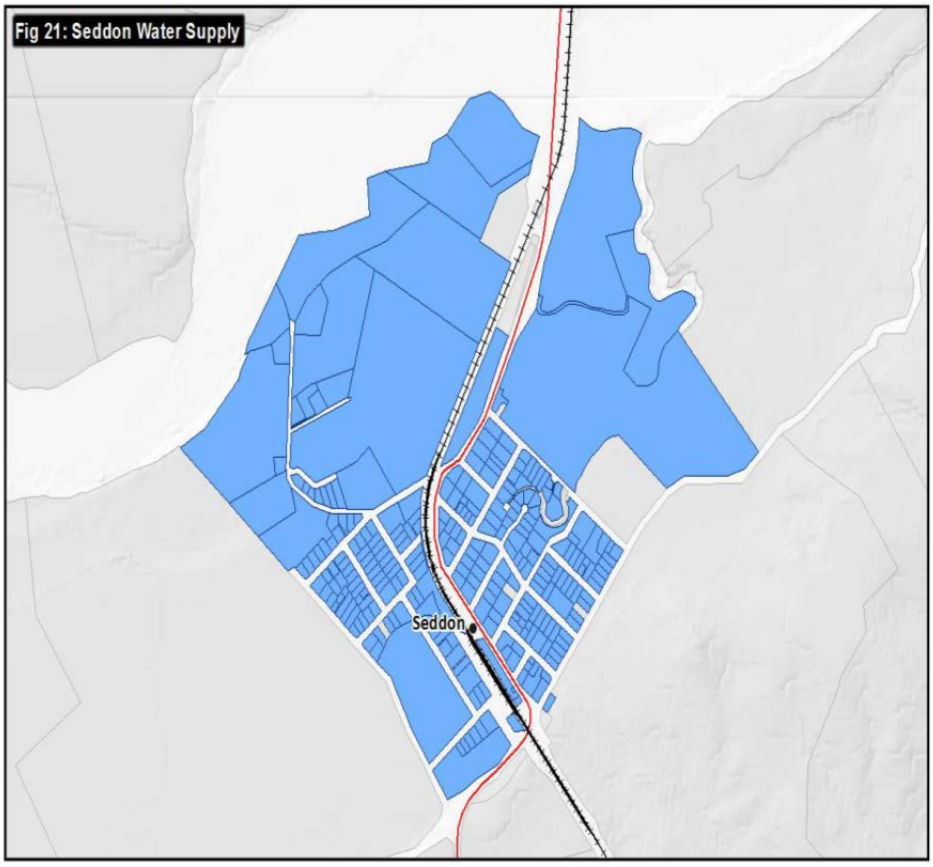
On a Havelock rating unit with a land value of $155,000 the rate will be $137.18 - a rate in the dollar of 0.088500 cents GST incl.

On a Picton rating unit with a land value of $155,000 the rate will be $156.60 - a rate in the dollar of 0.101031 cents GST incl.

The new rate in the dollar for Koromiko rating units subject to the special pipeline agreement will be 0.080825 cents in the dollar GST incl.

On a Renwick rating unit with a land value of $136,000 the rate will be $113.97 - a rate in the dollar of 0.083801 cents GST incl.

Combined Water Rating Areas



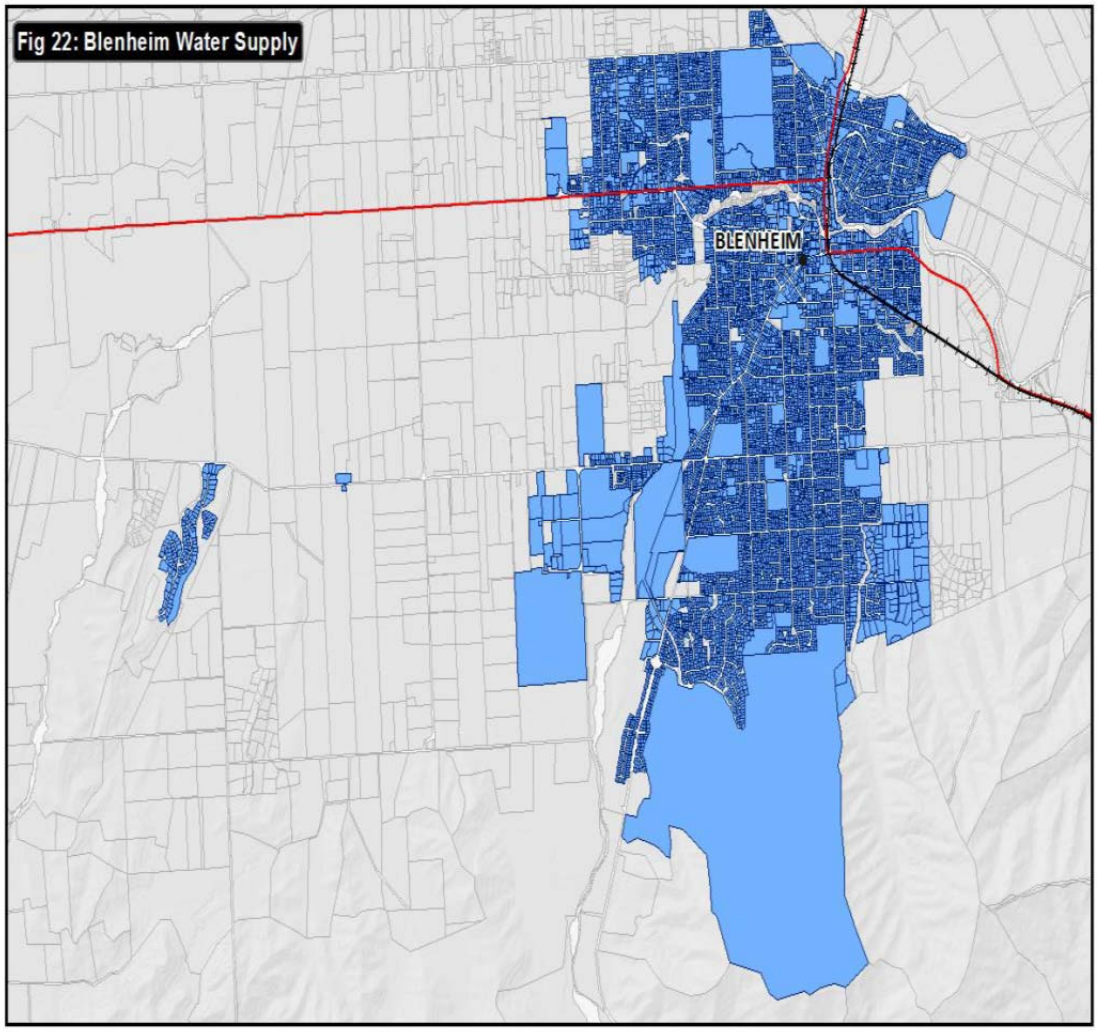
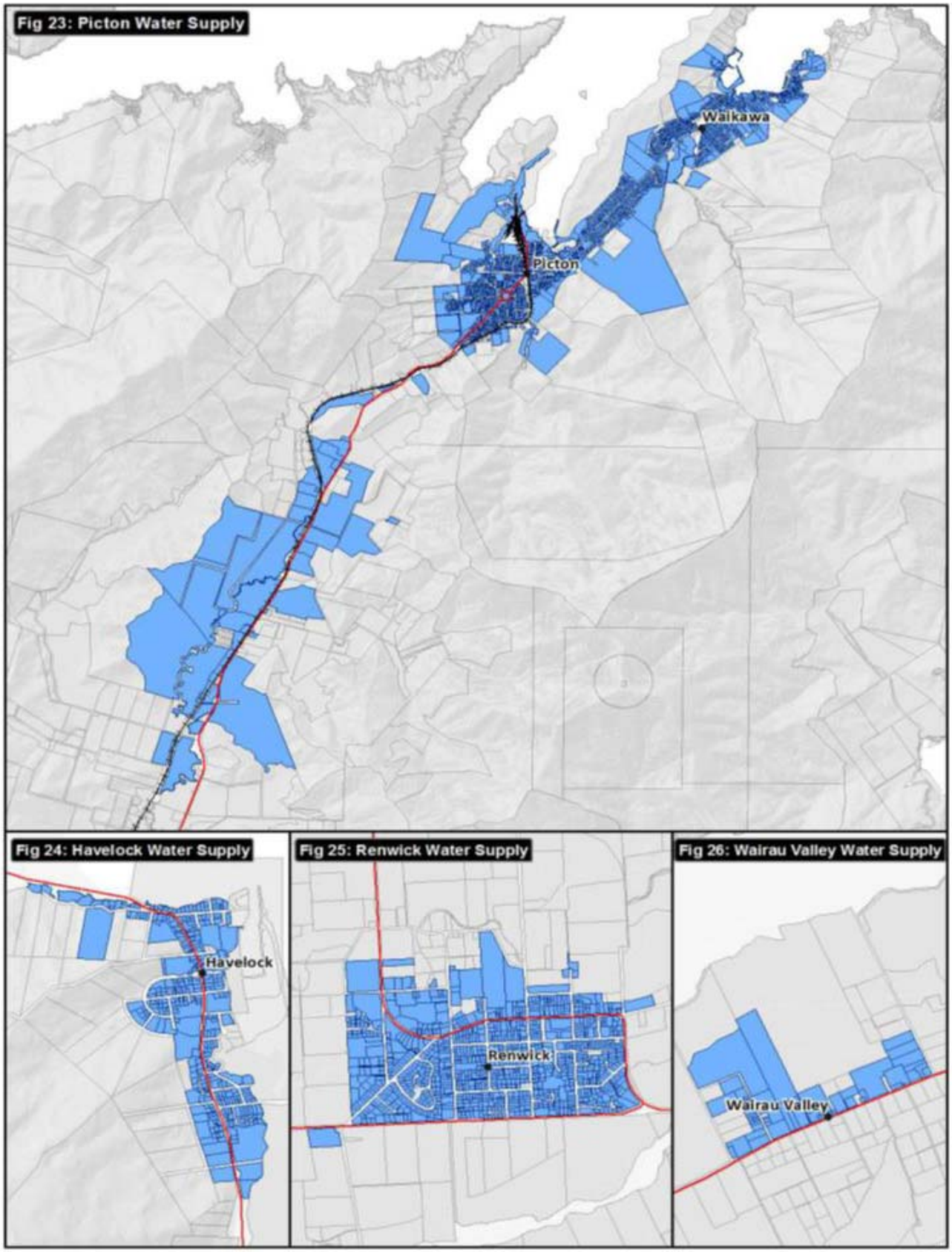


