



Long Term Plan

Te Kaunihera ā-Rohe o Wairau

2021 - 2031



Our Long Term Plan

Explains what Council plans to do over the next decade and how Council activities will contribute to the community outcomes. Here you will find how much Council intends to spend on its activities and services, how this will be funded and the expected impact on rates.

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Marlborough District Council Vision

Marlborough is a globally-connected district of smart, progressive, high-value enterprises, known for our economic efficiency, quality lifestyle and wellbeing, caring community, desirable location and healthy natural environment

Mission Statement

We invest in Marlborough's future, our people, quality lifestyle and outstanding natural environment

Values

We are open, transparent and collaborative

We partner with tangata whenua iwi

We involve and respect our many cultures

We are innovative and strive for excellence

We are adaptive and responsive to community needs

We work in an environmentally sustainable manner

Community Outcomes

Governance

Environment

People

Economy

Connectivity

Living

Part 1:

Executive Summary



Message from the Mayor



Marlborough is a unique part of New Zealand with a diverse, successful economy, a beautiful natural environment and a high quality of life. Like other regions and the rest of the world, we have experienced some very significant challenges as the impact of the COVID-19 pandemic made itself felt over the last 18 months. However, despite some doom and gloom predictions made at this time last year, Marlborough has come through the shock of the pandemic in relatively good shape.

This is partly down to the make-up of our key industries. The wine sector, which is by far our largest employer, was able to successfully carry out the 2020 harvest, and demand for our wines has continued to grow strongly since. Both forestry and aquaculture have had their difficulties, particularly with exports to China, but log prices are at an all-time high and aquaculture production is increasing. Our tourism industry suffered significantly, particularly in Picton and the Sounds, which is more reliant on the visitor economy and exposed to international, rather than domestic, visitors.

Interventions by the Council have played an important part in our recovery. Last year we kept our rates increase to just 1.88% and increased our grants to community organisations and facilities providers. Through The Economic Action Marlborough (TEAM) group we funded campaigns to support Marlborough businesses, domestic visitation and lowered car parking costs to encourage retail and hospitality activity. We have also continued our strong focus on planned infrastructure expenditure, with a faster, locally-focused procurement policy.

The philosophy that lies at the heart of this Long Term Plan 2021 - 2031 contains four key pillars. They are: support for infrastructure investment; support for

economic development and the COVID-19 recovery; expanding environmental protection and providing good quality community facilities.

It was pleasing to see the level of community feedback on our Long Term Plan Consultation Document. Most submitters were broadly in favour of the direction this Council is taking. We consulted the community widely in preparation for this Plan and received 130 written submissions. Eighty six people presented their submissions to Council over three days of hearings in early June.

There was support for two increased levels of service in infrastructure – an upgrade to the Redwood Street/Town Branch stormwater system and the purchase of new weighbridges for waste management. Submitters also supported more investment in the Council's work to foster growth in the technology, food and screen sectors, and an allocation of funding from our Reserves to the Marlborough Events Centre for deferred maintenance and fixed operating costs. Submitters also supported more funding for environmental protection initiatives for freshwater and the processing of seabed mapping data of the Marlborough Sounds.

Marlborough's growth is higher than in the past and this is contributing to a greater need for infrastructure investment - pipes in the ground, water treatment and roads. Our infrastructure programme will see a record \$77 million budgeted for 2021/2022, and an average of \$72 million in each of the following nine years.



Submitters supported funding several significant sports and recreation facilities, including upgrading pavilions at A&P Park and Horton Park in Blenheim, and a variety of community facility expenditure across the region. Submitters also supported the setting up of the COVID-19 Rates Relief Reserve to smooth rates increases over the first three years of this Long Term Plan. There was also support for adopting the Development Contributions Policy, the 2021-51 Infrastructure Strategy and the 2021-31 Financial Strategy.

Our capital expenditure programme has increased significantly and means we will take on more debt. But borrowing is affordable at the moment and it spreads the cost fairly across the generations, which means today's ratepayers do not bear all the costs of tomorrow's infrastructure. While we may take on more debt, we plan to maintain a minimum AA stable credit rating from S&P Global, as well as cap our debt at \$230 million, which is less than 10 per cent of our assets. We're also maintaining our investments in Port Marlborough, Marlborough Airport and accessible funds for emergencies.

This coming financial year's rates increase - at 5.1% - is one of the highest of recent years. However, it is driven by a number of drivers that sit outside the Council's direct control:

- Inflation (the Local Government Cost Index);
- Increased infrastructure investment due to growth and increasing Government and community requirements;
- COVID-19 recovery work and revenue impacts; and
- New Government regulations, which impact virtually every aspect of Council.

Also, the reductions made last year to limit the impacts of COVID-19 have contributed to a higher rates increase this year. To keep the 2020-2021 rates increase at an artificially low 1.88%, some Council work had to be postponed or slowed, vacancies were not filled and staff agreed to forego their annual pay review. As a result, we are now playing catch up as we return to more normal levels of activity.

Councillors took a frugal approach to requests for funding from submitters, which understandably has caused some disappointment. However we supported a small number of funding requests – the largest was for a further \$181,000 for upgrades to the community centre and changing sheds at the Moutere Rugby Club in Spring Creek. A large number of submissions were referred on to the Council's standing committees, LTP Working Group or to the Council's grant funding processes.

I'd like to thank Councillors and staff for their hard work through this Long Term Plan process, which began three years ago with the establishment of the Long Term Plan Working Group. That group of Councillors and staff has worked hard to ensure that the Council was as well prepared as possible for the public consultation and decision-making process that has now concluded.

Thank you to everyone who made a submission or came and spoke to us in person. It was inspiring to hear from such a wide range of passionate Marlburians.

Ehara taku toa i te toa takitahi, engari he toa takitini.*



John Leggett
Mayor of Marlborough

**My strength is not mine alone – it comes from the many.*

Elected Council Members



Mayor John Leggett



Councillor Gerald Hope
WARD: WAIRAU-AWATERE



Councillor Jamie Arbuckle
WARD: BLENHEIM



Councillor Brian Dawson
WARD: BLENHEIM



Deputy Mayor Nadine Taylor
WARD: MARLBOROUGH SOUNDS



Councillor Jenny Andrews
WARD: BLENHEIM



Councillor Barbara Faulls
WARD: MARLBOROUGH SOUNDS



Councillor Mark Peters
WARD: BLENHEIM



Councillor David Oddie
WARD: MARLBOROUGH SOUNDS



Councillor Thelma Sowman
WARD: BLENHEIM



Councillor David Croad
WARD: BLENHEIM



Councillor Michael Fitzpatrick
WARD: BLENHEIM



Councillor Francis Maher
WARD: WAIRAU-AWATERE



Plan highlights – key issues and projects

This section identifies the key highlights contained in this Plan. As Council has focused on providing core infrastructure, a large part of this section focuses on Water, Sewerage, Stormwater, Flood Protection, Roads and Footpaths. These are in turn key contributors to the environment, economic growth and the quality of life enjoyed by Marlburians. Council has also committed significant investments to the new District Library and Art Gallery, the Lansdowne Park Sports Hub clubrooms development, environmental protection and science projects and various economic development initiatives.

In July 2020, the Government launched its Three Waters Reform Programme to review local government's role in water, sewerage and stormwater across New Zealand. The Government expects to make substantive decisions in July 2021. It is expected that Councils will be asked to consult with their communities in late 2021 whether they should join one of the new water service delivery entities. For Councils that participate in the reforms, the transfer of responsibilities, assets, liabilities and related obligations to a new entity is likely to occur from 1 July 2024. However, until Government makes its decisions, Council has continued to plan for its continued delivery of water, sewerage and Stormwater.

Water supply

Clean and safe drinking water

Meeting the NZ Drinking Water Standards (NZDWS) has been a major challenge for Marlborough due to the number of water supplies serving relatively small communities. Upgrading our water infrastructure has been a major focus for this Council over the last decade.

Major upgrades to the treatment plants serving Blenheim and Picton were completed in 2012 and 2017. Progress in other areas includes:

- construction of a new treatment plant for Seddon which opened in March 2019;
- construction of a new 1500m³ water reservoir in Renwick was completed in November 2020. Once new wells and pipes connections

are complete, Renwick’s supply will meet the NZ Drinking Water Standards;

- \$22.6 million has been allocated for new well pipelines and a pump station and treatment plant for Blenheim, from 2021 to 2027;
- major treatment upgrades are planned over the next ten years in Havelock, Picton, Renwick, Riverlands, the Awatere and Wairau Valley.

Water metering

Over the last year, water meters have been installed in Havelock and Renwick, with billing beginning from July 2021. Metering for all properties is also planned for Picton and eventually for Blenheim. Metering helps to manage the demand for water and identify leaks.

- Reducing water takes from Havelock’s existing water source will help to address a salinity issue and delay the need for accessing a new source of water.
- During summer the bores providing Renwick’s water often suffer from low water levels at the same time as summer demand peaks. This leads to the necessity for either voluntary reductions or restrictions. Water metering will improve equity in paying for the costs of water and reduce demand which will have a flow-on impact on the size and capital cost of planned new water treatment plant.
- Picton is at the limit of the volumes of water that can be taken from its existing water sources. Demand management, including water metering, is considered a better option than accessing a new source, which would cost around \$19 million.
- It is expected that universal metering will become a national requirement. \$10.725 million has been allocated for metering in Blenheim in 2028–30.

Renewal of infrastructure

Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2029-30 universal water metering	\$13.5
	2026-28 Wither road booster station replacement	\$1.9
	2021-27 new wells, pipelines, distribution pump station and treatment plant for the north of Blenheim	\$23.1
Havelock	2021-24 new treatment plant.	\$7.7
	2029-30 new water source including pipelines and treatment plant	\$16.0
Picton	2021-23 government funded pipelines for Speeds Road	\$4.2
	2024-25 Essons Valley re-line the cast iron pipelines	\$1.3
	2021-24 Speeds Road additional wells and treatment plant	\$6.5
	2030-31 new water source including pipelines and treatment plant	\$25.3
	2021-24 universal water metering	\$2.2
	2021-23 treatment plant at Essons Barnes.	\$2.3
Renwick	2021-22 new treatment plant	\$5.5
	2021-31 new pipelines and connections to the bores in Conders Bend Road	\$1.1
	2021-22 pipelines renewals	\$1.0
Awatere	2022-24 entry treatment for rural households not served by the Seddon water treatment plant	\$1.6
	2021-23 The Lions Back reservoirs	\$1.2

Areas	Major Capital Projects	Inflated value (Millions)
Seddon	2021-22 pipeline and treatment plant upgrades	\$0.5
Riverlands	2021-24 new treatment plant to meet the Drinking Water Standards	\$17.7
Wairau Valley	2021-24 township water treatment upgrade and supply extension	\$1.2

Sewerage

Earthquake damage

The Kaikōura earthquake in November 2016 damaged a significant portion of Blenheim's 16 km and Picton's 4 km of earthenware sewer reticulation network. \$8.1 million has been allocated for these repairs in Blenheim and \$2.2 million for Picton. Some 5.3 km of pipeline in Blenheim has already been relined.

Blenheim

Growth in housing and current capacity challenges require significant upgrading of sewers and pump stations. In addition, Blenheim's main pump station is built in an area that is susceptible to liquefaction so a new pump station will be built from 2021–2024. The Blenheim Sewage Treatment Plant will be upgraded in 2025–26 to ensure a new resource consent can be obtained.

Havelock

Upgrading of the Havelock sewage treatment plant is required as part of the resource consent process. The existing treatment pond site is not suitable for further investment due to geotechnical issues, so a new treatment plant will be built at a new site.

Picton

Sewerage pipeline replacements are continuing in Picton and Waikawa. \$6.7 million has also been set aside for a second aeration basin to be constructed for 2026–27, depending on population growth. A reclaimed water

system to be built in 2023–24 will enable the provision of non-potable water, taking the pressure off the town's water supply in summer.

Seddon

The Seddon sewage treatment plant requires major upgrading. Although the existing plant could be replaced with a modern facility producing high quality effluent suitable discharged into the Starborough Creek, Te Rūnanga o Kaikōura has requested the discharge be removed altogether from the creek. A significant volume of storage and land area is required for all year round land treatment to achieve this.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2025-26 domestic sewerage treatment plant upgrades	\$23.6
	2023-24 Battys Rd pump station for growth	\$6.8
	2027-29 Battys road pump station for high flow storage	\$5.4
	2021-29 main terminal pump station improvement and strengthening	\$12.7
	2025-27 reclaimed water reticulation	\$10.6
	2021-28 pipeline renewals - earthquake repair	\$7.8
	2021-25 desludge	\$3.6
	2025-27 provision for Burleigh sewerage	\$2.8
	2021-22 Muller Rd sewer pipe renewal	\$1.2
Picton	2021-28 pipelines renewal due to Kaikoura earthquake	\$1.9
	2021-23 Picton and Waikawa pump station	\$2.4
	2021-31 sewerage pipeline renewals	\$4.3
	2024-25 effluent treatment system	\$3.9

Areas	Major Capital Projects	Inflated value (Millions)
	2026-27 a second aeration basin depends on growth	\$7.7
Riverlands	2025-26 industrial sewerage treatment upgrades	\$10.1
	2026-27 industrial sewerage sludge dewatering and management	\$3.6
Seddon	2021-25 treatment plant upgrades	\$14.9
St Andrews	2023-24 grinder pump system	\$1.0
Havelock	2021-26 new treatment plant	\$10.0
	2029-31 land treatment system	\$7.9

Stormwater

Stormwater strategy

The stormwater strategy provides a comprehensive framework to manage both the quality and quantity of stormwater. Stormwater Management Area Plans will be developed for each of the different areas in Blenheim to implement the strategy. The strategy's goals and approach will be extended to other townships over time.

Redwood Street/Town Branch drain

A \$17.4 million outfall upgrade will enable permanent stormwater diversions from the current Redwood Street main at Muller Road and Stephenson Street and bring the catchment up to current standards. \$7 million was already earmarked for the project, and Council proposed through the public consultation for this LTP an increase of \$10.4 million in the capital budget to complete this upgrade in future years. The increase will be funded from a combination of river rates, development contributions and Blenheim stormwater rates.

Urban Growth Strategy

Urban growth in Blenheim is largely to the north and west of the town. Stormwater needs to flow to the eastern coast, so it is important to ensure downstream upgrades are provided in a timely manner. Evaluation and installation of effective stormwater quality control techniques for new subdivisions, and retrofit of existing reticulation, will also occur.

Climate change

Extreme weather events are likely to become more frequent and more intense, and sea level rise is anticipated. These changes have implications for the effectiveness of rivers to discharge to the sea and the outfall of the drainage network.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2021-24 Murphys Creek Pipeline	\$3.9
	2022-23 Redwood Street from Muller Road to Stephenson Street pipe replacing	\$1.0
	2023-24 Scott, Lewis, to Redwood Street pipelines	\$0.8
	2025-27 Stephenson to Stuart Street pipelines	\$1.1
	2026-28 Graham St - Stephenson - Boys college - Francis Street pipelines	\$2.9
	2021-23 Muller Rd stormwater renewal	\$3.6
	2027-29 Town Branch Drain upgrade	\$12.2

Rivers and Land Drainage

Flood protection

The Council has an on-going programme of flood hazard management primarily on the Wairau Plain but also for the Waitohi and Waikawa rivers. It

includes controlling weeds and sediment on 280 km of waterways, maintaining stopbanks, floodgated culverts and providing pumping stations.

Inspections have confirmed the need for continued investment in new works and the maintenance of existing works to ensure a robust flood protection system is in place. Ongoing maintenance and upgrade work is required downstream to both the Diversion and Wairau River mouths. This includes permanent repair at Wratts Road following emergency work in late 2019. A key project for this plan is six new and strengthened heavy rock groynes and up to 1.4 km of stopbank realignment over the 3.5 km reach from the Southern Valleys irrigation intake down to Upper Conders.

Stopbank upgrades

Ongoing stopbank upgrades are planned for the Taylor River through Blenheim and the lower Ōpaoa and Wairau rivers. Upgrades bring older sections of stopbank up to current structural standards, to provide agreed flood capacity and where possible move sections of stopbank from private property into the Taylor River Reserve. Likely climate change impacts are included in upgrade designs where appropriate.

New works and future planning

The Wairau floodplain's major rivers and stopbanked floodways cover 20,000 hectares of fertile land around Blenheim and this is the Council's major river control and drainage activity.

Commonly used methods for increasing flood capacity include constructing stopbanks and deepening the river channel through gravel extraction. The lower Wairau Floodplain includes several thousand hectares which are less than two metres above sea level. Average sea levels are predicted to rise by 0.3 m by 2050.

Major projects and estimated cost

Area	Major capital projects	Inflated value (millions)
Wairau floodplain and Wither Hills	2021–31 Flood protection and control works	\$32.6

Roads and footpaths

Council contracts Waka Kotahi's Marlborough Roads office to manage Council's roads on its behalf. Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. Council is responsible for all roading-related assets - footpaths, kerb and channelling, street lighting and car parks. In recent years there has been increased investment in walking and cycling infrastructure.

Urban growth effects

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

High impact natural events

Over recent years storm events and earthquakes have had a significant effect on Council's Roading budgets, and the frequency of storm events is likely to increase as a result of climate change. Council has provided additional funding to meet the cost of these events.

Conflicting road network use

Increases in viticulture, forestry and tourism traffic combined with an ageing demographic means the transport network is used for a variety of purposes. Council is planning how it can provide a safe transport network that affordably meets the needs of all road users.

Unsealed roads

Unsealed roads are challenging to manage and can deteriorate rapidly with adverse weather events. Marlborough Roads now has the capability to measure roughness which assists with determining the need for intervention treatments such as grading.

Major projects and estimated cost

Area	Major capital projects	Inflated value (millions)
General roading	2021–31 Northwest Blenheim extension zone development	\$3.9
	2018–28 Renewal of existing infrastructure (e.g. drainage, resealing, rehabilitation, seal widening, metaling, etc)	\$101.2
	2018–28 Minor safety improvements	\$21.5
Bridges	2025–27 Taylor River Bridge on High St renewal	\$8.0
	2027-28 Taylor River Wither Road west	\$7.7
Signs, footpaths, cycle facilities, kerb and channel	2021–31 Wairau/Awatere sealed pavement extension	\$1.4
	2021–31 Renewals and additions of kerb and channels, footpaths, cycle facilities and non-subsidised seal extensions	\$10.4
Blenheim CBD upgrades	2021–31 CBD paved/cobbled areas upgrade	\$9.5
Wharves	2021–31 Renewals of existing infrastructure (jetties)	\$1.4
Small township upgrades	2021–31 Small township upgrades in Blenheim Vicinity and General Rural	\$6.1
Subdivisional works	2021–31 Seal extensions, widening, kerb and channeling as required by subdivisional works	\$1.9

Community Infrastructure

Blenheim District Library and Art Gallery

The new building is under construction in High Street, Blenheim. It is funded from the Forestry and Land Development Reserve, the future sale of the current library building and a Government grant made in 2020 as part of the Government's post-Covid 'shovel ready' recovery programme.

Major projects and estimated cost

Activity	Major Capital Projects	Inflated value (Millions)
Library Services	2021-23 construction of the new library and art gallery as part of the Blenheim Riverside Precinct project.	\$18.5

Parks and open spaces

The Council owns and maintains neighbourhood parks, public gardens, natural parks, sports parks, outdoor adventure parks, civic spaces and recreational and ecological linkages as part of its overall open space network. Its assets includes the Wither Hills Farm Park, Victoria Domain, Pollard Park, Seymour Square, Lansdowne Park and the Taylor River Reserve.

Public conveniences

The Council owns or leases 73 toilet facilities across Marlborough. A planned programme of upgrades to public conveniences is underway over the next four years, including in Havelock, Seymour Square (Blenheim), Koromiko Recreation Reserve (Collins Memorial Reserve), Okiwi Bay, the Taylor Dam, Elterwater, Ward, Horton Park and Oliver Park.

Lansdowne Park redevelopment

The Lansdowne Park redevelopment in Blenheim is making good progress. Its new multi-code shared clubrooms building include toilets and change rooms for netball, rugby union, touch rugby and softball. The facilities also include office space, a kitchen, function area and storerooms.

Major projects and estimated cost

Activity	Major capital projects	Inflated value (millions)
Reserves	2020–22 Lansdowne Park sports hub club rooms construction	\$4.4
	2021–23 A&P Park new grandstand and administration complex	\$3.9
	2026-28 Horton Park pavilion upgrade	\$2.3
	2021-2022 Wairau Diversion responsible camping site upgrade	\$0.9

Environment

The Council is investing in a number of environmental improvement activities, including:

- Catchment Care Programme - there is an increase in collaborative catchment-based programmes designed in conjunction with Government agencies, iwi and the community, intended to help mitigate diffuse pollution and sediment runoff within at risk catchments in the region, including Te Hoiere/the Pelorus. A focus on building community capability is a key priority.
- In August 2020, the Government released its Essential Freshwater package, which aims to stop further degradation of freshwater; it seeks to reverse past damage to bring waterways and ecosystems back to a healthy state within a generation. This Long Term Plan is addressing the known costs of the monitoring and reporting requirements of these new rules, the National Policy Statement for Freshwater Management 2020 (NPS-FM), which expands Council's current monitoring and reporting obligations. To carry out these obligations under the NPS-FM, Council estimates costs of \$1.2 million over the next three years, including \$197,000 operating expenditure and \$95,000 capital expenditure for 2021-2022, with an average rating impact of \$7.57 per rateable property. Further increases are anticipated in 2022-2023 and 2023-2024.

- Council has allocated an extra \$1.2 million over six years to process the environmental data collected from the Te Hoiere/Pelorus seabed mapping project. This innovative research captures the valleys, plains, ridges and reefs that make up the unique underwater landscape of this Sound. University researchers and the public are already using the information, available online via the Council's Smart Maps service, for safer navigation of our waterways and tracking plastic pollution in sediment, for example. There are many other potential uses for the data.
- A new community environment grant fund (Working for Nature/Mahi mō te Taiao) has been established to make it easier for the community to help restore and protect native habitats.

Waste Management

Council allocated \$600,000 in its capital budget for new weighbridges to be installed at the Greenwaste Acceptance Facility and Resource Recovery Centre in Blenheim, to assist in reporting tonnages of waste and diverted materials. Weighbridge gate fees will be calculated based on operational and capital expenses associated with the two sites, with cost recovery through gate fees (75%) and general rates (25%).

Senior Housing

The Council will build a new 12 unit, two-story development on a Council-owned site in George Street, Blenheim. It sits adjacent to existing Council senior housing. After approaching potential partners to develop this land, Council was asked by its Housing for Seniors Sub-Committee to pursue a concept development with Council as the developer. This sub-committee, comprising Councillors and a community representative, is responsible for Council's Senior Housing Portfolio under the Planning, Finance and Community Committee.

Staff prepared a concept plan and a planning assessment, along with a construction cost estimate and financial feasibility assessment. The \$3.6 million development would pay for itself with rents at less than market values charged to tenants. Design has begun and construction is scheduled to be completed by July 2022.

Economy

The Council has agreed to invest in the following economic development activities:

- Supporting the development of the Picton to Kaikōura cycle trail (the Whale Trail) by contributing up to \$2 million towards its construction. The trail has the potential to create between 45 and 88 full-time local jobs, mainly in accommodation, food and beverage, retail and recreation services, and to generate between \$68million and \$132million of economic benefit to the District over 20 years. The Trail has benefitted from the Government's 'shovel-ready' COVID-19 recovery fund and construction has started.
- \$100,000 investment in work to foster growth in the technology, food and screen sectors
- An allocation of \$1.05 million from Reserves to the Marlborough Events Centre for deferred maintenance and fixed operating costs
- The COVID-19 pandemic had a severe impact on Marlborough's visitor economy. The closing of international borders in March 2020 has meant that visitor economy businesses are reliant on domestic travellers solely until borders reopen. Destination Marlborough, which the Council funds, has reoriented its activity to support domestic visitation.

Flaxbourne Irrigation Scheme

A proposed irrigation scheme is under consideration for the Flaxbourne area and estimated to cost between \$10.5million and \$16 million. It would provide similar benefits to the Southern Valleys scheme by supporting the development of productive agricultural land. It would be paid for by the beneficiaries through a voluntary targeted rate.

Council has agreed to support the development of this scheme subject to a number of conditions:

- securing sufficient water – a resource consent has already been applied for.
- satisfactory final design, estimates and funding.

- securing 100 per cent commitment to fund the scheme from landowners and/or through government assistance.
- the actual cost of construction being within the funding secured.





Financial Overview

Council must, under the Local Government Act 2002, manage its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that sustainably promotes the current and future interests of the community. The Financial Strategy at pages 205-216 is an important part of the LTP, providing detailed information about how this will be achieved over the next ten years. Council aims to achieve the following financial outcomes over the next 10 years:

- Maintain a credit rating of at least AA (stable) from S&P Global.
- Generate sufficient funds to deliver the levels of service and undertake the capital investments within the 2021-2031 LTP.
- Minimise the impact on ratepayers through the appropriate use of reserves and debt, while ensuring intergenerational equity.
- Remain within a rates cap of the Local Government Cost Index plus 3%. The 3% comprises 1% for the cost of rising Government requirements and 2% for growth and improved levels of service.
- Remain within a debt cap of \$230 million, which is currently less than 10% of total assets, for the period covered by the 2021-2031 LTP.
- Maintain investments in MDC Holdings Ltd, Marlborough Regional Forestry, Local Government Funding Agency, and set aside easily accessible funds for emergencies.

A balanced budget is essential to achieving these financial outcomes, and Council has considered how to balance:

- The levels of service to be provided and the cost of achieving and maintaining them during periods of growth.
- The priorities and timing of expenditure across all activities, especially expenditure of a capital nature and the link to the Infrastructure Strategy.
- The proposed levels of rates and charges across the full 10-year period of the Long Term Plan and their impact on the community.
- The proposed level of borrowing that current and future ratepayers will need to service.

Capital expenditure

To maintain and improve levels of service in response to Government, community and growth demands, Council is planning Capital Expenditure of \$730 million over the next 10 years which is required to be shown in the three categories below.

\$170 million to meet additional demand (including vested assets)

\$259 million to improve the levels of service

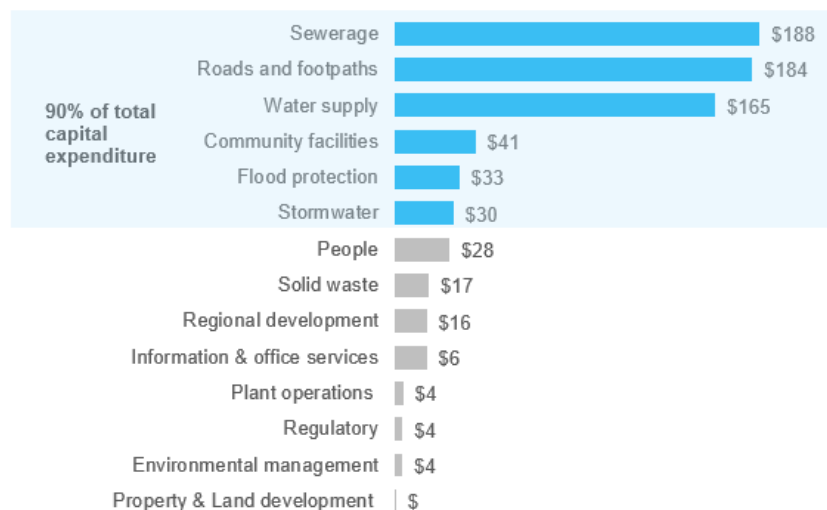
\$310 million to replace existing assets

\$729 million in total

More information on the Capital Expenditure programme is given in the Activity Sections and the Infrastructure Strategy and is also available in Council's Asset Management Plans.

The following graph demonstrates that Council plans spend 90% of the capital program on essential infrastructure and community facilities.

Capital expenditure by Activity (in millions)



One of the main drivers for rates increase is financing Capital Expenditure. Over the past five years actual Capital Expenditure has ranged from

\$30 million in 2016 to \$63 million in 2018 with an average of \$43 million. The projection for 2020/21 is over \$70 million. The 2018-28 LTP included a strategic decision to limit the financing of Capital Expenditure to approximately \$60 million for the first three years of the LTP for core Council Assets. This decision has proven to be correct with actual Capital Expenditure exceeding \$60 million in only one of the past three years. The average amount of Capital Expenditure over the past three years is \$49 million, noting that this would be low due to COVID-19 affecting 2019-2020.

A similar approach has been taken in the 2021-31 LTP, but Council has increased the indicative capital allowance figure to approximately \$70 million. This is to recognise the increased demand for growth and regulation driven infrastructure.

The first three years of the LTP exceed \$70 million due to 2020 COVID-19 related under expenditure, capital that is tied to Government funding and roading backlog expenditure. 2025-26 and 2026-27 also exceeds \$70 million due to significant work to improve the level of service for Blenheim sewer.

Capital project timing in project delivery terms as compared to financing terms can vary for many reasons including:

- Finalising community consultation;
- Obtaining land access;
- Obtaining resource consents;
- The availability of external professional expertise;
- Receiving an acceptable contract price; and
- Contractor availability.

It is for these factors that Council feels comfortable to make the high level strategic decision to limit project funding as it has. This level of discounting project timings is not uncommon across local government

To assist in the financing of the increased Capital Expenditure programme there has been increasing use of the Infrastructure Upgrade Reserve which has benefited from improved revenue streams and the reduction of the Interest Rate assumption in calculating the funds available to allocate towards

funding Capital Expenditure. The other points to note in regard to Capital Expenditure are:

- The full cost of interest and depreciation apply from the year after construction is completed; and
- New assets generate ongoing operations and maintenance expenditure.

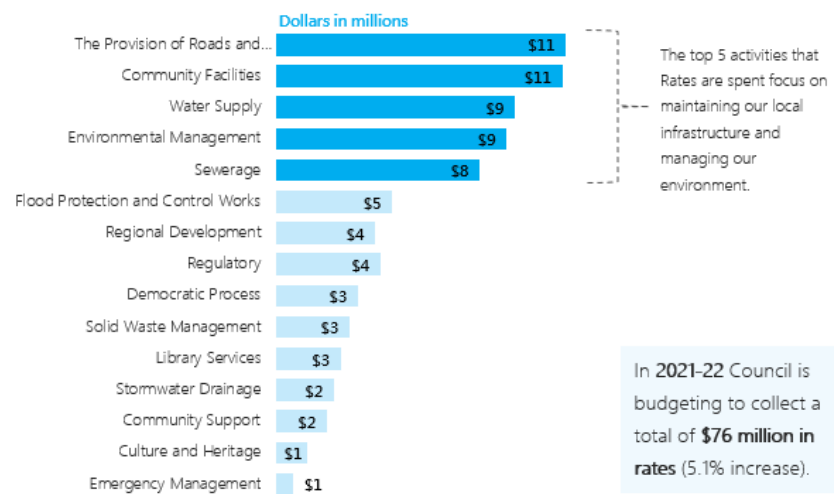
The largest Capital Expenditure in the early years takes place in Sewerage, Roads, Water Supply, Community Facilities, Library redevelopment in Blenheim and the construction of the Flaxbourne Irrigation Scheme.

Activity (\$M)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sewer	9.6	8.5	29.1	22.3	40.9	30.8	15.3	21.4	3.0	6.8
Roading	17.0	14.9	13.3	16.7	20.8	21.4	25.0	17.8	18.4	18.9
Water	10.6	18.3	15.7	18.5	10.2	20.5	8.7	3.8	31.2	27.4
Library Blenheim	8.9	5.9	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Stormwater	3.2	3.7	3.6	0.8	0.9	2.1	8.2	6.6	0.4	0.4
Community Facilities	7.1	6.9	6.7	4.3	2.0	2.4	4.4	3.0	2.2	2.2
Flaxbourne Irrigation Scheme	4.0	9.4								
Other	16.6	16.4	10.2	7	6.8	5.4	5.0	4.9	8.3	8.8
Total Capital Expenditure	77.0	84.0	79.0	70.0	82.0	83.0	67.0	58.0	64.0	65.0

Where does Council spend ratepayers money?

In addition to the investment in new assets, and the renewal of old, the rates collected by Council are spent on delivering services under the following broad activity groupings. As can be seen, most of the expenditure is made on core infrastructure operation and maintenance and in managing our environment. NB, Irrigation, Parking and Economic Development are included under Regional development.

How will my Rates contribute to our community in 2021-22:



Balancing the budget

The Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses i.e. Council must demonstrate financial prudence.

In preparing its budgets, Council must make a number of assumptions. These include, legislative change, interest rates, inflation, subsidy rates etc and are shown in more detail in the Financial Strategy. The Council is forecasting that its Activity expenditure will increase from \$114 million in the 2020-21 Annual Plan to \$170 million (50% increase) for the 2030-31 financial year. The increase is primarily due to investments in infrastructure including Community Facilities, improvements in levels of service, especially in the environmental and Solid Waste Management areas, the projected movement in the LGCI and additional central government requirements.

Debt

While existing Reserves, subsidies and Development Contributions are the first sources for funding Capital Expenditure, the balance is generally funded by loans. Council usually funds up to 50% of new capital assets from Reserves if available.

Loans have a rating impact, but as their repayment is generally spread over 20 years it reduces the burden on current rates and spreads the costs over those future ratepayers who will also benefit from the asset being created. Increased maintenance and operating costs from capital projects are funded primarily by rates.

Gross borrowing over the period of the LTP will increase from \$167 million shown in the 2020-21 Annual Plan to a maximum of \$421 million in 2027-28 to help fund the proposed Capital Expenditure programme for the entire Council Group, including that to its subsidiaries, MDC Holdings Ltd, Marlborough Airport Ltd (MAL) and Port Marlborough NZ Ltd (PMNZL). Gross borrowing is forecast to reduce to \$386 million in 2030-31. Projected Gross debt includes an allowance of \$18 million for the separately rated development of an irrigation scheme at Flaxbourne and provisional allowances of \$180 million for PMNZL developments of the Waikawa Marina Extension and the Ferry Terminal redevelopment. Due to the size of the potential ferry terminal debt, this will be separately consulted upon when there is greater certainty of the amount and projected returns on this investment.

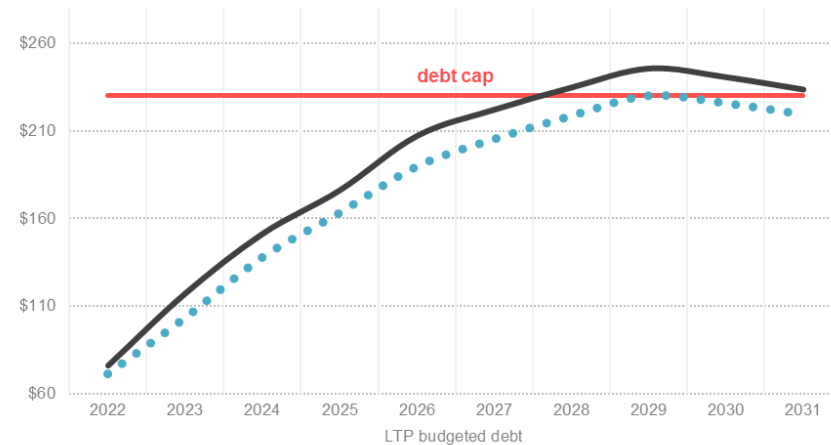
However, the more important debt measure is Net Debt (Total debt less amounts advanced to subsidiaries, investments and cash on hand). Net Debt over the period of the LTP will increase from \$84 million shown in the 2020-21 Annual Plan to a maximum of \$246 million in 2028-29 before reducing to \$234 million in 2030-31. The maximum forecast value of Net Debt is expected to exceed Council's \$230 million debt cap in the final four years of the LTP.

Each year Council will review the continued need and timing of Capital Expenditure as part of its Annual Planning and budgeting process. In previous years, these reviews have resulted in expenditure deferrals, which have in turn, reduced subsequent years rates increases and actual debt levels.

The following graph identifies Council's projected debt net of cash and investments and net debt without the Flaxbourne Irrigation Scheme included. This shows that once the debt for the Flaxbourne irrigation scheme is removed Council just exceeds the debt cap in 2028-29 only.

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

Council's 2021-31 self-imposed debt cap is exceeded in the second half of the LTP, this is mainly due to the increased level of capital expenditure since the last LTP and increased funding from Council's reserves.



Rates increases and rates increase limit

As identified above, increasing debt to spread the cost of Capital expenditure has a rating impact as do increased operating costs. The other major contributor is inflation (27.5% over 10 years). Inflation means a change in the costs Council faces, including materials like diesel, bitumen, pipes and other construction costs. As these are not the same as the costs faced by households (eg; food, housing, transportation) and measured by the CPI Council, along with the majority of other Councils in New Zealand, uses inflation projections provided by Business Economic Research Limited (BERL) to inflate budgeted Operating and Capital Expenditure in years two to 10 of the LTP.

Forecast BERL LGCI

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
3.7%	2.9%	2.5%	2.5%	2.6%	2.5%	2.6%	2.7%	2.7%	2.6%

Forecast rates increases

Council has adopted as policy that increases in total rates will not exceed the LGCI movement by more than 3% (made up of 2% for growth and level of services increases and 1% for increasing government requirements). The following table shows forecast rates increases compared to Council's policy.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Proposed Rates Movements	5.1%	6.4%	5.7%	9.7%	5.7%	4.3%	3.7%	3.9%	4.1%	3.2%
Rates Cap (LGCI+3%)	6.7%	5.9%	5.5%	5.5%	5.6%	5.5%	5.6%	5.7%	5.8%	5.6%
Within/Above Rates Cap	1.6%	-0.5%	-0.2%	-4.2%	-0.1%	1.2%	1.9%	1.8%	1.7%	2.4%

This table shows that Council has gone above its "Rates Cap" for years two to five of the LTP albeit only marginally in 2024 and 2026.

In 2023 and 2024 Council exceeds the cap due to the operating costs associated with an increased capital programme. This should continue to boost the local economy. In 2025 Council exceeds the cap as 2024 is the final year for rates subsidy from the COVID-19 Rates Relief Reserve creating a rates spike in 2025. In 2026 the cap is exceeded due to the start of the Flaxbourne voluntary targeted rate.

Despite currently projecting to exceed its self-imposed rates limit, Council remains committed to trying to remain within it and reviews its plans and projects annually to confirm their continued need and timing. Projects are deferred where this can be done without compromising maintenance and standards and this reduces the annual rates increases.



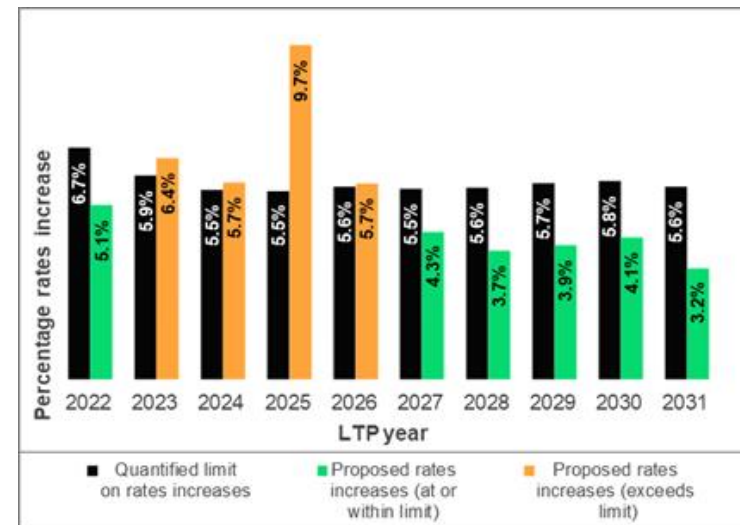
Long Term Plan Disclosure Statement for the Period Commencing 1 July 2021

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 the Long Term Plan 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.

Rates increases affordability benchmark

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 3%.



The graph shows that Council has gone above its policy from 2023 to 2026, albeit only marginally in 2024 and 2026. In 2023 and 2024 Council exceeds its benchmark due to the operating costs associated with an increased capital programme. This should continue to boost the local economy. In 2025 Council exceeds the benchmark as 2024 is the final year for rates subsidy from the COVID-19 Rates Relief Reserve creating a rates spike in 2025. In 2026 the benchmark is exceeded due to the start of the Flaxbourne voluntary targeted rate.

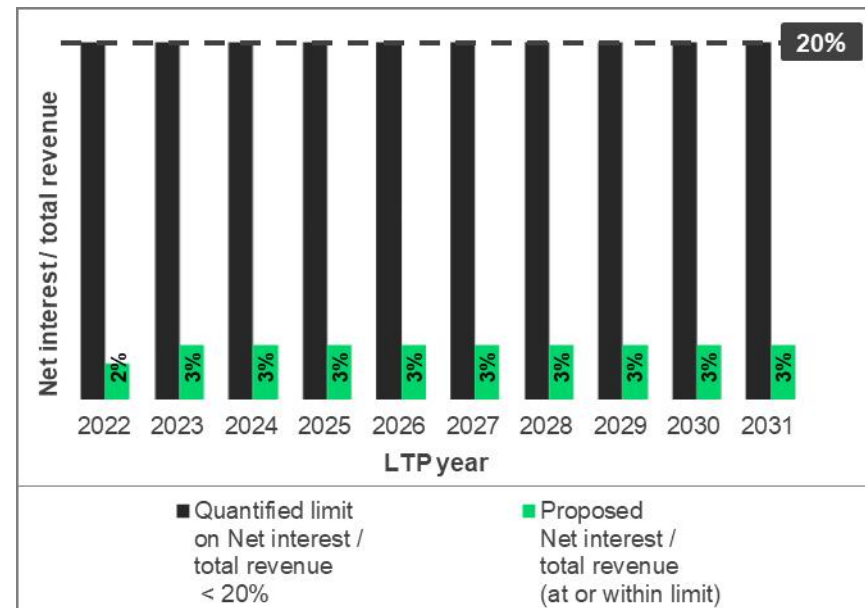
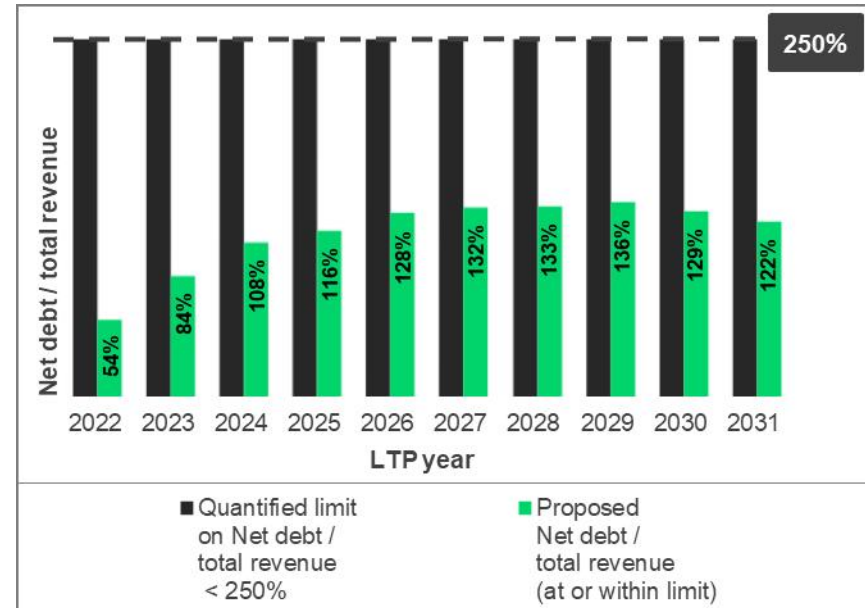
Debt affordability benchmarks

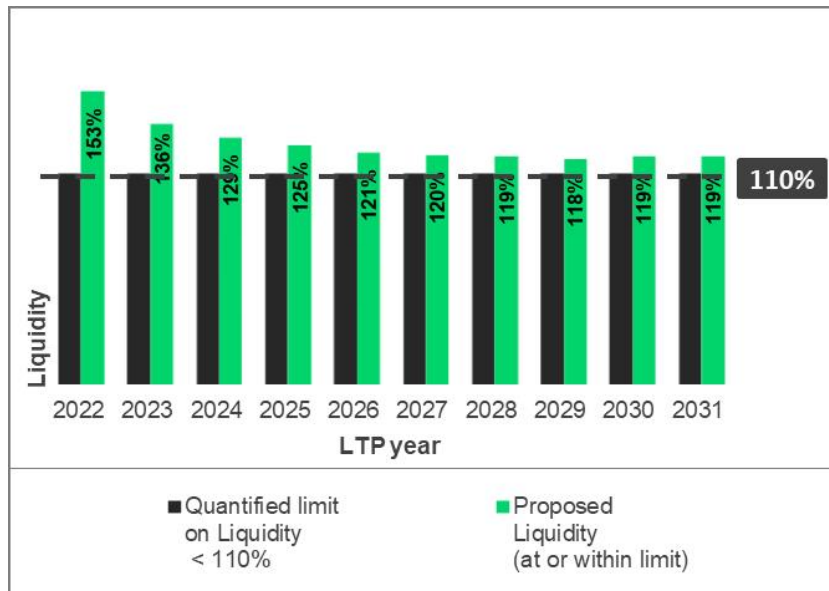
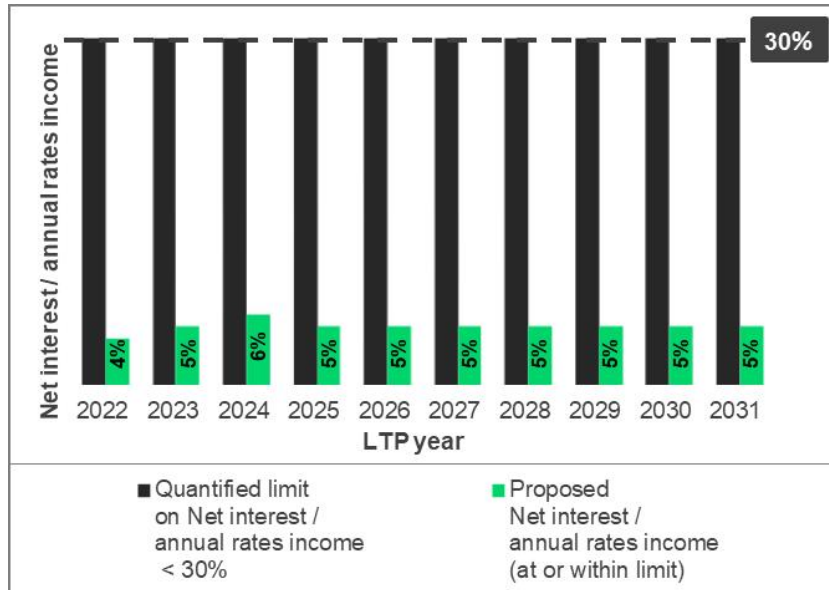
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan.

The quantified limits are:

- net debt as a proportion of total revenue up to a maximum of 250%;
- net interest as a proportion of total revenue up to a maximum of 20%;
- net interest as a proportion of annual rates income up to a maximum of 30%; and
- liquidity of at least 110%.

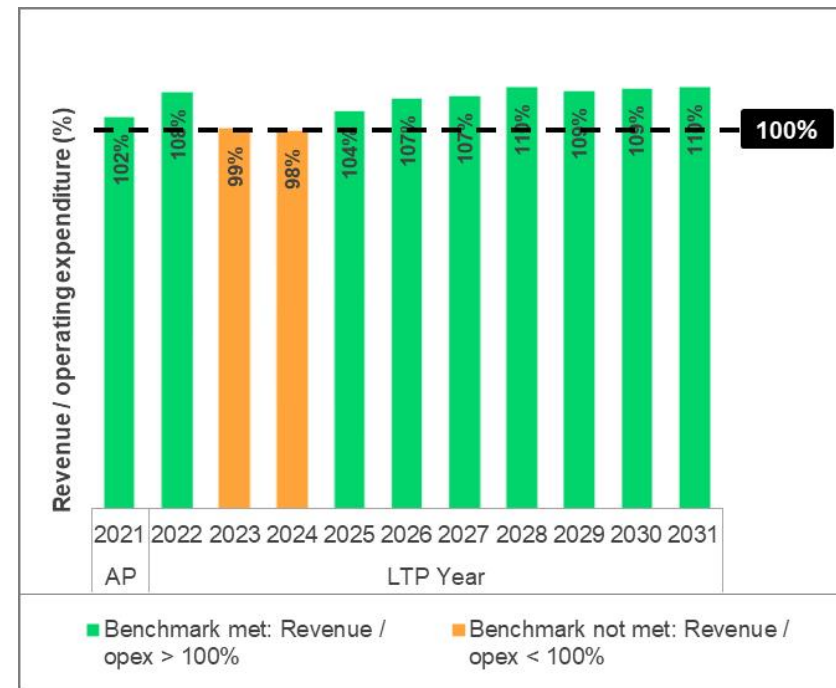
Note: Net debt is defined as a total consolidated debt less liquid financial assets and investments; Total revenue excludes development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment; and Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.





Balanced budget benchmark

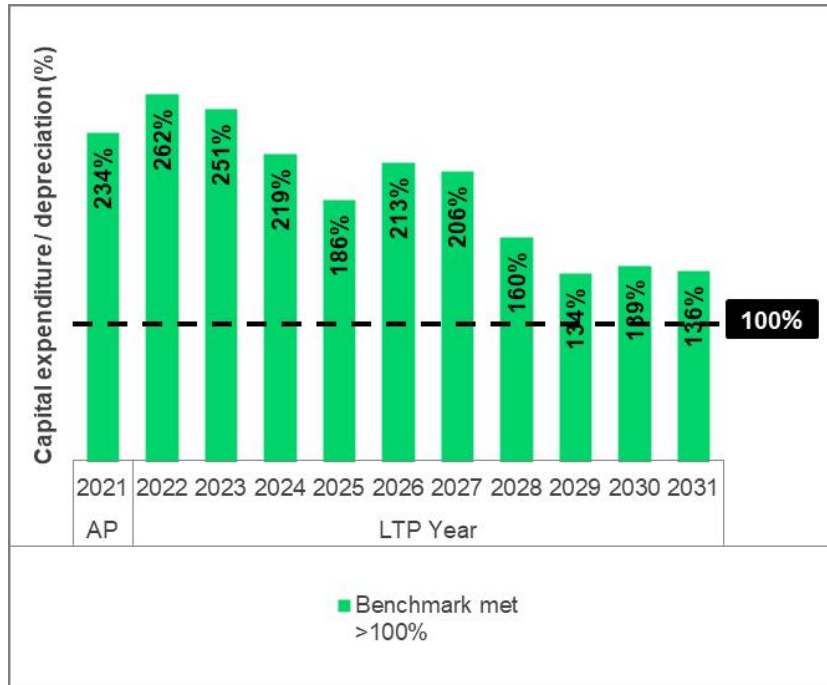
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivatives financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



The Waka Kotahi NZ Transport Agency decreased capital works subsidy for Roads and Footpaths Activity in 2022, 2023 and 2024 has impacted on this benchmark performance. The first year of the subsidy decrease is offset by Government subsidy received for shovel ready projects and the three waters reform programme, however, the following two years have put Council under the threshold for meeting this benchmark.

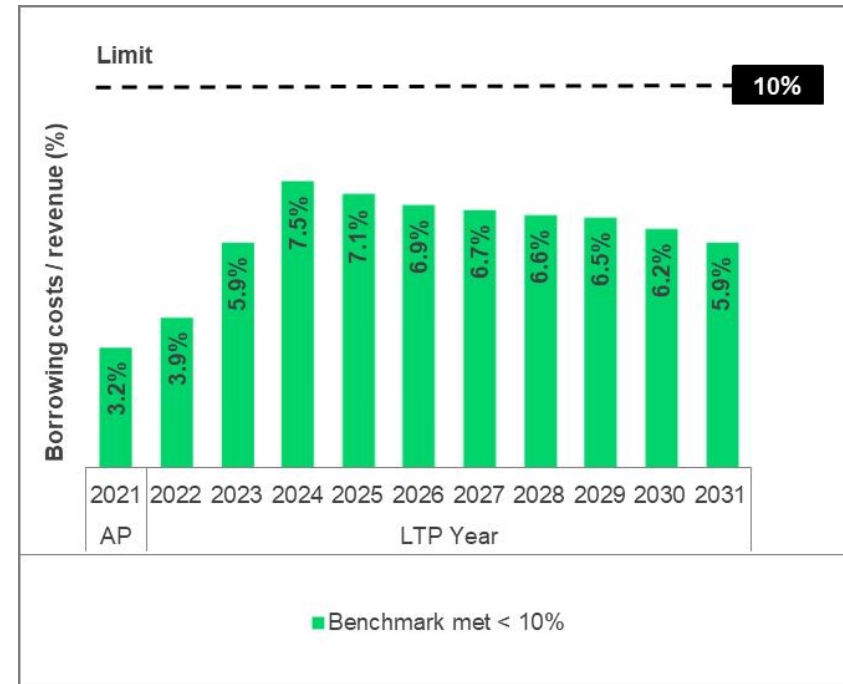
Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs are equal or less than 10% of its planned revenue.



Community Outcomes

Community Outcomes are statements that describe the sort of community Marlborough could be in the future, as a result of actions that get taken now and in years to come. The current group of Community Outcomes were written to take into account the Marlborough Smart and Connected vision and strategic framework. Council's contribution to achieving the community outcomes and the vision is summarised in the table below. A more detailed assessment is included in each activity statement.

In 2019 Government reinstated the "four Well Beings", i.e. social, economic environmental and cultural. Each of Council's Activities contributes to one or more of these well beings. The following table identifies for each Activity the "well beings" that it makes a positive contribution towards. It is not believed that any Activity makes a negative contribution to any of the well beings.

Governance

- Marlborough has a strong community that is passionate about participating, connecting with and helping shape our future. Our Council listens to its communities and strives for best practice governance to support their aspirations. We value our strong partnership with tangata whenua iwi.

Environment

- Marlborough's communities are the guardians of our unique place. Our landscape, water, air, natural features and biodiversity are managed, protected, enhanced and valued as the cornerstone to our quality of life.

People

- Marlborough's communities value our special way of life. We are diverse, inclusive, welcoming and enjoy opportunities to connect, live, learn, work and play in this vibrant place.

Economy

- Marlborough's economy supports the aspirations of our community. It is underpinned by strategic, thoughtful and sustainable use of resources which provides opportunities for business innovation and quality employment.

Connectivity

- Marlborough's central location and transport network, enhanced by our digital resources, enables our communities and visitors to access a wide range of recreational, cultural and economic activities locally, nationally and globally.

Living

- Marlborough's enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy.

Council Activities	
Democratic Process	
Culture and Heritage	
Community Support	
Housing for Seniors	
Library Services	
Emergency Management	
Community Facilities	
The Provision of Roads and Footpaths	
Flood Protection and Control Works	
Sewerage Including Treatment and Disposal	
Stormwater Drainage	
Water Supply	
Solid Waste Management	
Environmental Policy	
Environmental Science and Monitoring	
Resource Consents	
Environmental Protection	
Biosecurity	
Building Control	
Environmental Health	
Animal Control	
Harbours	
Regional Development	

Community Outcomes					
Governance	Environment	People	Economy	Connectivity	Living
✓	✓	✓	✓		✓
✓		✓	✓		✓
✓	✓	✓		✓	✓
✓		✓		✓	✓
✓		✓	✓		✓
✓	✓	✓	✓		✓
✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓
	✓		✓		✓
	✓	✓	✓		
	✓		✓		✓
✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓
✓	✓		✓		✓
✓	✓	✓	✓		
	✓	✓	✓		✓
	✓	✓	✓		✓
✓		✓	✓		✓
✓		✓	✓		✓
✓	✓	✓		✓	✓
✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓

Four Well Beings			
Social	Economic	Environmental	Cultural
✓	✓	✓	✓
✓			✓
✓		✓	✓
✓			
✓	✓	✓	✓
✓	✓		
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Consultation

Background

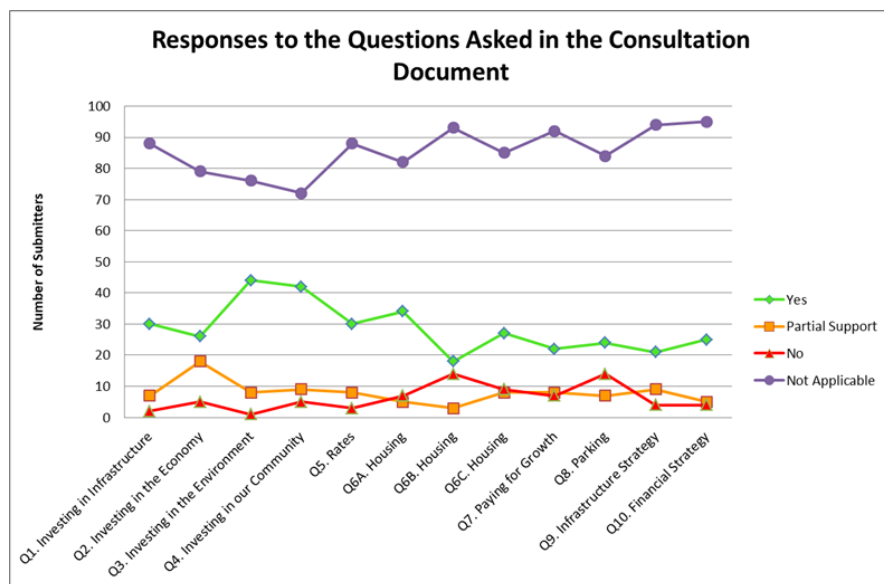
The proposals put to residents and ratepayers in the Consultation Document represent the culmination of:

- previous Annual and Long Term Plan consultations which has led to the current direction taken by Council;
- the work of the LTP Working Group;
- budgeting and funding work by staff;
- agreement by Council to include the individual items and their proposed funding in the Consultation Document.

The Council received 130 submissions. This compares to the 193, 118 and 305 received over the past three years. Of the 130 submissions, 86 indicated that they wish to speak which compares to the 60, 86 and 138 over the previous three years.

For the majority of the questions asked in the Consultation Document, those ratepayers that expressed an opinion submitted in favour of Council's proposals (see graph below).

Of those submitters that answered "Not Applicable", the majority were making single issue/request submissions.



Council deliberations

At their deliberations meeting on 8 June 2021, Councillors subsequently agreed to the following:

- Upgrading the Redwood Street/Town Branch stormwater system (an increase of \$10.4 million in funding was supported, taking the total cost to \$17.4 million) and purchasing new weighbridges for waste management (\$600,000).
- Continuing current economic development activities and increase spending by \$100,000 per annum to foster growth in the technology, food and screen sectors.
- Increasing the printing of the spring and autumn Marlborough Events Guides and distributing them nationally at a cost of \$30,000 a year.

- Commissioning at a cost of \$20,000 an economic evaluation of Garden Marlborough to better understand its benefits.
- Allocating \$1.05 million over three years from Reserves to the Marlborough Events Centre for deferred maintenance and fixed operating costs.
- Allocating \$30,000 per annum to assist the operation of the Blenheim Business Association from Blenheim Commercial and Industrial rates.

They agreed to allocate:

- \$1.2 million over the next three years, including \$197,000 for 2021-2022 to fulfil Council’s obligations under the National Policy Statement for Freshwater Management 2020; and
- \$1.2 million over the next six years to process remaining environmental data to realise the benefits from seabed mapping.

They also approved the funding and projects contained in the “Investing in the Community” section of the 2021-31 Long Term Plan Consultation Document (pages 14 to 16).

They agreed to:

- Create a COVID-19 Rates Relief Reserve to smooth rates increases over the first three years of this LTP.
- Use surplus or unallocated funding from the Infrastructure Upgrade Reserve to fund this Reserve.
- Close this Reserve upon it achieving a positive balance.

They agreed to continue identifying and investigating options to improve the provision of housing in Marlborough and agreed to continue its investment in Senior Housing as outlined in the Consultation Document (page 25).

They also:

- Adopted the Development Contributions Policy as proposed with a slight modification to address the concern raised by one submitter.
- Adopted the 2021-51 Infrastructure Strategy.
- Adopted the 2021-31 Financial Strategy.

Parking charges

The only item where Councillors made a substantive change to the options proposed in the Consultation Document was on parking charges. In the Consultation Document, Option 1 proposed to continue to one hour free parking in the Blenheim and Picton CBDs, with the shortfall funded by an indicative 50% increase in parking fees and an average rating impact of \$9.33 per rateable property for 2021-2022.

Option 2 was to return town centre parking to the pre-Covid state, removing one-hour free parking. This would result in no increase in parking fees or rates.

Instead Councillors decided to continue with one hour free parking and set a corresponding 20% increase in parking fees. This will increase the hourly parking rate from \$1.50 to \$1.80 and is the first increase in this charge since 2015. Councillors also decided not to increase rates to cover the resulting revenue shortfall.

Other submissions

A number of the submitters also took the opportunity to make suggestions on areas outside the questions posed. Councillors agreed to fund a small number of these additional requests.

Part 2:

Our Business



Activity Groups and Activities

This second part provides detailed plan and budget information for each activity group and activity. Shown below are:

- The activity groups and the activities making up each group
- The types of information included for each group and for each activity.

Activity Groups	Activities
 People	Democratic Process Culture and Heritage Housing for Seniors Community Support Library Services Emergency Management
 Community Facilities	Community Facilities
 Roads and Footpaths	Roads and Footpaths
 Flood Protection and Control Works	Flood Protection and Control Works
 Sewerage Including Treatment and Disposal	Sewerage Including Treatment and Disposal
 Stormwater Drainage	Stormwater Drainage
 Water Supply	Water Supply
 Solid Waste Management	Solid Waste Management
 Environmental Management	Environmental Policy Environmental Science and Monitoring Resource Consents Environmental Protection
 Regulatory	Biosecurity Building Control Environmental Health Animal Control Harbours
 Regional Development	Regional Development

How to read this section of the Long Term Plan

Activity Groups

[Pie Chart: Operating costs](#)

The graph represents the operating costs for the Activity Group in relation to total Council expenditure and how that expenditure is spread across the Activities.

[Pie Chart: Capital projects](#)

The graph represents the capital expenditure for the Activity Group in relation to total Council expenditure and how that expenditure is spread across the Activities.

[Rationale for the delivery of the Group of Activities](#)

This text explains why the Activities have been grouped together. Some Activity Groups are mandatory as they are prescribed by the Local Government Act.

[Changes to Activity Group from the 2020-21 Annual Plan](#)

This text summarises any changes to the Activity Group structure from the 2020-21 Annual Plan.

[Intended changes to Levels of Service from the 2020-21 Annual Plan](#)

The table describes any intended changes to the levels of service within the Group from the levels of service displayed in the 2020-21 Annual Plan.

[Significant negative effects Associated with this Group of Activities](#)

This text lists any significant negative effects that may exist through the delivery of the Activities within the Group.

[Variation between Long Term Plan and assessment of Water and Sanitary Services \(only included in assets related activity statements\)](#)

This text describes any variations between the adopted assessment of water and sanitary services and this Plan.

[Variation between Long Term Plan and Waste Management and Minimisation Plan \(WMMP\) \(only included under Solid Waste](#)

[Management\)](#)

This text describes any variations between the adopted WMMP and this Plan.

[Funding Impact Statement \(FIS\) \(only included where there is more than one activity in the group\)](#)

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 FIS information differs from the information in Council's financial statements which are prepared in accordance with generally accepted accounting principles (GAAP).

The FIS table displays the budget for the 2020-21 Annual Plan and the budgets for this 2021-31 Long Term Plan.

Activities

[Activity name](#)

This table summarises the percentage of operating costs in relation to total Council expenditure.

[How this Activity contributes to related Community Outcomes](#)

This table includes how the Activity contributes to each of the Community Outcomes linked to the Smart and Connected vision for Marlborough (Governance, Environment, People, Economy, Connectivity and Living).

Refer to the Community Outcomes section under Part 1 of our Long term Plan for more information on the Smart and Connected framework.

[What is this Activity about?](#)

This text describes the services that the activity provides.

[Asset Description](#)

The text and tables describe the assets that Council holds to deliver the activity. It provides a picture of the extent of the network as a whole, and the differing levels of assets in different communities.

Major Budgeted Capital Projects

The table outlines the major capital projects and areas of expenditure planned for this Activity over the next 10 years.

Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are included under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Emerging issues and expected changes

This text outlines the issues that will affect the Activity during the years of our Long term Plan. This section signals foreseeable changes to the way the Activity will be delivered and explains some of the expenditure that Council is making.

Levels of Service

This table details the Levels of Service that the Council is proposing to deliver for each Activity and the indicators and targets we will use each year to measure our success.

The baseline column provides an indication of recent performance levels. The standard calculation is the average of the three years actual performance up to, and including, 2019-20. This has been adjusted where needed to give a more useful measure, e.g. removing the impact of events not expected to reoccur, such as COVID 19.

Funding Impact Statement (FIS)

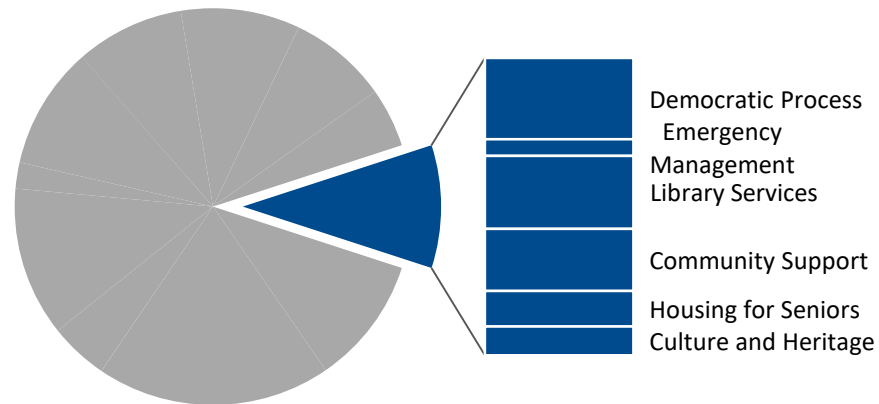
Refer to comment under activity groups.



People

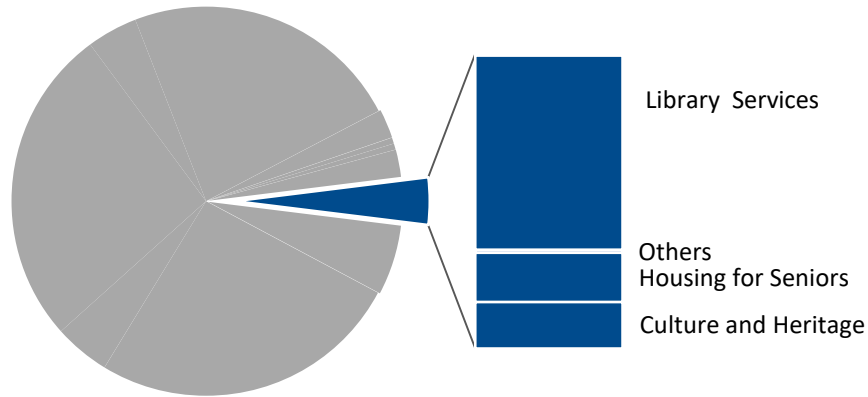
Operating costs

The operating costs for the People Group of Activities represent \$148 million of total Council expenditure.



Capital projects

The capital expenditure for the People Group of Activities represent \$28 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activity sections.



Activity	Major Capital Projects	Inflated value (Millions)
Housing for Seniors	2021-22 construction of Senior Housing units at 85 George Street	\$3.6
Library Services	2021-23 construction of the new library and art gallery as part of the Blenheim Riverside Precinct project.	\$18.5

Rationale for delivery of the People Group of Activities

The Activities encompass a range of People focused services from support to the youth and elderly, community services, housing and energy efficiency, democratic participation, safety and learning.

Changes to the People Activity Group from the 2020–21 Annual Plan

There are no changes to this Group of Activities.

Intended changes to Levels of Service from the 2020-21 Annual Plan

Some legislative changes around Civil Defence Emergency Management are expected to be passed through parliament in the next 2-3 years. This may require a change to Level of Service.

Significant negative effects Associated with this Group of Activities

There are no significant negative effects that have been identified for this Group of Activities.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the Activity Group. A separate FIS is included for each Activity in this section and these should be referred to for more detailed information.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the Activity Group. A separate FIS is included for each Activity in this section and these should be referred to for more detailed information.

Funding Impact Statement for LTP 21-31											
People	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,497	8,679	9,016	9,541	10,417	10,797	11,066	11,156	11,520	11,868	12,004
Targeted rates	589	592	686	753	837	872	936	978	994	1,021	1,020
Subsidies and grants for operating purposes	332	407	412	239	264	254	260	283	272	279	303
Fees and charges	16	20	20	21	21	22	22	23	23	24	25
Internal charges and overheads recovered	112	116	119	122	125	129	132	135	139	142	146
Fuel tax, fines, infringement fees and other receipts	2,279	2,951	3,215	3,280	2,507	2,630	2,613	2,691	2,861	2,870	2,963
Total sources of operating funding	11,825	12,765	13,469	13,957	14,171	14,703	15,029	15,265	15,809	16,204	16,460
Applications of operating funding											
Payments to staff and suppliers	6,710	7,036	7,350	7,267	7,221	7,746	7,842	7,811	8,147	8,304	8,327
Finance costs	153	215	264	265	254	242	229	216	203	189	174
Internal charges and overheads applied	3,351	3,511	3,668	3,783	3,845	3,902	3,998	4,096	4,207	4,322	4,425
Other operating funding applications	1,920	1,821	1,765	1,763	1,758	1,733	1,732	1,757	1,734	1,736	1,761
Total applications of operating funding	12,134	12,583	13,046	13,078	13,079	13,623	13,802	13,880	14,291	14,551	14,687
Surplus (deficit) of operating funding	(309)	182	423	879	1,093	1,080	1,228	1,385	1,518	1,654	1,773
Sources of capital funding											
Subsidies and grants for capital expenditure	10	7,711	1,012	12	12	13	13	13	14	14	14
Increase (decrease) in debt	1,878	2,065	341	(284)	(295)	(307)	(319)	(332)	(346)	(360)	(374)
Lump sum contributions	150	150	154	157	161	164	168	172	176	180	184
Gross proceeds from sales of assets	-	-	3,500	-	20	-	-	-	-	-	-
Total sources of capital funding	2,038	9,926	5,006	(114)	(102)	(130)	(138)	(147)	(157)	(166)	(176)
Applications of capital funding											
Capital expenditure to meet additional demand	4,000	11,333	6,990	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	47	1,900	54	56	59	61	64	67	69	72	74
Capital expenditure to replace existing assets	462	2,217	690	376	628	379	596	411	671	448	679
Increase (decrease) in reserves	(2,780)	(5,342)	(2,305)	332	304	510	429	760	621	968	844
Total applications of capital funding	1,730	10,109	5,429	764	991	950	1,089	1,238	1,361	1,488	1,597
Surplus (deficit) of capital funding	309	(182)	(423)	(879)	(1,093)	(1,080)	(1,228)	(1,385)	(1,518)	(1,654)	(1,773)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Democratic Process

What is this Activity about?

Marlborough District Council is a unitary authority with the functions, duties and powers of both a regional council and a territorial authority, as conferred on it by the Local Government Act 2002. This 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.

While considering the range and diversity of the communities in Marlborough, the Council also recognises its special relationship with tangata whenua, and acknowledges the specific responsibilities it has to Māori under the Local Government Act 2002 and Resource Management Act 1991. This LTP provides funding for Council to recruit a Kaihautu to help enhance relationships with iwi and assist in meeting our obligations as a Treaty partner.

The Council's Local Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Local Governance Statement, and associated policies and documents, can be viewed at Council Service Centres and Libraries, and on the Council's website.

The Council elections were held successfully in October 2019; the next election will be in October 2022 and every three years thereafter. We are currently reviewing the Council's representation arrangements (ward structure, etc). This review will also be undertaken in the two years prior to the 2028 election. Council decided to instigate a Maori Ward for Marlborough, the representative will be elected at large.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by encouraging people to care about community issues and to engage with local government decision making. It does this through the Community Outcomes of Governance, Environment, People, Economy and Living, as outlined below.