Fig 22: Blenheim Water Supply
BLENHEIM



Combined Water Scheme Charges

$3,919,187 GST excl
($4,507,067 GST incl)

These charges fund the balance of expenditure other than Capital and Debt Servicing costs, including operating costs of the combined water scheme including treatment, reticulation, depreciation and other costs associated with the combined water scheme improvements.

These charges are set on a differential basis.

Blenheim Water Charges ***$2,471,563 GST excl ($2,842,297 GST incl)***

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Blenheim Water Supply Area (including the Burleigh Extension); and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be $240 on every part of a serviced rating unit and $120 on every part of a serviceable rating unit GST incl.

Havelock Water Charges ***$105,936 GST excl ($121,827 GST incl)***

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Havelock Water Supply Area; and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be $410 on every part of a serviced rating unit and $205 on every part of a serviceable rating unit GST incl.

Picton Water Charges ***$921,911 GST excl ($1,060,198 GST incl)***

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Picton Water Supply Area and half that amount on each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be $410 on every part of a serviced rating unit and $205 on every part of a serviceable rating unit GST incl.

Renwick Water Charges ***$324,930 GST excl ($373,670 GST incl)***

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Renwick Water Supply Area; and half that amount for every non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be $410 on every part of a serviced rating unit and $205 on every part of a serviceable rating unit GST incl

Seddon Water Charge ***$84,852 GST excl ($97,580 GST incl)***

The charge will be $334 GST incl on every separately used or inhabited part of a rating unit within the Seddon Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

Wairau Valley Water Charge ***$9,995 GST excl ($11,495 GST incl)***

The charge will be $240 GST incl for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

Residential Metered Water Charges *$119,974 GST excl ($137,970 GST incl)*

These charges exclude water supplied to commercial metered rating units.

Blenheim Metered Water Charge ***$30,871 GST excl ($35,501 GST incl)***

This charge is assessed on the basis of the volume of water supplied to residential metered rating units (including the Burleigh Extension), subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be $60 GST incl and it will provide for the volume of water supplied between 0 m³ and 82.19 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $0.73 GST incl per cubic metre.

Havelock Metered Water Charge ***$0 GST excl ($0 GST incl)***

There is no charge as no water will be supplied in 2017-18 to residential metered rating units.

Picton Metered Water Charge ***$38,307 GST excl ($44,053 GST incl)***

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed on the basis of the volume of water supplied to residential metered rating units, subject to a minimum quarterly charge.

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 45.20 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.2677 GST incl per cubic metre.

Koromiko Charge

A Picton Metered Water Koromiko Charge is assessed on the basis of the volume of water supplied to Koromiko metered rating units.

Water for Koromiko Special Agreement consumers will be $1.8142 GST incl per cubic metre.

Renwick Metered Water Charge ***$11,215 GST excl ($12,897 GST incl)***

This charge is assessed on the basis of the volume of water supplied to residential metered rating units, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 44.18 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.32 GST incl per cubic metre.

Seddon Metered Water Charge $34,658 GST excl ($39,857 GST incl)

This charge is assessed on the basis of the volume of water supplied to residential metered rating units where consumption exceeds 275 cubic metres per annum.

The metered charge will be $1.45 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Seddon Water Supply.

Wairau Valley Metered Water Charge $4,923 GST excl ($5,662 GST incl)

This charge is assessed on the basis of the volume of water supplied to each residential water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 350 cubic metres per annum.

The metered charge will be $2.03 GST incl per cubic metre for all usage in excess of 350 cubic metres for all consumers on the Wairau Valley water supply.

Other Water Supply

Commercial Metered Water Charges $870,858 GST excl ($1,001,487 GST incl)

These water charges fund the net cost of operations.

Blenheim Commercial Metered Water Charge $318,173 GST excl ($365,899 GST incl)

This charge is assessed on the basis of the volume of water supplied to commercial metered rating units (including the Burleigh Extension), subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be $60 GST incl and it will provide for the volume of water supplied between 0 m³ and 82.19 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $0.73 GST incl per cubic metre.

Havelock Commercial Metered Water Charge $165,294 GST excl ($190,088 GST incl)

This charge is assessed on the basis of the volume of water supplied to commercial metered rating units, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 45.76 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.24 GST incl per cubic metre.

Picton Commercial Metered Water Charge $331,676 GST excl ($381,427 GST incl)

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed on the basis of the volume of water supplied to commercial metered rating units, subject to a minimum quarterly charge.

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 45.20 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.2677 GST incl per cubic metre.

Onsold Charge

A Picton Metered Water Onsold Charge is assessed on the basis of the volume of water supplied to commercial metered rating units that is subsequently onsold, subject to a minimum quarterly charge.

Metered water charges for consumers onselling are as follows:

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 40.74 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.5157 GST incl per cubic metre.

Renwick Commercial Metered Water Charge $53,030 GST excl ($60,985 GST incl)

This charge is assessed on the basis of the volume of water supplied to commercial metered rating units, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be $102.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 44.18 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will be $2.32 GST incl per cubic metre.

Seddon Commercial Metered Water Charge $1,530 GST excl ($1,760 GST incl)

This charge is assessed on the basis of the volume of water supplied to commercial metered rating units where consumption exceeds 275 cubic metres per annum.