Outcome	Actions
Governance	Facilitating public interactions with Council and with other public and private organisations.
Environment	Funding the Sounds Advisory Group which promotes the sustainable management of Marlborough's natural and physical resources.
People	Promoting the ability for people to be engaged and to participate in their community.
Economy	Promoting the ability for people involved in commercial and industrial businesses to be engaged and to participate in their community.
Living	Encouraging people to work together to participate in local democracy.

Emerging issues and expected changes

Communications

The news media has been through major changes in New Zealand and globally in recent years, as the influence of the internet and social media have grown. Council has adjusted its communications channels to reflect these changes, giving a greater emphasis to the online provision of information through its website, Facebook, Antenna and an e-newsletter. We will also enhance our use of video in the coming years.

However a significant proportion of Marlborough residents still read a print newspaper. The Council will therefore continue to publish its weekly advertorial news in the local community newspapers.

Levels of Service 2021-31: Democratic Process						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	5.7	≥ 5.7	≥ 5.7	≥ 5.7	≥ 5.7
Provide a communications 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	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
Provide a service that is timely and responsive to residents' needs.	% of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%	100%	100%	100%
Manage local elections and polls to comply with the provisions of the Local Electoral Act 2001.	Number of petitions for an enquiry.	0	0	0	0	0
Encourage Public contribution to the decision making process.	% of Council items of business open to the public.	93.5%	≥ 93.5%	≥ 93.5%	≥ 93.5%	≥ 93.5%

Funding Impact Statement for LTP 21-31

Democratic Process

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,159	3,069	3,284	3,422	3,687	3,871	3,993	3,972	4,174	4,317	4,293
Fuel tax, fines, infringement fees and other receipts	254	434	525	443	135	200	115	109	190	106	101
Total sources of operating funding	3,413	3,503	3,809	3,866	3,822	4,072	4,108	4,080	4,364	4,423	4,395
Applications of operating funding											
Payments to staff and suppliers	1,636	1,586	1,796	1,780	1,705	1,925	1,909	1,828	2,050	2,046	1,961
Internal charges and overheads applied	1,796	1,911	2,006	2,078	2,111	2,140	2,193	2,246	2,307	2,371	2,427
Other operating funding applications	6	6	6	6	6	7	7	7	7	7	7
Total applications of operating funding	3,438	3,502	3,808	3,865	3,822	4,072	4,108	4,080	4,364	4,423	4,395
Surplus (deficit) of operating funding	(25)	1	1	1	0	-	-	-	-	-	-
Sources of capital funding											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(25)	1	1	1	0	-	-	-	-	-	-
Total applications of capital funding	(25)	1	1	1	0	-	-	-	-	-	-
Surplus (deficit) of capital funding	25	(1)	(1)	(1)	(0)	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Culture and Heritage

What is this Activity about?

This Activity promotes cultural well-being. 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 shape our image of ourselves, and the image we convey to future generations.

The Marlborough culture is unique: nowhere else in the world is there the same combination of people, place and practices. Cultural identity — the sense of connection with other people through a shared culture — can make a strong contribution to a person’s overall well-being. Responding to community changes requires a continual balance between the old and the new.

The Council’s Arts & Culture and Heritage Strategies outline its roles in the arts and heritage sectors, 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 well-being (e.g. the collections database project)
- supporting projects that reflect and strengthen Marlborough’s cultural identity
- managing cultural and heritage assets and resources in a sustainable manner.

Council also provides annual heritage operating grants and access to a contestable grant fund.

A range of operating grants/contracts are provided to key heritage, arts and culture organisations in Marlborough. These include:

- Marlborough Heritage Trust, including funding for the database of its collections
- Edwin Fox; Renwick, Havelock and Flaxbourne museums
- Marlborough District Brass Band
- Millennium Art Gallery
- Picton Historical Society.

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

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by promoting quality lifestyles and well-being, and contributing to the Community Outcomes of Governance, People, Economy and Living as outlined below.

Outcome	Actions
Governance	Supporting the community’s aspirations related to arts and heritage services through the professional delivery of services.
People	Providing access to funding for services. Promoting understanding of the process to access funding. Providing essential services.

Outcome	Actions
Economy	<p>Providing opportunities for people to undertake rewarding work in the heritage and arts sectors.</p> <p>Promoting employment that reflects the changing demographics of youth, older people and families.</p> <p>Acknowledging the volunteer sector as a key contributor to heritage services.</p>
Living	<p>Supporting the cultural richness of the District.</p> <p>Enabling arts and heritage services to be accessible to the community at large.</p>

Emerging issues and expected changes

Funding

The Heritage and Arts sectors are under increasingly stress due to limited funding sources and a need to invest in new technology, update collections and collection practises, and cope with the increasingly

diverse forms of arts being practised in Marlborough. Expansion of museum facilities, and attracting more trained professionals to work in this sector, are desirable.

Council will assist organisations in accessing support beyond the current levels from other funding agencies.

Related to the above is how the longer term impact of COVID 19 will affect the sector. In 2020 Council provided additional funding by way of grants to assist the financial viability of the sector.

New Art Gallery in Blenheim

A new Art Gallery in Blenheim is planned for completion in 2022/23 as part of the new library development, funded in part from a COVID-19 related Shovel Ready grant from the Government and community fundraising and donations.

Levels of Service 2021-31 : Culture and Heritage						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.6	≥ 6.6	≥ 6.6	≥ 6.6	≥ 6.6
Ensure service quality and value through oversight of Council's grants and third party providers.	% of contract and grant requirements met.	100%	100%	100%	100%	100%

Funding Impact Statement for LTP 21-31

Culture and Heritage

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,116	1,177	1,231	1,317	1,441	1,453	1,465	1,474	1,484	1,494	1,501
Fuel tax, fines, infringement fees and other receipts	89	166	169	170	52	46	41	40	38	36	35
Total sources of operating funding	1,205	1,343	1,400	1,487	1,493	1,499	1,506	1,513	1,521	1,530	1,536
Applications of operating funding											
Payments to staff and suppliers	39	40	10	10	11	154	11	11	12	12	12
Finance costs	-	41	69	78	75	72	69	65	62	58	54
Internal charges and overheads applied	184	191	193	186	190	194	199	205	210	216	222
Other operating funding applications	1,020	1,082	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071
Total applications of operating funding	1,243	1,354	1,343	1,345	1,347	1,491	1,350	1,352	1,355	1,357	1,359
Surplus (deficit) of operating funding	(37)	(11)	57	142	147	8	156	161	167	172	176
Sources of capital funding											
Subsidies and grants for capital expenditure	-	1,925	1,000	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	873	511	(74)	(77)	(80)	(83)	(86)	(90)	(93)	(97)
Total sources of capital funding	-	2,798	1,511	(74)	(77)	(80)	(83)	(86)	(90)	(93)	(97)
Applications of capital funding											
Capital expenditure to meet additional demand	-	2,833	1,573	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(37)	(46)	(4)	68	70	(72)	73	75	77	79	79
Total applications of capital funding	(37)	2,787	1,568	68	70	(72)	73	75	77	79	79
Surplus (deficit) of capital funding	37	11	(57)	(142)	(147)	(8)	(156)	(161)	(167)	(172)	(176)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Arts	765	811	811	870	871	872	874	875	877	879	881
Heritage	483	551	541	543	545	691	549	552	554	557	558
Capital expenditure											
Arts	-	2,833	1,573	-	-	-	-	-	-	-	-

Activity: Housing for Seniors

What is this Activity about?

Council owns and maintains a housing portfolio for senior residents in our community, providing fit for purpose housing.

Council will continue to work closely with other housing entities to attract more funding and housing options for the Marlborough community in its advocacy and facilitation role.

Housing Policy

Council will own and maintain a stock of housing, for the purpose of assisting seniors to have access to housing. Council aims to ensure that Housing for Seniors is financially sustainable.

Principles and Criteria

Council resources for the provision of housing assistance are limited, and therefore applications will be assessed according to the following principles and criteria:

1. To prioritise clients according to prevailing demand.

Given the current and projected demographic profile of the Marlborough District, the highest demand for housing assistance is from the elderly. Priority will therefore be given to people over age 65.

2. To focus assistance on those with low, fixed incomes.

The threshold for access to Council housing will be reviewed periodically, and will be based on a combined assessment of financial and physical assets.

3. To provide for needs not met by other providers.

Access to Council housing is a last resort. Applicants must be able to demonstrate that their housing needs cannot be met from alternative sources.

4. To match applicants with housing suited to their needs.

With a limited portfolio, the type of housing that may be available at any time may not be suited to the specific needs of an applicant, due to household size, proximity to essential services, access and location. Applicants may need to go on a waiting list until suitable housing becomes available.

Rents

Council policy set rents at 80% of market rental value, and this is reviewed annually. Rents may be reviewed after major remodelling and for new builds.

Governance

The Housing Policy is administered by the Council's Housing for Seniors Sub-Committee. Day to day administration of the portfolio, including assessing applications, will be carried out by Council's property managers, in accordance with this policy and with the provisions in the Housing Asset Management Plan.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by contributing to a caring community, and to the Community Outcomes of Governance, People, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Including a community representative on the Housing for Seniors Sub-Committee.
People	Providing housing for older adults within Council policy parameters.
Connectivity	Providing a safe living environment for senior residents.
Living	Ensuring Council supplied housing meets the needs of future residents. Ensuring future tenants meet the Council's criteria.

- the affordability of rents;
- an increase in demand for the current units;
- meeting the requirements of the Healthier Homes Standard; and
- an increase in the use of mobility scooters and the need for secure storage of them. This will be considered if developing new complexes.

An ongoing programme of refurbishments is required to maintain the quality of the units.

Currently the housing is of sound quality, however due to some units being older and others being on unstable land there is a need to investigate redevelopment options.

Unit development

The development of 12 units at George Street is currently under consideration.

Emerging issues and expected changes

Financial sustainability

Emerging issues within this Activity are:

- the age of the portfolio and the increasing maintenance costs;
- the increasing proportion of older people in Marlborough;
- the fixed incomes of many tenants;

Levels of Service 2021-31: Housing for Seniors

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.0	≥ 7.0	≥ 7.0	≥ 7.0	≥ 7.0
	Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.0	≥ 8.0	≥ 8.0	≥ 8.0	≥ 8.0
Provide a well maintained housing portfolio which meets resident needs.	% occupancy level.	98%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
	% of urgent unplanned maintenance ¹ completed within 24 hours of notification.	98%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
	% of unplanned non-urgent maintenance ² completed within 20 working days of notification.	97%	≥ 97%	≥ 97%	≥ 97%	≥ 97%
	% of planned maintenance/projects (as per budget and Committee meetings) completed.	98%	≥ 98%	≥ 98%	≥ 98%	≥ 98%

¹ Urgent unplanned maintenance is for events that would make the unit unlivable 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 LTP 21-31 Housing for Seniors

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
Fuel tax, fines, infringement fees and other receipts	1,469	1,619	1,786	1,930	2,008	2,089	2,173	2,261	2,353	2,448	2,547
Total sources of operating funding	1,469	1,619	1,786	1,930	2,008	2,089	2,173	2,261	2,353	2,448	2,547
Applications of operating funding											
Payments to staff and suppliers	1,016	1,038	1,039	1,060	1,055	1,051	1,190	1,141	1,140	1,173	1,176
Internal charges and overheads applied	189	171	177	182	186	189	194	198	203	208	213
Other operating funding applications	16	17	15	13	13	11	9	9	9	9	9
Total applications of operating funding	1,221	1,226	1,231	1,255	1,254	1,252	1,392	1,348	1,352	1,390	1,398
Surplus (deficit) of operating funding	248	393	556	675	754	837	781	913	1,000	1,058	1,149
Sources of capital funding											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	1,820	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	160	1,820	185	-	193	-	202	-	211	-	220
Increase (decrease) in reserves	88	(3,247)	371	675	561	837	579	913	790	1,058	929
Total applications of capital funding	248	393	556	675	754	837	781	913	1,000	1,058	1,149
Surplus (deficit) of capital funding	(248)	(393)	(556)	(675)	(754)	(837)	(781)	(913)	(1,000)	(1,058)	(1,149)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Community Support

What is this Activity about?

Community support is provided by Council in a number of ways through organisations and agencies working with particular groups within the community, provision of funding, advocacy, sharing information and directly addressing specific issues through service provision. This Activity combines a number of distinct ways Council is involved in supporting their community.

Community support and development

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council is working in partnership with key organisations to review the Positive Ageing Accord to identify the aspirations of this sector and take actions to achieve these with an Age Friendly Plan for Marlborough. Monthly Older Persons Forums and regular Picton Regional Forums are held to give a voice to this sector and enable issues to be raised and addressed.

Similarly, Council has a Youth Policy and Youth Initiatives Plan to work towards achieving a better environment and services for this sector, and to encourage input from youth. This includes making progress towards the Mayor's Task Force goal "that all young people under the age of 25 should be engaged in appropriate education, training, work or positive activities in their communities". Monthly Youth Council meetings are held to provide a voice for youth and to give effect to the Youth Policy and Plan. The Plan also provides direction for the allocation of Council's Youth Funding.

The volunteer sector, including non-government and not-for-profit organisations, underpins most of the delivery of community services in Marlborough.

Advocating for the needs of the community sector is an ongoing issue, particularly given the changes being experienced in the age and ethnicity of the community. Strengthening relationships with key

organisations, and providing training and support. will build the capacity of the sector.

Council also assists by providing community grants. Criteria for these grants have been set to target specific needs in the community and relationships with other funding providers have the potential to maximise the funds available.

- The contestable grant provides one-off funding for not-for-profit organisations providing essential services in the Marlborough community, supporting community welfare, social services, the environment, art and culture and/or sports and recreation.
- Council contracts the Youth Trust to deliver youth services and Volunteer Marlborough to build the capacity of the voluntary sector through training.

Safer communities

Community safety is an important component of the "living" Community Outcome, which is "Marlborough's enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy".

Council has long term arrangements with the Police and central government wherever possible to enhance community safety.

Security

The security camera network in the Blenheim and Picton CBD is managed by the Council's IT Department and is funded by rates.

Events management

Free community based events make a positive contribution to the well-being of the community by enhancing cultural identity, physical activity and social cohesion. Events also have a role to play in attracting visitors to Marlborough, along with showcasing and promoting the area.

Marlborough Festival and Events Trust have a contract to organise events on behalf of the Council, including the summer concert series, Blenheim Christmas parade, senior citizens concerts, Christmas festival, Southern Jam youth festival, children’s theatre and the New Year celebrations. They attract up to 5,000 attendees per event.

Passenger transport and Total Mobility Scheme

Public transport services give people access to economic and social opportunities. Council currently operates an urban bus service in Blenheim and a district-wide mobility scheme. Council is undertaking an 18 month trial of a Picton, Renwick and Blenheim commuter bus services.

These activities are part funded by the NZ Transport Agency. In addition, Bayleys Marlborough provides sponsorship funding for the bus service.

Energy efficiency

Council promotes warmer, healthier homes by offering an upfront residential funding service for retrofit insulation, clean heating, solar water heating and solar power.

This cost is recovered over nine years through a voluntary targeted property rate for participating households. The rates recovery amount also includes interest, an administration charge and GST on all costs. This is cost neutral to Council.

Smart and connected communities

Council has supported the establishment of community-led groups in some of our larger communities (Havelock, Picton, Renwick and Seddon) via the Smart+Connected process. These groups have developed a strategic plan and a number of working groups to implement their plans through their own efforts, and by working with key partners including Council, other public providers and businesses. The Smart + Connected groups have successfully galvanised a large number of people in each community to participate in the groups and to achieve agreed actions.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by contributing to a caring community, and to the Community Outcomes of Governance, Environment, People, Connectivity and Living as outlined below.

Outcome	Actions
Community Support	
Governance	Supporting and responding to community aspirations and needs for essential services. Encouraging the Youth Council and the Older Persons Forum to participate in discussions with Council and other agencies. Funding essential services. Promoting understanding of ways to access funding.
People	Supporting the capacity of the volunteer sector.
Community Safety (Safer Communities and Security)	
Governance	Bringing multiple agencies together to improve safety for everyone in Marlborough through participation in the World Health Organisation Safe Communities accreditation process.
People	Encouraging residents to become involved in improving their environment. Providing the opportunity for victims to have their say in the justice system through the Restorative Justice programme.
Connectivity	Improving CCTV in Blenheim and Picton supports safe mobility.
Living	Giving people in Marlborough confidence that they are living in a safe community.

Outcome	Actions
Event Management	
Living	Organising events that are fun, family friendly, affordable and promote community connection and pride.
Other Transport Services	
Connectivity	Providing passenger transport to connect people with services and activities that enhance their well-being.
Living	Helping people with impairments to access appropriate transport through the Total Mobility scheme.
Energy Efficiency	
Environment	Encouraging people to use energy efficient products at home.
Living	Helping people to make their homes warm or heat their water whilst using less energy.
Smart and Connected Communities	
Governance	Enabling communities to access strong governance through the Smart and Connected programme.
People	Enabling people to have a voice through community-led initiatives delivered through the Smart and Connected programme.
Living	Enabling our main townships to have strong community-led groups and a strategic plan through the Smart and Connected programme.

Emerging issues and expected changes

Changing demographics

The changing age structure of the Marlborough community will pose some challenges for future infrastructure provision and the delivery of services such as health and education services, along with housing, transport (including passenger transport and mobility) and recreation. That's because in the coming years our community is going to be "older" — 2018 population projections by Statistics NZ indicates 23% of the population is over 65 and this is projected to increase to 34% by 2043.

Another change is a significant increase in the ethnic diversity of the Marlborough community. It is already apparent that the population is becoming more ethnic and culturally diverse and this trend is expected to continue.

Events management

The main challenges are to keep events relevant and interesting in times of changing population demographics, and to access external funding and sponsorships.

Community safety

Safer Communities Marlborough has always operated in an environment of potential change due to its reliance on central government for the majority of its funding.

Bus services

Following the completion of the trial of Picton, Renwick and Blenheim commuter bus services, Council will need to decide whether these services should continue.

Increased marketing for the bus services will occur in 2021/22, including installation of timetable holders at bus stops to ensure information about the services are accessible and easy to understand.

Levels of Service 2021-31: Community Support

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).					
	• Community Support.	6.5	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
	• Community Safety.	6.7	≥ 6.7	≥ 6.7	≥ 6.7	≥ 6.7
	• Events Management.	6.6	≥ 6.6	≥ 6.6	≥ 6.6	≥ 6.6
Ensure service quality and value through oversight of Council's community grants and third party providers.	% of contract and grant requirements met.	100%	100%	100%	100%	100%
Ensure service quality and value of community events through oversight of third party providers.	% compliance with contract requirements.	100%	100%	100%	100%	100%
	Number of participants as a % of targets in contracts.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Support Seniors community through implementation of the Positive Ageing Accord.	Number of Older Persons Forums held.	10	≥ 10	≥ 10	≥ 10	≥ 10
	Seniors Expo held.	Biennially	N/A	Held	N/A	Biennially
	Age Friendly Community Strategy completed by:	30 June	30 June	N/A	N/A	N/A
Support the Youth community through implementation of the Youth Initiatives Plan.	Number of Youth Forums held.	9	≥ 9	≥ 9	≥ 9	≥ 9
	% of actions in Youth Initiatives Plan completed.	100%	100%	100%	100%	100%
Build capacity of the Volunteer Sector through provision of training in partnership with key service providers.	Number of training courses delivered where attendance numbers meet targets.	4	≥ 4	≥ 4	≥ 4	≥ 4

Provide quality service to the community through meeting or exceeding the expectations of the funding Ministries.	% of Ministry of Justice contract conditions met.	100%	100%	100%	100%	100%
Provide a well-used and affordable bus service in Blenheim and to Picton and Renwick that is timely and responsive to community needs, including extending infrastructure as funding allows.	Annual % increase in patronage	1% > previous year	≥ 1%	≥ 2%	≥ 2%	≥ 2%
	Resident satisfaction as measured by survey (10 = service delivered extremely well).	6.0	≥ 6.1	≥ 6.1	≥ 6.2	≥ 6.3
	Number of bus shelters added.	1	≥ 1	≥ 1	≥ 1	≥ 1

Funding Impact Statement for LTP 21-31

Community Support

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,327	1,383	1,417	1,455	1,610	1,645	1,678	1,707	1,741	1,773	1,801
Targeted rates	589	592	686	753	837	872	936	978	994	1,021	1,020
Subsidies and grants for operating purposes	332	407	412	239	264	254	260	283	272	279	303
Fees and charges	12	16	16	16	17	17	17	18	18	19	19
Fuel tax, fines, infringement fees and other receipts	106	195	195	188	58	52	47	46	44	43	42
Total sources of operating funding	2,366	2,592	2,727	2,652	2,786	2,840	2,939	3,031	3,070	3,135	3,185
Applications of operating funding											
Payments to staff and suppliers	1,889	1,955	2,005	1,819	1,851	1,879	1,907	1,937	1,968	1,999	2,031
Finance costs	11	9	9	8	8	7	7	6	6	5	4
Internal charges and overheads applied	406	411	422	435	444	453	465	477	490	503	516
Other operating funding applications	878	716	673	673	668	645	646	671	648	649	674
Total applications of operating funding	3,184	3,092	3,109	2,935	2,972	2,985	3,025	3,091	3,111	3,157	3,226
Surplus (deficit) of operating funding	(817)	(500)	(382)	(284)	(186)	(145)	(87)	(60)	(41)	(22)	(41)
Sources of capital funding											
Subsidies and grants for capital expenditure	10	11	12	12	12	13	13	13	14	14	14
Increase (decrease) in debt	(10)	(11)	(11)	(12)	(12)	(13)	(13)	(14)	(14)	(15)	(15)
Lump sum contributions	150	150	154	157	161	164	168	172	176	180	184
Total sources of capital funding	150	151	154	158	161	164	168	171	175	179	182
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	20	53	23	24	24	25	25	26	27	27	28
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(687)	(401)	(251)	(150)	(49)	(6)	56	85	107	129	113
Total applications of capital funding	(667)	(349)	(228)	(126)	(25)	19	81	111	134	157	141
Surplus (deficit) of capital funding	817	500	382	284	186	145	87	60	41	22	41
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Reconciliation											
Operating expenditure											
Community Safety	129	279	284	172	176	179	183	187	192	196	200
Community Support and Development	1,207	1,028	1,016	1,027	1,007	1,016	1,027	1,038	1,049	1,062	1,074
Events Management	224	226	232	237	243	249	254	260	267	274	280
Energy Efficiency	904	881	885	889	892	896	900	904	909	913	918
Passenger Transport	600	524	534	448	488	474	486	522	510	523	560
Smart and Connected Communities	129	166	171	176	181	185	190	195	200	206	211
Capital expenditure											
Community Safety	-	30	-	-	-	-	-	-	-	-	-
Passenger Transport	20	23	23	24	24	25	25	26	27	27	28

Activity: Library Services

What is this Activity about?

This activity provides the community with a professional library service.

Marlborough District Libraries provide access to wide ranging physical and digital collections with easy to use services and trained, knowledgeable, professional staff. Libraries are places of discovery, imagination and creativity, supporting lifelong learning and fostering connection between people and groups. We aspire to connect services with people wherever they are: in-library, online or in the community.

Library services are consistently one of the highest rated Council services in the annual Resident’s Satisfaction Survey.

The Council provides library services to all Marlborough residents through a network of library facilities. These comprise a District Library in Blenheim and a Branch Library in Picton (a combined Library and Service Centre) which are both open seven days a week. Council also supports school based community libraries in Ward and Havelock, along with a community library in Renwick.

All age groups are catered for — from birth (through the "Bookstart" programme offered to every mother with a new baby born in Marlborough) to senior citizens (some of whom are confined to their own home and make use of the housebound service).

The promotion of books, literature and literacy is the main focus of library services for children across the District. Programmes include the Summer and Winter Reading Programmes, along with Picton’s ‘Library on Wheels’ project which takes the library into the community by regularly visiting local schools and preschools.

As well as providing comprehensive book collections for informational and recreational use, assistance and support is available for those seeking information or needing help with computer hardware, smart phones and tablets, software, electronic resources or the internet. Free

internet and Wi-Fi is available to all library visitors through the Aotearoa People’s Network Kaharoa.

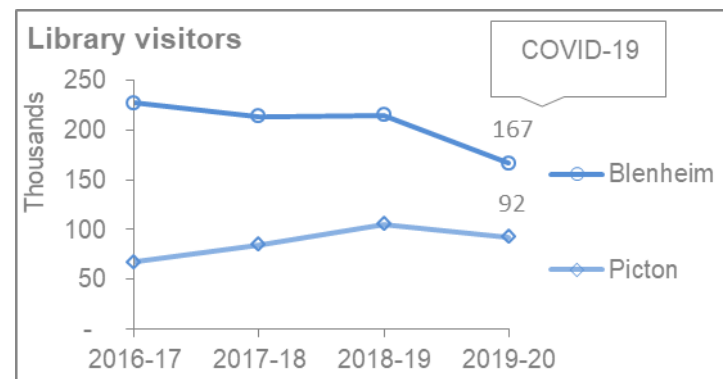
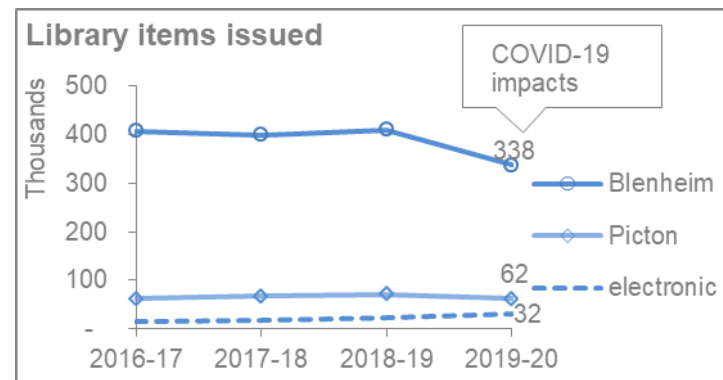
**Marlborough District Libraries: inspiring
curiosity – enriching lives – empowering
communities**

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by contributing to a smart and globally-connected community, and to the Community Outcomes of Governance, People, Economy and Living as outlined below.

Outcome	Actions
Governance	<p>Assisting members of the community to participate in central and local government issues by providing free internet access to consultation documents/papers, physical displays and brochures.</p> <p>Providing access to the resources available through the Kōtui Library Management System.</p>
People	<p>Providing free library services to all Marlborough residents.</p> <p>Providing expert staff, a varied range of services and resources, (including access to national collections via the Interloan service), helping people to develop digital literacy skills and running pre-school and school holiday programmes.</p> <p>Providing access to the digital library resources.</p> <p>Providing the Housebound Library Service for</p>

Outcome	Actions
	residents who are unable to visit the libraries.
Economy	Providing internet and Wi-Fi access to all visitors to the libraries, which allows the overseas workforce to keep in touch with families and the digitally disadvantaged to find work / apply for jobs.
Living	<p>Promoting topical local and national issues and campaigns through library displays.</p> <p>Providing access to the internet, a wide range of resources, including the Community Database, regular programmes - BookChat, Stepping-Up computer courses, Baby RhymeTime, Cheeky Monkeys.</p> <p>Providing one-on-one assistance (Book a Librarian) for people who need assistance with their cellphone or Tablet and / or loading software onto their device.</p> <p>Picton Library and Service Centre providing community spaces for people to gather in and share their common interest.</p>



Asset Description

Marlborough District Library, Blenheim

The Marlborough District Library opened on its present site in May 1989. Since that time library usage and the collection has increased and new self-service technology has been introduced. The library has outgrown its present facility and is now not able to offer services, programmes and community space that other newer library facilities can.

In the 2019–20 year 337,662 physical items were issued and 166,808 visitors recorded. This was a reduction on the previous year due to COVID-19 closures. 31,555 e-resources were issued, an increase on the previous year as a result of increased demand due to COVID-19 restrictions.

Picton Library and Service Centre Waitohi Whare Mātauranga

This new purpose-built 725m² joint facility opened in November 2017. The facility provides a variety of scaled spaces to suit the myriad uses of a modern community building. It includes community meeting and activity spaces, smaller meeting rooms, intimate study nooks, window seats, a children’s collection area, access to Council information and services, group or solo study spaces and desks, and associated staff facilities.

A western courtyard fronting Dublin Street is complemented by a green space/pocket park on the southern side with car parking, significant

native plantings, decking and seating. A Pou whenua was installed and blessed at a dawn ceremony in July 2020.

In the 2019–20 year 61,879 items were issued and 92,357 visitors were recorded.

Collections

The libraries' collection consists of over 111,721 physical items, covering a wide range of general interest and popular fiction and non-fiction, pre-school and children's titles, large print, local history and bicultural texts, along with non-book resources (including sheet music, DVDs, talking books in various formats, magazines and jigsaw puzzles). The Collection Development Policy identifies how the collections will be maintained and developed to meet the needs of a growing and diverse population.

The comprehensive book collections are complemented by access to authoritative electronic databases, including national online catalogues and websites, national and international newspapers, and access to the internet.

In addition downloadable e-books and e-audio books are available to library members. This service is offered through two consortiums — OverDrive Digital Library and Bolinda BorrowBox. Titles include fiction and non-fiction items for adults, young adults and children, new titles are added regularly.

IT

The library management and searching system (catalogue) is part of a New Zealand-wide Public Library Consortium called Kōtui. At 1 January 2021, 41 Councils (39 Libraries) are part of the consortium.

The Library Management System provides the day-to-day control of the collection. The online catalogue can be accessed 24/7 and allows members to self-manage the items they have out on loan and to reserve items they wish to borrow. Members with email addresses receive a reminder email three days prior to their items being overdue.

In late 2017 self-service kiosks were introduced at both facilities, allowing members to issue their own items. Freeing up staff from manually issuing items enables them to provide more valuable types of assistance to customers.

In 2019 the Marlborough District Libraries App was launched, allowing library members to search for items on the catalogue, renew items and place holds and link several family members cards on their smart device.

The Aotearoa People's Network Kaharoa, a managed network, provides free internet and Wi-Fi access to library members and visitors. It is provided by the National Library of New Zealand. The Library Management System, Kōtui, is supported through this same network.

Emerging issues and expected changes

Library facilities

A new District Library and Art Gallery is currently being constructed at 2 High Street Blenheim, with an expected completion date of early 2023. This project will be funded from the Forest and Land Development Reserve, the sale of the current library building and a COVID-19 related Shovel Ready grant from the Government.

Staffing and opening hours review

A staffing review is currently underway to ensure that numbers are adequate to staff the larger District Library facility. Opening hours for the new facility are also being reviewed.

Levels of Service 2021-31: Library Services

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.7	≥ 7.7	≥ 7.7	≥ 7.7	≥ 7.7
Support the tastes, interests and reading levels of users through providing a range of current resources.	Average age of resources (measured in years).	8	≤ 8	≤ 8	≤ 8	≤ 8
	Frequency of items being taken out (turnover rate).	4	≥ 4	≥ 4	≥ 4	≥ 4
Provide a range of programmes or training opportunities that meet or exceed customers' expectations.	Satisfaction of attendees with courses and programmes as measured by survey (1=Unsatisfactory; 3=Good; 5=Excellent)	4.5	≥ 4.5	≥ 4.5	≥ 4.5	≥ 4.5
Provide access to information electronically	Annual % increase of e-book and e-audio loans.	31,500	≥ 10%	≥ 10%	≥ 10%	≥ 10%
	Annual % increase of digital sessions numbers. (Accessing Libraries website, using a library computer or Wi-Fi on own device)	New measure	Establish baseline	≥ 10%	≥ 10%	≥ 10%

Funding Impact Statement for LTP 21-31

Library Services

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,307	2,426	2,439	2,679	2,936	3,066	3,146	3,199	3,292	3,431	3,533
Fees and charges	4	4	4	4	4	4	5	5	5	5	5
Internal charges and overheads recovered	112	116	119	122	125	129	132	135	139	142	146
Fuel tax, fines, infringement fees and other receipts	294	431	432	444	208	200	195	195	196	197	199
Total sources of operating funding	2,717	2,976	2,994	3,250	3,273	3,399	3,477	3,533	3,631	3,776	3,883
Applications of operating funding											
Payments to staff and suppliers	1,641	1,870	1,937	2,021	2,007	2,128	2,198	2,250	2,315	2,394	2,449
Finance costs	142	165	186	179	171	163	154	145	135	126	116
Internal charges and overheads applied	644	686	722	749	759	768	787	805	827	849	869
Total applications of operating funding	2,427	2,722	2,845	2,948	2,937	3,059	3,139	3,200	3,277	3,369	3,433
Surplus (deficit) of operating funding	290	255	149	302	336	340	338	334	354	407	450
Sources of capital funding											
Subsidies and grants for capital expenditure	-	5,775	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,888	1,202	(159)	(198)	(206)	(215)	(223)	(232)	(242)	(252)	(262)
Gross proceeds from sales of assets	-	-	3,500	-	-	-	-	-	-	-	-
Total sources of capital funding	1,888	6,977	3,341	(198)	(206)	(215)	(223)	(232)	(242)	(252)	(262)
Applications of capital funding											
Capital expenditure to meet additional demand	4,000	8,500	5,418	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	27	28	31	33	35	36	38	41	43	45	46
Capital expenditure to replace existing assets	293	388	496	366	354	369	385	401	450	437	447
Increase (decrease) in reserves	(2,143)	(1,684)	(2,455)	(296)	(258)	(280)	(308)	(340)	(380)	(326)	(305)
Total applications of capital funding	2,178	7,232	3,490	103	130	125	115	101	112	156	189
Surplus (deficit) of capital funding	(290)	(255)	(149)	(302)	(336)	(340)	(338)	(334)	(354)	(407)	(450)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Emergency Management

What is this Activity about?

Council is a key member and the sole funding agency of the Marlborough Civil Defence Emergency Management (CDEM) Group, with responsibility for the administration and implementation of a CDEM Group Plan. The Assets & Services Committee has the governance role (as the CDEM Joint Committee) of ensuring civil defence and emergency management operates effectively in Marlborough.

Amongst other requirements, the CDEM Group Plan describes:

- the emergency management policies and procedures in place to manage the hazards and risks
- arrangements for declaring a state of emergency in the District
- arrangements for cooperation and coordination with all other Civil Defence Emergency Management Groups including an Engineering Lifeline Group that ensures lifelines (electricity, water, telecommunications and transport networks) are repaired as soon as possible
- Marlborough’s risk profile which identifies the hazards, likelihood, consequence and total risk rating which must be managed by the CDEM Group. The eight most significant risks are:
 - local source tsunami
 - earthquake
 - human pandemic
 - marine accident
 - animal pandemic
 - marine pests and diseases
 - river flooding
 - plant and animal pests.

Marlborough also needs to be prepared to deal with a number of other hazards not mentioned here, such as drought, electricity failure and liquefaction.

Staff also work with vulnerable sectors within the community such as seniors, migrant workers, tourists, coastal residents and a disability action group to ensure they are prepared for emergency events, and that the organisations which care for them have business continuity plans.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by demonstrating care for the well-being of the community. It contributes to the Community Outcomes of Governance, Environment, People, Economy and Living as outlined below.

Column	Actions
Governance	Providing a governance role to ensure Civil Defence and Emergency Management (CDEM) operates effectively in Marlborough.
Environment	Advocating for the reduction of significant hazards as identified in the CDEM Plan risk profile.
People	Engaging with vulnerable sectors of the community to assist them with their preparedness planning. Encouraging communities to build their own community resilience by being prepared at home and work, supported by CDEM. Training volunteers and equipping them to manage emergencies in their communities.

Column	Actions
Economy	Engaging with business groups and non-governmental organisations to encourage the development of Business Continuity Plans. These are essential for their own economic survival and that of their employees during significant events.
Living	<p>Providing an effective, coordinated response to emergencies in Marlborough so that the community retains confidence in the Council's ability to respond to emergencies.</p> <p>Fostering the coordination of members within the Welfare Coordination Group, Engineering Lifelines and the Readiness and Response Committee to ensure a holistic approach to emergency management in Marlborough.</p>

Emerging issues and expected changes

Legislation

Over the next 2-3 years it is expected that Parliament will pass new legislation that places extra emphasis on the capability of CDEM Groups to respond to emergencies. Proposed amendments to the CDEM Act include:

- providing greater recognition, understanding and integration of iwi/Māori perspectives and tikanga in emergency management – before, during and after an event;

- strengthening the legislative framework with a specific focus on disability as an integral part of disaster and emergency management planning; and
- improving the monitoring and evaluation of the civil defence emergency management sector.
- Including regulations which compel CDEM Groups to meet training standards, compliance with Director's Guidelines and levels of pre-emergency planning.

WorkSafe prosecution

The outcomes from the Worksafe prosecutions of GNS Science and NEMA relating to the Whakaari/White Island eruption and deaths may bring about changes in how public warnings and responses to emergencies are carried out in the future. The outcomes and findings will be monitored over the coming 12 months.

COVID-19

It is expected that over the next 12 months emergency management agencies will continue to develop resurgence planning for community outbreaks throughout the country. Responses will be at short notice and will regularly interfere with completing other planned work. CDEM is expected to carry out a coordinating role in response while the Ministry of Health is the lead agency. This is a new way of operating that requires continuous relationship management.

Levels of Service 2021-31: Emergency Management

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.5	≥ 7.5	≥ 7.5	≥ 7.5	≥ 7.5
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Compliance of CDEM Group Plan and Group Welfare Plan with the Ministry of Civil Defence Director's Guidelines.	100%	100%	100%	100%	100%
	Number of meetings of Coordinating Executive Group, Readiness & Response Committee and Welfare Coordination Group held.	9	≥ 9	≥ 9	≥ 9	≥ 9
	Regional Incident Management Team training events/exercises held.	10	≥ 10	≥ 10	≥ 10	≥ 10
	Time taken to activate EOC in case of an event or post a national warning being received from MCDEM, if an active response is required (target in minutes).	30	≤ 30	≤ 30	≤ 30	≤ 30

Funding Impact Statement for LTP 21-31 Emergency Management

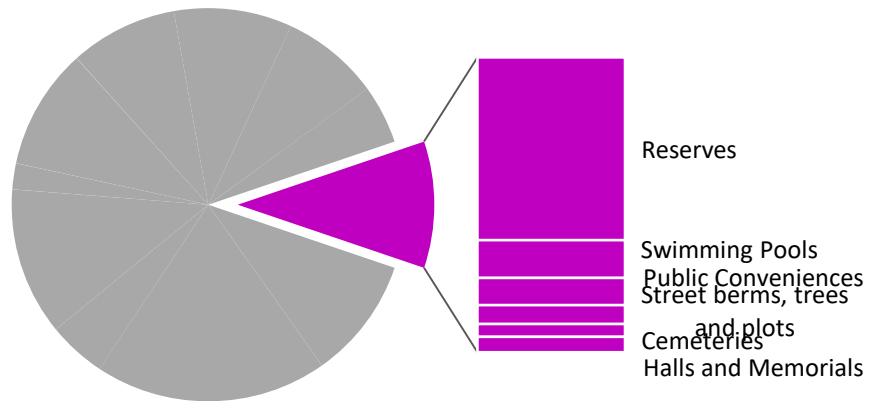
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	588	625	645	667	743	762	785	805	829	853	875
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	66	107	108	105	46	43	41	41	40	40	39
Total sources of operating funding	654	732	753	772	789	805	826	846	869	893	915
Applications of operating funding											
Payments to staff and suppliers	489	547	563	577	593	608	627	644	662	681	698
Internal charges and overheads applied	132	140	147	153	155	157	161	165	169	174	178
Total applications of operating funding	621	687	710	729	747	765	788	809	832	855	876
Surplus (deficit) of operating funding	33	45	43	43	41	40	39	37	38	38	39
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	20	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	20	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	9	9	9	9	81	10	10	10	11	11	11
Increase (decrease) in reserves	24	36	33	34	(20)	30	29	27	27	28	28
Total applications of capital funding	33	45	43	43	62	40	39	37	38	38	39
Surplus (deficit) of capital funding	(33)	(45)	(43)	(43)	(41)	(40)	(39)	(37)	(38)	(38)	(39)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Community Facilities

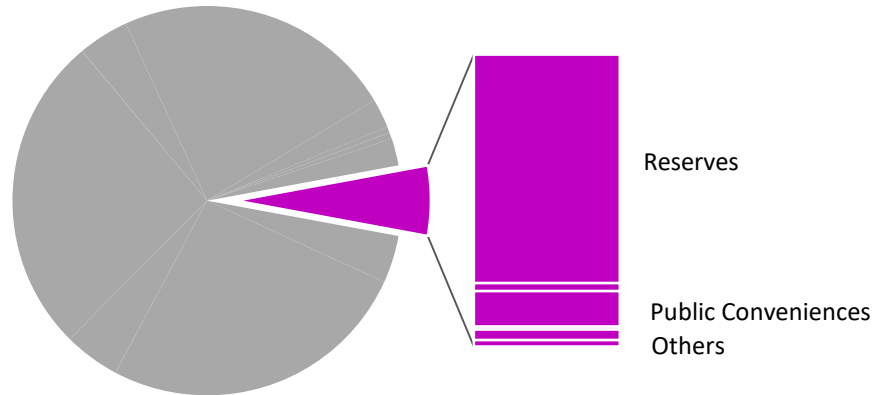
Operating costs

The operating costs for the Community Facilities Activity Group represent \$153 million of total Council expenditure.



Capital projects

The capital expenditure for the Community Facilities Activity Group represent \$41 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included in the Activity section.



Sub-Activity	Major Capital Projects	Inflated value (Millions)
Cemeteries	2022-24 reseal of vehicle access ways and parking areas for Havelock, Picton, Omaka, Fairhall and Tuamarina Cemetery	\$0.6
Public Conveniences	2021-22 Taylor Dam, Okiwi Bay& Collins Memorial Reserve improvement works	\$0.5
	2023-24 Spring Creek/Ferry Bridge public conveniences	\$0.4
	2021-23 Wairau Diversion responsible camping development	\$0.9
	2022-23 Renwick dog park public conveniences	\$0.3
	2023-24 Elterwater, Ward Domain public conveniences	\$0.5
	2021-22 Rai Valley township public conveniences	\$0.2

Sub-Activity	Major Capital Projects	Inflated value (Millions)
	2024-25 The Wedge, Link Pathway public conveniences	\$0.4
Memorials	2021-22 Renwick memorials land purchase	\$0.1
Halls	2023-24 Linkwater Hall supper room	\$0.3
Reserves	2021-26 Seddon Domain reserve management plan improvements	\$0.3
	2022-23 Seddon Domain playground replacement	\$0.3
	2022-24 Pollard Park toddler playground and depot/storage development	\$0.4
	2024-27 lighting for sports parks	\$0.9
	2021-22 Shelley beach shoreline protection and open space enhancement	\$0.3
	2028-29 Hockey turf replacement	\$0.6
	2023-24 Tirohanga Track improvement	\$0.3
	2021-24 A & P Park new pavilion	\$3.9
	2024-25 artificial turf	\$1.7
	2027-28 Horton Park pavilion redevelopment	\$2.3
	2021-22 Awarua Park Community centre/changing sheds	\$0.2
Swimming Pools	2022-23 Seddon Swimming pool replacement	\$1.0

Rationale for delivery of Community Facilities

This Activity is a grouping of several types of community facilities that are mostly delivered within Parks and Open Spaces Section of the Property and Community Facilities Department.

Changes to Community Facilities Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

This table documents intended changes to the levels of service included in the 2020-21 Annual Plan, within this group, and the reasons for those changes.

2020-21 Annual Plan	2021-31 LTP	Reason for change
Activity: Community Facilities		
Reserve management plans (RMPs)	Measure changed from specifying which plans are to be developed/ reviewed to requiring work to be underway on two RMPs.	Issues have arisen on parks or reserves where the response adopted has been to prepare/ review an RMP, even where not programmed. This has meant the targets previously set the 2018-28 LTP have not been able to be met.
Cycling paths and tracks network	A numerical number has been included of 5 kilometres of tracks/paths to be upgraded or developed each year.	Provides a more defined target to measure achievement of the indicator.
Street trees	Increased number of street trees to be planted each year.	Reflects what is occurring.
Shade in playgrounds	Changed percentage	The percentage originally set has not been able to be achieved due to other priorities and resourcing.
Cemetery master plans	New measure setting out percentage relating to the achievement of short, medium and long term priorities to be achieved.	Provides a more defined target to measure achievement of the indicator.
Sports Facilities Plans	Implementation of outcomes of Sports Facilities Strategic Plan 2021	A review of indoor and outdoor sporting facilities was undertaken in 2020. The plan is in the process of being finalised in early 2021. A new Level of Service and Indicator have been included as a consequence of the review process being completed.

Variation between Long Term Plan and the assessment of Water and Sanitary Services

There is no significant variation between the adopted assessment of water and sanitary services (i.e. cemeteries and public conveniences) and this Plan.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, it may involve the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. There is a limited use of spray and chemicals. Resource consents are required for a number of Activities and these are obtained where necessary often with conditions to be met on an ongoing basis.

Activity: Community Facilities

What is this Activity about?

The Council plans for, provides and maintains open spaces and built facilities to meet a range of community needs. Community facilities include the following:

Reserves, parks, accessways, amenity areas and playgrounds

The Council owns and maintains a wide range of neighbourhood parks, public gardens, natural parks, outdoor adventure parks, civic spaces and recreational and ecological linkages as part of its overall open space network. Street trees, berms and garden plots also contribute to the network.

Neighbourhood parks

Neighbourhood parks provide an open grass area suitable for small scale ball play and children's play equipment, seating, amenity lighting, paths and attractive amenity planting. These parks generally provide an attractive, welcoming ambiance to the immediate local community, within a 10 minute walking distance or 500 metre radius of urban residential properties. Some sites may contain buildings used for local community and recreation functions. There are 78 of these parks across Marlborough.

Premier gardens

The primary focus for premier gardens is to create a place of beauty and tranquillity through high quality horticultural design and maintenance, and other features as appropriate to the park's character. The three premier gardens in Marlborough are Pollard Park, Seymour Square and the Picton Foreshore. Each area has multiple values and attributes and is maintained to a very high standard.

Civic spaces

Marlborough's civic spaces include Market Place, Liz Davidson Place, Bythell Place, the Stadium Pocket Park, The Quays in Blenheim and London Quay in Picton.

Trees

The Council maintains and manages approximately 6500 street trees, 10,000+ reserve trees, street gardens and road berms throughout the district. This Activity also monitors over hanging growth from private property encroaching onto public footpaths and road.

Natural parks

Marlborough's natural parks provide opportunities for people to experience nature. Development in these areas is generally limited to low impact activities. There are nine reserves that fall into this category including coastal and forest reserves.

Outdoor adventure parks and other paths and accessways

The Wither Hills Farm Park, as the backdrop to Blenheim, and Victoria Domain in Picton are regarded as Marlborough's outdoor adventure parks. Both provide extensive walking, running and biking opportunities. For the Wither Hills Farm Park, soil conservation is also a principal function and the park is operated as a working farm. A specific area of the Farm Park has also been set aside as a mountain bike park.

Both the Wither Hills Farm Park and Victoria Domain have continued to have increasing numbers using the walking and cycling tracks with new tracks being created and existing ones upgraded.

The Council has also assisted with funding for the Link Pathway project between Picton and Havelock and most sections of this track are now completed with Parks and Open Spaces providing limited maintenance to some areas of the pathway.

The Council also maintains pathways and accessways around urban areas to enable easy access between areas of town and for recreational purposes. A high level of access and associated maintenance requirements are provided for along the Taylor River in Blenheim.

Sports parks and community facilities

Throughout Marlborough the Council provides and maintains sports parks for year-round use by residents and visitors, providing opportunities for the community to take part in team or individual sporting pursuits of a formal or informal nature.

A wide range of sporting codes is catered for while some parks also have a range of facilities serving a local neighbourhood and community function creating a multi-function park. These parks are referred to as sports hubs and are located at Renwick, Picton/Waitohi and Seddon. A multisport sports hub is also currently under construction at Lansdowne Park.

Public conveniences

The Council provides and maintains public conveniences throughout Marlborough to meet community and visitor needs. Currently there are a total of 73 facilities that the Council owns/leases including in:

- the Blenheim central business district and smaller town centres;
- urban areas subject to high use by the community; and
- rural or remote areas servicing reserves and walking tracks.

A planned programme of upgrades to public convenience assets is underway over the next 3 to 4 years. Specific locations include facilities at Havelock, Seymour Square, Koromiko Recreation Reserve (Collins Memorial Reserve), Okiwi Bay, Taylor Dam, Elterwater, Ward, Horton Park and Oliver Park.

Cemeteries

Cemeteries support our sense of community and are places of contemplation, of respect for our history and the stories of our people. They provide a place where family and friends can care for and mourn the loss of loved ones consistent with their culture and beliefs. Cemeteries also make a contribution to the open space network through providing areas of open space and amenity.

The Council currently administers 8 operating cemeteries. Master plans have been developed for each of the operating cemeteries that will guide future development and require budgetary provision for future works.

Memorials

The Council maintain 24 memorials across the district that recognise influential events, the efforts of servicemen and women and community members locally and across the country. There are also many other memorials in our parks and open spaces (trees and plaques) to commemorate specific people and events. A districtwide master plan for memorials is being prepared in 2021/22.

Maintenance of parks and open spaces

To ensure facilities remain at a high standard, maintenance is an important role for the Council. Maintenance involves litter removal, grass cutting and shrub, garden, tree and hedge pruning. It also includes the cleaning and upgrading of park furniture, playground equipment, walkways/pathways, carparks, turfs, sports fields and public conveniences. A high standard of maintenance contributes to the safety of these facilities and this is managed by staff through a range of contracts.

Planning for open spaces and facilities

Strategies, policies and plans indicate the approach and vision of the Council; therefore a robust strategic process is essential. This includes when considering the need for additional open spaces and facilities and managing the existing assets within the Community Facilities activity.

Specific plans and strategies that have direct impact on the activities of the Community Facilities activity include the following:

Reserve management plans: These plans are required to be prepared for all reserve land with a Reserves Act classification. The Council has in place a number of reserve management plans throughout Marlborough with many being programmed for review during the life of the Long Term Plan.

Asset management plan: The planning and recording of assets within the Community Facilities activity is included within an Asset Management Plan. This plan is being reviewed during 2021/22.

Sports Facilities Strategic Plan: The plan guides carefully considered investment initiatives in parks infrastructure to enable core objectives of wellbeing through active participation in sport. The plan has been recently reviewed in conjunction with various sporting codes to identify key issues and opportunities, some of which may be realised through provision in the Long Term Plan.

Open Space Strategy: The Open Space Strategy will set out the Council's vision and goals for the provision and management of open spaces. The Strategy provides the rationale for the Council's investments in open spaces, and the approach it intends to take in delivering community benefits. It helps to resolve decisions involving alternative options, and helps guide decisions on the choice of priorities.

Other policy: Other policy is developed to guide day to day management of activities on reserves e.g. Tree Policy.

By investing in plans, policy, and processes the Community Facilities activity is able to provide infrastructure and services that provide for Marlborough now and in the future taking into account resident expectations in the long term. Additionally a collaborative approach to shared facilities and resources with other providers can also produce wide spread benefits with low costs.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by enhancing the quality of the environment through the establishment and maintenance of reserves, parks, open spaces, cemeteries, public conveniences, halls, trees etc. These assets promote quality lifestyles and the desirability of Marlborough as a place to live and visit. The Activity contributes to the Community Outcomes of Governance, Environment, People, Economy, Living and Connectivity as outlined below.

Outcome	Major contribution
Cemeteries	
Living	Providing a respectful and comforting environment for people to remember those they have lost. Investing in facilities which enhance the social well-being and health and safety of Marlborough's communities. Contributing to the open space network.
Memorials	
Living	Recognising Marlborough's rich cultural and historic heritage and significant events and people.
Trees and Garden Plots	
Environment	Helping to maintain indigenous biodiversity, improve air quality and the quality of stormwater discharges as well as reducing stormwater run-off.
Living	Contributing to the well-being of the community by enhancing the character and amenity of our urban environments. Acknowledging and protecting Marlborough's historic heritage.
Halls	
Governance	Enabling local governance to take place in communities across Marlborough.
People	Providing meeting places for community organisations.
Living	Enhancing the social well-being of the community. Acknowledging and protecting Marlborough's historic heritage.
Public Conveniences	
Environment	Supporting the tourism industry and assisting in avoiding adverse effects on the environment.

Outcome	Major contribution
Living	Providing for the social well-being, health and safety of Marlborough's communities.
Reserves, recreation facilities, sports parks and open spaces	
Governance	Enabling and encouraging widespread participation in the development of plans and policies. Enabling events to take place on reserves and sports parks.
Environment	Providing opportunities for recreation, relaxation and physical activity to meet community needs and improve wellbeing. Managing our open space resources in a sustainable manner and protecting and enhancing assets (including for biodiversity outcomes) for future generations.
People	Providing sporting facilities, stadia and reserves which enhance quality of life for Marlborough's communities.
Economy	Providing aquatic facilities, sporting stadia and sport parks enables events to be held which contribute to the economy of Marlborough.
Connectivity	Establishing and maintaining a network of cycleways and walking paths and tracks provides recreation and access opportunities for our communities and visitors.
Living	Providing a wide range of opportunities for recreation from passive through to active. Investing in and planning for infrastructure to meet social and economic wellbeing and health of our communities.

Asset description

There are several types of reserves that are managed by the Parks and Open Spaces section. These are categorised as follows:

Reserve Type	Number	Land (hectares)
Sport and recreation	21	119.16
Neighbourhood	78	68.51
Public gardens (e.g. Seymour Square, Pollard Park)	4	27.83
Nature (e.g. Koromiko Forest Reserve, Kahikatea Reserve)	9	32.34
Cultural/heritage (cemeteries, memorials)	25	42.58
Outdoor adventure (e.g. Wither Hills Farm Park, Victoria Domain)	6	367.12
Civic places (e.g. London Quay, Liz Davison Park, Bythell Place)	6	4.92
Recreation and ecological linkages (cycling and walking paths and tracks, Accessways)	111	482.50
Community buildings (halls)	27	8.46
Road berm / street plots	122	16.9
Other	2	0.863
Total	417	1171.183

Within each of the parks or open spaces there are a variety of assets depending on the type of park or open spaces. These assets may include:

- Public conveniences, buildings, pool;
- Trees, garden areas, grassed areas, established vegetation, irrigation;
- Park fixtures, bridges/boardwalks, bbqs, barriers, edgings, fences, gates, walls;
- Carparks, roads/driveways;
- Memorials;
- Play equipment, play areas, fitness stations, skatepark/BMX, sports fields, goal posts;
- Picnic tables, platforms, rubbish bins, seats, signs, lighting; and
- Walkways/tracks, paths.

Emerging issues and expected changes

There are some general issues and changes which may impact a number of the Council's community facilities.

Planning

Parks and Open Spaces have several documents underway that will assist Council and the community to address planning and budgeting in our parks and open spaces. The Victoria Domain plan is nearly complete while plans for Seddon Domain and Waikawa Bay Foreshore Reserve are being drafted. Further plans will be reviewed during the life of the Long Term Plan.

The Council's Outdoor Sports Facilities Plan was first prepared in 2010 and has achieved a number of outcomes for sporting facilities in Marlborough, including redevelopment of Lansdowne Park. The Plan has been reviewed and will set out issues and opportunities for the strategic provision of sporting facilities, which will be reflected in the Long Term Plan.

An open space strategy is to be prepared which will provide the basis for determining the need for additional open spaces and type of spaces needed.

Contracts and tenders

A number of our larger key maintenance contracts have been renewed over the last three years. These contracts had been in place for about 8-10 years and all contracts went through an open market tender process. One further contract renewal will go to the open market in the FY 20/21 and will result in increased costs from pressure on current Council facilities, greater expectations for levels of service and increased visitor numbers.

The review of the contracts has allowed the new areas not previously covered by a contract to be included in the maintenance contract. This review has provided Council with a much more accurate assessment of overall costs in order to maintain our open spaces.

Traffic management

Traffic management to ensure the health and safety of workers and the public are protected is an important aspect of activities, including maintenance works, being undertaken within the road reserve or adjacent to the road reserve. The costs of traffic management have increased significantly with new regulatory requirements. This has implications for budgets for activities being undertaken in locations where traffic management plans are required to be in place.

Climate change

Weather events have the potential to damage reserves and Council infrastructure. The implications of these events will need to be considered, along with the impacts of anticipated sea level rise. There may be costs associated with managing these impacts, and issues to resolve regarding how the public expects Council to respond to these events.

In particular, weather events are having an effect on the parks and open spaces environment with a noticeable damage and loss of assets, including structures, walkways and tracks. Greater losses of trees are being experienced which may see a need for different responses to

species being planted and/or a need for irrigation. There is also an increase in the range and number of pest infestations in Marlborough that will result in greater control or maintenance requirements.

Tree management

The more robust data capture and monitoring system introduced for managing trees continues to result in an improved understanding of our tree portfolio and the maintenance required. The more rigorous management of our trees has related budgetary implications, along with increased traffic management costs.

There are some issues and changes which may impact a specific type of community facility or activity.

Cemeteries

Master plans are complete and provide guidance for future development, management and operational requirements across Council-run cemeteries. The plans have an implementation programme, with prioritised projects to be reflected in budget allocations.

Marlborough, like other areas around the country, is experiencing an increase in cremations compared to burials. Consequently there is a need to consider the most appropriate options for ashes interments at each of the cemeteries. There is also a trend for self-funerals where the use of funeral directors does not occur. This may see greater staff resources needed to assist the public through the process. There is also increasing demand for access to Council's online cemetery database.

A review is underway of the Burial and Cremation Act 1964 and associated regulations. This may see more responsibilities placed on local authorities in managing the burial process with related costs. Planning around the need for more land for burials will also be required during the life of the Long term Plan.

Memorials

A district-wide master plan is being prepared for memorials. Similar to the cemetery master plans, this will guide future development,

management, budget and operational requirements relating to memorials.

There is an increasing number of requests from the public to plant trees in public places and place plaques on structures throughout Marlborough to commemorate specific people and events.

Public conveniences

A major upgrade, and in some cases replacement, of public conveniences around Marlborough continues. Upgrades to the facilities at Anakiwa and Havelock are complete while a new facility to replace the Seymour Square toilets will be completed mid-2021. A new toilet facility has also been placed at Grovetown Lagoon.

Upgrades to facilities at Okiwi Bay, Collins Memorial Reserve (Koromiko), Taylor Dam, Rai Valley and Ward are also planned. In response to increased use of tracks and trails new public conveniences are being considered at Essons Valley and Wedge Point (both near Picton) and at Wither Road Extension (Blenheim).

Capital funding assistance has been received for several of these projects through application to the Ministry of Business Innovation and Employment's Tourism Infrastructure Fund. Some of the projects not yet underway may also be eligible for *Tourism Infrastructure Funding*.

Walking and cycling

There is an increasing demand for the development of more paths and tracks for walking and cycling communities, including locals and visitors. The Walking and Cycling Strategy for Marlborough outlines areas where cycling and walking are to be enhanced and/or new connections made to the network. This is certainly a positive in terms of health, social well-being and the possible economic impact that may occur, however ongoing funding to develop and to maintain these facilities will need to be considered in the longer-term.

New Reserves

New reserves have been obtained by Council as a result of subdivision development. These include Rose Manor, Grovetown, Omaka Landing and Oyster Bay. With the exception of the reserve at Oyster Bay in Port Underwood, there will be budgetary implications for these new neighbourhood parks related to the maintenance and provision of playground equipment. The Oyster Bay reserve will require maintenance of native plantings.

Development on existing Reserves

There will be cost implications for maintaining planned upgrades to parks and open spaces currently underway (or completed) including Neil Street Upgrade in Havelock, Taylor River and Pollard Park carparks, Seddon Pump Track, Waterfall Track (Havelock) and widening of the shared path along the Taylor River.

Upgrades to district playgrounds that are planned or currently underway will also result in additional maintenance costs including: Renwick Village Green, Blackmore Place, Ballinger Park and Victoria Domain.

Small Townships Programme

There will be budgetary implications for projects implemented through the Small Townships Programme. The projects will have an impact on maintenance costs and subsequent increase in levels of service. Examples include the Ward Hall landscaping project and pathway, Renwick Village Green, Renwick cycle lanes and tree planting in Renwick, Wairau River picnic area, Canvastown projects and the Havelock community pathway. With a growing number of projects identified over the next 10-year period, there will need to be funding provided to ensure these new projects are maintained at a level that meets community expectations.

Levels of Service 2021-31: Community Facilities

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Provide community facilities which are accessible, maintained to a high standard and appropriate to the range and level of use.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.8	≥ 7.8	≥ 7.8	≥ 7.8	≥ 7.8
Provide neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	% of residentially zoned houses in urban areas within 500m walking distance of a neighbourhood park.	98%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Provide reserves and manage their use in accordance with Reserve Management Plans (RMP).	Number of RMPs being reviewed or prepared.	2	≥ 2	≥ 2	≥ 2	≥ 2
Provide a connected network of walking and cycling paths and tracks that is accessible, visible and caters for a range of abilities.	Walking and cycling paths and tracks being upgraded or are under development (measured in kilometres).	5km	≥ 5km	≥ 5km	≥ 5km	≥ 5km
Provide well maintained street trees to contribute to an attractive streetscape.	% of appropriately planted street trees on new urban roads (or renewed on existing roads).	100%	100%	100%	100%	100%
	Number of additional and replacement street trees planted.	130	≥ 130	≥ 130	≥ 130	≥ 130
	% of assessments undertaken once every two years (or sooner if necessary) of the condition of each street tree.	100%	100%	100%	100%	100%
Provide playgrounds which are varied and stimulating and also safe and well maintained.	% of new playgrounds and playground renewals that have shade (including natural shading) in the design.	65%	≥ 65%	≥ 75%	≥ 80%	≥ 85%
	% of weekly playground audits undertaken.	100%	100%	100%	100%	100%

Levels of Service 2021-31: Community Facilities

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Provide well-maintained cemeteries which are accessible and appropriate sites for the interment needs of the community.	% of projects in respective cemetery master plans completed.	New measure	80% of projects (short term priorities)	60% of projects (medium term priorities)	60% of projects (medium term priorities)	60% of projects (medium term priorities and 20% of projects (long term priorities)
	Minimum number of burial and ashes plots available.	650	≥ 650	≥ 650	≥ 650	≥ 650
Provide sports parks which: <ul style="list-style-type: none"> cater for a range of sporting and recreation activities; and are well maintained, available, accessible and safe to use. 	Sports park user survey to determine satisfaction with maintenance, availability, accessibility and safety.	85% satisfaction	N/A	85% satisfaction	N/A	≥85% satisfaction every 3rd year from 2022-23
	% of outcomes of Sports Facilities Strategic Plan 2021 implemented	New measure	20% of projects (short term priorities)	20% of projects (short term priorities)	40% of projects (short term priorities)	60% of projects (short term priorities) and 20% of projects (medium term priorities)
Provide public conveniences which are well designed, accessible, clean and safe to use.	% of response to requests for service within allotted time.	100%	100%	100%	100%	100%

Funding Impact Statement for LTP 21-31

Community Facilities

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	10,027	10,686	11,151	11,849	13,298	13,848	14,060	14,502	14,926	15,312	15,717
Targeted rates	3	4	4	5	5	5	5	5	5	6	6
Subsidies and grants for operating purposes	386	11	11	11	11	12	12	12	13	13	13
Fees and charges	203	234	274	321	329	337	345	354	363	372	381
Fuel tax, fines, infringement fees and other receipts	835	1,573	1,602	1,600	554	510	472	466	459	451	446
Total sources of operating funding	11,453	12,507	13,042	13,786	14,198	14,711	14,894	15,339	15,765	16,154	16,563
Applications of operating funding											
Payments to staff and suppliers	6,877	8,051	8,092	8,407	8,495	8,829	8,922	9,181	9,415	9,726	10,036
Finance costs	853	814	922	1,050	1,131	1,123	1,071	1,058	1,043	977	911
Internal charges and overheads applied	2,167	2,294	2,387	2,464	2,516	2,570	2,634	2,703	2,781	2,859	2,935
Other operating funding applications	2,067	880	581	81	81	81	81	81	81	81	81
Total applications of operating funding	11,964	12,039	11,982	12,002	12,223	12,603	12,708	13,023	13,320	13,643	13,963
Surplus (deficit) of operating funding	(511)	468	1,061	1,784	1,974	2,108	2,186	2,316	2,446	2,511	2,601
Sources of capital funding											
Subsidies and grants for capital expenditure	120	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,316	2,366	2,414	2,462	2,511	2,562	2,613	2,665	2,718	2,773	2,828
Increase (decrease) in debt	3,254	1,896	3,376	2,950	1,025	(1,448)	(1,222)	519	(1,309)	(1,981)	(1,278)
Other dedicated capital funding	150	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	4,840	4,263	5,790	5,412	3,537	1,114	1,391	3,184	1,410	792	1,550
Applications of capital funding											
Capital expenditure to meet additional demand	1,130	1,905	1,731	1,118	1,166	1,250	1,335	1,421	1,508	1,627	1,650
Capital expenditure to improve the level of service	4,793	950	2,575	2,226	1,600	231	389	1,316	463	163	136
Capital expenditure to replace existing assets	2,598	4,238	2,600	3,313	1,527	523	701	1,691	1,039	401	422
Increase (decrease) in reserves	(4,192)	(2,363)	(55)	539	1,218	1,217	1,152	1,072	847	1,112	1,943
Total applications of capital funding	4,329	4,731	6,851	7,196	5,511	3,222	3,577	5,501	3,856	3,303	4,151
Surplus (deficit) of capital funding	511	(468)	(1,061)	(1,784)	(1,974)	(2,108)	(2,186)	(2,316)	(2,446)	(2,511)	(2,601)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement for LTP 21-31

Community Facilities

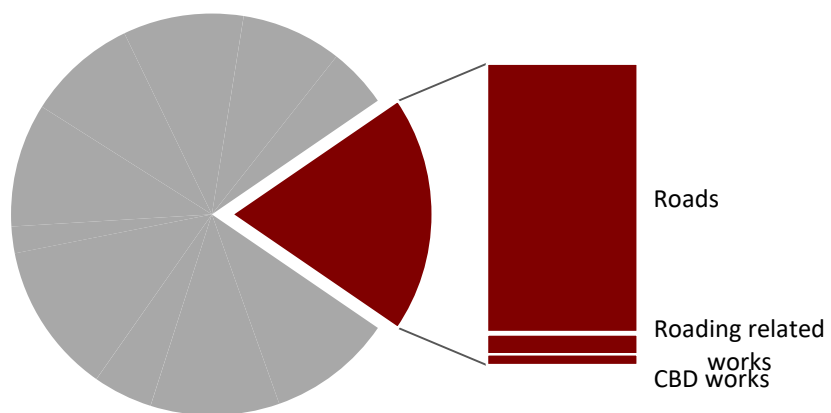
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<u>Operating expenditure</u>											
Cemeteries	532	571	611	641	664	674	686	700	714	728	741
Memorials	131	162	163	157	185	166	167	158	180	200	218
Street berms, trees and plots	688	855	891	925	940	972	988	1,023	1,041	1,079	1,107
Halls	650	563	569	659	591	599	609	618	630	657	655
Public Toilets	1,276	1,186	1,284	1,357	1,404	1,430	1,449	1,472	1,497	1,521	1,542
Reserves	8,856	9,196	8,998	8,824	9,056	9,406	9,459	9,733	9,942	10,156	10,426
Swimming Pools	1,767	1,760	1,826	1,884	1,916	1,950	1,984	2,019	2,062	2,106	2,148
<u>Capital expenditure</u>											
Cemeteries	105	247	264	516	45	63	68	60	80	73	71
Memorials	8	228	18	45	9	9	26	9	10	10	10
Street berms, trees and plots	38	38	40	41	42	43	44	45	46	47	48
Halls	567	20	21	337	22	22	23	23	24	24	25
Public Toilets	1,169	2,315	1,074	932	404	56	58	80	37	10	29
Reserves	6,534	4,115	4,462	4,786	3,773	1,813	2,207	4,211	2,813	2,026	2,025
Swimming Pools	100	130	1,027	-	-	-	-	-	-	-	-



Roads and Footpaths

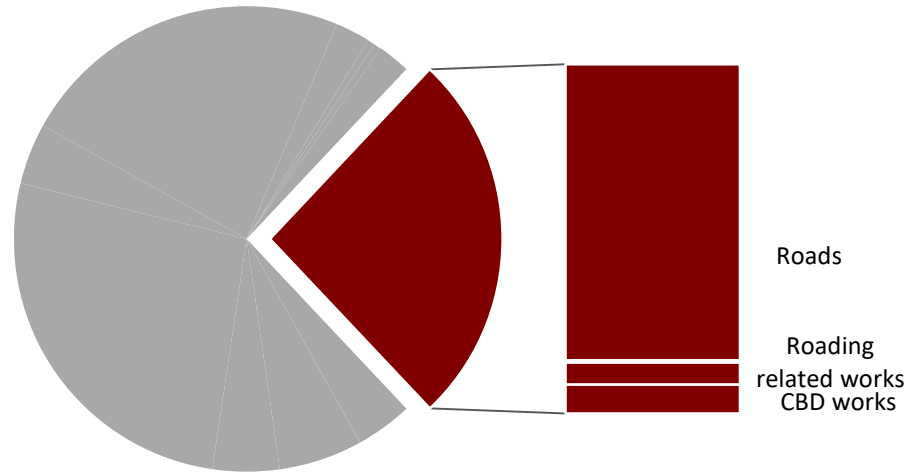
Operating costs

The operating costs for The Provision of Roads and Footpaths Activity Group represent \$282 million of total Council expenditure.



Capital projects

The capital expenditure for The Provision of Roads and Footpaths Activity Group represent \$184 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activity sections.



Sub-Activity	Major Capital Projects	Inflated value (Millions)
General roading	2021-31 pavement rehabilitation	\$15.5
	2021-31 sealed road resurfacing	\$51.0
	2021-31 footpath renewals	\$5.2
	2021-31 unsealed road metalling	\$16.9
	2021-31 minor safety improvements	\$17.2
Bridges	2025-27 High Street Taylor River bridge replacement	\$8.0
	2027-28 Wither Road West Bridge	\$7.7

Sub-Activity	Major Capital Projects	Inflated value (Millions)
Blenheim CBD upgrades	2021-31 CBD paved/cobbled areas upgrade	\$8.5
Small township upgrades	2021-31 small township upgrades in Blenheim Vicinity and General Rural	\$4.3
Picton CBD works	2022-23 Picton innovative streets project	\$1.0
Cycle facilities	2021-25 cycleway programme	\$1.6

Rationale for delivery of the Provision of Roads and Footpaths

It is mandatory that the provision of roads and footpaths is an Activity Group.

Changes to the Provision of Roads and Footpaths Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

We are projecting an improved LoS on arterial roads but a reduction on the rest of the network. The improved LoS on arterial roads is in line with One Network Road Classification (ONRC) where higher classification roads are to provide better LoS than lower classification roads. We are also reducing the resurfacing percentage to 5.0% in the first three years of this LTP as a result of the constrained funding available from Central Government in the wake of COVID 19.

Significant negative effects Associated with this Group of Activities

While there are no significant long term negative effects associated with this Group of Activities, it may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate. The exception is vehicle emissions.

Activity: Roads and Footpaths

What is this Activity about?

This Activity is carried out to provide our community with an efficient, safe and resilient road network.

As the owner of the local roading network, the Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. In addition, Council is responsible for all roading-related assets — footpaths, kerb and channelling, street lighting and car parks. Some wharves are also owned and maintained by Council. Recently there has been an increased emphasis on alternative modes such as walking and cycling, particularly the provision of high quality pedestrian facilities for an ageing population.

Separate roles

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of the Waka Kotahi (New Zealand Transport Agency)

Marlborough District Council has developed a contract with Waka Kotahi'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.

The Transport Agency Waka Kotahi is a key partner in Council's land transport management because the State Highway network is of significant strategic importance in achieving community outcomes.