The metered charge will be $2.22 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all commercial consumers on the Seddon Water Supply.

Wairau Valley Commercial Metered Water Charge
$1,155 GST excl
($1,328 GST incl)

This charge is assessed on the basis of the volume of water supplied to each commercial water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 350 cubic metres per annum.

The metered charge will be $2.83 GST incl per cubic metre for all usage in excess of 350 cubic metres for all commercial consumers on the Wairau Valley water supply.

Rural Awatere Water Supply
$617,490 GST excl
($710,113 GST incl)

The following charges fund the net cost of operations, Capital Expenditure and Debt Servicing costs.

Rural Awatere Water Charge $206,736 GST excl
($237,746 GST incl)

The uniform charge be $430 GST incl on every separately used or inhabited part of a rating unit within the Rural Awatere Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

Rural Awatere Metered Water Charge
$410,754 GST excl
($472,367 GST incl)

This charge is assessed on the basis of the volume of water supplied to metered rating units where consumption exceeds 275 cubic metres per annum.

The metered charge will be $2.00 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Rural Awatere Water Supply.

Riverlands Water Supply
$303,522 GST excl
($349,051 GST incl)

A metered charge is assessed on the basis of the volume of water supplied to metered rating units, subject to a minimum quarterly charge. It funds the cost of operations, capital expenditure and debt servicing costs.

A decrease of $70,127 GST excl will occur (18.77%).

The minimum quarterly charge will remain unchanged at $41 GST incl and it will now provide for the volume of water supplied between 0 m³ and 56.94 m³ instead of the volume of water supplied between 0 m³ and 45.56 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will decrease from $0.90 to $0.72 GST incl per cubic metre.

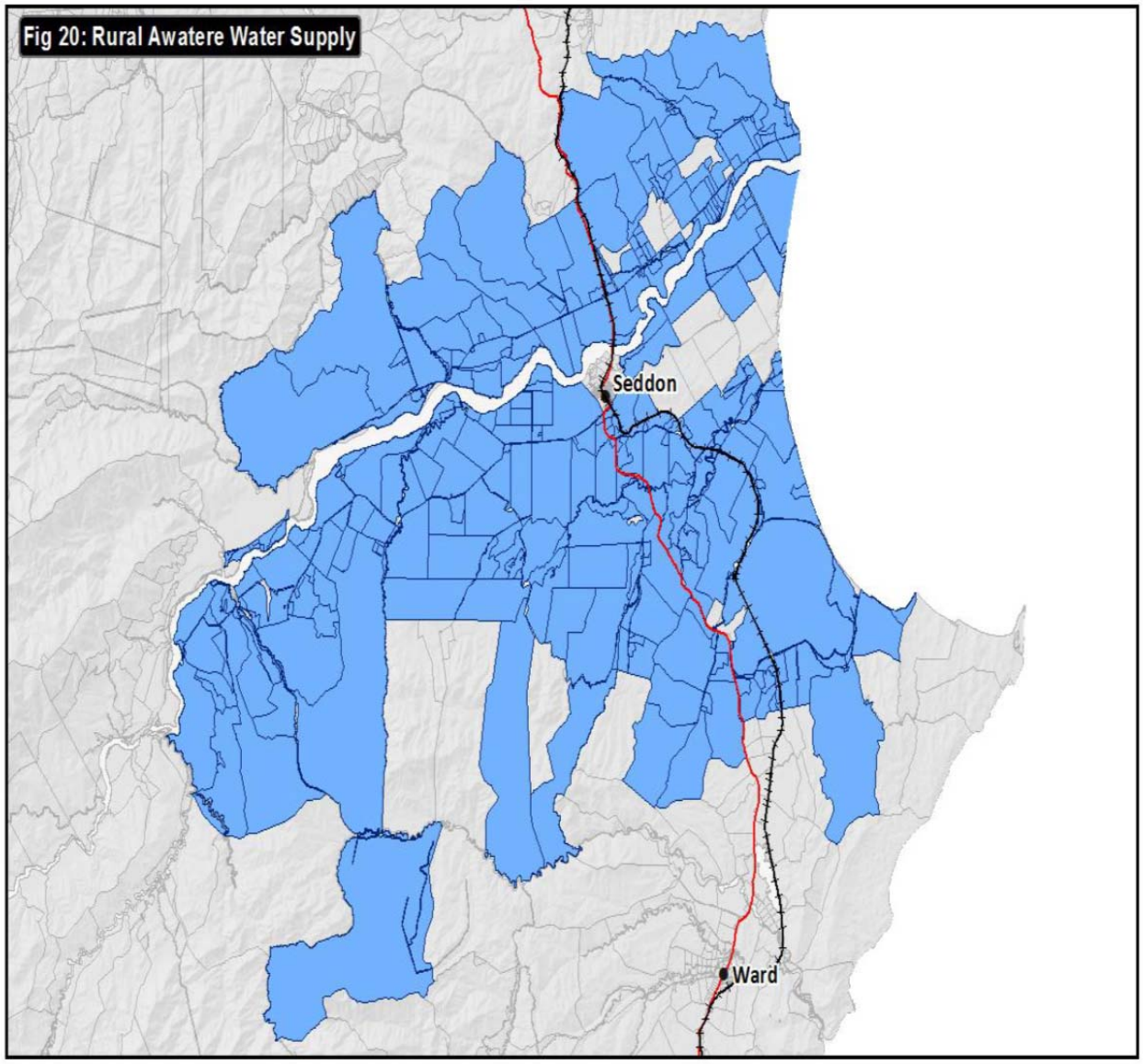
Southern Valleys' Irrigation Scheme
$569,093 GST excl
($654,457 GST incl)

Operating costs have increased by $51,290 GST excl (9.91%).

A metered charge is assessed on the basis of the volume of water supplied to metered connections. This charge funds the net operating costs of the Southern Valleys' Irrigation Scheme.

The metered charge will increase from $0.1985 to $0.21816 GST incl per cubic metre.

Other Water Rating Areas



Refuse and Recycling Charges
$1,455,713 GST excl
($1,674,070 GST incl)

Refuse and recycling charges have increased overall by $4,853 GST excl (0.33%).

Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection Charge $1,377,736 GST excl ($1,584,397GST incl)

This charge relates to both a refuse and kerbside recycling collection service for residential properties in Blenheim and Picton.

It is calculated as a fixed amount for each separately used or inhabited part of a rating unit in the collection rating area, in respect of which Council is prepared to provide a service.

The kerbside recycling collection charge remains at $46 per service and the refuse collection charge remains at $69 per service - total charge remains at $115 GST incl.

Blenheim/Picton (Residential) Refuse Collection Charge $6,847 GST excl ($7,874 GST incl)

This charge relates to a refuse collection service only for residential properties in Blenheim and Picton.

It is calculated as a fixed amount for each separately used or inhabited part of a rating unit in the collection rating area, in respect of which Council is prepared to provide a refuse collection service only.

The collection charge remains at $69 GST incl per service.