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

The road system

Council has 242 km of footpaths, 916km of sealed road, 616 km of unsealed roads and 369 bridges. The network is absolutely essential to

enable freight and passenger travel over land and across waterways within Marlborough.

Meeting standards

The key tool for management of the network is the Road Infrastructure Activity Management Plan (AMP) which determines levels of service to be provided for the next 10 years. Detailed programmes are included in Waka Kotahi's three year programme for which Council receives Funding Assistance. Funding Assistance has been set at 51%.

The AMP identifies standards and guidelines for all activities undertaken to manage the road infrastructure. Council has adopted a best practice approach common to Road Controlling Authorities throughout New Zealand, and in doing so ensures compliance with Waka Kotahi's requirements. The standards and guidelines are predominantly those developed or adopted by Waka Kotahi and are consistently applied across Marlborough's road network.

The Transport Agency Waka Kotahi have introduced the One Network Road Classification (ONRC) system. This ONRC system classifies all roads across the country. Roads of a similar form and function have the same classification and should have consistent levels of service across the nation.

Road safety

Fortunately this has not been a worsening trend in Marlborough with Death and Serious injury crashes reducing over the last 2 years. One of the key objectives of the Government Policy Statement on Land Transport (GPS) for 2021 is the Road Safety Strategy "Road to Zero". The five areas to be focused on over the next decade are:

1. Infrastructure improvements and speed management.
2. Vehicle Safety
3. Work-related road safety

4. Road User Choices
5. System Management

Marlborough Roads will be having a strong focus on speed management over the next 3 years and will be reviewing Speed Limits across the district.

Management of icy road conditions has been a winter focus, with no crashes causing injury reported in the last year.

Council also undertakes a road safety programme which provides educational advice to road users.

Road quality

Council maintains the quality of its roads by monitoring trends in pavement condition, road roughness, the age of surfacing, and by undertaking inspections. Marlborough Roads schedules a renewals programme which ensures roads are renewed before maintenance costs become excessive. The proposed standards and forward programme of work are reviewed by Waka Kotahi. Waka Kotahi undertake technical and procedural audits on a three-yearly cycle.

Marlborough Roads also monitors unsealed roads. They are challenging to manage because they can deteriorate rapidly and are influenced by climatic and traffic variables. Marlborough Roads now has the capability to measure roughness to assist with determining the need for intervention treatments such as grading and roughness management.

Marlborough's road pavement indicators compare favourably with peer agencies and Waka Kotahi's requirements.

Funding levels have been set to ensure that levels of service over time will meet ONRC requirements and the AMP has been updated to reflect these funding levels. Renewal programmes are only undertaken where they are economically justified.

Footpaths and street parking

A formal monitoring system is now established to assess footpath condition in urban areas. A full footpath rating is undertaken on a three-yearly basis. The latest survey was completed in 2020.

Council provides parking on urban streets where it is practicable and safe to do so. Kerbside parking is either metered or time restricted in high use areas to ensure a good turnover of usage and to encourage a vibrant retail environment. Off-street parking is managed by Marlborough Roads (via a sub-contractor).

Growing Marlborough Strategy

The Growing Marlborough Strategy identified a number of options for upgrading the amenities of smaller towns and to keep them attractive and liveable. A strongly consultative approach was taken which resulted in a programme of future urban amenity improvements. A budget of \$5.5M has been allocated to carry out these improvements in consultation with these small communities.

(Funding for the upgrade of Blenheim's CBD has been provided for ten years beginning in 2019–20. This includes works relating to the area proposed for the library redevelopment.)

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by enabling global, national and local connectivity to support our economy and lifestyles. This Activity also contributes to the Community Outcomes of Environment, Economy, People, Connectivity and Living as outlined below.

Outcome	Actions
Roads	
Economy Connectivity	Providing the roads and the structures, components and services which support them. These are

Outcome	Actions
Living	essential transport links which have both economic and social benefits.
Cycle facilities and footpaths	
Environment Connectivity Living	Providing healthy and sustainable alternative transport modes. Providing access and mobility for non-drivers.
Paved cobbled areas, street furniture	
People Living	Providing attractive public areas that enable people to mingle, enjoy the environment and participate in commercial or other town activities.
Street lighting	
Connectivity Living	Providing street lights which enable safer use of roads, footpaths, public facilities.
Wharves	
People Economy Connectivity Living	Providing wharves and jetties to create important transport links to isolated areas, with consequent social and economic benefits. They also provide recreational boating opportunities.

Asset Description

The table below provides an overview of Council's roading assets.

Asset	Length / Quantity
Road Length	1,532 km (916km sealed, 616 km unsealed)
Bridges	369
Jetties	13

Asset	Length / Quantity
Urban Footpaths	242 km (146 km concrete, 75 km asphalt, 9 km sealed, 12 km other materials)

The total asset value for the Roads and Footpaths Activity as at 30 June 2020 was \$845.98M.

Emerging issues and expected changes

Intensive heavy vehicle movements

Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures; resulting in reduced asset lives and unacceptable safety and amenity issues.

Natural events

The increasing frequency and intensity of natural events is impacting on our vulnerable local road network, resulting in more frequent emergency events, network deterioration and subsequent network disruption.

Increasing traffic flows

Increased traffic flows in urban and rural areas are resulting in barriers to walking and cycling (especially for the youngest and oldest members of the community), putting safety at risk and reducing transport options.

Renewal need

We are facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality.

Compliance costs

The compliance costs and resources required to mitigate harmful effects of transport on the environment are increasing, resulting in increased complexity and cost of transport activities.

Constrained funding

Early signals from Waka Kotahi are that they will not be able to provide Funding Assistance to the full subsidised Maintenance and Renewals Programme as submitted by Council. This is as a result of the constrained funding available from Central Government in the wake of Covid 19. Indications from Waka Kotahi are that subsidy is likely to be reduced by around \$5.1m over the 3 year National Land Transport Programme 2021/24.

This will affect Council's Revenue as well as the ability to complete its renewals programme at the levels indicated in the Roding AMP. Key performance indicators in the Long Term Plan will focus on holding Levels of Service over the next 3 years with a return to a full renewal programme from 2024/25. Strategies will need to be implemented to achieve this with the available funding.

Waka Kotahi will confirm its Level of Funding Assistance at the end of August 2021.

Levels of Service 2021-31: Roads and Footpaths

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.2	≥ 6.2	≥ 6.2	≥ 6.2	≥ 6.3
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.	-1	≤ 0	≤ -1	≤ 0	≤ -1
Road condition Provide a quality transport infrastructure.	Average quality of ride on a local sealed road network measured by Smooth Travel Exposure and classified using ONRC hierarchy. ³					
	Arterial	87%	≥ 85%	≥ 86%	≥ 88%	≥ 90%
	Primary Collector	92%	≥ 90%	≥ 89%	≥ 89%	≥ 88%
	Secondary Collector	95%	≥ 90%	≥ 87%	≥ 87%	≥ 87%
	Access	92%	≥ 90%	≥ 88%	≥ 87%	≥ 86%
	Low Volume	91%	≥ 90%	≥ 88%	≥ 87%	≥ 85%
	85% average road roughness classified using ONRC hierarchy					
	Arterial	110	≥ 113	≥ 112	≥ 111	≥ 110
	Primary Collector	110	≥ 115	≥ 115	≥ 115	≥ 115
	Secondary Collector	116	≥ 120	≥ 120	≥ 120	≥ 120
	Access	130	≥ 130	≥ 130	≥ 130	≥ 130
	Low Volume	135	≥ 135	≥ 135	≥ 135	≥ 135

³ Smooth Travel Exposure is the percentage of vehicle kilometres 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.

ONRC = One Network Road Classification. The purpose of the classification is so roads of the same classification are maintained to a similar standard across the country.

Levels of Service 2021-31: Roads and Footpaths

Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
	NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel road will have a roughness value higher than 300.					
Road maintenance Provide a sustainable land transport infrastructure.	% of sealed road network that is resurfaced annually. Average chipseal life is 13.5 years.	5%	≥ 5%	≥ 5%	≥ 5%	≥ 5.5%
Footpaths Provide footpaths that meet the needs of an ageing community.	% of footpaths that meets the Asset Management Plan rating of better than 4 (1="Excellent" 2="Good" 3="Average" 4="Poor" 5="Very Poor")	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Respond to Service Requests	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	90%	≥ 92%	≥ 93%	≥ 95%	≥ 95%

Funding Impact Statement for LTP 21-31

Roads and Footpaths

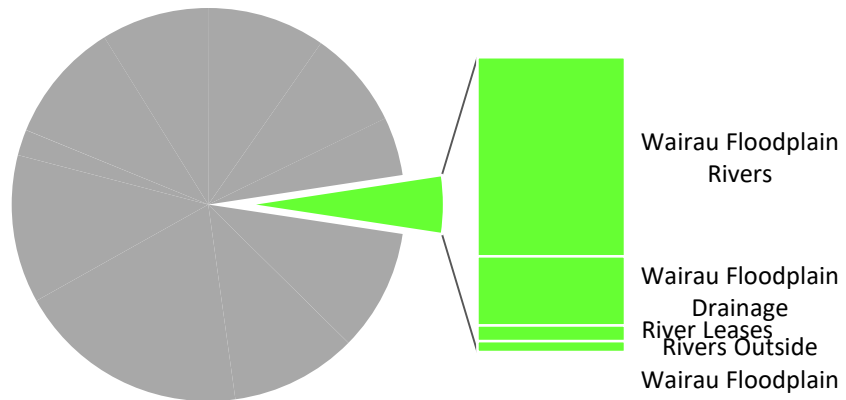
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	10,944	10,586	11,241	11,875	13,509	14,119	14,806	15,388	16,027	16,647	17,262
Targeted rates	63	63	63	63	63	63	63	63	63	63	63
Subsidies and grants for operating purposes	4,515	4,522	4,666	4,804	5,123	5,271	5,442	5,581	5,743	5,933	6,085
Fees and charges	7	7	7	8	8	8	8	9	9	9	9
Internal charges and overheads recovered	23	23	23	24	24	25	26	26	27	28	28
Fuel tax, fines, infringement fees and other receipts	1,161	1,766	1,822	1,766	701	657	631	627	622	617	615
Total sources of operating funding	16,713	16,968	17,822	18,540	19,429	20,143	20,976	21,694	22,491	23,297	24,063
Applications of operating funding											
Payments to staff and suppliers	10,132	10,431	10,787	11,118	11,527	11,839	12,240	12,536	12,925	13,322	13,695
Finance costs	404	443	559	642	712	771	822	859	882	903	921
Internal charges and overheads applied	1,418	1,293	1,364	1,417	1,437	1,453	1,490	1,526	1,568	1,612	1,650
Other operating funding applications	20	30	30	30	30	30	30	30	30	30	30
Total applications of operating funding	11,974	12,197	12,740	13,207	13,705	14,093	14,582	14,951	15,405	15,867	16,296
Surplus (deficit) of operating funding	4,739	4,771	5,082	5,333	5,723	6,049	6,393	6,743	7,086	7,430	7,767
Sources of capital funding											
Subsidies and grants for capital expenditure	4,709	5,169	4,940	4,816	6,640	8,840	9,097	11,183	7,445	7,666	7,888
Development and financial contributions	832	957	982	1,008	1,035	1,062	1,090	1,119	1,149	1,179	1,192
Increase (decrease) in debt	1,725	2,861	2,269	1,792	1,650	1,270	1,219	578	520	459	400
Other dedicated capital funding	1,513	624	644	663	682	702	722	743	765	787	810
Total sources of capital funding	8,778	9,611	8,835	8,279	10,007	11,875	12,129	13,623	9,878	10,092	10,290
Applications of capital funding											
Capital expenditure to meet additional demand	1,810	1,637	1,266	1,304	1,140	1,173	1,207	8,983	1,390	1,431	1,472
Capital expenditure to improve the level of service	2,544	1,930	2,757	2,264	2,220	1,947	2,003	1,466	1,509	1,554	1,598
Capital expenditure to replace existing assets	9,662	13,436	10,873	9,730	13,316	17,639	18,150	14,509	14,930	15,374	15,818
Increase (decrease) in reserves	(498)	(2,622)	(979)	314	(945)	(2,834)	(2,838)	(4,592)	(863)	(837)	(832)
Total applications of capital funding	13,518	14,382	13,916	13,612	15,731	17,924	18,522	20,366	16,965	17,522	18,057
Surplus (deficit) of capital funding	(4,739)	(4,771)	(5,082)	(5,333)	(5,723)	(6,049)	(6,393)	(6,743)	(7,086)	(7,430)	(7,767)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Flood Protection and Control Works

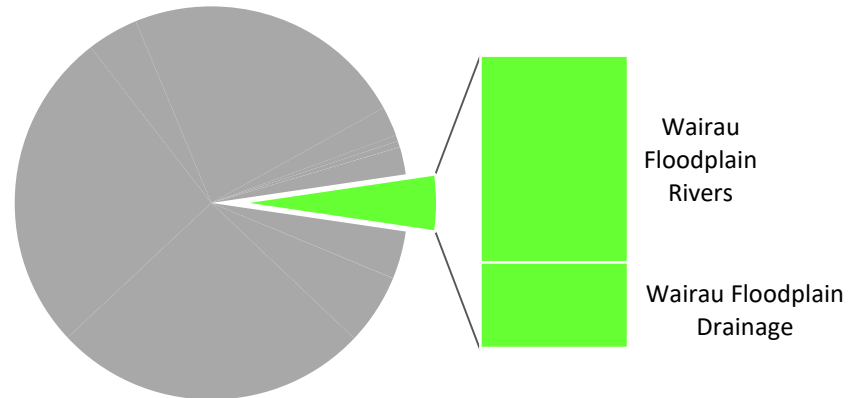
Operating costs

The operating costs for the Flood Protection and Control Works Activity Group represent \$71 million of total Council expenditure.



Capital projects

The capital expenditure for the Flood Protection and Control Works Activity Group represent \$33 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included in the Activity section.



Areas	Major Capital Projects	Inflated value (Millions)
Drainage Channels	2021-28 Town Branch Drain upgrades	\$6.6
	2025-26 lower Terrace upgrade	\$0.9
Stopbanks	2022-31 lower Wairau stopbanks upgrades	\$1.4
	2022-30 lower Ōpaoa stopbanks upgrades	\$1.5
Edge works	2021-23 upper Conder's/SVIS edge upgrades	\$4.1
	2023-26 Wratts Road edge upgrades	\$1.9

Rationale for delivery of Flood Protection and Control Works

It is mandatory that Flood Protection and Control Works is an Activity Group.

Changes to Flood Protection and Control Works Activity Group from the 2020-21 Annual Plan

There are no changes for this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

There are no intended changes to the levels of service included in the 2020-21 Annual Plan within this Activity Group.

Significant negative effects Associated with this Group of Activities

While there are no significant long term negative effects associated with this Group of Activities, it may involve the potential for environmental impact to the regions waterways including the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. The activity is subject to controls either under the Marlborough Environment plan or where resource consents are required for these activities, site specific controls are imposed as appropriate.

Activity: Flood Protection and Control Works

What is this Activity about?

The Activity is primarily about managing flood hazard and drainage, and occurs in the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks and development of drainage improvements, and from more recent assessments of flood risks as land uses have changed and development occurred. The objectives for this activity are outlined below.

Lower Wairau flood protection

To maintain and upgrade the main Wairau floodplain floodways below the Waihopai confluence to provide a capacity for flood sizes up to a one in 100 year return period. These floodways include the Wairau (below Waihopai), the Wairau Diversion, and tributaries including the Opawa, Taylor and Omaka Rivers and the Riverlands Co-op Floodway.

Wairau floodplain tributaries

To keep key Wairau River tributary (including the Wairau above the Waihopai confluence) channels as clear of trees and debris as is economically practical, to maintain flood capacity and to minimise the risk of changes to channel alignment.

Sounds watercourses flood management

To develop and maintain a river capacity and standard of protection for flood sizes of up to a one in 50 year return period for the Waitohi and the Waikawa (and their tributaries) flowing through the urban areas of Picton and Waikawa. Similarly, to consider waterway improvements in other built up Sounds areas including Havelock in order to protect houses.

Blenheim, Riverlands and Renwick stormwater outfalls

To ensure the system of drains, natural watercourses, pumping stations and floodgates adequately provides for the disposal of urban stormwater from the pipe networks operated by Council's Assets & Services Department. The desired level of service is to provide for a one in 50 year return period event.

Lower Wairau floodplain drainage

To provide agricultural drainage for the Wairau floodplain land, generally to the east of Blenheim and O'Dwyers Road. This involves controlling weed and sediment for 280 km of excavated drains or natural watercourses, maintaining floodgated culverts into the major rivers, and providing pumping stations (generally with a capacity of removing 15 mm of rainfall in 24 hours). The riparian margins of selected channels are managed in an aesthetic and ecologically sensitive manner.

Gravel extraction

To manage gravel extraction from river channels throughout Marlborough to ensure that the extraction of this valuable economic resource is managed in a sustainable manner consistent with good river management. This requires limiting gravel extraction to specific amounts and locations.

Gibson's Creek re-watering

To supply water from the Wairau and Waihopai rivers into Gibson's Creek to meet the requirements of the Southern Valleys Irrigation Scheme and to provide further water to ensure a continuous flow in the Gibson's Creek/Opawa system to meet environmental objectives, including groundwater recharge.

Soil conservation

To manage the Wither Hills Farm Park so that little or no sediment is deposited into the watercourses at the base of the hills.

Floodway Reserves

To manage Council owned floodway land to enable secondary uses of public access/recreation, ecological/amenity plantings, or for economic gain by forestry or pastoral leasing as appropriate.

Flood hazard and river management advice

To provide flood hazard advice to other sections of Council for Land Information Memorandum (LIM) and Project Information Memorandum (PIM) documents, and for resource consents, building consents and for finalising the Marlborough Environment Plan including potential future updates. The section also provides region wide direct advice to landowners on flooding and erosion risks, and mitigation options.

Flood response

To monitor key river systems during a flood event, provide advice and undertake emergency repairs as appropriate. Advice of potential flood danger is provided to the public and public agencies such as the Police and Civil Defence.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by protecting both high-value enterprises and the wider community from flood damage. It contributes to the Community Outcomes of Environment, People, Economy, Connectivity and Living as outlined below.

Outcomes	Actions
Environment People Economy Connectivity Living	<p>Providing flood control and drainage services has major environmental, economic and social benefits because:</p> <ul style="list-style-type: none"> - residents and their properties are safeguarded from the risks of river and stream flooding and erosion - agricultural drainage of the lower Wairau plains improves the productivity of drainage impaired soils. <p>Managing soil conservation at the Wither Hills Farm Park prevents sediment from depositing into the watercourses at the base of the hills and causing loss of flood capacity in these watercourses.</p>

Outcomes	Actions
	<p>Managing gravel extraction from river channels in a sustainable manner avoids environmental impacts and provides a valuable economic resource.</p> <p>Providing for secondary uses on Council owned floodway land enables public access and recreation, ecological/amenity plantings and economic gain through forestry or pastoral leasing as appropriate.</p>

Asset description

The table below provides an overview of Council's Flood Protection and Control Works assets.

Asset	Length /Quantity
Stopbanks, training banks, the Taylor Dam, and other minor dams which in total comprise of 4.8 million cubic metres of earthworks.	190 km
Large rock rip rap for river bank erosion protection purposes.	585,000 m ³
Trees (willows, poplars etc) for riverbank erosion protection purposes.	55 hectares
Excavated minor watercourses for agricultural drainage and urban stormwater disposal purposes.	170 km
Major river diversions.	4
Pumping stations for agricultural drainage purposes.	19
Pumping stations for urban stormwater disposal purposes.	11

Asset	Length /Quantity
Culverts under stopbanks etc of various sizes and lengths, usually flood gated.	290
Control gates or weirs.	20
Floodway land.	3,000 hectares

The total asset value for the Flood Protection and Control Works Activity as at 30 June 2020 was \$220.5 million.

Emerging issues and expected changes

Blenheim stormwater outfall upgrades

Ongoing development of Blenheim including infill housing and expansion into the recently rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Town Branch drain, Redwood Street and Snowdens pond and additional pumping), Murphys Creek and Fultons Creek upgrades (Boyce Street stormwater diversion main, Parker Street stop banking), Blenheim west (Camerons Creek capacity and environmental issues). Budget provision has been included for new/upgraded pump stations and channel upgrades.

Maintaining the Wairau River alignment

The stopbanked reach of the Wairau River downstream from the Waihopai confluence has very powerful and erosive river flows. Bank protection in the form of rock rip-rap armouring and tree planting is required to protect the stopbanks from erosion, especially as a result of floods.

Regular asset inspections have confirmed the need for continued investment in new works and regular maintenance of existing works to

ensure a robust flood protection system is in place. Ongoing maintenance and upgrade work is required downstream to both the Diversion and Wairau river mouths. This includes permanent repair at Wratts Road following emergency work in December 2019.

A key project for this plan is six new and strengthened heavy rock groynes and up to 1.4km of stopbank realignment over the 3.5km reach from the Southern Valleys irrigation intake down to Upper Condors. The aim of this work is to maintain the river alignment and so ensure the security of the adjacent stopbank and irrigation intake infrastructure.

Stopbank upgrades

Ongoing stopbank upgrades are planned for the Taylor River through Blenheim, lower Opawa River and lower Wairau River. The stopbanks upgrades are to bring older sections of stopbank to current structural standards, to provide agreed flood capacity and through Blenheim where possible shift sections of stopbank from private property into the Taylor River reserve. Likely climate change impacts will be included in upgrade designs where appropriate.

Taylor Dam upgrades to meet new Dam Safety Regulations

The Taylor flood detention dam is about 55 years old and is generally in very good condition. However, a comprehensive safety review in 2013 identified a number of matters for Council to attend to, including a minor capacity upgrade to the auxiliary spillway, installation of additional drainage and crest level monitoring points, and resealing of the main outlet culvert joints. Immediate maintenance items have been completed and now investigation of the spillway upgrade options is nearing completion. These will be reported to Council in due course.

Similar refurbishment work is also required on the Gibson's Creek Waihopai intake.

Pukaka Quarry extension

The Council owned Pukaka Quarry is a key source of rock rip-rap for river protection works on the Wairau River and tributaries, and clay for stopbank upgrades and repairs. The quarry also supplies a variety of

aggregates to the contracting market as a by-product of the rock production.

The rock resource within the existing land boundary is now very limited and further land is required if the quarry is going to continue for a further 40 plus years. Negotiations for purchase of the additional land are essentially complete and an application for the necessary statutory approvals will be lodged shortly.

This plan makes provision for the land purchase and initial capital development of the quarry extension. The Pukaka Quarry is self-funding and capital requirements for the extension are proposed to be serviced from operating revenue.

Waitohi triple culverts

Work is underway with KiwiRail and Port Marlborough to look at the feasibility and cost of some capacity upgrades to the culverts as part of the ferry terminal upgrade project. Such upgrades could potentially reduce the existing flood risk to the Dublin Street area of Picton in the medium terms and delay effects of expected sea level rise

Any upgrades would likely be by way of removing the existing lids and raising the culvert sides before replacing with new smooth lids.

No funding has been included in this plan to date as the feasibility and cost benefit of any work is still to be determined.

Levels of Service 2021-31: Flood Protection and Control Works

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.9	≥ 6.9	≥ 6.9	≥ 6.9	≥ 6.9
Wairau River scheme - system and adequacy Maintain, repair and renew these major flood protection and control works to the standards defined in Rivers and Drainage Asset Management Plan (AMP).	% of floodway and tributary network inspected for condition and maintenance requirements.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	% of programmed maintenance practically completed ⁴ .	100%	100%	100%	100%	100%
	% of capital improvement works in the AMP achieved.	35%	≥ 35%	≥ 35%	≥ 50%	≥ 75%
	Time taken to provide a report to the Assets and Services Committee on the damage to the Floodway network and potential problem areas following significant (generally exceeding a 1:2 year return) flood events - measured in months.	2 months post event	2 months post event	2 months post event	2 months post event	2 months post event
Wairau Plains Provide effective drainage to the lower Wairau plains.	% of drain network inspected at least once for condition and maintenance requirements.	100%	100%	100%	100%	100%
	% of drains weed sprayed.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
	% of drains mechanically cleared.	4%	≥ 4%	≥ 4%	≥ 4%	≥ 4%
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 for condition and maintenance requirements.	100%	100%	100%	100%	100%

⁴ NZS 3910:2003 defines practical completion as when the contract works or any separable portion are complete except for minor omissions and minor defects.

Levels of Service 2021-31: Flood Protection and Control Works

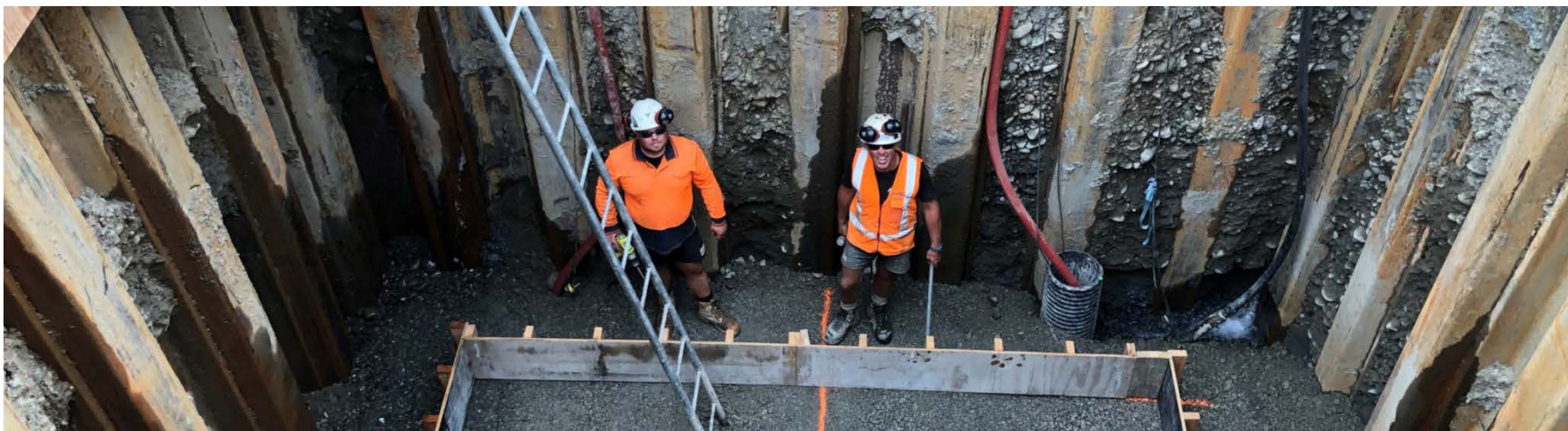
Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
	% of programmed maintenance and renewal works as identified in the AMP practically completed.	100%	100%	100%	100%	100%
Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls.	% of programmed maintenance and renewal works as identified in the AMP practically completed.	100%	100%	100%	100%	100%
	% of capital improvement works in the AMP achieved.	75%	≥ 75%	≥ 75%	≥ 75%	≥ 75%
Provide sound flood hazard advice.	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.	0	0	0	0	0

Funding Impact Statement for LTP 21-31

Flood Protection and Control Works

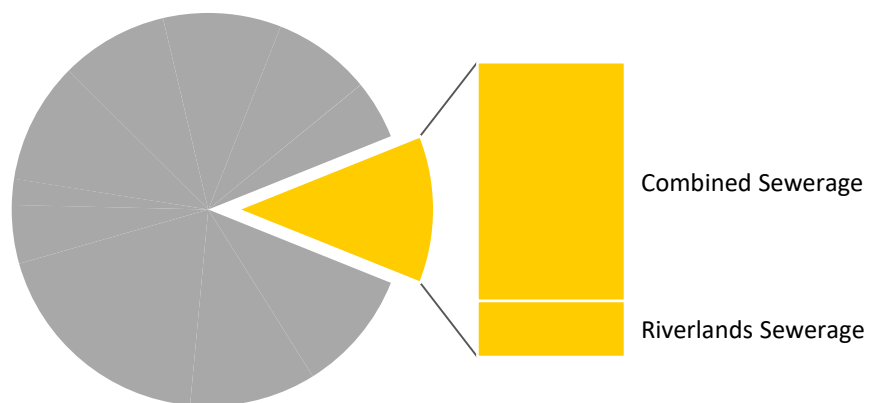
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	292	288	296	305	338	347	355	364	374	381	377
Targeted rates	4,186	4,627	5,012	5,412	5,677	5,991	6,325	6,617	6,929	7,251	7,557
Fees and charges	654	694	718	737	757	779	801	826	854	883	911
Internal charges and overheads recovered	285	325	334	343	351	360	369	378	388	399	359
Fuel tax, fines, infringement fees and other receipts	2,866	3,283	3,388	3,409	3,403	3,434	3,702	3,865	3,908	3,931	3,954
Total sources of operating funding	8,283	9,217	9,749	10,205	10,526	10,912	11,552	12,050	12,454	12,846	13,157
Applications of operating funding											
Payments to staff and suppliers	3,754	3,782	3,913	4,023	4,127	4,240	4,362	4,489	4,631	4,784	4,920
Finance costs	112	169	283	411	479	555	635	676	718	762	795
Internal charges and overheads applied	1,828	1,965	2,043	2,105	2,147	2,207	2,267	2,327	2,394	2,460	2,526
Other operating funding applications	26	27	27	28	29	30	31	32	33	34	35
Total applications of operating funding	5,720	5,942	6,266	6,566	6,782	7,032	7,295	7,523	7,775	8,039	8,276
Surplus (deficit) of operating funding	2,563	3,275	3,482	3,638	3,744	3,880	4,257	4,527	4,679	4,807	4,881
Sources of capital funding											
Subsidies and grants for capital expenditure	-	1,728	660	-	-	-	-	-	-	-	-
Increase (decrease) in debt	843	1,774	3,861	2,451	957	2,750	1,231	740	1,312	828	809
Total sources of capital funding	843	3,502	4,521	2,451	957	2,750	1,231	740	1,312	828	809
Applications of capital funding											
Capital expenditure to meet additional demand	200	70	311	265	218	1,347	231	774	246	445	262
Capital expenditure to improve the level of service	2,195	3,580	5,249	2,750	884	1,280	1,246	1,321	1,071	1,222	722
Capital expenditure to replace existing assets	1,782	1,710	1,172	223	524	1,224	1,269	524	1,108	560	1,142
Increase (decrease) in reserves	(771)	1,417	1,272	2,850	3,075	2,779	2,741	2,648	3,567	3,408	3,564
Total applications of capital funding	3,406	6,777	8,004	6,089	4,701	6,630	5,488	5,267	5,991	5,635	5,690
Surplus (deficit) of capital funding	(2,563)	(3,275)	(3,482)	(3,638)	(3,744)	(3,880)	(4,257)	(4,527)	(4,679)	(4,807)	(4,881)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
River Leases	320	357	366	364	365	369	382	382	383	388	387
Rivers Outside Wairau Floodplain	229	239	245	250	254	259	264	270	276	283	289
Wairau Floodplain Drainage	1,157	1,293	1,427	1,551	1,612	1,662	1,711	1,765	1,817	1,861	1,901
Wairau Floodplain Rivers	3,947	3,955	4,134	4,305	4,448	4,648	4,857	5,044	5,247	5,459	5,704
Capital expenditure											
Rivers Outside Wairau Floodplain	20	20	21	21	22	22	23	24	25	25	26
Wairau Floodplain Drainage	630	1,790	2,826	2,251	33	696	462	1,119	37	344	39
Wairau Floodplain Rivers	3,527	3,550	3,884	966	1,571	3,132	2,262	1,476	2,363	1,858	2,060



Sewerage Including Treatment and Disposal

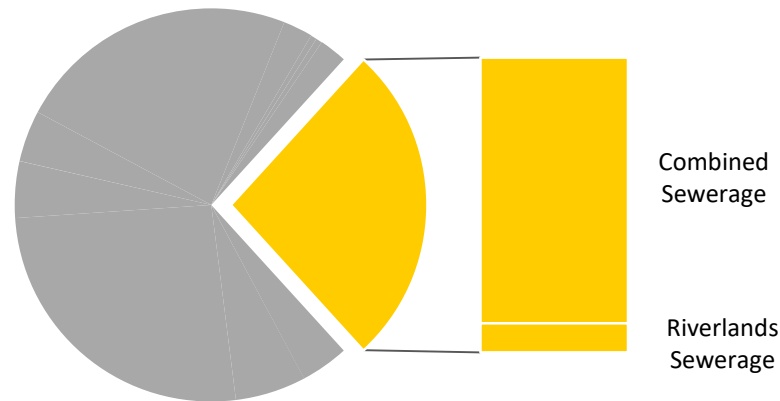
Operating costs

The operating costs for the Sewerage Activity Group represent \$180 million of total Council expenditure.



Capital projects

The capital expenditure for the Sewerage Activity Group represent \$188 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2025-26 domestic sewerage treatment plant upgrades	\$23.6
	2023-24 Battys Rd pump station for growth	\$6.8
	2027-29 Battys road pump station for high flow storage	\$5.4
	2021-29 main terminal pump station improvement and strengthening	\$12.7
	2025-27 reclaimed water reticulation	\$10.6
	2021-28 pipeline renewals - earthquake repair	\$7.8
	2021-25 desludge	\$3.6
	2025-27 provision for Burleigh sewerage	\$2.8
	2021-22 Muller Rd sewer pipe renewal	\$1.2

Picton	2021-28 pipelines renewal due to Kaikoura earthquake	\$1.9
	2021-23 Picton and Waikawa pump station	\$2.4
	2021-31 sewerage pipeline renewals	\$4.3
	2024-25 effluent treatment system	\$3.9
	2026-27 a second aeration basin depends on growth	\$7.7
Riverlands	2025-26 industrial sewerage treatment upgrades	\$10.1
	2026-27 industrial sewerage sludge dewatering and management	\$3.6
Seddon	2021-25 treatment plant upgrades	\$14.9
St Andrews	2023-24 grinder pump system	\$1.0
Havelock	2021-26 new treatment plant	\$10.0
	2029-31 land treatment system	\$7.9

Rationale for the delivery of Sewerage Including Treatment and Disposal Group of Activities

It is mandatory that Sewerage including Treatment and Disposal is an Activity Group.

Changes to Sewerage Including Treatment and Disposal Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended Changes to Levels of Service from the 2020-21 Annual Plan

There are no intended changes to the levels of service within the group from the levels of service displayed in the 2020-21 Annual Plan.

Variation between Long Term Plan and the Assessment of Water and Sanitary Services

There is no significant variation between the adopted assessment of water and sanitary services and this Plan.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, it may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Sewerage Including Treatment and Disposal

What is this Activity about?

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

- the health of communities
- minimisation of adverse environmental effects
- industrial and residential development.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by enabling high-value enterprises such as viticulture and aquaculture to sustainably manage their wastes. These services support sustainable use of resources and expansion of key industries. This Activity also contributes to the Community Outcomes of Environment, Economy and Living as outlined below.

Outcome	Actions
Living	Collecting, treating and disposing of wastewater provides sanitary living conditions and protects public health.
Environment	Minimising damaging discharges to the environment through effective sewage treatment.
Economy	Enabling industry to achieve good effluent management supports a prosperous community and economy for all Marlburians.

What we do and where we do it

Council operates four wastewater schemes in Blenheim, Picton, Havelock and Seddon. The reticulation networks at Blenheim, Renwick, Grovetown, Spring Creek, Riverlands, Cloudy Bay, Marlborough Ridge and Woodbourne drain to the sewage treatment facility at Hardings Road, Blenheim.

The Blenheim plant has evolved over many years. The original oxidation ponds have been augmented with the treatment ponds which formerly served the PPCS meat processing plant. There have been major upgrades to the plant in recent years to meet the rapidly growing discharges from the wine industry. The most recent work was the construction of a major new wetland, tertiary treatment and outfall that will deliver improved effluent quality and facilitate irrigation to land (2015). A new outfall pipeline has been constructed into the Wairau River estuary.

Picton and Waikawa are served by an extended aeration treatment plant which was completed in 1999. The plant performs very well and produces an effluent of consistent high quality. An old outfall pipeline that used to be conspicuous along the shore of Kaipupu Point has been replaced by a new and improved underwater pipe, and the old pipeline has been removed. Traditional oxidation ponds are used to treat effluent in Havelock and Seddon.