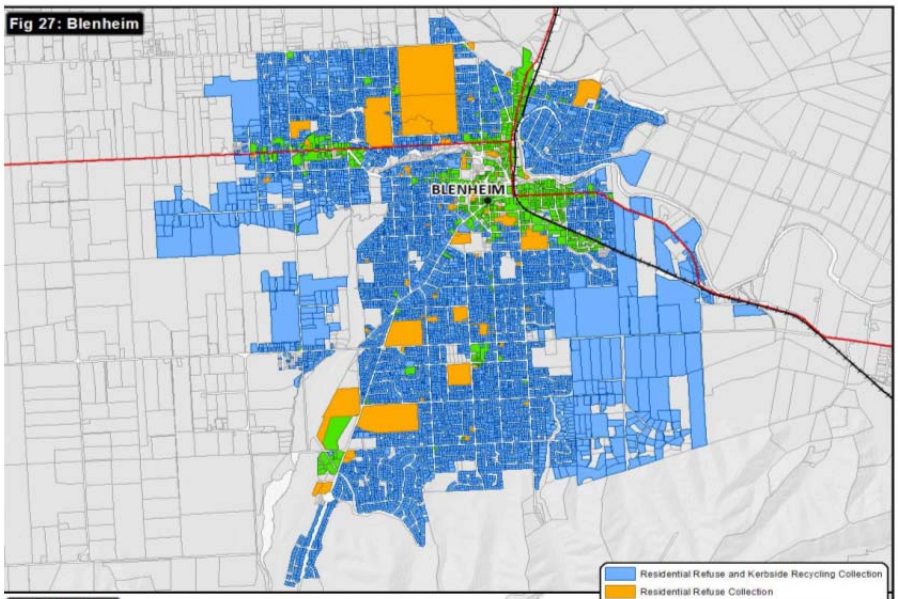
Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge $71,130 GST excl ($81,799 GST incl)

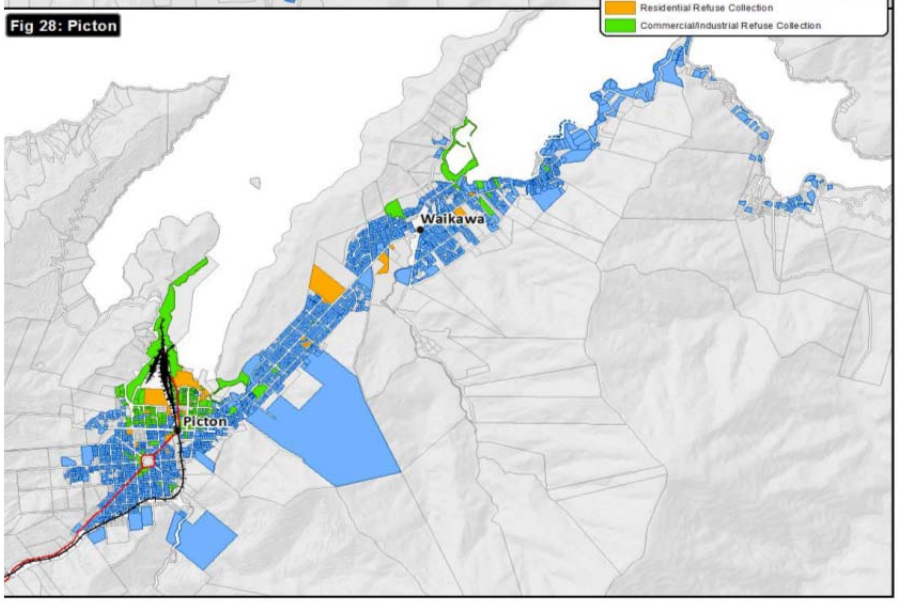
This charge relates to a refuse collection service for Blenheim and Picton “Commercial or Industrial” properties.

It is calculated as a fixed amount for each separately used or inhabited part of a rating unit in the collection rating area in respect of which Council is prepared to provide a service.

The collection charge remains at $69 GST incl per service.

Refuse and Kerbside Recycling Collection Service and Refuse Collection Service Areas





Energy Efficiency Rates

$250,000 GST excl
($287,500 GST incl)

These targeted rates are calculated on the extent of energy efficiency services provided to rating units and are calculated as a percentage of the service amount (*inclusive of associated costs*), until the service amount is recovered. Energy Efficiency is included under the Community Support Activity.

The energy efficiency rate, for nine years, covers both interest and principal and is calculated as a percentage of the service provided as follows:

	% GST incl	First Rating Year	Final Rating Year
Energy Efficiency Rate 1	16.986199	2011-12	2019-20
Energy Efficiency Rate 2	16.910853	2012-13	2020-21
Energy Efficiency Rate 3	16.837603	2013-14	2021-22
Energy Efficiency Rate 4	16.766417	2014-15	2022-23
Energy Efficiency Rate 5	16.697261	2015-16	2023-24
Energy Efficiency Rate 6	16.630102	2016-17	2024-25
Energy Efficiency Rate 7	16.630102	2017-18	2025-26

The percentages have reduced, following the reduction in the budgeted interest rate on Council borrowings.

Residential Pool Inspections Charge $86,285 GST excl ($99,228 GST incl)

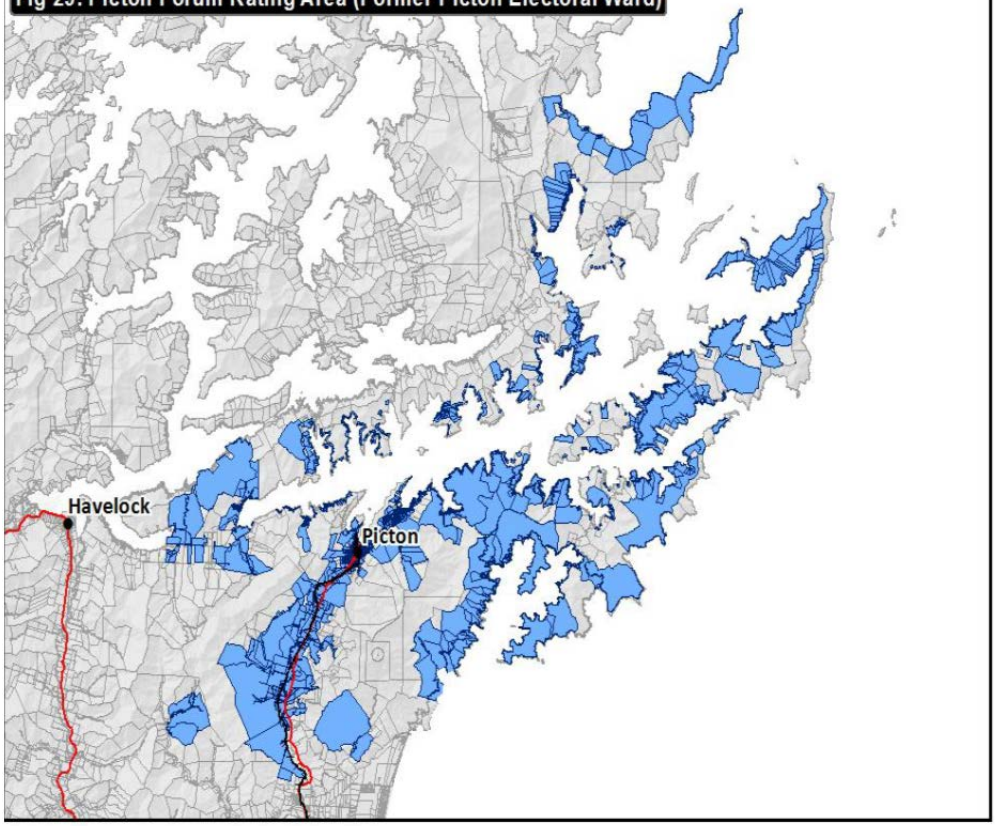
A targeted Residential Pool Inspections rate is calculated on the basis of a fixed amount of $76.00 GST incl on every separately used or inhabited part of any rating unit with a residential pool. The rate will be used to fund the costs associated with carrying out residential pool inspections in Marlborough under the Building (Pools) Amendment Act 2016.

Picton Forum Charge $5,000 GST excl ($5,750 GST incl)

A targeted Picton Forum rate is calculated on the basis of a fixed amount of $1.20 GST incl on every separately used or inhabited part of any rating unit in the former Picton Electoral Ward. The rate will be used to fund a grant to the Picton Forum. Funding of the Picton Forum is included under the Community Support Activity.

No increase has occurred.

Fig 29: Picton Forum Rating Area (Former Picton Electoral Ward)



Tourism Charges $193,000 GST excl ($221,950 GST incl)

A targeted tourism rate is calculated on the basis of a fixed amount on every separately used or inhabited part of a rating unit set differentially for the following land uses to enable Destination Marlborough to market Marlborough. A CPI adjustment of 2% has been applied to the previous charges. Marketing and Tourism is included under the Regional Development Activity.

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - $210 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - $322 GST incl.

Properties used for tourism activities (excluding the two groups above) - $235 GST incl.

Where a tourism operator operates in two or more of the groups above from the same rating unit, only the highest applicable group charge will be levied.

Landscape Charges $2,620 GST excl ($3,013 GST incl)

A targeted landscape charge on new subdivisions (and existing subdivisions following consultation) is levied where higher landscaping standards result in additional maintenance costs and is calculated as a fixed amount on every separately used or inhabited part of a rating unit set differentially on the following basis:

Properties with Urban level 1 landscaping standards	$39 GST incl
Properties with Urban level 2 landscaping standards	$50 GST incl
Properties with Rural level 1 landscaping standards	$55 GST incl
Properties with Rural level 2 landscaping standards	$168 GST incl

Street berms, trees and plots are included under the Community Facilities Activity.

Agency Rates and Charges

$2,470 GST excl
($2,840 GST incl)

Tuamarina/Waikakaho Hall Charge

$2,470 GST excl
($2,840 GST incl)

This charge is calculated as a fixed amount of $18.45 GST incl on every rating unit in the Tuamarina/Waikakaho Special Rating Area, such charge to be applied to the Tuamarina/Waikakaho Hall. Community halls are included in the Community Facilities Activity.

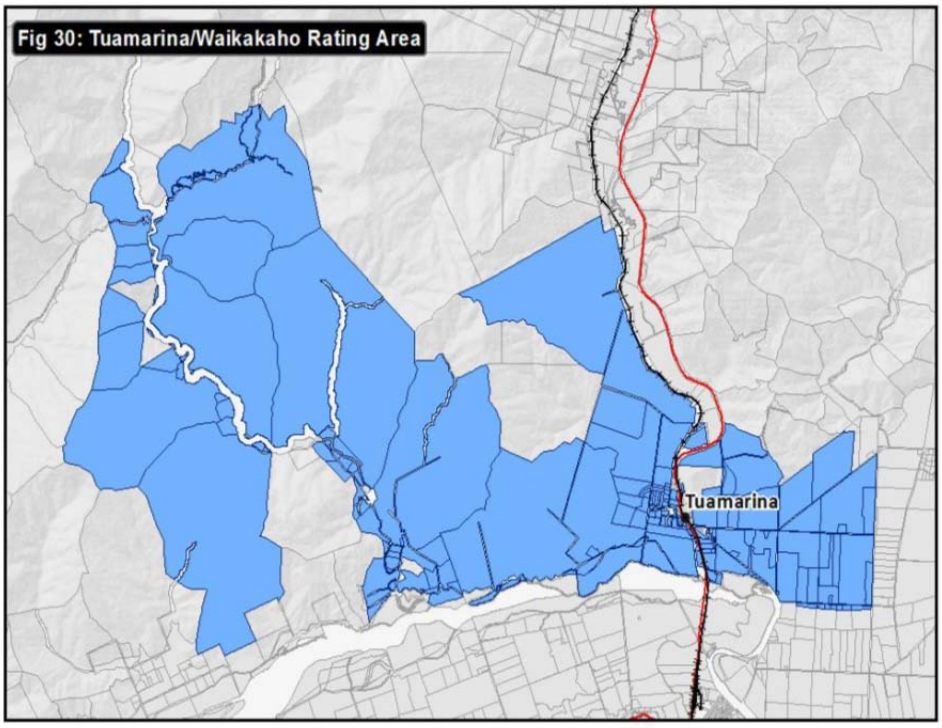


Fig 30: Tuamarina/Waikakaho Rating Area

Residential Rates Postponement Scheme

To cover costs for this scheme, the following fees and charges are set for the 2017-18 rating year. All fees and charges will be added as either a one-off or annual charge as the case may be, to the approved applicant's rate account.

Initial Charges – One off	Charging Unit	Fees and Charges (GST Inclusive)
Application fee	One-off	$50.00
Contribution to the decision facilitation process	One-off	$300.00
Annual Interest Charges		
Interest calculated at Council's borrowing rate on all amounts outstanding		
Annual Charges – One-off		
Annual fee	Annual	$50.00
Reserve fund fee	Annual	0.25%

Property insurance: a ratepayer must submit a current certificate annually.

General Revenue Sources

There are some revenue sources which are not directly linked to an activity but are utilised by Council to assist in funding a number of Council activities either directly or indirectly.

These include:

Dividends and Interest from Investments ($10,194,442)

The $10,194,442 total amount is comprised of Internal Loans Interest ($7,696,562), Interest on General Funds ($5,000), Interest on Investments ($705,880) and Dividends ($1,787,000).

- Funded to specified Reserves for particular purposes or events (eg: Emergency Events Reserve).
- Used to subsidise general type rates and charges by way of general revenue allocation.
- Used to fund interest and funding costs on external borrowings.

Petroleum Tax ($367,000)

Used to subsidise general type rates and charges by way of general revenue allocation.

Contributions Received from Development and Subdivision ($2,713,598)

Are applied towards the cost of infrastructure related to the development and community facilities.

Forestry Income ($1,770,000)

Currently used to fund the Forestry and Land Development reserve which is used to fund any projects approved by Council.

The Following is for Information only and Does Not Form Part of the Funding Impact Statement

General Information

All estimated rates and charges are shown inclusive of goods and services tax unless otherwise stated.

For the purposes of the foregoing:

- "Residential use" excludes rest homes and residential establishments that provide residential care.
- Where commercial accommodation is the predominant purpose of a property, it will be included on the same basis as a motel or hotel in the "commercial or industrial land use" category.
- Subject to the right of objection set out in section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of any property in the District.

The geographic areas can generally be described as follows:

Blenheim Area (BM) (Fig 3)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential or Industrial in the Wairau/Awatere Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

Growth pockets and other growth areas rezoned Residential or Urban Residential 2 Greenfields following notification of the new Marlborough Resource Management Plan will be excluded from the Blenheim Area until granting of subdivision title.

Blenheim Vicinity Area (BV) (Fig 2)

All of that area encompassed within the following general description, but excluding the Blenheim areas described above:

From just north of the Rarangi Settlement following around the foothills in a south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; around to include the Taylors Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

Picton Area (PN) (Fig 4)

All of that area encompassed by the former Picton Borough Council; together with the area of those properties serviced by the Picton Water or Sewerage Schemes (excluding those properties listed in the schedule below).

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP 3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa 2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

Also included in the Picton area are a number of properties where it was an express condition of subdivisional resource consent.

Picton Vicinity Area (PV) (Fig 4)

All of that area from the western point of Ngakuta Bay to the former Picton Borough boundary; plus all of that area from the eastern point of Waikawa Bay to Whatamango Bay; plus a corridor area from the southern boundary of the former Picton Borough to Speeds Road; excluding properties serviced by the Picton Water or Sewerage Schemes, but including the properties listed in the Schedule above.

General Rural Area (GR) (Fig 1)

All of that area administered by the former Marlborough County and excluding that part of the former County's area which has been included in either the Blenheim, Blenheim Vicinity, Picton, Picton Vicinity or Sounds Admin Rural areas.

Sounds Admin Rural (AR) (Fig 5)

All of that area with basically sea access only, which was subject to the former Marlborough County Council Empowering Act 1965.

The above rates and charges are for the period 1 July 2017 to 30 June 2018 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	12 September 2017
Instalment Two	12 December 2017
Instalment Three	12 March 2018
Instalment Four	12 June 2018

Each instalment is one quarter of the annual rates for the current year.