Approximately 85% of Marlborough's population is connected to the reticulated wastewater system. Rural locations rely on individual on-site treatment/disposal systems or small community based reticulation and treatment. The initial cost of on-site treatment is often more affordable for small and dispersed settlements but requires suitable ground conditions for soakage of the treated effluent and a commitment to ongoing monitoring and maintenance. Permeable soils, a low residual water table and a reasonably flat topography are good attributes for an efficient on-site treatment system.

There are many areas of Marlborough where on-site sewage disposal occurs in difficult conditions. Failing treatment systems can cause insanitary living conditions and pollution of both local watercourses and groundwater, with subsequent health risks, loss of amenity and ecological deterioration.

A major upgrade of the trunk sewer between Waikawa and Picton commenced in 2017. The final stage of this is planned for 2022. Recent urban growth around Waikawa and infiltration of stormwater into the sewers had caused the existing infrastructure to be over-taxed and sewer overflows were not uncommon. Fixing this problem required renewal of 3.2 km of trunk sewer and three pump stations. A treatment facility to provide partial treatment of a planned sewer overflow during very large storms has been incorporated into the design. A pipe has also been installed parallel to the trunk main to return treated wastewater which can be used for irrigation to land in future. The total cost of the project was approx. \$28M.

Why we provide these services

The levels of service for the wastewater service have been determined by the features of the Activity most valued by our customers.

Environmental Risks — the marine and aquatic environments are important commercial, recreational and cultural environments. Iwi have a deep cultural relationship with the natural environment, and fisheries, aquaculture, tourism, water sports and leisure activities depend on good quality water.

Effluent quality from the treatment plants is strictly controlled by resource consent. Sampling routines have been imposed to check the quality of the outfall discharge of each of the plants and on the shellfish ecology in the vicinity of two of the coastal plants.

Treatment plants can become overloaded by highly concentrated wastewater from intensive trade effluent. Vigilance is required to monitor trade wastes discharging into the networks, particularly to the smaller treatment plants which have less capacity to treat concentrated contaminant loads.

Excessive wastewater volumes can lead to inadequate treatment at the plants, and overflows from the reticulation. Most surcharging in the system occurs when rainwater enters the reticulation through inflow and infiltration during storms. An ongoing programme is in place to identify and remedy sources of leakage into the system. In the event of a sewer overflow the Assets & Services Department advises Council's Regulatory Department, Public Health and major stakeholders. A response plan is immediately implemented and environmental monitoring is undertaken to identify the extent of the contamination and to progress the clean-up.

Reliability and capacity — Blockages and pump breakdowns can cause occasional problems. They need rapid detection and response to prevent wastewater build-up and overflow into the environment. Repeated breakdowns in the system may be of considerable inconvenience to customers who are unable to drain wastewater from their property and may also be an indication to Council of a deteriorating asset or inadequate operational maintenance.

Timely and responsive service — A constant and reliable wastewater service is often taken for granted, however all systems are likely to break down or fail from time to time. The Council operates a 24/7 emergency

breakdown response service to remedy blockages and breakdowns as a matter of urgency.

Sewers may become partially blocked, causing considerable inconvenience and restricting the service as the wastewater slowly drains away. More severely blocked sewers can quickly backup and be at risk of sewage overflows. Many blockages occur on the laterals (the smaller pipes connecting the property to the mains in the road). Customer Services staff are trained to question customers reporting blockages, to try to establish whether the problem is on the customer's pipe within the property or is the Council's responsibility. Service requests are prioritised based on the severity and the number of customers affected, so that repair crews can be effectively dispatched to the most urgent work.

If the Council cannot restore toilet facilities within six hours of notification of a blockage, a temporary toilet or alternative facilities will be arranged.

Sustainable Service — Routine maintenance is important for wastewater systems to ensure assets are clean and functioning correctly, and plant is serviced to prevent premature failure. Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and to avoid accumulating a legacy of decrepit assets. Decisions have to be made on when it is cost-effective to replace failing assets rather than continue to repair them.

Asset description

The following table provides an overview of the extent of Council's sewerage reticulation network.

Area	Sub Area	Pipeline Length (km)	Number of Connections
Blenheim	Blenheim	198.3	9,882
	Renwick	15	833 (Included in Blenheim)
	Spring Creek	3.6	142 (Included in Blenheim)

Area	Sub Area	Pipeline Length (km)	Number of Connections
	Riverlands	11.5	121 (Included in Blenheim)
	Grovetown	17	333 (Included in Blenheim)
Picton		49.7	1,644
Havelock		9.7 (9.9)	293
Seddon		7.3	189
Total		312.1	13,437

There are four treatment plants, which are in Blenheim (Hardings Road), Havelock, Picton and Seddon. (The Spring Creek treatment plant has been decommissioned.) There are 62 sewer pump stations and 203 sewer grinder pumps. The asset base has grown considerably over the last 10 years to meet the growth in wastewater (domestic and industrial) and the higher standards expected by an increasingly environmentally conscious population.

The total asset value for the Sewerage Activity as at 30 June 2020 was \$265.5M million, and it depreciates at around \$3.5M per annum. Detailed information on these assets is provided in the Wastewater Asset Management Plan.

Emerging issues and expected changes

Reasons for the Upcoming Projects

- Completion of the Picton trunk main upgrade will reduce and control overflows.
- Gaining renewal of resource consents for Blenheim, Seddon and Havelock wastewater treatment plants is likely to result in revised consent conditions. These may include a requirement to recycle effluent or discharge it to land. For Blenheim this might require a new ocean outfall.
- The Main Outfall Pump Station (MOPS) at Riverlands requires replacement to provide the necessary hydraulic and seismic performance.
- Increasing treatment capacity at the Blenheim Sewage Treatment Plant (BSTP) is necessary to meet continuing growth in trade waste.
- Infrastructure renewal is necessary across networks due to damage caused by the 2016 earthquakes and as pipelines near the end of their useful life.

Ongoing issues

- The management and control of rainfall derived inflow and groundwater infiltration into the wastewater reticulation.
- Failure of on-site wastewater treatment systems in townships and rural residential areas without municipal sewerage systems.

Levels of Service 2021-31: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Customer Satisfaction 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).	7.7	≥ 7.7	≥ 7.7	≥ 7.7	≥ 7.7
	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 1000 connections to the territorial authority's sewerage system.	8	≤ 8	≤ 8	≤ 8	≤ 8
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 1000 sewerage connections to that sewerage system.	0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4
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 1000 sewerage connections to that sewerage system.	0.5	≤ 0.5	≤ 0.5	≤ 0.5	≤ 0.5
	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.	0	0	0	0	0

Levels of Service 2021-31: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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 (in hours) measured:					
	(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and					
	Blenheim	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Picton	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Riverlands	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Renwick	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Seddon	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Havelock	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 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.	4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	

Funding Impact Statement for LTP 21-31

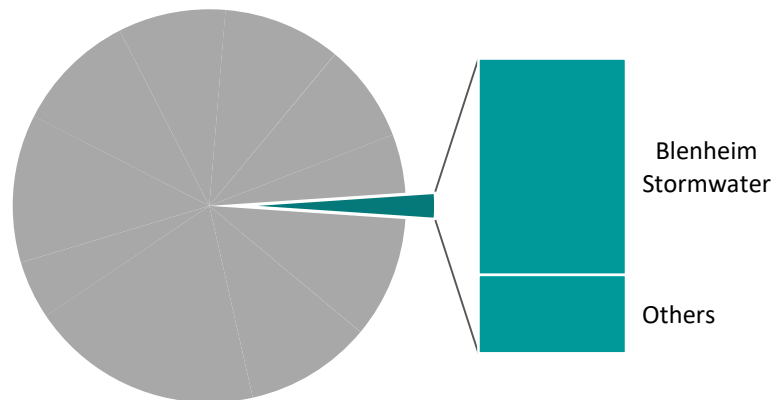
Sewerage	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
Targeted rates	8,289	8,677	9,215	9,925	10,875	11,878	13,114	14,239	15,184	15,976	16,509
Fees and charges	62	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	2,015	2,050	2,160	2,254	2,358	2,468	2,583	2,711	2,803	2,899	2,988
Total sources of operating funding	10,366	10,727	11,374	12,179	13,232	14,346	15,697	16,950	17,987	18,875	19,498
Applications of operating funding											
Payments to staff and suppliers	3,261	3,107	3,335	3,489	3,765	4,156	4,799	5,067	5,167	5,344	5,585
Finance costs	2,068	1,631	1,613	1,749	1,992	2,679	3,724	4,352	4,796	4,961	4,821
Internal charges and overheads applied	3,103	3,387	3,523	3,635	3,709	3,810	3,912	4,019	4,133	4,253	4,364
Total applications of operating funding	8,432	8,124	8,471	8,873	9,466	10,644	12,435	13,438	14,096	14,558	14,771
Surplus (deficit) of operating funding	1,934	2,602	2,904	3,307	3,767	3,702	3,262	3,512	3,891	4,317	4,727
Sources of capital funding											
Subsidies and grants for capital expenditure	360	2,263	-	-	-	-	-	-	-	-	-
Development and financial contributions	570	2,100	2,142	2,185	2,229	2,273	2,319	2,365	2,412	2,460	2,510
Increase (decrease) in debt	7,839	(539)	(411)	7,053	5,033	28,831	22,956	8,190	13,559	(5,410)	(1,757)
Other dedicated capital funding	1,251	1,162	1,469	1,874	1,879	1,885	1,891	1,898	1,905	1,913	1,920
Total sources of capital funding	10,020	4,986	3,200	11,111	9,141	32,989	27,165	12,453	17,877	(1,036)	2,673
Applications of capital funding											
Capital expenditure to meet additional demand	4,915	2,071	1,720	9,355	5,988	8,281	6,453	2,307	11,364	673	1,164
Capital expenditure to improve the level of service	7,106	3,919	5,276	14,430	11,469	29,119	14,263	2,638	4,591	2,060	5,186
Capital expenditure to replace existing assets	6,163	3,590	1,537	5,361	4,868	3,511	10,060	10,395	5,470	282	427
Increase (decrease) in reserves	(6,230)	(1,991)	(2,430)	(14,728)	(9,417)	(4,220)	(348)	625	342	266	624
Total applications of capital funding	11,955	7,588	6,104	14,418	12,907	36,691	30,428	15,965	21,768	3,281	7,400
Surplus (deficit) of capital funding	(1,934)	(2,602)	(2,904)	(3,307)	(3,767)	(3,702)	(3,262)	(3,512)	(3,891)	(4,317)	(4,727)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Combined Sewerage	9,035	9,714	10,274	11,126	12,411	13,807	15,470	16,839	17,934	18,768	19,250
Riverlands Sewerage	2,456	2,319	2,458	2,539	2,585	3,117	3,982	4,164	4,241	4,321	4,392
Capital expenditure											
Combined Sewerage	15,825	7,312	7,339	28,983	22,133	30,581	26,990	15,142	21,225	2,817	6,776
Riverlands Sewerage	2,359	2,267	1,194	164	191	10,330	3,785	198	200	198	-



Stormwater Drainage

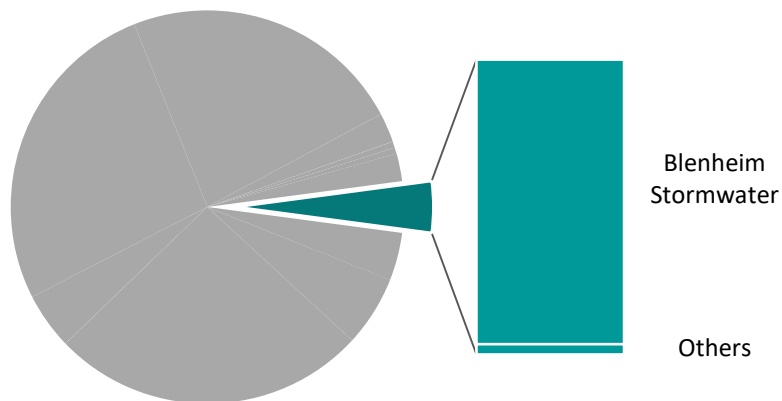
Operating costs

The operating costs for the Stormwater Drainage Activity Group represent \$31 million of total Council expenditure.



Capital projects

The capital expenditure for the Stormwater Drainage Activity Group represent \$30 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2021-24 Murphys Creek Pipeline	\$3.9
	2022-23 Redwood Street from Muller Road to Stephenson Street pipe replacing	\$1.0
	2023-24 Scott, Lewis, to Redwood Street pipelines	\$0.8
	2025-27 Stephenson to Stuart Street pipelines	\$1.1
	2026-28 Graham St - Stephenson - Boys college - Francis Street pipelines	\$2.9
	2021-23 Muller Rd stormwater renewal	\$3.6
	2027-29 Town Branch Drain upgrade	\$12.2

Rationale for the delivery of Stormwater Drainage Group of Activities

It is mandatory that Stormwater Drainage is an Activity Group.

Changes to Stormwater Drainage Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

There are no changes intended to the levels of service within the group from the levels of service displayed in the 2020-21 Annual Plan.

Variation between Long Term Plan and the assessment of Water and Sanitary Services

There is no significant variation between the adopted assessment of water and sanitary services and this Plan.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, it may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: 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:

- minimising the incidence of flooding to protect the community from harm
- minimising damage to properties from flooding
- facilitating commercial and residential development
- protecting the aquatic environment through the management of water quality from urban stormwater run-off
- reducing erosion.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by enhancing quality of life in urban locations and avoiding contamination of natural freshwater environments. It also contributes to the Community Outcomes of Environment, People and Economy as outlined below.

Outcome	Actions
Environment	Controlling stormwater and managing drainage provides major environmental, economic and social benefits. Managing the quality of urban stormwater run-off prevents damage to the natural receiving environment.
People	Safeguarding residents and their property from the risks of stormwater flooding.

Outcome	Actions
Economy	Enabling commercial and industrial activities to be carried out without disruption from flooding.

What we do and where we do it

Stormwater infrastructure is installed in areas where urban development has encroached onto natural drainage pathways. In areas where hard surfaces such as roads and buildings have covered land there is less soakage of rainfall into the ground, and properties need to be protected from stormwater run-off.

Council's Rivers and Land Drainage Department provides flood protection from the main rivers for some rural buildings and land. Where the main rivers and drains pass close to the urban settlements, close liaison is required to ensure stormwater and river management practices are well coordinated. Rural locations frequently rely on natural channels and local experience to avoid flooding of dwellings and outbuildings.

The urban stormwater systems consist of natural components such as swales, channels and ponding areas as well as constructed assets — including inlet sumps, stormwater mains, manholes, pump stations, retention areas, secondary flow paths and soak holes. Over 90% of the stormwater assets in the Marlborough region are located in Picton and Blenheim (see the Asset Description table on the following page).

The local terrain can also determine the role of assets in the system. In Blenheim it is important to drain the flat valley bottom as quickly as possible, while the stormwater assets at the base of the Wither Hills have a role in detaining the water run-off to delay its concentration downstream and avoid flood accumulation on the valley floor. In some areas a degree of surface ponding can be tolerated and is even a desirable design feature. In other areas it is a sign the system is overloaded.

The settlements at Picton/Waikawa lie at the base of a number of steep natural catchments that quickly accumulate and concentrate stormwater into managed watercourses that run through the urban area. This topography poses a different set of challenges for land drainage.

Why we provide these services

Environmental Risks — Council owned stormwater systems must take reasonable care to prevent the conveyance of pollutants into the natural environment. Rainwater falling on urban areas picks up and conveys all sorts of waste materials to watercourses, and can also dissolve harmful substances. Pollution can occur through careless or accidental spillage of harmful materials or by reckless tipping of contaminants into the stormwater system. Council aims to control these risks through education, regulation and the installation of drainage infrastructure which provides a level of environmental protection.

Businesses which are considered to be carrying out high risk activities are required to install interceptors in their drains and to cover impermeable areas from rain. If a pollution event occurs Council will immediately respond to mitigate the effects and investigate the cause.

The quality of discharges from stormwater outfalls is regulated through resource consents. There is a legacy of many old and outdated consents throughout Marlborough. A major project to consolidate, rationalise and update this compliance framework is currently underway through the Blenheim Stormwater Strategy and is likely to be extended to other areas once it has been successfully implemented in Blenheim.

Reliable stormwater system — The efficacy of stormwater drainage can be difficult to assess as it is only required to perform at optimum capacity during relatively rare storm events. Mathematical models are used to model storms and their outcomes.

The outcome of rainfall events is complicated by changing land use patterns and run-off characteristics from the land, weather patterns and the public's changing expectations and living standards.

Provide a timely response — During severe storm events when flooding is predicted the Council will mobilise an Incident Management Centre to coordinate the response to emergency calls. All calls are assessed and prioritised. Those areas where there is a possibility of water entering either houses or commercial buildings are given the highest priority. Second priority is given to areas where there is a possibility of water entering garages or outbuildings, followed by areas where water may pond on garden areas and roads. In the worst storms there may be little that Council can do to manage the flood water as the infrastructure and natural waterways are overloaded. In these circumstances the response is to do whatever is possible to save life and reduce damage to property.

During an emergency event Council maintains a log of customer service requests to help prioritise and track the responses, identify clusters of particular concern and record events for debriefing and planning of future remedial works.

Sustainable stormwater — Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost-effective to continue to repair failing assets and to replace them instead.

Asset description

The table below provides a summary of the scale of stormwater reticulation in each area.

Area	Reticulation length (km)
Blenheim	134.4
Picton/Waikawa	29.5
Renwick	5.5
Okiwi Bay	0.8

Area	Reticulation length (km)
Riverlands	6.8
Spring Creek	3.6
Seddon/Grovetown/Anakiwa	2.4
Rai Valley	0.3
Havelock	2.5
Total	185.8

The total asset value for the Stormwater Drainage Activity at 30 June 2020 was \$140.36M. Depreciation is estimated as \$1.7M per annum. Detailed information on these assets, including information on levels of service performance, is provided in the Stormwater Asset Management Plan.

Urban populations are required to site their building platforms at an elevation that provides them with a level of flood protection whilst the stormwater infrastructure is designed and sized to drain the water to natural or man-made water courses. Buried pipes and open channels are expensive to build and maintain and it is often expedient to use a combination of reticulation and road surfaces as secondary flow paths to divert high rain flows. As a result, customers can become concerned about stormwater flows and ponding on local roads.

The stormwater system is managed in close cooperation with the Rivers and Land Drainage networks. Planning of future stormwater infrastructure must ensure the downstream watercourse has sufficient capacity for the proposed development.

Emerging issues and expected changes

Stormwater strategy

Blenheim's flat topography and sensitive receiving environments provide challenging conditions for stormwater management. Council has approved a stormwater strategy which provides clear direction and an integrated approach to managing Blenheim's stormwater 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, which will involve review and consolidation of existing stormwater discharge consents.

The strategy requires clear lines of responsibility, improved integration, rigorous monitoring and a more modern approach to regulation. It will result in the establishment of effective Stormwater Management Area Plans throughout Blenheim.

Ongoing investment in the objectives of the strategy will result in functional infrastructure, improved customer experience and minimal impact on the natural receiving environments.

The strategy's goals and approach will be extended to other townships over time.

The first of a series of 11 Stormwater Management Areas was granted resource consent in October 2020 for the Springlands catchment. This consent sets out how Council will manage the volume and quality of stormwater discharges to the various waterways within the catchment. The consent also sets out accepted stormwater services for urban growth within the catchment.

Urban growth strategy

Stormwater management is a significant element in planning new urban development pockets as part of the Growing Marlborough Urban Growth Strategy. Early involvement with developers from the outset of the planning process allows structures to manage stormwater quantity and quality to be incorporated into the design of new subdivisions.

Urban growth in Blenheim is largely to the north and west of the town — and it will be important to ensure downstream upgrades are provided in a timely manner. Evaluation and installation of effective stormwater quality control techniques for new subdivisions and retrofit of existing reticulation will also occur.

Climate change

The impact of climate change is likely to become increasingly important in future planning. The current indications are that extreme weather events will become more frequent and more intense. Sea level rise will have implications for the effectiveness of discharge to the sea and from the outfalls of the drainage network. Additional contingencies are being built into new designs but existing infrastructure will be severely tested by changing weather patterns.

The following issues are emerging within this Activity:

- implementation of the Blenheim Stormwater Strategy and extension of strategic goals to other townships
- establishment of effective Stormwater Management Area Plans in Blenheim and other areas.
- review and consolidation of existing stormwater discharge consents.
- urban growth in Blenheim is largely to the north and west of the town – ensuring downstream upgrades are provided in a timely manner.
- ensuring good stormwater design is incorporated into the design of new sub-divisions.
- evaluate and install effective stormwater quality control techniques for new sub-divisions and retro-fit to existing reticulation where required
- adaption to climate change.

Levels of Service 2021-31: Stormwater Drainage

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Customer satisfaction 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	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	1.8	≤ 1.8	≤ 1.8	≤ 1.8	≤ 1.8
System adequacy Provide a reliable stormwater service.	The number of flooding events that occur in a territorial authority district.	Actual number to be reported	Actual number to be reported	Actual number to be reported	Actual number to be reported	Actual number to be reported
	For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system.	2.6	≤ 2.6	≤ 2.6	≤ 2.6	≤ 2.6
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.	0	0	0	0	0
Response times Provide a service that is timely and responsive to customers' needs.	The median* response time (in hours) to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (*The statistical median is the time in which half of calls are responded to in less time and half in more time.)	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour

Funding Impact Statement for LTP 21-31

Stormwater Drainage

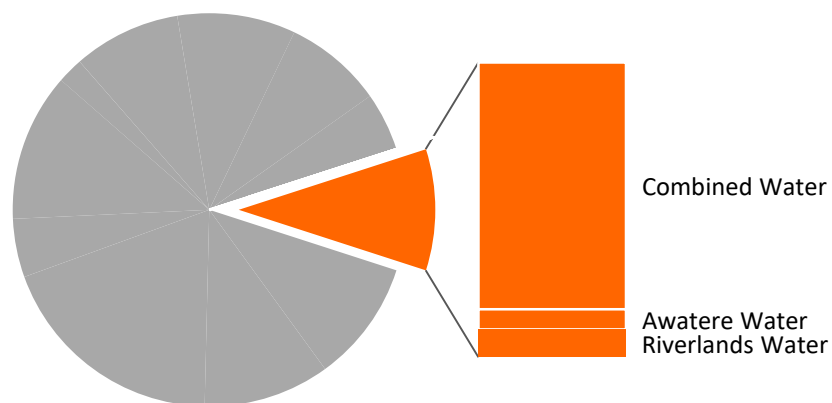
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,071	2,164	2,306	2,428	2,759	2,862	2,994	3,270	3,764	4,114	4,241
Fees and charges	51	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	166	305	317	313	100	90	85	88	96	99	98
Total sources of operating funding	2,287	2,469	2,623	2,742	2,859	2,952	3,079	3,358	3,860	4,213	4,339
Applications of operating funding											
Payments to staff and suppliers	156	310	320	323	348	336	345	356	368	381	393
Finance costs	9	6	5	4	2	1	0	78	277	390	375
Internal charges and overheads applied	359	390	406	419	427	439	451	463	476	490	503
Total applications of operating funding	524	707	731	746	778	776	796	898	1,121	1,260	1,271
Surplus (deficit) of operating funding	1,763	1,762	1,892	1,996	2,081	2,176	2,282	2,460	2,738	2,953	3,068
Sources of capital funding											
Subsidies and grants for capital expenditure	40	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	25	876	893	911	929	948	967	986	1,006	1,026	1,046
Increase (decrease) in debt	(32)	(34)	(35)	(36)	(36)	(23)	(5)	3,847	5,978	(351)	(365)
Other dedicated capital funding	525	251	260	267	274	282	290	299	309	319	329
Total sources of capital funding	558	1,093	1,118	1,141	1,167	1,206	1,251	5,131	7,293	994	1,011
Applications of capital funding											
Capital expenditure to meet additional demand	526	706	462	2,162	274	282	290	6,310	6,524	319	329
Capital expenditure to improve the level of service	270	515	160	1,074	55	584	600	24	25	25	26
Capital expenditure to replace existing assets	1,636	1,993	3,126	392	457	28	1,234	1,868	23	24	25
Increase (decrease) in reserves	(110)	(358)	(738)	(491)	2,462	2,489	1,410	(610)	3,459	3,578	3,699
Total applications of capital funding	2,322	2,855	3,010	3,137	3,247	3,382	3,533	7,591	10,031	3,947	4,079
Surplus (deficit) of capital funding	(1,763)	(1,762)	(1,892)	(1,996)	(2,081)	(2,176)	(2,282)	(2,460)	(2,738)	(2,953)	(3,068)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Blenheim Stormwater	1,256	1,764	1,885	1,978	2,056	2,139	2,235	2,416	2,713	2,917	2,994
Other Stormwater Schemes	615	705	738	764	803	812	844	877	911	945	980
Capital expenditure											
Blenheim Stormwater	2,382	2,814	3,665	3,543	698	831	2,066	8,142	6,510	305	315
Other Stormwater Schemes	50	400	83	85	87	62	58	60	62	64	66



Water Supply

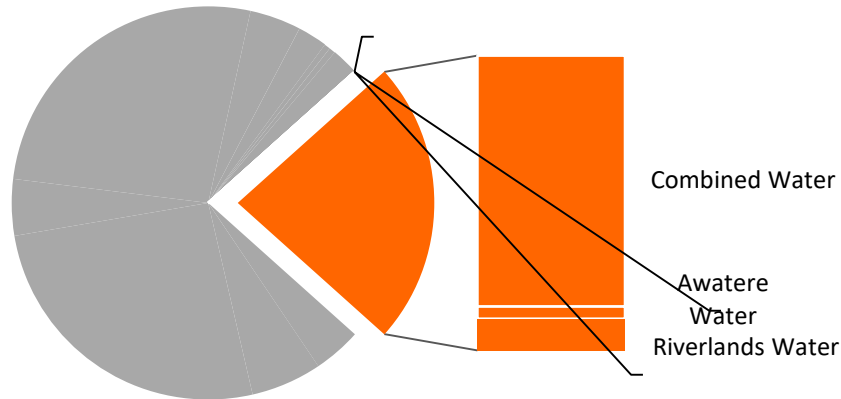
Operating costs

The operating costs for the Water Supply Activity Group represent \$147 million of total Council expenditure.



Capital projects

Capital expenditure for the Water Supply Activity Group represent \$165 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2029-30 universal water metering	\$13.5
	2026-28 Wither road booster station replacement	\$1.9
	2021-27 new wells, pipelines, distribution pump station and treatment plant for the north of Blenheim	\$23.1
Havelock	2021-24 new treatment plant.	\$7.7
	2029-30 new water source including pipelines and treatment plant	\$16.0
Picton	2021-23 government funded pipelines for Speeds Road	\$4.2
	2024-25 Essons Valley re-line the cast iron pipelines	\$1.3
	2021-24 Speeds Road additional wells and treatment plant	\$6.5
	2030-31 new water source including pipelines and treatment plant	\$25.3

Areas	Major Capital Projects	Inflated value (Millions)
	2021-24 universal water metering	\$2.2
	2021-23 treatment plant at Essons Barnes.	\$2.3
Renwick	2021-22 new treatment plant	\$5.5
	2021-31 new pipelines and connections to the bores in Conders Bend Road	\$1.1
	2021-22 pipelines renewals	\$1.0
Awatere	2022-24 entry treatment for rural households not served by the Seddon water treatment plant	\$1.6
	2021-23 The Lions Back reservoirs	\$1.2
Seddon	2021-22 pipeline and treatment plant upgrades	\$0.5
Riverlands	2021-24 new treatment plant to meet the Drinking Water Standards	\$17.7
Wairau Valley	2021-24 township water treatment upgrade and supply extension	\$1.2

Rationale for the delivery of Water Supply Group of Activities

It is mandatory that Water Supply is an Activity Group.

Changes to Water Supply Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

Council is planning to add chlorination to the Blenheim water supply in compliance with proposed changes to the Drinking water supplies regulation amendments being introduced throughout NZ in response to the Havelock North water supply contamination event. There are no intended changes to the levels of service within the group for other supplies from the levels of service displayed in the 2020-21 Annual Plan.

Variation between Long Term Plan and the Assessment of Water and Sanitary Services

There is no significant variation between the adopted assessment of water and sanitary services and this Plan.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, it may involve the potential for public health and environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Water Supply

What is this Activity about?

Council drinking water supplies are necessary so that communities can receive an adequate supply of potable (drinking) water which cost-effectively contributes to:

- the health of the community
- minimisation of adverse environmental effects
- community safety through providing firefighting capability from the water supply system
- industrial and residential development.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by providing high quality, safe water to the community and to support high-value enterprises. It also contributes to the Community Outcomes of Environment, Economy and Living as outlined below.

Outcome	Actions
Environment	Providing efficient water reticulation helps ensure a scarce resource can be sustainably managed.
Economy	Providing good quality drinking water is critical to the health of the community and is essential for much of Marlborough's economy. It is also a key factor in housing development.
Living	Ensuring there is sufficient water available to fight fires contributes to community safety.

What we do and where we do it

Council operates seven drinking water supply schemes in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere/Seddon. Council also operates a piped irrigation scheme for the Southern Valleys area (see Regional Development Activity Group) of the Wairau Plains and provides a small irrigation supply to the Riverlands area. Providing a reticulated irrigation supply enables a wider range of land uses, and contributes to the economic well-being of the community.

Around 82% of the Marlborough population has access to the Council's reticulated water supplies. Underground water reticulation systems are expensive to install and maintain, so are only cost-effective with a certain level of population density. For example, the Awatere (Black Birch) water supply scheme was initiated as a rural water scheme, predominantly to provide water for stock. It has a similar length of reticulation as Blenheim but only 7% of the population. Funding upgrades (particularly to meet the New Zealand Drinking Water Standards and depreciation) has been a challenge but this has been partially resolved by the introduction of the Combined Water Scheme Charges Policy in 2017.

Many of the smaller Marlborough settlements rely on individual private bores, springs, surface water abstraction, rainwater harvesting, or are part of a small community-run scheme.

Drinking Water	Source	Reticulation Length (kms)	Service connections	Current Treatment	Current Compliance with DWSNZ6F
Awatere Rural	Black Birch Stream	155	523	MIOX (chlorine) disinfection complies with the bacteriological section of the NZ Drinking Water Standards.	No ⁵
Seddon	Black Birch Stream	12	293	Membrane filtration, Advanced Oxidation, pH correction and chlorination.	Yes
Blenheim	Grove Road (4), Bomford Street, Auckland Street, and Middle Renwick Road bores (3)	275	11373	pH correction, UV disinfection at Middle Renwick Road and Central Water Treatment Plant.	Yes
Picton	Speeds Road bores(3) Barnes Dam (river)	78	2237	Filtration, UV, chlorination and pH correction.	Yes
Havelock	Kaituna bores (2)	12	355	Chlorination	No ⁶
Renwick	Terrace Road bores (3)	24	954	Chlorination	No ⁹
Riverlands	Malthouse Rd	12	145	-	No ⁷
Wairau Valley	Bore	3.9	64	Chlorination	No ⁹

⁵ A Ministry of Health subsidy of \$1M helped fund a treatment plant for Seddon. Construction commenced in early 2018.

⁶ Havelock and Renwick compliance was required by 2014. Wairau Valley compliance was required by 2015 but has been delayed. Affordability issues have been overcome with the amalgamation of funding for Council water schemes. Upgrades to affected water treatment plants are planned to be complete in 2023.

⁷ Compliance for the Riverlands water supply has been reliant on groundwater security however this means of compliance has been removed from the DWSNZ. A new source and treatment plant are planned to be completed in 2023 to provide a compliant water supply.

Why we provide these services

Water quality — Possibly the greatest threat to public health is the microbiological infection of the drinking water supply. Since the introduction of the Health (Amendment) Act 2007 water suppliers have been required to plan to meet the Drinking Water Standards for New Zealand (DWSNZ). Compliance is phased over a number of years depending on the population each scheme serves. The target dates in the Act have not been met in Marlborough, but the design, consultation and funding challenges have now been resolved and the required changes are planned or underway. Major upgrades to the treatment plants serving Blenheim, Picton and Seddon were completed in 2012, 2017 and 2019 respectively and the standards are now being met in these areas.

The DWSNZ requirements are very detailed, and include bacteriological, protozoal, chemical, radiological and physical parameters. A thorough sampling regime for the source water, treatment plant and the distribution network is also required under the standard.

The detection of E.coli bacteria is a reliable and readily detected indicator of bacteriological contamination. E.coli is a bacteria found in the gut of all warm blooded animals. Scrupulous sampling techniques are required to ensure representative samples are collected from the treatment plants and the distribution network. Council takes more than 2,500 water samples every year to monitor the water quality. Early detection of E.coli immediately triggers an investigative sampling programme of the area of supply to verify the initial result and the extent of the contamination. If contamination is confirmed, an emergency disinfection and flushing programme is initiated to clear the supply, and an advisory 'Boil Water Notice' is issued to all affected customers. The procedures are maintained until three consecutive days of negative samples indicate the problem has been resolved.

Construction of a water treatment plant for Seddon was completed in 2019. Plans are progressing with the design of upgrades to the Havelock, Renwick, Riverlands and Wairau Valley water treatment plants. Properties in Rural Awatere are likely to be fitted with small treatment devices at the point of entry of each household.

In August 2016 the public drinking water supply in Havelock North was contaminated by sheep faeces entering the underground aquifer. Gastroenteritis affected over 5,000 people. There were three deaths directly related to the contamination as well as many severe and enduring illnesses. The public inquiry into the contamination reported in December 2017. The recommendations from the Inquiry that may impact the operation of this activity include the establishment of an independent drinking water regulator (Tamata Arowai) with consolidated powers, and the abolition of 'secure bore supply' status from the DWSNZ. Increased monitoring and training for operatives and the chlorination of all supplies is also recommended. The government response to the recommendations is to be finalised and introduced through the first half of 2021.

Flow and pressure — Customers value an unlimited supply of water at a desirable pressure for showers, domestic irrigation and multiple household uses. The NZ Fire Service Firefighting Water Supplies Code of Practice also recommends minimum flows and pressures from hydrants to facilitate firefighting. The pressure of the delivered water decreases as demand increases. Pumps and pipes are therefore sized to deliver the minimum levels on peak demand days. Due to either recent rapid growth or a legacy of undersized pipework, there are small areas in Blenheim, Picton, Renwick and Havelock in which the water supply does not meet the minimum standard during the peak days of summer. Pipe upgrades will be required to alleviate these occasional problems. Achievement of the minimum pressures can be monitored through advanced mathematical models of the distribution network. The Awatere/Seddon and Wairau Valley networks were not designed to meet the Firefighting Code and are not included in this metric.

High pressure can also be problematic on the steep hills around Picton and Havelock. In order to achieve the minimum pressure at the top of the hills the properties at the bottom of the valley would receive high pressure water. This can cause problems with domestic plumbing, increased leakage and wear and tear on fittings. Pressure zone management is one of the options to be considered in order to manage water demand.

Continuity and reliability — A constant and reliable water supply is often taken for granted, however all systems are likely to break down or fail from time to time. The Council cannot guarantee a 24/7 water supply but does endeavour to remedy faults as quickly as possible. All requests for service are prioritised based on the severity and impact.

Customers occasionally suffer from leaks inside their property and rely on the Council to turn off the water. The Council does not routinely maintain toilets and cannot guarantee their serviceability. Customers should have a control valve fitted at the point of entry into the property for such emergencies, however Council makes best endeavours to assist when such calls are received.

Sustainable asset management — Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion to avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost-effective to repair failing assets and to replace them instead. The decision-making process is influenced by the need for additional capacity, higher quality or greater security.

In 2016 the Council adopted national performance measures which included an assessment of the amount of water used by customers and the level of leakage from the supply. Customer consumption and leakage have both been estimated as relatively high in most networks. High quality source waters have been relatively cheap to treat and hot sunny weather encourages high domestic irrigation. Some areas, notably Renwick and Havelock, are facing high costs to develop new water sources as demand begins to outstrip the capacity of the existing supply. Water demand management techniques such as universal metering of all properties, and active leak detection programmes are being implemented to help suppress demand and delay the need for expensive new infrastructure.