Charges for Metered Water

Water Supply Area	Readings Taken in Period	Last Date for Payment before Penalty is Added
Awatere and Seddon	1 July – 31 October 2017	20 November 2017
	1 November 2017 – 28 February 2018	20 March 2018
	1 March - 30 June 2018	20 July 2018
Blenheim, Havelock, Picton, Renwick, Riverlands, Southern Valleys' and Wairau Valley	1 July – 30 September 2017	20 October 2017
	1 October – 31 December 2017	20 January 2018
	1 January – 31 March 2018	20 April 2018
	1 April – 30 June 2018	20 July 2018

Penalty Provisions (Additional Charges on Unpaid Rates)

A penalty, equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the "Last Date for Payment", shall on the next day be added to that amount of unpaid rates.

Pursuant to sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges that remain unpaid on 30 June 2018.

Payments are applied to the oldest debt first. All payments are allocated to the oldest debt first so if the instalment is not paid in full by the date shown a 10% penalty is added to any amount of the instalment still outstanding. All penalty charges are exempt from GST.

Penalty Provisions (Unpaid Metered Water)

A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid at the close of day on the "Last Date for Payment", shall on the next day be added to that amount which remains unpaid

Appendices

- Council Committees and Members
- Ward Boundaries
- Council Staff Structure
- MDC Directory
- Glossary of Terms

Council Committees and Members

For the new term of Council, the following Committee structure (and membership) was put into place on 26 October 2016. It has three standing committees, a joint committee with Kaikoura District Council, three statutory committees and eight sub-committees. Pursuant to Section 41(a)(5) of the Local Government Act 2002 the Mayor is a member of each Committee of Council.

ASSETS & SERVICES COMMITTEE

This Committee is responsible for all infrastructure including roads; road safety (including walking and cycling strategies); parking; sewerage; water; stormwater; rivers and drainage; waste management (including recycling); reserves; halls; cemeteries; public conveniences; and civil defence and emergency management.

Clr Terry Sloan - Chairperson	Clr Geoff Evans - Deputy
Clr Jenny Andrews	Clr Brian Dawson
Clr Michael Fitzpatrick	Clr Mark Peters
Mayor John Leggett	Iwi representative (Richard Hunter)

Civil Defence Emergency Management Group (Statutory Committee)

The delegation to act as this Group (formed in accordance with the Civil Defence and Emergency Management Act 2002) is given to the Assets and Services Committee. The Assets and Services Committee (acting as the Group) is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by section 17(1)(i) of the Civil Defence and Emergency Management Act 2002.

Clr Terry Sloan – Chairperson	Clr Geoff Evans – Deputy
Clr Jenny Andrews	Clr Brian Dawson
Clr Michael Fitzpatrick	Clr Mark Peters
Mayor John Leggett	Iwi representative – Richard Hunter

Parking Sub-Committee

The focus of this Sub-Committee is Council's parking portfolio.

Clr Brian Dawson - Chairperson	Clr Michael Fitzpatrick
Mayor John Leggett	

Regional Transport Committee

This Committee prepares for approval by Council the Regional Land Transport Plan [the Plan], or any variations to the Plan and provides Council with any advice and assistance in relation to its transport responsibilities. The Committee must adopt a policy that determines significance in respect of variations made to the Plan (under s18D of the Land Transport Management Act 2003 [the Act]) and the activities that are included in the Plan (under s16 of the Act).

Membership of the Committee (refer s105 of the Act) is limited to four persons representing Council; and one person representing the New Zealand Transport Agency.

Clr Terry Sloan – Chairperson	Clr Geoff Evans – Deputy
Clr Brian Dawson	Clr Michael Fitzpatrick

New Zealand Transport Agency representative (Jim Harland)

PLANNING FINANCE & COMMUNITY COMMITTEE

This Committee is responsible for the Marlborough Environment Plan; implementation of Growing Marlborough and 'Smart and Connected' Economic Development Strategies; CBD and Small Township Revitalisation programmes; Destination Marlborough; Picton Forum; Sounds Advisory Group; LTP; Annual Plan; Annual Report; audit issues; Council Subsidiaries; risk management; community and social issues; youth, elderly and access issues; culture and heritage; social policies (ie; gaming and psychoactive substances policies); grants and donations; sister cities; libraries; customer services; democratic process; general administration; health and safety; and property management.

Clr Trevor Hook - Chairperson	Clr Mark Peters - Deputy
Clr Jenny Andrews	Clr Jamie Arbuckle
Clr Cynthia Brooks	Clr Brian Dawson
Clr Michael Fitzpatrick	Clr Gerald Hope
Clr David Oddie	Clr Laressa Shenfield
Clr Nadine Taylor	Mayor John Leggett

Iwi representative (to be advised)

Audit and Risk Sub-Committee

The focus of this Sub-Committee is to oversee the audit of Council's Annual Report and Annual/LTP and consider and report as necessary on the findings of any audit management report.

Ian Marshall CA (Independent External Member) - Chairperson	Clr Trevor Hook
Clr Mark Peters	Clr David Oddie
Mayor John Leggett	

Grants Sub-Committee

This Sub-Committee carries out Council's partnership with Creative New Zealand and SPARC (Sport and Recreation New Zealand) to ensure local arts funding and rural travel funding are available to the Marlborough area. The Sub-Committee has delegated authority for the allocation of funds under both schemes. In addition the Sub-Committee has delegated authority for consideration of Marlborough District Council Community Grants and Council's Arts and Heritage Grants, with recommendations being made to Council for consideration.

Clr Jenny Andrews – Chairperson	Clr Nadine Taylor
Sports Trust appointee – Karen Hartshorne	Arts Sector appointee – Kate Parker

Community representatives – Patricia Clay, Graeme Duncan, Graeme Haymes, Cheryl Thompson
Two iwi representatives (to be confirmed)

Housing for the Seniors Sub-Committee
The focus of this Sub-Committee is Council's Housing for Seniors portfolio.

Clr Cynthia Brooks – Chairperson
Clr Jenny Andrews
Clr Gerald Hope
Clr Mark Peters
GreyPower Marlborough representative (Mr Philip Hunnisett)

Sister City Sub-Committee
This Sub-Committee manages Council's Sister City activities and strives to involve greater community participation and sponsorship in the programme.

Clr Gerald Hope – Chairperson
Clr Trevor Hook
Clr Nadine Taylor
Community representatives - Cathie Bell, Jeanie Hopkins, Margaret Porteous, Lily Stewart, Alistair Sowman, Margaret Western

Youth Sub-Committee
The focus of this Sub-Committee is issues related to youth in the community.

Mayor John Leggett– Chairperson
Clr Jenny Andrews
Clr Laressa Shenfield

ENVIRONMENT COMMITTEE
This Committee is responsible for environmental science and monitoring; monitoring of consents; enforcement and prosecution policies; biosecurity; animal control; building control; resource consent processing; dangerous goods; fencing of swimming pools; food and health monitoring; and harbour management.

Clr David Oddie – Chairperson
Clr Gerald Hope – Deputy
Clr Jamie Arbuckle
Clr Cynthia Brooks
Clr Trevor Hook
Clr Laressa Shenfield
Clr Nadine Taylor
Mayor John Leggett
Iwi representative - Raymond Smith
Rural Representative - Ross Beech

Animal Control Sub-Committee
This Sub-Committee has responsibility for animal control including administration and dealing with any right of objection to Council in terms of the Dog Control Act 1996.

Clr Jamie Arbuckle – Chairperson
Clr Laressa Shenfield
Clr Nadine Taylor

Resource Hearing Sub-Committee
This Committee makes decisions on applications for resource consents (each consent is heard by a Committee made up of a Chairperson and two members).

Clr Cynthia Brooks – Chairperson
Clr Jamie Arbuckle
Clr David Oddie
Clr Laressa Shenfield
Clr Nadine Taylor

Conduct Review Committee
This Committee is established per the Code of Conduct. The Committee manages compliance with the Code of Conduct and with any statutory obligations.

Mayor John Leggett - Chairperson
Clr Jenny Andrews
Clr Cynthia Brooks
Clr Terry Sloan
Independent member (to be advised)

District Licensing (Statutory) Committee
This Committee considers and determines applications, pursuant to the Sale and Supply of Alcohol Act 2012 [the Act], for: licences and manager's certificates; renewals of licences and manager's certificates; temporary authorities to carry on the sale and supply of alcohol in accordance with s136 of the Act; the variation, suspension, or cancellation of special licences; the variation of licences (other than special licences) unless the application is brought under s280 of the Act; with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and conduct inquiries and to make reports as may be required of it by the licensing authority under s175 of the Act. This Committee is also responsible for hearing and deciding on applications to Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

Mayor John Leggett – Chairperson
Two members appointed by the Chairperson from the following:
Clr Laressa Shenfield - Deputy Chairperson
Graeme Barsanti
Hamish Beard
Liz Hawthorne
Margaret McHugh

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES
MDC Holdings Limited and Marlborough Airport Limited.

Mayor John Leggett - Director
Chief Executive – Mark Wheeler – Director
Chair of Planning Finance and Community Committee – Clr Trevor Hook - Director, Clr Mark Peters - Director

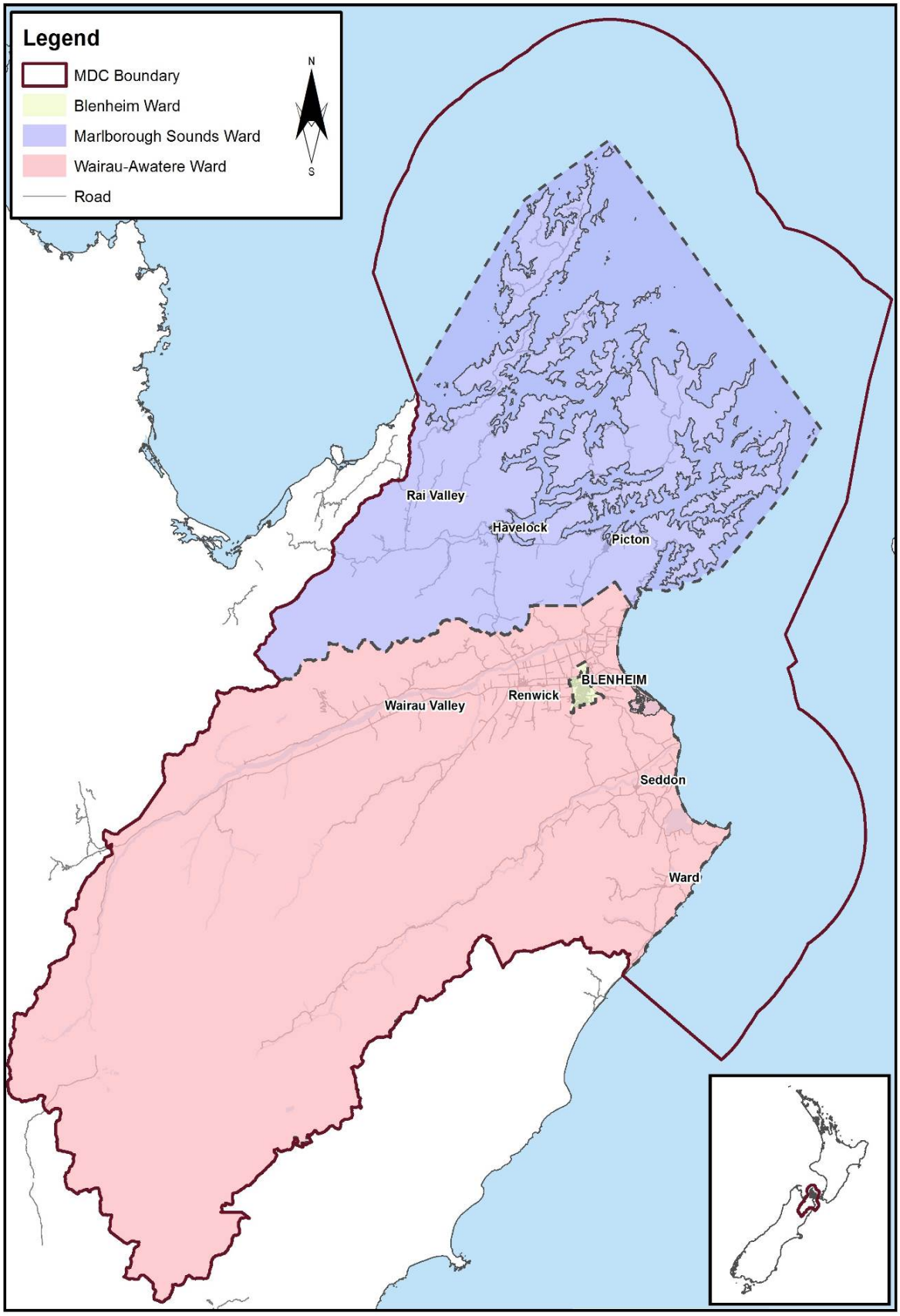
Port Marlborough NZ Limited
Manager, Corporate Finance - Martin Fletcher - Director

Marlborough Regional Forestry
Marlborough Regional Forestry is a joint committee of Marlborough District Council and the Kaikoura District Council. Council owns 88.62% of the forestry estate and Kaikoura District Council owns the remaining 11.38%. The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

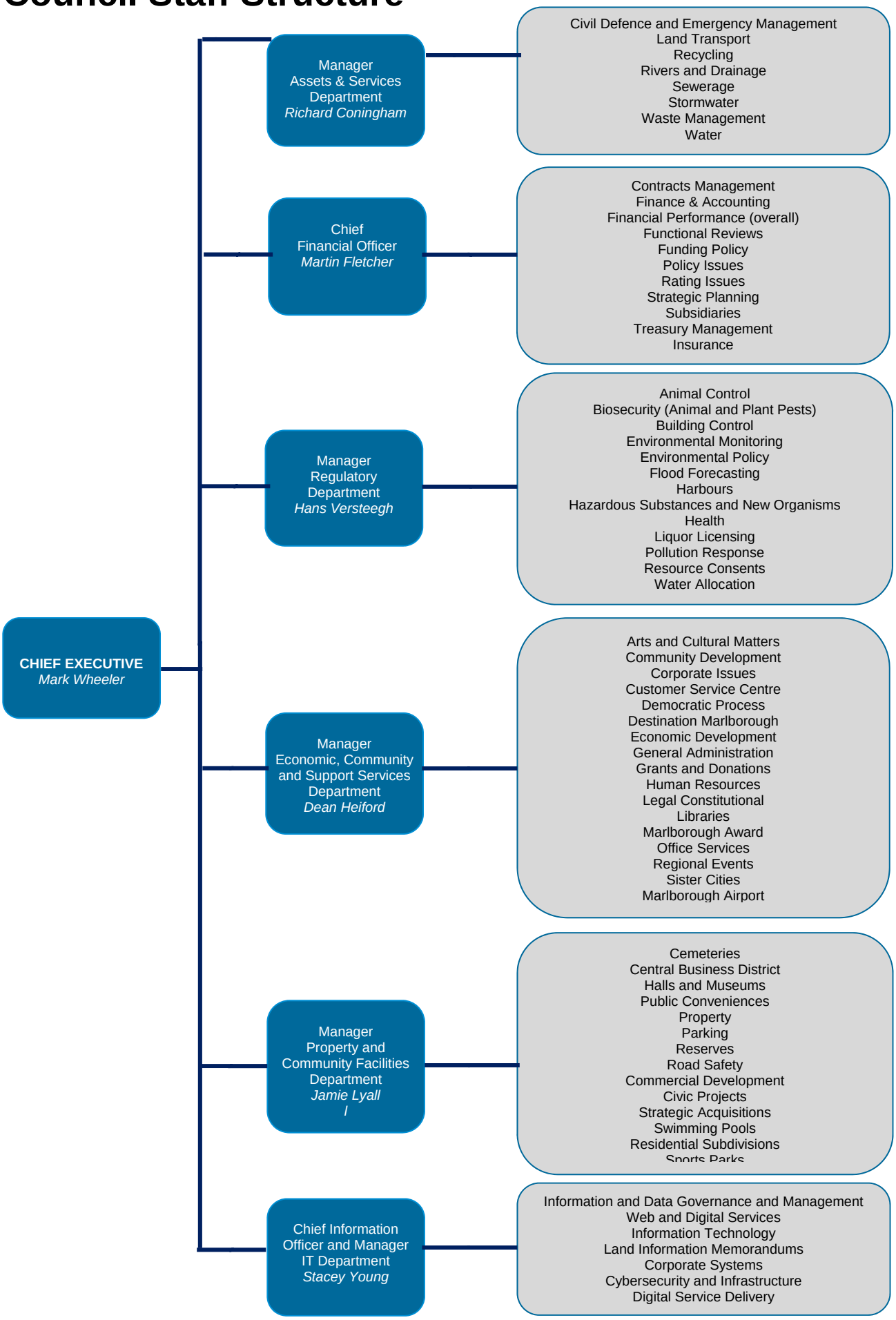
The Joint Committee is also responsible for ensuring the undertaking is managed using good forest management, health and safety and environmental practices at all times, including compliance with Marlborough District Council's Resource Management Plan provisions.