Asset description

The asset base has grown considerably over the last 10 years partly to meet the growth in demand (domestic and industrial) and more recently

through the addition of water treatment plants to meet the drinking water standards required by the Health (Drinking Water) Amendment Act 2007. The total value of the assets on 30 June 2020 was assessed at \$230 million and is depreciating at a rate of more than \$3.6 million/year.

Emerging issues and expected changes

Compliance with the DWSNZ

Compliance with the DWSNZ continues to require significant capital expenditure. The affordability issues for smaller communities (Awatere, Renwick, Wairau Valley, and Havelock) have largely been resolved with the adoption of the Combined Water Schemes Charging Policy in 2017. Upgrades to treatment plants to meet the DWSNZ have been delayed beyond the target dates in the Health Amendment Act (2007). The Seddon Water Treatment Plant was completed in 2019. A new reservoir was completed for Renwick in 2020 providing a threefold increase in storage capacity. Upgrading of the water treatment plant is planned to be completed in 2022.

An upgrade of the Havelock water treatment plant is being designed with construction planned to be completed in 2023/24.

An upgrade of the Wairau Valley water treatment plant is being designed with construction planned to be completed in 2022/23. A new water treatment plant is being designed for the Riverlands water supply. Construction is planned to be completed in 2023/24. When these water treatment plant upgrades are complete all Council water supplies will be compliant with the DWSNZ.

Havelock North drinking-water contamination inquiry

The recommendations of the Havelock North Drinking-Water Contamination Inquiry will have far reaching consequences for water suppliers. The government's response to the recommendations has not been confirmed to date but is likely to include the revocation of 'secure bore' status (affecting the Riverlands supply), chlorination of all supplies, more training and accreditation of staff, and more monitoring of water quality. Currently there are two supplies that do not have chlorination,

Blenheim and Riverlands. Plans are being prepared to chlorinate these supplies if chlorination becomes mandatory. Tamata Arowai is to release revised Drinking water standards for consultation early in 2021.

Renewal of infrastructure

Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life, particularly for older networks such as the Awatere and for asbestos cement piping across all networks.

Demand management

Growth in demand for water in Renwick and Havelock has caused supply capacity issues. Residents agreed to fit water meters to all properties to help suppress peak demand and delay the need for investment in new water sources. The installation of water meters across these two networks was completed in 2020. Charging for water used is to commence from July 2021. Other demand management techniques such as pressure zone management and leakage control are being implemented where practicable.

Traditionally many people in New Zealand have regarded water as an unlimited resource and for many it is a commodity purchased at such a low cost it is virtually free. The water supply for residents in all areas except Awatere, Wairau Valley, Renwick and Havelock is unmeasured and generally unrestricted. It is supplied at a pressure to meet every reasonable domestic need. It also provides a primary source of water in urban areas for firefighting.

Daily water consumption in Blenheim is around 600 litres per person per day as an average throughout the year, but on peak days during the summer consumption is more than double the average. The demand in other settlements is similar to Blenheim. The summer peak is almost entirely due to irrigation of domestic gardens and other leisure uses (this compares with the city of Melbourne for example, which has been actively encouraging water conservation and achieved a daily average domestic consumption in 2010–11 of 140 litres/person).

Many of the costs associated with water supply are 'fixed' and are incurred irrespective of the volumes pumped. A small proportion of operational costs such as power and chemicals are related to the volume of water pumped into the supply. However, savings can be achieved by delaying the need for major capital upgrades to meet increased demand for water. A particularly relevant example of this is the current position of the Havelock water supply. During periods of peak summer demand elevated levels of chloride can be detected in the supply bores, indicating the demand is outstripping the supply capacity of the bores. The nearest reliable source of water is in the Pelorus Valley. A pipeline from the new source would cost an estimated \$5.6M.

In the past the Council has adopted a 'passive' leak detection policy. Leaks were not actively identified, but service crews would respond to leaks reported by customers and those detected by the reticulation monitoring systems. More recently the Council has also instigated an 'active' leakage programme in Renwick, Seddon, Picton, Wairau Valley and Havelock. Specialist contractors are employed to search for and locate leaks in underground pipes that are not obvious from the surface. These projects have helped to reduce the volume of unaccounted for water but are relatively costly because of the specialist equipment and skills required. Crews attend to all reported and detected leaks within a given timeframe, depending on an assessment of how serious the leak is. We aim to attend major leaks in 30 minutes, serious leaks within 60 minutes and respond to all reported leaks within three working days, with a median response time of 13 hours.

Considerable care is required to ensure active leak detection projects return good value for money. It is likely these techniques will be used more in future along with other demand management techniques such as pressure control, district leakage management, public education and voluntary restraint measures. Water demand management is a particularly important technique in areas where the water sources are limited in times of high demand.

Firefighting capacity in some industrial/commercial areas is lower than the capacity sought by the New Zealand Fire Service (NZFS). Upgrades to the reticulation have been programmed over the next 10 years.

Levels of Service 2021-31: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Customer satisfaction 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).	8	≥ 8	≥ 8	≥ 8	≥ 8
	The total number of complaints received by the local authority about any of the following:					
	(a) drinking water clarity	1.10	≤ 1.10	≤ 1.10	≤ 1.10	≤ 1.10
	(b) drinking water taste	1.90	≤ 1.90	≤ 1.90	≤ 1.90	≤ 1.90
	(c) drinking water odour	0.65	≤ 0.65	≤ 0.65	≤ 0.65	≤ 0.65
	(d) drinking water pressure or flow	1.50	≤ 1.50	≤ 1.50	≤ 1.50	≤ 1.50
	(e) continuity of supply	1.30	≤ 1.30	≤ 1.30	≤ 1.30	≤ 1.30
(f) the local authority's response to any of these issues	0.65	≤ 0.65	≤ 0.65	≤ 0.65	≤ 0.65	
Expressed per 1000 connections to the local authority's networked reticulation system ⁸ .						
Safety of drinking water Provide a level of water quality that meets 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	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	Picton	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	Havelock	a)Y b)N	a)Y b)N	a)Y b)N	a)Y b)N	a)Y b)Y
	Renwick	a)Y b)N	a)Y b)N	a)Y b)N	a)Y b)Y	a)Y b)Y

⁸ 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 2021-31: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
	Riverlands	a)Y b)N	a)Y b)N	a)Y b)N	a)Y b)Y	a)Y b)Y
	Awatere - Rural	a)N b)N	a)N b)N	a)N b)N	a)N b)N	a)Y b)Y
	Seddon	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	Wairau Valley	a)N b)N	a)N b)N	a)N b)N	a)Y b)Y	a)N b)N
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system ⁹ .					
	Blenheim	37%	≤ 37%	≤ 37%	≤ 37%	≤ 37%
	Picton	28%	≤ 28%	≤ 28%	≤ 28%	≤ 28%
	Havelock	28%	≤ 28%	≤ 28%	≤ 28%	≤ 28%
	Renwick	28%	≤ 28%	≤ 28%	≤ 28%	≤ 28%
	Awatere	15%	≤ 15%	≤ 15%	≤ 15%	≤ 15%
	Wairau Valley	15%	≤ 15%	≤ 15%	≤ 15%	≤ 15%
Fault response times Provide a service that is timely and responsive to customers' needs	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:					

⁹ 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 2021-31: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
(The target figures are the 'median' time ie half of all call-outs will be responded to/resolved in less time, half will be greater)	(a) attendance for urgent call-outs (in hours): from the time that the local authority receives notification to the time that service personnel reach the site, and					
	Blenheim	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Picton	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Riverlands	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Renwick	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Awatere	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Havelock	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Wairau Valley	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
(b) resolution of urgent call-outs (in hours): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.		4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours
	(c) attendance for non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel reach the site, and	3 working days	≤ 3 working days	≤ 3 working days	≤ 3 working days	≤ 3 working days
(d) resolution of non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.		10 working days	≤ 10 working days	≤ 10 working days	≤ 10 working days	≤ 10 working days
Demand management Provide a reliable water supply service	The average consumption (in litres) of drinking water per day per resident within the territorial authority district.	750 litres	≤ 750 litres	≤ 730 litres	≤ 710 litres	≤ 700 litres

Funding Impact Statement for LTP 21-31

Water Supply

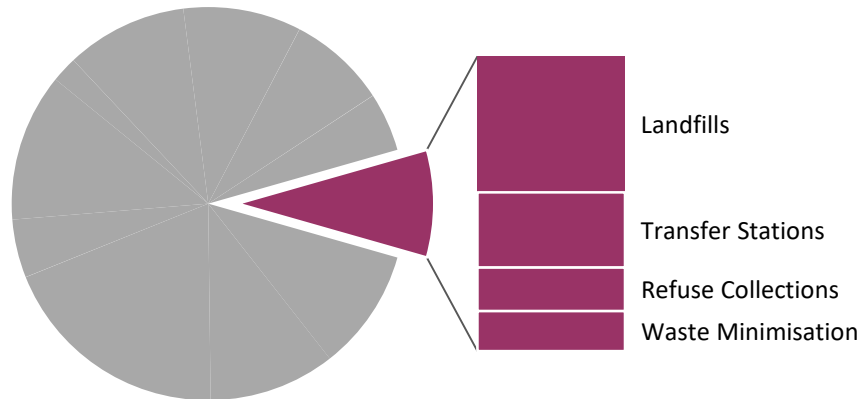
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
Targeted rates	9,005	10,175	11,149	11,864	12,418	13,053	13,792	14,675	15,135	16,135	17,423
Fees and charges	163	91	94	96	99	102	104	108	111	115	119
Internal charges and overheads recovered	94	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding	9,262	10,266	11,243	11,960	12,517	13,154	13,896	14,783	15,246	16,250	17,541
Applications of operating funding											
Payments to staff and suppliers	3,024	3,901	4,341	4,493	4,697	4,856	5,188	5,369	5,551	5,741	5,918
Finance costs	957	893	1,141	1,459	1,693	1,824	2,069	2,361	2,414	2,903	3,850
Internal charges and overheads applied	1,848	1,808	1,881	1,941	1,981	2,033	2,087	2,145	2,205	2,269	2,328
Other operating funding applications	33	59	61	60	60	61	62	64	67	69	71
Total applications of operating funding	5,863	6,661	7,425	7,954	8,431	8,775	9,407	9,940	10,237	10,983	12,167
Surplus (deficit) of operating funding	3,399	3,605	3,818	4,006	4,086	4,379	4,489	4,843	5,010	5,268	5,374
Sources of capital funding											
Subsidies and grants for capital expenditure	240	1,321	-	-	-	-	-	-	-	-	-
Development and financial contributions	285	878	895	912	930	948	966	985	1,004	1,024	1,044
Increase (decrease) in debt	113	2,990	9,250	6,463	5,057	1,380	10,591	3,831	(1,275)	25,583	21,495
Other dedicated capital funding	325	313	324	332	342	351	361	373	385	398	411
Total sources of capital funding	963	5,501	10,469	7,707	6,328	2,679	11,918	5,189	114	27,005	22,950
Applications of capital funding											
Capital expenditure to meet additional demand	700	1,548	1,209	383	4,066	2,382	3,518	2,051	1,242	8,068	18,607
Capital expenditure to improve the level of service	4,085	6,135	13,560	15,092	10,226	6,025	11,819	4,585	1,626	18,664	194
Capital expenditure to replace existing assets	777	2,939	3,488	235	4,200	1,804	5,123	2,017	961	4,512	8,556
Increase (decrease) in reserves	(1,200)	(1,516)	(3,971)	(3,997)	(8,078)	(3,153)	(4,053)	1,380	1,294	1,029	967
Total applications of capital funding	4,363	9,106	14,287	11,713	10,414	7,058	16,407	10,032	5,124	32,272	28,324
Surplus (deficit) of capital funding	(3,399)	(3,605)	(3,818)	(4,006)	(4,086)	(4,379)	(4,489)	(4,843)	(5,010)	(5,268)	(5,374)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Awatere Water	899	866	906	983	1,128	1,120	965	986	1,019	1,055	1,088
Combined Water	7,875	9,120	9,787	10,199	10,850	11,527	12,582	13,517	13,875	15,037	16,757
Riverlands Water	407	497	1,005	1,467	1,552	1,551	1,548	1,546	1,545	1,544	1,540
Capital expenditure											
Awatere Water	1,703	1,104	1,592	2,489	522	530	211	9	9	279	9
Combined Water	2,480	5,380	7,480	8,873	17,969	9,680	20,248	8,642	3,819	30,963	27,346
Riverlands Water	1,380	4,137	9,185	4,347	1	1	1	1	1	1	1



Solid Waste Management

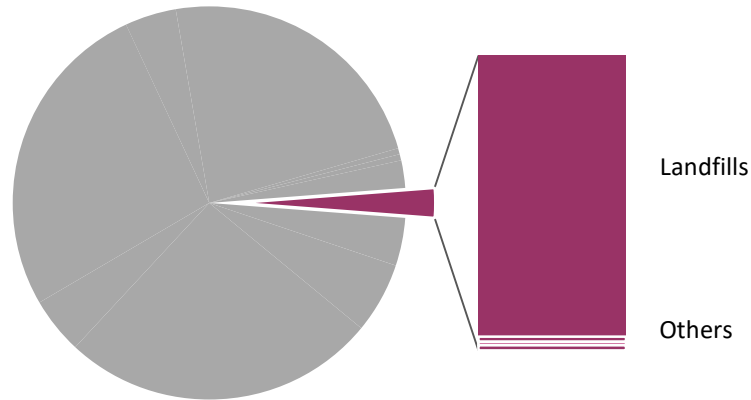
Operating costs

The operating costs for the Solid Waste Management Activity Group represent \$130 million of total Council expenditure.



Capital projects

Capital expenditure for the Solid Waste Management Activity Group represent \$17 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2021-31 Bluegums development	\$16.4
	2021-22 weighbridge system for both Greenwaste and resource recovery centre	\$0.6

Rationale for the delivery of Solid Waste Management Group of Activities

Solid Waste Management comprises of the full range of activities to manage solid waste, and is of sufficient size to be an Activity Group.

Changes to Solid Waste Management Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

There are no intended changes to the levels of service within the Group from the levels of service displayed in the 2020-21 Annual Plan.

Variation between Long Term Plan and the Waste Management and Minimisation Plan (WMMP)

The draft WMMP 2021-27 is out for consultation at the time of writing this Plan. Funding for the proposals contained within the draft WMMP 2021-27 are not included in this Statement of Proposal.

Once the draft WMMP2021-27 is adopted there will be a three year investigative phase funded from existing budgets. Annual and Long Term Plans will be updated as the options outlined in the Draft WMMP 2021-27 are investigated, costed and where applicable subsequently adopted.

There is no variation between the 2021-31 Long Term Plan and the draft WMMP 2021-27.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, it may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Solid Waste Management

What is this Activity about?

Marlborough District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner, reducing any potential environmental impact and protecting public health. Council is the main source of waste management infrastructure for the district, providing a network of: six transfer stations, a central landfill, waste sorting centre, resource recovery centre, reuse centre, e-waste collection facility, hazardous waste centre, repurposing centre, rural community recycling stations and salvage yard. These sites are all operated under contract to Council.

These facilities are designed and operated to ensure the minimum impact on people's amenity and the environment. By promoting the reduction, reuse and recycling of waste we will reduce our reliance on landfill for disposal and also have the ability to influence the direction of our waste management and minimisation planning. Council also collects refuse and recyclables from the kerbside in Blenheim and Picton through a contract.

The waste situation

The landfill receives up to 70,000 tonnes of waste each year. The resource recovery centre diverts up to 5,000 tonnes of recycling (card/paper, plastics, cans and glass). The waste sorting centre diverts up to 1,000 tonnes of transfer waste (card/paper, plastics, GIB, glass, metal, rubble, tyres and wood). The compost site diverts up to 18,000 cubic metres (3,000 tonnes) of greenwaste. The hazardous waste centre processes up to 75 tonnes of domestic and commercial materials.

The transfer stations and the resource recovery centre provide the opportunity for source segregation of recyclables by the public. The waste sorting centre in Blenheim provides an opportunity to separate transfer waste, and to divert suitable materials for reuse, recycling or recovery. The greenwaste facility provides an opportunity to divert garden waste away from landfill by composting – with the exception of grass clippings which are sent to landfill for disposal as they contain

traces of herbicides. (These Clopyralid herbicides are persistent and are not broken down during composting.)

The Bluegums landfill site is an engineered containment facility for depositing of waste residues. Based on the current level of waste disposal the site will be filled by 2054.

Hazardous waste materials such as batteries, oils, paints, and solvents can be dropped at each of the transfer stations and the recently refurbished hazardous waste and repurposing centre. These materials are then collected and returned to a storage facility adjacent to the Blenheim transfer station, pending onward movement for disposal or recycling.

The district has a number of cleanfill sites for the disposal of materials such as brick, concrete, rubble and non-contaminated soils. In addition the district has a number of scrap yards for the receipt of ferrous and non-ferrous metals as well as scrap vehicles. These sites are operated by private contractors.

Waste levy

The Waste Minimisation Act 2008 introduced a waste levy for all disposal sites, the current rate is \$10 per tonne for waste sent to the landfill and the collection of this charge is administered by the Ministry for the Environment. This charge is paid for by the depositor of the waste who could be a private contractor, business or the Council on behalf of ratepayers. The effectiveness of the waste disposal levy is reviewed by the Ministry every three years, the latest review took place in 2020 with a recommendation to expand and increase the levy as set out in the following table.

Landfill Class	1-Jul-21	1-Jul-22	1-Jul-23	1-Jul-24
Municipal landfill (class 1)	\$20	\$30	\$50	\$60
Construction and demolition fill (class 2)		\$20	\$20	\$30

Landfill Class	1-Jul-21	1-Jul-22	1-Jul-23	1-Jul-24
Managed fill (class 3)			\$10	\$10
Controlled fill (class 4)			\$10	\$10

The Bluegums Landfill in Marlborough is a class 1 site; other private sector operators operate class 3 and class 4 facilities.

The Bluegums Landfill in Marlborough is a class 1 site; other private sector operators operate class 3 and class 4 facilities.

Emissions Trading Scheme (ETS)

The landfill generates and emits gas as a by-product of waste decomposition. Under the Climate Change Regulations (2002) the emissions are subject to a surrender obligation where carbon credits are traded against the tonnage of emissions. The landfill has a flare and associated collection system which burns the gas on site. The efficiency of this system along with management of the proportion of biodegradable material within the incoming waste has been assessed and is used to allow the site to define its Unique Emissions Factor (UEF). This UEF has allowed the site to reduce its liability for carbon credits from a default of around 83,000 tonnes to circa 34,000 tonnes. The current carbon price locked into Council budgets currently sits at \$23.45 per tonne. Council forward buys carbon units to allow for budgeting. The next purchasing round occurred in April 2021 at \$37.75/unit. The current spot price for carbon is just over \$40 per tonne. Any increase in carbon pricing is transferred to the landfill gate fee.

Additional upgrades to the landfill gas system will see an improved efficiency in extraction. Future uses of this gas as a fuel continue to be explored - the challenge is in developing a consistent flow of gas. Consideration is also being given to supplying landfill gas to the Wairau Hospital as a fuel.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by enabling the community, including industries, to take a progressive approach to waste management and to contribute to a healthy natural environment. It also contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Enabling communities to be involved with Council projects that impact on them, such as infrastructure development and regulatory issues.
Environment	Promoting effective and efficient waste management systems across the district.
People	Protecting public health and reducing environmental impacts from waste.
Economy	Providing key infrastructure for waste and recycling services to support our economy.
Connectivity	Providing effective and accessible reuse and recycling facilities that encourage and improve waste diversion.
Living	Planning for and investing in infrastructure to provide for the social and economic well-being and the health and safety of Marlborough's communities.

Asset description

The Council's principal assets supporting this Activity are the regional landfill facility, the network of transfer stations, waste sorting centre, hazardous waste and repurposing centre, rural community recycling bins, and the resource recovery centre/re-use shop facility.

Emerging issues and expected changes

Waste Management and Minimisation Plan

As the territorial authority for the Marlborough District the Council is required to develop, adopt, maintain and review a waste management and minimisation plan (WMMP). This document was reviewed and updated in 2020. The current draft WMMP 2021-27 is out for consultation and should be adopted by June 2021, it contains the following targets:

Target	Comment
1	Investigate beneficial use of landfill gas by December 2021.
2	Investigate a regional solution for organic material including green, animal and food wastes by December 2022.
3	Retender the waste management and minimisation services and award contracts by November 2023.
4	Implement, monitor and review the contracts awarded across the period 2024 to 2027.

Product Stewardship schemes

The introduction of Product Stewardship schemes could have a significant impact on how waste and recycling services and infrastructure are funded in the future. Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimising the product's environmental impact throughout all stages of the product's life cycle, including end of life management.

There are two types of product stewardship schemes, voluntary and mandatory. To date the approach has focused on voluntary schemes set up by interested parties. In future the focus is likely to be on mandatory schemes through the Government's declaration of 'priority products'.

Council supports the costs associated with managing waste products being redistributed to the producer/consumer and away from the ratepayer. We will continue to participate in policy discussions and development of product stewardship at a national level as a means of achieving this.

Contract renewals

The main waste and recycling contracts are all up for retender between 2021 and 2023. Retendering services is an opportunity to reflect on what has and hasn't worked during the current contract period and how this could be improved going forward. Retendering also provides an opportunity to reset budgets based on the market response through pricing.

Possible waste disposal levy increases

The waste disposal levy increases will place additional costs on the community offset by additional funding to promote alternatives to landfill.

Levels of Service 2021-31: Solid Waste Management

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.0	≥ 7.0	≥ 7.0	≥ 7.0	≥ 7.0
Continue to reduce the amount of waste sent to the landfill by providing and promoting diversion processing.	Tonnage processed at the Resource Recovery Centre.	4,367	≥ 4,500	≥ 4,600	≥ 5,000	≥ 5,500
	\$value of sales at the Reuse Shop.	\$251,850	≥ \$270,000	≥ \$280,000	≥ \$285,000	≥ \$300,000
	Tonnage diverted at the Waste Sorting Centre.	1,456	≥ 1,600	≥ 1,750	≥ 1,900	≥ 2,050
	Tonnage throughput at the Greenwaste Acceptance Facility.	18,742	≥ 20,000	≥ 21,000	≥ 22,000	≥ 23,000
Operate effective waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	9	≤ 9	≤ 9	≤ 9	≤ 9
	Kerbside Refuse and Recycling Collection Service complaints/missed lifts as a percentage of serviced households.	0.2%	≤ 0.2%	≤ 0.2%	≤ 0.2%	≤ 0.2%
	Number of resident's complaints in regards to Compost operation.	4	≤ 4	≤ 4	≤ 4	≤ 4
	Number of resident's complaints in regards to the transfer stations, reuse centre, resource centre, e-waste facility, coin skips and salvage yard.	30	≤ 30	≤ 30	≤ 30	≤ 30

Funding Impact Statement for LTP 21-31

Solid Waste Management

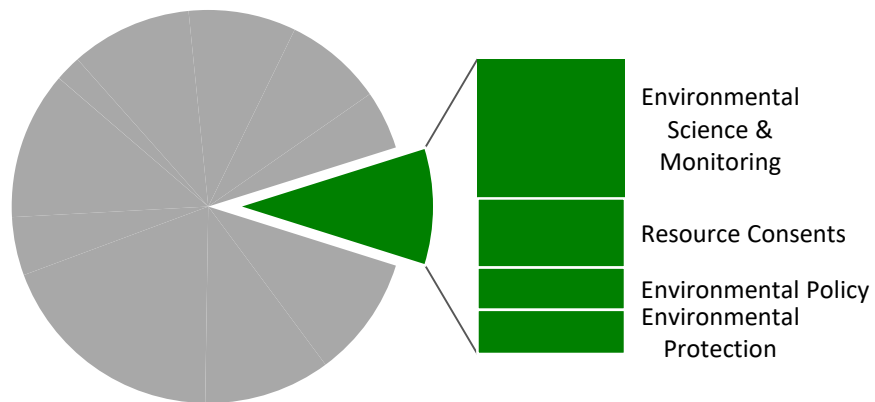
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,618	1,478	1,548	1,594	1,775	1,816	1,865	1,917	1,976	2,018	2,050
Targeted rates	1,439	1,451	1,504	1,564	1,624	1,668	1,714	1,765	1,802	1,842	1,897
Subsidies and grants for operating purposes	462	175	175	175	175	175	175	175	175	175	175
Fees and charges	8,294	8,629	8,934	9,163	9,417	9,688	9,959	10,272	10,620	10,984	11,322
Fuel tax, fines, infringement fees and other receipts	318	402	414	425	296	298	301	310	319	346	364
Total sources of operating funding	12,131	12,136	12,575	12,921	13,287	13,645	14,014	14,439	14,891	15,365	15,809
Applications of operating funding											
Payments to staff and suppliers	7,627	7,103	7,323	7,510	7,791	7,939	8,161	8,417	8,702	9,003	9,278
Finance costs	288	242	231	208	185	163	142	122	102	88	77
Internal charges and overheads applied	1,492	1,587	1,653	1,707	1,741	1,784	1,831	1,881	1,933	1,989	2,040
Other operating funding applications	615	610	620	630	640	652	665	679	695	710	726
Total applications of operating funding	10,023	9,542	9,827	10,055	10,357	10,538	10,799	11,099	11,431	11,790	12,121
Surplus (deficit) of operating funding	2,108	2,593	2,748	2,865	2,930	3,107	3,214	3,340	3,460	3,575	3,688
Sources of capital funding											
Increase (decrease) in debt	(635)	(13)	(565)	(576)	(552)	(520)	(521)	(506)	(384)	(275)	(263)
Total sources of capital funding	(635)	(13)	(565)	(576)	(552)	(520)	(521)	(506)	(384)	(275)	(263)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	600	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	4,286	1,530	3,235	3,520	653	517	120	132	481	3,176	3,278
Increase (decrease) in reserves	(2,813)	450	(1,052)	(1,231)	1,724	2,070	2,573	2,702	2,595	123	148
Total applications of capital funding	1,473	2,580	2,183	2,289	2,378	2,587	2,693	2,834	3,076	3,300	3,426
Surplus (deficit) of capital funding	(2,108)	(2,593)	(2,748)	(2,865)	(2,930)	(3,107)	(3,214)	(3,340)	(3,460)	(3,575)	(3,688)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
plus - Landfill aftercare provision	48	53	54	45	46	48	49	51	52	54	56
Operating expenditure											
Landfills	4,882	4,645	6,391	6,335	6,501	5,742	5,853	5,980	6,119	6,272	6,412
Refuse Collections	1,660	1,668	1,728	1,794	1,860	1,912	1,963	2,023	2,068	2,117	2,181
Transfer Stations	2,841	2,936	3,045	3,116	3,189	3,269	3,342	3,430	3,532	3,639	3,708
Waste Minimisation	1,780	1,603	1,645	1,677	1,711	1,739	1,776	1,820	1,870	1,903	1,928
Capital expenditure											
Landfills	4,286	1,530	3,235	3,325	653	517	120	132	481	3,176	3,278
Refuse Collections	-	-	-	195	-	-	-	-	-	-	-
Transfer Stations	-	300	-	-	-	-	-	-	-	-	-
Waste Minimisation	-	300	-	-	-	-	-	-	-	-	-



Environmental Management

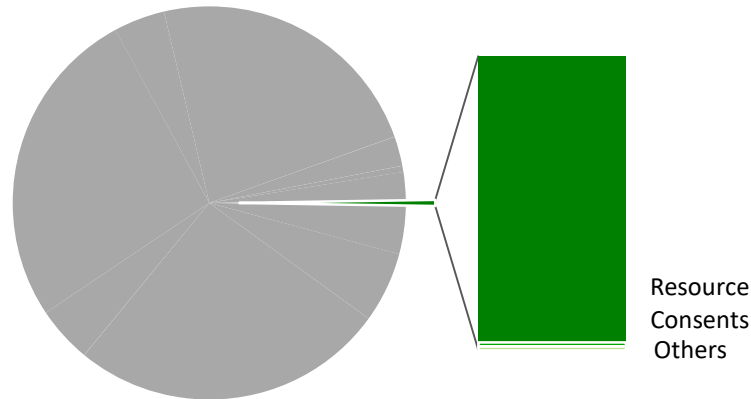
Operating costs

The operating costs for the Environmental Management Group of Activities represent \$143 million of total Council expenditure.



Capital projects

Capital expenditure for the Environmental Management Group of Activities represent \$4 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activities sections.

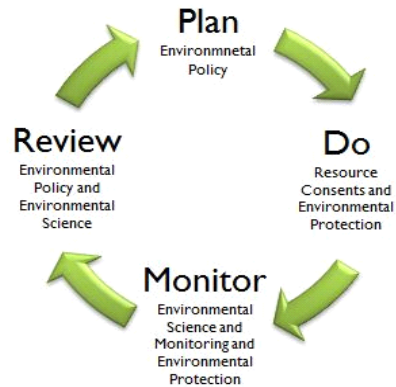


Activity	Major Capital Projects	Inflated value (Millions)
Environmental Science and Monitoring	2021-27 Pelorus Sound/Te Hoiere multi-beam survey data project	\$1.3
Environmental Science and Monitoring	21-31 telemetry field equipment.	\$1.8

Rationale for delivery of this Group of Activities

Marlborough's social and economic wellbeing relies on the use, development and protection of natural and physical resources. The Environmental Management Activity group is responsible for enabling appropriate use of land, water, air, indigenous ecosystems and the built environment, while protecting the environment within which resource use occurs. This service is delivered through the implementation of the Resource Management Act (RMA) requirements.

Each Activity delivers separate services under the RMA, but each of these services plays 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:



The role of the Environmental Policy Activity is to develop, maintain and review a resource management framework consisting of a Regional Policy Statement (RPS), a Regional Coastal Plan, Regional Plans and a District Plan. Note that the Council has combined these plans into a single, integrated Resource Management Plan (RMP). The planning documents play an important role in strategically guiding the use, development and protection of natural and physical resources by enabling appropriate resource use (through the use of permitted activity rules and through the allocation of public resources) and by identifying the circumstances under which resource consent is required.

The resource management framework is implemented by the Resource Consent Activity through the processing of resource consent and certificate of compliance applications and through the provision of planning information. The processing of resource consent applications utilises the guidance provided by the planning documents to ensure that any adverse effects of resource use are appropriately managed. Non regulatory methods specified in the planning documents are also being implemented by various parts of the Council. This is the “Do” part of the cycle.

The Council monitors the effect of implementing regulatory and non-regulatory methods by monitoring compliance with the conditions of permitted activity rules and resource consents, and by monitoring the state of the Marlborough environment. This monitoring is undertaken by the Environmental Protection and the Environmental Science and Monitoring Activities respectively. The results of the monitoring allow conclusions to be drawn about the efficiency and effectiveness of the resource management framework. This is the “Review” part of the cycle.

If the objectives established in the planning documents are not being achieved, then this signals the need to adjust or change the planning provisions through further planning, completing the Plan-Do-Monitor-Review cycle.

It is important to note that as a unitary authority, the Council has the functions of both a regional Council and a territorial authority. This influences the way in which the Environmental Management Activity group delivers its services. It means that the full suite of planning documents required under the RMA must be prepared and that all resource consents required under the planning documents are processed by one consent authority. This allows the Group to integrate the management of land use (for which territorial authorities are generally responsible for) with the management of other natural resources (for which regional councils are responsible for), leading to reduced costs to resource users and improved environmental outcomes.

Proposed Marlborough Environment Plan (PMEP)

The Council has completed a major rebuild of its resource management framework with the notification of the PMEP in June 2016 and the notification of decisions on the PMEP in February 2020.

As part of the review process, the Council decided to take the opportunity presented by Section 80 of the RMA to combine the RPS and resource management plans. This reflects a position that in a unitary authority setting, there is not the same need for the Council to differentiate between RPS objectives and policies and plan objectives and policies. The MEP integrates both sets of provisions into a single planning document for the district. This provides for more effective integrated management of Marlborough's natural and physical resources.

The operative RPS, MSRMP and WARMP reflected the Council's functions, community aspirations, knowledge and environmental concerns at the date of notification. Marlborough has experienced considerable growth over the past 21 years, which has resulted in new pressures on the environment, especially on finite natural resources such as water and coastal space. There have also been amendments to the RMA over that period that affect the nature and content of regional policy statements, regional plans and district plans.

The rebuilding of the resource management framework provided the opportunity to ensure that the framework reflects Council's and the community's aspirations for the District, its new functions and to ensure that the framework addresses current and emerging issues. Many of these issues have been highlighted through state of the environment monitoring and through public consultation already undertaken as part of the review of the RPS.

PMEP implementation

On resolution of appeals to the PMEP, the plan provisions become operative and the current operative resource management framework will become inoperative. In the meantime, the application of rules in the PMEP relative to the operative rules is determined by Sections 86B(1) and 86F of the RMA. The dual status of regulatory methods creates a complexity in the administration of the Council's resource management framework. This is especially so for the Resource Consents Group and the Compliance Group. The resolution of appeals on the PMEP has been prioritised in order to get the MEP to an operative status as soon as possible and remove this complexity. However, the timeframe for doing so is beyond the ability of the Council to control, as timing and sequence is determined by the Environment Court.

For many issues, non-regulatory methods set out in the MEP are also to be applied to achieve the stated plan objectives and to implement the policies proposed to achieve the objectives. The responsibility for implementing the majority of the methods is devolved across the Environmental Management Group functions, functions of other groups and, in some cases, other management agencies or community organisations.

Notwithstanding this, it is important to establish priorities for, and coordination of, method implementation. This role will ensure resources are brought to bear in a timely and appropriate fashion to pursue relevant MEP objectives. This is especially the case for new methods (i.e., methods that do not form part of current Council work programmes).

Responding to national direction

The Council is required to give effect to national policy statements and implement national environmental standards gazetted by central government.

There are currently 5 operative national policy statements in effect (including the compulsory NZ Coastal Policy Statement). The Council's resource management framework has to give effect to any national policy statement. To do so may necessitate changes to the current provisions of the Council's planning documents. However, the recently completed review allowed the Council to give effect to the national policy statements through the MEP.

There are currently 6 national environmental standards in effect. The standards have the effect of regulations. This means that the standards have effect irrespective of the rules within the resource management plans. The Council must amend any plan or proposed plan to remove duplication or conflict with the regulations of a national environmental standard. It must do so without using the First Schedule process. The exception is where the national environmental standard explicitly allows plan rules to be more lenient or more stringent.

Of particular note in the context of the significance of national direction is the recently gazetted Essential Freshwater Package, consisting of the National Policy Statement for Freshwater Management 2020, a new National Environmental Standards for Freshwater and other regulatory instruments. The national policy statement replaces the National Policy Statement for Freshwater Management gazetted in 2014 and updated in 2017. It sets out new direction for the way regional councils and unitary authorities should manage freshwater and the activities that can adversely affect water. In combination with the other parts of the Essential Freshwater Package, the National Policy Statement for Freshwater Management 2020 seeks to:

- Stop further degradation of freshwater
- Start making immediate improvements so water quality improves within five years
- Reverse past damage to bring waterways and ecosystems to a healthy state within a generation.

The Council is currently seeking external advice on the implications of the National Policy Statement for Freshwater Management 2020 on the current management of freshwater, including the provisions of the MEP. It is likely that a specific work programme will be necessary to give effect to the National Policy Statement for Freshwater Management 2020.

The development of a work programme for these activities is currently being scoped but has not advanced to a point where the costs of technical investigations, community and iwi engagement, planning processes and implementation plans are able to be established. The budget implications of this mandatory work will be identified through either changes to this LTP or through the annual planning process, depending on the significance of the budget.

A new National Policy Statement for Indigenous Biodiversity covering terrestrial matters is expected to be gazetted in April 2021. This could similarly have an effect on the provisions of the PMEPE.

In addition to the above instruments of national direction, the Government has an ongoing programme of reform of the RMA. It is expected that legislation to replace the RMA will be introduced within the current parliamentary term. It is inevitable that the replacement legislation will have implications for the Environmental Management Group of activities. However, the nature of those changes is unknown until the legislation is introduced to the House and follows parliamentary process. It is expected that any changes required to the Environmental Management Group of activities will be addressed through the next LTP.