Clr Gerald Hope - Chairperson
Mayor John Leggett
Kaikoura District Council representative
Forestry representative – Leo Jelinek

Ward Boundaries



Council Staff Structure



MDC Directory

Contact Details
PO Box 443, Blenheim 7240

Telephone:	(03) 520 7400
Facsimile:	(03) 520 7496
Email:	mdc@marlborough.govt.nz
Web:	www.marlborough.govt.nz

Addresses
District Administration Building
15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)
67 High Street, Picton

Harbour Control
Mariner's Mall, Picton

Marlborough Library
Corner Arthur and Seymour Streets, Blenheim

Works and Operations Depot
Wither Road, Blenheim

Reserves Depot
Pollard Park, Blenheim

Solicitor
P J Radich of Radich Law, Blenheim

Bankers
Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor
Auditor General, Audit New Zealand, Christchurch

General Statistics

Population (Census count March 2013)	46,302
Population (Usually Resident March 2013)	43,416
Inter-Census Population Movement	(+) 2.0%
District Area	17,517 square kilometres
	as at 30 June 2016
Rateable Land Value	$7,501,645,600
Rateable Capital Value	$15,289,306,350
Number of Rate Assessments	26,479
	as at 30 June 2015
Rateable Land Value	$7,467,922,100
Rateable Capital Value	$15,091,674,350
Number of Rate Assessments	26,305

Glossary of Terms

Accruals These are similar to accounts payable in that they are expenses incurred during the current year for which payment has not been made and invoices have not yet been recovered.

Activity Means a good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.

Allotment Has the meaning given to it in S218(2) of the Resource Management Act 1991.

Allotment Area Is the total land area of an allotment.

AP 2016-17 Means the revised budget for the 2016-17 year.

Applicant Is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Asset Sales Refers to the sale of MDC assets eg: cars, property.

Borrowings This is the amount of external loans.

Capital Expenditure Means the cost of capital works for network infrastructure, reserves and community infrastructure.

Catchment Means the area served by a particular infrastructure investment.

Charge These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.

Commercial Means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

Community Facilities Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.

Community Infrastructure Means the following assets when owned, operated or controlled by a territorial authority:

(a) Community centres or halls for the use of a local community or neighbourhood and the land on which they are or will be situated;

(b) Play equipment that is located on a neighbourhood reserve:

(c) Toilets for use by the public.

Community Outcomes Means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.

CV Capital Value.

Departmental Management Allocation of Departmental Manager costs to activities.

Development Means:

(a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but

(b) Does not include the pipes or lines of a network utility operator.

Development Contribution Means a contribution:

(a) Provided for in a development contributions policy included in the LTP of a territorial authority; and

(b) Calculated in accordance with the methodology; and

Comprising-

(i) Money; or

(ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or

(iii) Both.

Development Contributions Policy Means the policy on development contributions adopted under section 102(1).

District Means the District of a territorial authority.

District Plan Means the District Plan of Marlborough District Council.

District Wide Applies to every property in the District.

Equity Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Financial Contributions Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.

Financial Means Council's Financial Strategy

Strategy included in the LTP.

General Revenues Applied Share of revenues generated by Council as a whole as compared to a specific activity eg: interest and dividends.

Geographic Areas The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.

Goods and Services Tax (GST) Means goods and services tax under the Goods and Services Tax Act 1985.

Greenfields Area Are defined as those areas where building capacity exists on the perimeter of the city.

Gross Floor Area (GFA) Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- Carparking.
- Loading docks.
- Vehicle access and manoeuvring areas/ramps.
- Plant and equipment enclosures on the roof.
- Service station canopies.
- Pedestrian circulation space in an enclosed retail shopping centre.
- Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU) Means an average residential dwelling occupied by a household of average size.

Impervious Surface Area For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which:

- Falls within the definition of coverage.
- Is covered by decks.
- Is occupied by swimming pools.
- Is used for parking, manoeuvring or loading of motor vehicles.
- Is paved with a continuous surface with a run-off coefficient of greater than 0.45.

Increase (Decrease) in Reserves Increase in reserves are generally surpluses on operations. Decrease from reserves assist to fund capital expenditure.

Industrial Means:

(a) Any premises used for any industrial or trade purposes; or

(b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials: or

(c) Any other premises from which containment is discharged in connection with any other industrial or trade process.

(d) Any activity where people use materials and physical effort to:

- Extract or convert natural resources.
- Produce goods or energy from natural or converted resources.
- Repair goods.
- Store goods. (ensuing from an industrial process)

Infrastructural Assets These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.

Infrastructure Strategy Means Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.

LGA Means the Local Government Act 2002.

Loans/Debt Refers to the raising of internal loans for capital items, such as a sewerage or water scheme.

Local Authority Means a regional Council or territorial authority.

LTP Means 2015-2025 LTP.

LV Land Value.

Network Infrastructure Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network Utility Operator Has the meaning given to it by section 166 of the RMA.

Non-Residential Development Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.

Operational Assets These are tangible assets that are generally regarded as tradable, such as buildings and improvements,

	library books, office equipment, plant and machinery, land and forestry crops.
Other Revenue	Revenue specifically generated by the activity.
Overhead Allocation	The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.
Prepayments	Amounts paid to creditors by the MDC in the current year that relate to future years.
Property Value	For rating purposes this refers to either the “land” or “capital” value of a property.
Public Debt	This is the amount of borrowed funds that the MDC owes to external parties.
Public Equity	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.
Rate/Rates	The Local Government (Rating) Act 2002 defines Rate – (a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and (b) includes a penalty added to a rate in accordance with section 58; but (c) does not include a lump sum contribution.
Residential Development	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
RMA	Means the Resource Management Act 1991.
Resource Management Plan	Means the Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.
Section Management	Allocation of Section Manager costs when they are responsible for more than one activity.
Service Catchment	Means the same as catchment.
Service Connection	Means a physical connection to a service provided by, or on behalf of, a territorial authority.
Statement of Cashflows	This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
Statement of Comprehensive Revenue and Expense	This can also be referred to as the Income Statement, Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
Statement of Financial Position	This shows the financial state of affairs at the end of each period. It can also be referred to as the Balance Sheet.
Subdivision	Has the same meaning as section 218 of the Resource Management Act 1991.
Subsidies	Amounts received from other agencies for the provision of services eg: NZTA roading subsidies.
Third Party Funds	Means funding or subsidy, either in full or in part, from a third party eg: subsidies for the roading network.
Transfer to/from Reserves and Capex transfer from Reserves	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund projects/expenditure that meet the purpose of the reserve. Capex transfers from reserves assist to fund capital expenditure.
Unit of Demand	Means the measure of demand for community facilities.
User Charges	The charges levied for use of MDC services eg: building consent fees, health inspections.
Working Capital	This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.