More information on RMA reform, national policy statements and national environmental standards is available from the Ministry for the Environment website: <https://www.mfe.govt.nz/rma>

Measuring success

Monitoring the state of the Marlborough environment is a statutory requirement under the RMA. The data the Council collects is reported on an annual basis.

The data is also used to monitor the effectiveness and efficiency of the policies and methods included in the resource management framework. Again, this monitoring is a statutory requirement under the RMA. The planning documents set environmental results anticipated as a result of the implementation of the policies and methods.

The State of the Environment Report data is used to assess whether the specified results have been achieved and, as a result, whether the provisions are effective or efficient in resolving or managing the environmental issue they are addressing. The results of this monitoring must be reported at intervals of not more than five years.

Increasingly, monitoring is having to be undertaken to meet national requirements as part of the Government's national State of the Environment reporting system.

A comprehensive set of anticipated environmental results has been developed for inclusion in the new RPS. A measurable indicator has been specified for each result. Given this process, which is a statutory requirement, it is not necessary to set environmental performance indicators in the Long Term Plan.

Changes to Environmental Management Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

This table describes intended changes to the levels of service within the group from the levels of service displayed in the 2020-21 Annual Plan. The reasons for the intended changes are also described.

Significant negative effects in this Group

There are no significant negative effects from this Activity Group.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the Activity Group, throughout this section a separate FIS is included for each Activity and these should be referred to for more detailed information.

Funding Impact Statement for LTP 21-31											
Environmental Management											
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,581	8,615	9,205	9,447	10,553	10,882	11,252	11,612	11,732	12,082	12,132
Subsidies and grants for operating purposes	-	561	456	139	50	-	-	-	-	-	-
Fees and charges	2,046	2,333	2,475	2,615	2,695	2,767	2,839	2,880	2,944	3,009	3,078
Internal charges and overheads recovered	111	180	185	190	195	199	170	175	179	184	189
Fuel tax, fines, infringement fees and other receipts	694	1,216	1,268	1,222	385	345	321	315	302	295	284
Total sources of operating funding	10,432	12,905	13,590	13,613	13,877	14,193	14,582	14,981	15,157	15,570	15,683
Applications of operating funding											
Payments to staff and suppliers	7,278	9,096	9,593	9,478	9,661	9,808	10,088	10,387	10,707	11,033	11,361
Finance costs	16	14	13	12	12	11	10	9	8	7	6
Internal charges and overheads applied	2,695	3,017	3,153	3,260	3,315	3,366	3,448	3,531	3,624	3,721	3,809
Other operating funding applications	0	90	90	90	90	90	90	90	90	90	90
Total applications of operating funding	9,990	12,217	12,849	12,840	13,077	13,275	13,636	14,017	14,429	14,851	15,267
Surplus (deficit) of operating funding	442	688	740	773	799	918	946	964	727	719	416
Sources of capital funding											
Increase (decrease) in debt	(16)	(18)	(19)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(25)
Gross proceeds from sales of assets	-	-	-	-	78	-	-	-	-	-	-
Total sources of capital funding	(16)	(18)	(19)	(19)	58	(21)	(22)	(23)	(24)	(25)	(25)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	307	358	349	425	752	449	462	179	185	191	197
Capital expenditure to replace existing assets	150	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(31)	312	373	329	105	448	463	763	519	504	194
Total applications of capital funding	426	670	722	754	858	897	924	941	704	695	391
Surplus (deficit) of capital funding	(442)	(688)	(740)	(773)	(799)	(918)	(946)	(964)	(727)	(719)	(416)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: 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 as described in the rationale for the delivery of the Environmental Management Group of Activities.

The Environmental Policy Activity involves the maintenance, 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.

Council's four core RMA policy and planning documents are outlined below.

The Marlborough Regional Policy Statement (RPS)

This is an operative document that provides a community-based vision and direction for managing the natural and physical resources of Marlborough. It identifies regionally significant issues for Marlborough and how they are to be addressed.

The Marlborough Sounds Resource Management Plan (MSRMP)

This is an operative combined Regional Plan, Regional Coastal Plan and District Plan that provides the framework by which the natural and physical resources of the Marlborough Sounds area are to be managed.

The Wairau/Awatere Resource Management Plan (WARMP)

This is an operative combined Regional Plan, Regional Coastal Plan and District Plan that provides the framework by which the natural and

physical resources of the Wairau and Awatere areas of Marlborough are to be managed.

The Proposed Marlborough Environment Plan (PMEP)

The Council has completed a major rebuild of its resource management framework with the notification of the PMEP in June 2016 and the notification of decisions on the PMEP in February 2020. The PMEP combines the Regional Policy Statement, Regional Coastal Plan, regional plan and district plan provisions into a single resource management planning document for Marlborough.

The notification of the PMEP provided the opportunity to ensure that the framework reflects Council's and the community's aspirations for the District, its new functions and to ensure that the framework addresses current and emerging issues.

Over the course of this LTP, the Council will be transitioning from the operative planning documents to the PMEP only. See more on this transition below.

The planning documents above identify the resource management issues for Marlborough, establish objectives for addressing these issues, provide policies for achieving the objectives and identify regulatory and non-regulatory methods for implementing the policies. The provisions collectively seek to enable resource use, but in a manner that sustains the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations, safeguard the life supporting capacity of air, water, soil and ecosystems and avoid, remedy or mitigate adverse effects.

Marlborough's social and economic well-being relies on the use, development and protection of natural and physical resources. The resource management framework described above plays an important role in strategically guiding this use, development and protection. In particular, provisions in this document enable appropriate resource use

through permitted activity rules and through the allocation of public resources (such as water and coastal space).

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by planning for urban development/infrastructure and a healthy environment. This Activity also contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Taking a collaborative approach to resource management policy development, which involves the community and tangata whenua iwi in the process, ensures that the policy and planning provisions remain current and reflect the aspirations of the Marlborough community.
Environment	<p>Including provisions in the PMEP to sustain the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations and to safeguard the life-supporting capacity of air, water, soil and ecosystems. This includes limits on resource use and environmental standards but also the use of a range of non-regulatory methods.</p> <p>Seeking to avoid, remedy or mitigate the adverse effects of activities, especially where there is potential for conflict between different resource uses and users.</p> <p>Carrying out monitoring to understand the environmental outcomes resulting from the current resource management framework. The results of state of the environment monitoring indicate where current policy and planning provisions are not maintaining or enhancing the state of the</p>

Outcome	Actions
	Marlborough environment, allowing adjustments in management to be made through review processes. This monitoring also identifies new and emerging issues to be addressed.
People	Developing and maintaining the resource management framework in a way that recognises the kaitiaki role of tangata whenua iwi.
Economy	<p>Strategically guiding appropriate use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment.</p> <p>Ensuring adequate and appropriate land is zoned to meet business and housing demand.</p>
Connectivity	Protecting transport infrastructure from the adverse effects of other activities and enabling the efficient and effective operation of the infrastructure.
Living	<p>Making provision for housing, employment and recreation in the PMEP.</p> <p>Providing recreational space and guidelines for the form of residential development encourages social cohesion.</p> <p>Avoiding, remedying or mitigating the adverse effects of other activities on reasonable residential amenity expectations.</p> <p>Identifying and protecting Marlborough's cultural heritage.</p>

Asset description

Although not an asset in the conventional sense, the RPS, MSRMP, WARMP and PMEP are assets the Council and the community rely on to guide development within Marlborough. They identify the status of resource use activities occurring within the environment (i.e., whether an

activity requires a resource consent), allocate public resources (such as water and coastal space) and contain policies to guide the determination of resource consent applications.

Given the above, it is important that the currency and accuracy of the planning documents are maintained at all times. The Environmental Policy Group has a Quality Management System to ensure that the correct version of the plans are being used internally and are available externally.

Emerging issues and expected changes

PMEP implementation

The Environment Court received 51 notices of appeal on the PMEP decision. Given the number of appeal points (1268), it is expected that resolution of appeals will be a focus for the Environmental Policy Group for the next three years.

On resolution of appeals to the PMEP, the plan provisions become operative and the current operative resource management framework will become inoperative. This means that the current operative framework consisting of the Marlborough Regional Policy Statement, the MSRMP and the WARMP will cease to have effect. This will, in turn, simplify the task of other activities, particularly Resource Consents and Environmental Protection.

In the meantime, the application of rules in the PMEP relative to the operative rules is determined by Sections 86B(1) and 86F of the RMA. The dual status of regulatory methods creates a complexity in the administration of the Council's resource management framework. The resolution of appeals on the PMEP has been prioritised in order to get the PMEP to an operative status as soon as possible and remove this complexity. However, the process and timeframe for resolving appeals is determined by the Environment Court and not the Council. This makes it difficult to determine a timeframe for making the PMEP operative.

Aquaculture provisions

In notifying the PMEP, Council decided not to notify marine farming provisions, opting instead to continue the review process. This review commenced in March 2017 and the Council was assisted by an Aquaculture Review Working Group consisting of industry members, members of the local community and central government agencies. The Group provided the Council recommendations in July 2019 and the Council notified Variation 1: Marine Farming and 1A (Finfish Farming) in December 2020. The notification completes the provisions of the PMEP. The First Schedule process for the variations will run for approximately the next year.

PMEP maintenance

Over the course of the LTP there will be a need to maintain the currency of the PMEP. New issues could emerge and the Council could be given new functions through national direction (see below). From time to time, there could therefore be the need to notify variations and, on making the PMEP operative, plan changes.

Central Government initiatives

Government initiatives (such as legislative change or the introduction of national policy statements or national environmental standards) can influence the nature, scope and timing of the Environmental Policy work programme. In particular, the Council is required to give effect to the provisions of national policy statements, while the provisions of the Council's resource management framework cannot duplicate or conflict with national environmental standards.

There are currently five national policy statements and six national environmental standards. In most cases these were given effect to or implemented through the review of the resource management framework. However, two national policy statements were gazetted post the notification of the PMEP, the National Policy Statement Urban Development Capacity 2016 and the National Policy Statement for Freshwater Management 2020.

In the case of the National Policy Statement Urban Development Capacity 2016, the Council is required to monitor a range of indicators for housing and business development capacity for Blenheim on a quarterly basis and report the results of monitoring annually. There is also a requirement to respond to the results of monitoring to ensure that there is sufficient development capacity provided for in the PMEP.

The National Policy Statement for Freshwater Management 2020 sets out new direction for the way regional councils and unitary authorities should manage freshwater and the activities that can adversely affect water. The Council is currently seeking external advice on the implications of the National Policy Statement for Freshwater Management 2020 on the current management of freshwater, including the provisions of the PMEP. It is likely that a specific work programme will be necessary to give effect to the National Policy Statement for Freshwater Management 2020.

A new National Policy Statement for Indigenous Biodiversity covering terrestrial matters is expected to be gazetted in 2021.

Central Government legislated for national planning standards in 2017. The first tranche of national planning standards came into effect in May 2018 and dictate the form and structure of all RMA planning documents. The Council is required to implement the planning standards for structure, form digital accessibility within 10 years of the national planning standards coming into effect (i.e., May 2028). The Council will be required to restructure and reformat its resource management plans at some point in the future.

Finally, the Government has an ongoing programme of reform of the RMA. It is expected that legislation to replace the RMA will be introduced within the current parliamentary term. It is inevitable that the replacement legislation will have implications for the Environmental Policy Activity.

Levels of Service 2021-31: Environmental Policy¹⁰

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23 ¹¹	2023-24	2024-31
Create a second generation resource management framework for Marlborough.	PMEP made operative, including resolution of appeals on MEP decisions.	N/A	N/A	N/A	30-Jun-24	N/A
	Decisions on Variation 1 and 1A publicly notified.	N/A	30-Jun-22	N/A	N/A	N/A
Review the effective operation of the second generation resource management framework.	Efficiency and effectiveness report completed.	N/A	N/A	N/A	N/A	30-Jun-28
Compliance with national direction	National Policy Statement for Freshwater Management given effect to.	N/A	N/A	N/A	N/A	Variation/Plan change to the PMEP publicly notified December 2024

This activity differs from others as targets represent multi-year projects rather than annual deliverables.

Creation of the second generation resource management framework is currently in progress with completion of the First Schedule process and implementation of the provisions targeted by 30 June 2024. Alongside this the public notification of Variation 1 (Marine Farming) and 1A (Finfish Farming) decisions are targeted by 30 June 2022.

Only following completion of the framework can the effectiveness be reviewed, target by 30 June 2028.

Council is currently working towards compliance with the Freshwater Management NPS, notification of the required plan change by December 2024 is the identified target for this Activity.

¹⁰ The legislation that we are operating under is to be replaced. This could have a significant impact on this Activity's role and relevant timeframes.

¹¹ There have been no targets set up for 2022-23 year, a further Housing and Business Assessment might be added in for that year.

Funding Impact Statement for LTP 21-31

Environmental Policy

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,176	1,666	1,643	1,689	1,891	1,951	2,011	2,071	2,136	2,202	2,268
Fuel tax, fines, infringement fees and other receipts	94	235	226	218	68	61	57	56	54	53	53
Total sources of operating funding	1,270	1,900	1,869	1,907	1,959	2,012	2,068	2,126	2,190	2,255	2,320
Applications of operating funding											
Payments to staff and suppliers	950	1,513	1,472	1,500	1,544	1,588	1,634	1,684	1,738	1,793	1,848
Internal charges and overheads applied	320	387	397	407	415	424	433	443	453	463	473
Total applications of operating funding	1,270	1,900	1,869	1,907	1,959	2,012	2,068	2,126	2,190	2,255	2,320
Surplus (deficit) of operating funding	(0)	(0)	-	-	-	-	-	-	-	-	-
Sources of capital funding											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(0)	(0)	-	-	-	-	-	-	-	-	-
Total applications of capital funding	(0)	(0)	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	0	0	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Environmental Science and Monitoring

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 information to the community on environmental resources and on issues affecting the resources of the District. The Activity includes the investigation; monitoring, analysis, data management and reporting on the District's natural and physical resources (e.g. land, air, fresh water, marine).

The monitoring of natural and physical resources is 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 the policies and methods contained in the Proposed MEP and other planning documents, and the Council's implementation of the RMA, National Policy Statements and National Environmental Standards
- support the sustainable use and allocation of our natural resources.

This Activity is also responsible for implementing a number of non-regulatory resource management methods and programmes to promote the sustainable management of our natural and physical resources e.g. catchment care, biodiversity collaborative programs and education and advocacy initiatives.

In addition services include environmental monitoring and data management support for Councils flood management system, environmental emergency response and the coastal water quality programme.

Emphasis has been placed on the monitoring and development of sustainable programmes associated with fresh water resources and this is expected to continue. This reflects the value of water to the community and its overall vulnerability to overuse and contamination.

There are important resource management programmes associated with empowering community led actions through initiatives such as the environmental grants and awards. Council also has a responsibility for monitoring air quality, the condition of our land resources and maintaining a property based list of historical land use activities that potentially pose a soil contamination risk (a Hazardous Activity and Industries List - HAIL).

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by ensuring the natural environment is healthy. It also contributes to the Community Outcomes of Governance, Environment, Economy, People and Living as outlined below.

Outcome	Actions
Environment	Monitoring the state and condition of our natural resources, investigating environmental issues, helping to create solutions and implementing programmes to protect and enhance resources (fresh water, land, biodiversity, marine and air).
Economy	Helping with the allocation and informed use of resources to enable productivity within set environmental bottom lines.

Outcome	Actions
People	Helping the community and resource users to better understand our natural resources through participative processes, and the provision of environmental information.
Living	Providing assurance that our natural resources and special places are protected and in a condition suitable to maintain our lifestyle and general well-being, for example recreation and food gathering from our rivers and coastal waters.
Governance	Understanding environmental issues and the condition of our natural resources to enable strategic and transparent decision making.

Asset description

Council operates 95 automated real time monitoring stations that measure a number of environmental parameters to support a range of resource management programmes and emergency response (eg; flooding).

Environmental parameters (automated)	Number of parameters monitored
Rainfall	30
Surface Water level	36
River Flow	27
Groundwater Level	33
Groundwater Temperature	7
Groundwater Conductivity	7
Air Quality (PM10)	1

Environmental parameters (automated)	Number of parameters monitored
River Water Quality	3
Total	144

Emerging issues and expected changes

Additional investment

The recent Marlborough Environment Plan (MEP) sets the future direction and resourcing for State of Environment (SoE) monitoring and resource investigations in the District.

In addition the government is increasingly directing Council services through legislative change consisting of a number of National Policy Statements and National Environmental standards e.g. the National Policy Statement for Freshwater Management will impact on the levels of service for setting of catchment based limits, monitoring and reporting on the performance of our freshwater systems.

The Council will invest in the following areas:

- There will be progressive increase in funding for Council's environmental science and monitoring activities over the next three years to implement the MEP as well as the range of National Environmental Policy Standards and Regulations. In particular, additional resources have been allocated for environmental monitoring, biodiversity, riparian management, and catchment care, monitoring of agricultural spray drift and the implementation of the National Policy Statement for Freshwater Management.
- Building capability and capacity working with central government and the community by seeking additional resources through scaling up environmental programs targeted at initiatives such as Jobs for Nature.

Environmental information

There is an increasing expectation from government (national reporting), the community and the regional sector that resource information will be readily available in an open digital format. Processes are underway to ensure our data is of the highest quality and to improve community access to environmental data.

Water quality

Diffuse pollution, sediment runoff and discharges to land as a consequence of intensive urban and rural land use will remain as the main human induced threat to water quality in the District. Monitoring programmes focused on measuring a range of water quality attributes at additional sites are expected to be scaled up to meet NPS freshwater expectations in conjunction with determining critical source areas within catchments to help us better understand and mitigate these effects.

Catchment care programme

There will be an increase in collaborative catchment based programmes designed in conjunction with government, iwi and community and intended to help mitigate diffuse pollution and sediment runoff within at risk catchments in the region. A focus on building community capability is a key priority.

Water quantity

The extraction of fresh water for irrigation and consumptive use will require a continuation of careful management to balance community aspirations for economic growth while ensuring environmental sustainability is not compromised. Ongoing investigations and information is necessary to better understand natural processes and enable the community to set and monitor sustainable limits on our water resources.

Air quality

Agriculture spray drift and the effects on air quality in the District are little known. A monitoring programme to address cumulative effects will be a necessary step to better understanding these complex issues.

Land management & soil quality

Council has an obligation to ensure the most up to information exists on sites that are potentially contaminated, and these sites recorded as HAIL. A focused program systemically surveying sites and reviewing the level of risk is being carried out. In addition more investment is intended to update information in relation to soil properties in the region to better understand the characteristics of soil profiles to promote improved soil health and efficiencies in water management.

Biodiversity

The community terrestrial biodiversity programme has an objective to halt the decline in biodiversity values. An increase in resourcing has been allocated to help build capacity to protect high value significant natural areas/sites.

The Council is a partner in the Kotahitanga mō te Taiao Alliance and Ngāti Kurī Takiwā Collective. The partnerships provide for collective action expected to promote partnership programmes and help to scale up the restoration and enable protection of biodiversity values across the region.

Environment community grants

The Council introduced a community environment grant fund (Working for Nature/Mahi mō te Taiao) to make it easier for the community to help restore and protect native habitats. This grant scheme encourages community-led participation and also encourages a collaborative effort by working together to create enduring outcomes to restore and protect native biodiversity in the region. Opportunities exist to build community grant resources.

Climate change

The longer term consequences of climate variability will need to be better understood, including establishing measures and coordinated responses across the Council.

Levels of Service 2021-31: Environmental Science and Monitoring

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Monitor, investigate, gather and analyse information and report on the state of Marlborough's natural resources including: Fresh Water, Land, and Air.	Timeliness of completion data integrity audits and quality coding (In accordance with National Environmental Monitoring Standards).	30 -Jun	30 -Jun	30 -Jun	30 -Jun	30 -Jun
	Number of technical SoE monitoring report cards completed.	6	≥ 6	≥ 6	≥ 6	≥ 6
	Timeliness completion of resource investigations and reporting to Council.	30 -Jun	30 -Jun	30 -Jun	30 -Jun	30 -Jun
Operate an effective real time environmental monitoring network.	Percentage availability of the environmental monitoring network.	99%	≥ 99%	≥ 99%	≥ 99%	≥ 99%
Promote resource management programmes to help maintain or improve the condition of the environment.	Number of sites classified as Significant Natural Areas on private land that are either protected by management interventions or legal covenants.	108	≥ 112	≥ 116	≥ 120	≥ 124
Encourage and enable the community and industry to look after and restore the environment through education, advocacy and assistance.	Marlborough Environment Awards held biennially.	Biennially	N/A	Held	N/A	2024/25 and Biannually there after
	Number of planned communication events with Industry/Community sector groups annually.	20	≥ 20	≥ 20	≥ 20	≥ 20
	Marlborough Environment Community Grants made annually and percentage of grant contact requirements met.	New measure	100%	100%	100%	100%

Funding Impact Statement for LTP 21-31
Environmental Science and Monitoring

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,342	4,786	5,305	5,479	6,137	6,341	6,541	6,736	6,771	6,968	6,920
Subsidies and grants for operating purposes	-	561	456	139	50	-	-	-	-	-	-
Fees and charges	-	5	5	5	5	6	6	6	6	6	7
Internal charges and overheads recovered	65	65	67	69	70	72	74	76	78	80	82
Fuel tax, fines, infringement fees and other receipts	432	674	730	707	222	200	185	181	172	168	160
Total sources of operating funding	4,840	6,090	6,563	6,399	6,485	6,618	6,805	6,999	7,027	7,222	7,169
Applications of operating funding											
Payments to staff and suppliers	3,310	4,195	4,557	4,314	4,346	4,343	4,467	4,606	4,752	4,906	5,054
Finance costs	16	14	13	12	12	11	10	9	8	7	6
Internal charges and overheads applied	1,155	1,322	1,381	1,428	1,454	1,478	1,515	1,552	1,595	1,638	1,678
Other operating funding applications	0	90	90	90	90	90	90	90	90	90	90
Total applications of operating funding	4,481	5,621	6,041	5,845	5,902	5,922	6,082	6,258	6,445	6,642	6,828
Surplus (deficit) of operating funding	358	470	522	554	583	696	723	741	582	580	340
Sources of capital funding											
Increase (decrease) in debt	(16)	(18)	(19)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(25)
Gross proceeds from sales of assets	-	-	-	-	51	-	-	-	-	-	-
Total sources of capital funding	(16)	(18)	(19)	(19)	31	(21)	(22)	(23)	(24)	(25)	(25)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	304	355	345	425	662	449	462	179	185	191	197
Capital expenditure to replace existing assets	150	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(112)	97	158	110	(48)	226	240	540	374	365	118
Total applications of capital funding	342	452	503	535	615	675	702	719	558	556	315
Surplus (deficit) of capital funding	(358)	(470)	(522)	(554)	(583)	(696)	(723)	(741)	(582)	(580)	(340)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Resource Consents

What is this Activity about?

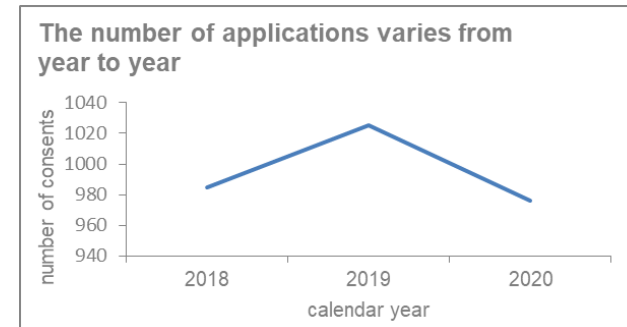
This Activity is about the purpose of promoting the sustainable management of natural and physical resources and the administration of the Proposed Marlborough Environment Plan. This involves discharging Council's statutory obligations under the Resource Management Act 1991 (RMA) - which has the same purpose. The RMA sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for resource consent.

Specifically this Activity processes five different types of resource consents:

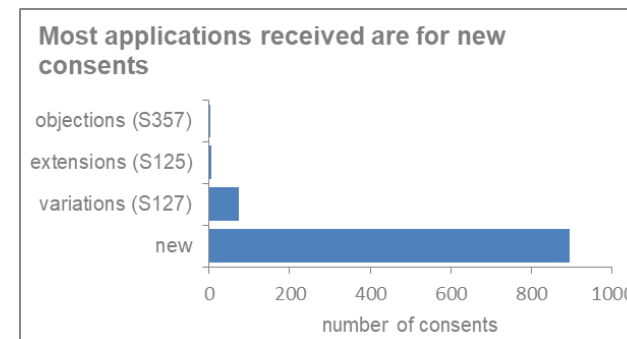
- land use consents
- water permits
- discharge permits
- subdivision consents
- coastal permits.

The Resource Consent Activity provides information to potential applicants, interest groups and the general public on all resource management matters. The Activity includes maintenance and management of a consents database that is responsive to the needs and requirements of central government, applicants, submitters and the general public.

Activity Levels



The level of activity varies from year to year both in number and type of application. Demand also varies unpredictably day by day and it is always challenging to balance this against available resources given the fixed statutory timeframes for processing.



How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by ensuring natural resources are used in a smart, sustainable way that enhances environmental well-

being. It also contributes to the Community Outcomes of Governance, Environment, Economy and Living as outlined below.

Outcome	Actions
Governance	Ensuring the Council meets its statutory obligations under the Resource Management Act 1991 (RMA).
Environment	Ensuring consent approvals for the development and use of the environment in Marlborough promote sustainable management of natural and physical resources. Where necessary conditions are imposed (and monitored) that regulate activities which might otherwise degrade the environment or place resources under pressure.
Economy	We support other areas of Council to meet this outcome by having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community. Educating applicants, submitters and other interested parties on the RMA and the resource consent process to assist sustainable development. Providing information to potential applicants, interest groups and the general public on all resource management matters.
Living	Managing the physical and built environment through the administration of the resource consenting process in a manner that safeguards the community's health and wellbeing and which ensures resource use and human activities affecting resources do not adversely affect quality of life.

Emerging issues and expected changes

Legislative and Plan Changes

The challenges for this Activity centre on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents; providing a fair, cost effective and consistent service to the community and meeting customer expectations. As a large unitary authority, the Council is responsible for processing a constantly fluctuating work flow, including applications of a complicated nature, and public resources including water and coastal space.

Changes in legislation and planning documents contribute to additional demand on the Resource Consent processing functions. These can be driven by Government legislation or policy (National Objective framework, or by changes in Council policy (review of the Regional Policy Statement). Council constantly reviews its processes and procedures to ensure adherence with current best practices and statutory requirements.

The Resource Management Amendment Act 2020 made legislative changes with provisions that came into force at various times throughout the year. The main objectives of this latest amendment to the Act were to reduce the complexity of the RMA; increase certainty; restore public participation opportunities and improve Resource Management Act 1991 processes.

The amendment Act also included changes to freshwater management and outcomes and response to climate change in New Zealand.

The Council has developed new templates, processes and forms to meet the requirements associated with these latest changes.

The Council has reviewed the Marlborough Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan to create a single next generation resource management document for the region.

By combining the various resource management policy statements and plans required by the Resource Management Act, Marlborough now has a single planning document enabling the integrated management of all the region's natural and physical resources. The Proposed Marlborough Environment Plan was notified on 9 June 2016. Submissions to the Proposed Marlborough Environment Plan were heard from 9 June 2016. The Proposed Marlborough Environment Plan decision document was released on 20 February 2020. The current version of the Proposed Marlborough Environment Plan is the "Appeals Version". This version is being actively maintained as appeals are resolved.

In addition to the Act and the Plans there are national environmental standards and national policy statements which also influence resource consent processes.

Levels of Service 2021-31: Resource Consents						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.0	≥ 6.0	≥ 6.0	≥ 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.	100%	100%	100%	100%	100%
	% of objections under section 357(b) ¹² compared to total number of applications processed.	0.2%	≤ 0.2%	≤ 0.2%	≤ 0.2%	≤ 0.2%
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 section 88 of the RMA.	5%	≤ 5%	≤ 5%	≤ 5%	≤ 5%

¹² RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Funding Impact Statement for LTP 21-31

Resource Consents

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,185	1,215	1,269	1,323	1,475	1,506	1,577	1,646	1,626	1,672	1,663
Fees and charges	1,334	1,606	1,648	1,685	1,723	1,773	1,823	1,841	1,882	1,924	1,967
Internal charges and overheads recovered	46	115	118	121	124	127	96	99	102	104	107
Fuel tax, fines, infringement fees and other receipts	95	171	175	171	53	47	45	44	41	40	39
Total sources of operating funding	2,659	3,108	3,210	3,300	3,375	3,453	3,541	3,630	3,650	3,740	3,776
Applications of operating funding											
Payments to staff and suppliers	1,901	2,168	2,231	2,293	2,359	2,425	2,494	2,563	2,638	2,711	2,789
Internal charges and overheads applied	674	726	765	793	803	812	831	851	873	897	917
Total applications of operating funding	2,575	2,894	2,996	3,086	3,163	3,237	3,325	3,414	3,511	3,608	3,707
Surplus (deficit) of operating funding	84	214	214	214	213	216	216	216	139	132	69
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	14	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	14	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	3	3	3	-	44	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	81	211	211	214	183	216	216	216	139	132	69
Total applications of capital funding	84	214	214	214	227	216	216	216	139	132	69
Surplus (deficit) of capital funding	(84)	(214)	(214)	(214)	(213)	(216)	(216)	(216)	(139)	(132)	(69)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Environmental Protection

What is this Activity about?

The primary purpose of this Activity is to implement statutory responsibilities under section 35 of the Resource Management Act 1991 (RMA) which contribute towards the sustainable management of our natural and physical resources. This includes the monitoring and enforcement of activities within the District.

Council monitors the effect of implementing its resource management plans by monitoring compliance with the conditions of resource consents and permitted activity standards.

The key objectives for the activity are:

- to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural and physical resources
- to provide feedback and information on resource use and sufficient environmental information to enable other objectives to be met
- to integrate programmes with Environmental Science & Monitoring and align with anticipated environmental outcomes set in the Proposed Marlborough Environment Plan (MEP).

The key methods to achieve these objectives are:

- **Monitoring** — Proactively monitor activities that: have a greater environmental impact which warrants special consideration; generate community concern; or are related to trends highlighted in State of the Environment reports.
- **Policy** — Provide feedback to the Policy, Resource Consents and Science & Monitoring teams to measure the effectiveness and efficiency of the District's resource management plans.
- **Complaint response** — Investigate alleged breaches of the RMA, resource management plans and consents.

- **Enforcement** — Undertake enforcement action for breaches of the RMA and Marlborough District Council bylaws.
- **Reporting** — Monitor and analyse trends and issues. This analysis is used when reviewing education opportunities and monitoring programmes. Relevant trends and issues are reported to the Policy, Resource Consents and Science & Monitoring teams. Monitoring results are also reported to the Ministry for the Environment.
- **Emergency response** — Respond to emergencies that have the potential to affect the environment (e.g. spillages and discharges).
- **Education** — Good education leads to the community understanding and taking ownership of an issue and its resolution. It is an effective way to bring about a long-term change in environmental behaviour and also allows Council and the community to foster good relationships and deal with issues in a proactive rather than a regulatory manner.
- **Customer service** — Review of processes on an ongoing basis to improve service delivery.

Cost recovery

Some activities are identified as of private benefit (with monitoring charges applied). Implementation and review of monitoring charges for resource users is ongoing to ensure fair and reasonable cost recovery is achieved to support the team's monitoring programmes. This includes areas of permitted activity monitoring cost recovery for National Environmental Standards for Plantation Forestry and NES Freshwater.

However, many activities undertaken by the team are for public benefit and cannot be cost recovered, such as incident investigation and enforcement. These activities are funded from General Rates and limit the resources available to undertake the team's activities.

Statutory requirements

Resource Management Act 1991

- Section 35(2)(d) of the RMA requires the Council to monitor resource consent compliance within the District.
- Section 35(5)(i) requires the Council to keep a summary of all written complaints received during the previous 5 years concerning alleged breaches of the RMA or a resource management plan, and the action taken.
- The Council must also ensure compliance with the provisions in Council's policy statements and plans, taking appropriate enforcement action under the RMA where necessary.

Local Government Act 2002

- Enforcement of District Bylaws.

How this Activity contributes to related Community Outcomes

This Activity helps to achieve the Vision by ensuring the community's activities are not adversely impacting on the natural environment. It also contributes to the Community Outcomes of Governance, Environment, People and Economy as outlined below.

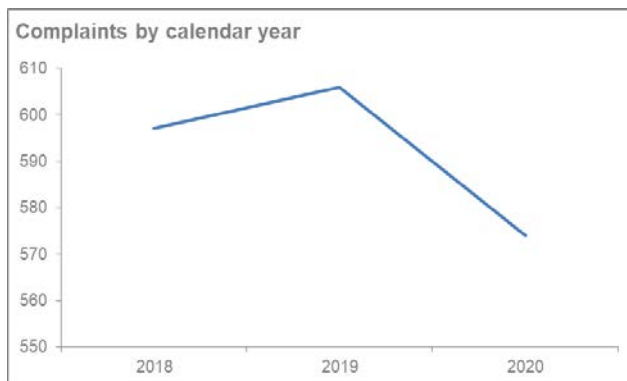
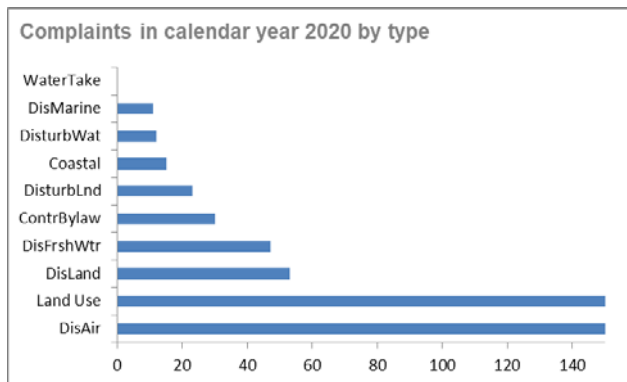
Outcome	Actions
Governance	<p>Publishing clear, timely and informative monitoring and compliance reports.</p> <p>Enabling public interaction and targeted engagement in Council monitoring activities through customer surveys.</p> <p>Supporting community and industry forums in our region by communicating environmental monitoring and compliance challenges and success.</p>

Outcome	Actions
	Ensuring the Council meets its statutory obligations under the Resource Management Act 1991 (RMA).
Environment	<p>Ensuring the sustainable management of Marlborough's natural and physical resources.</p> <p>Investing in the sustainable use of the Marlborough environment through a mix of regulatory and non-regulatory methods.</p> <p>Promoting and encouraging collaborative actions to enable the protection and restoration of Marlborough's natural resources.</p> <p>Providing an active compliance monitoring, education and enforcement regime to prevent and mitigate adverse effects on the Marlborough's natural physical resources.</p> <p>Provide feedback to the Policy, Resource Consents and Science & Monitoring groups.</p>
People	<p>Protecting Marlborough's natural and physical resources for community and industry use and enjoyment.</p> <p>By educating people and providing them with information to enable them to live more sustainably and to be more resilient.</p>
Economy	<p>Enabling appropriate use of natural resources for economic well-being through Council's resource management framework.</p> <p>We actively encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</p>

Activity levels

During 2019–20 the Council:

- received 587 Resource Management Act-related complaints
- took 100 enforcement actions, including 38 abatement notices, 34 infringement notices, warnings, 1 enforcement order and 1 prosecution.



Emerging issues and expected changes

Resource consent numbers

A significant challenge facing the section is the sheer volume of resource consents - there are more than 35,000 current resource consents. A number of monitoring programmes are undertaken of activities which have been identified as high priority. The number of monitoring programmes which can be delivered is restricted by the team's resources.

As noted previously in this Group Activity, the Council is increasing its investment in funding for environmental protection, in line with the approvals made as part of 2018-28 LTP.

Proposed Marlborough Environment Plan

As a result of the notification of the Proposed Marlborough Environment Plan (MEP) the status and rules relating to many activities have changed — and the team's monitoring programmes are under continual review to reflect these changes as and when they have legal effect or become operative.

Water

Water is a valuable commodity in Marlborough, both environmentally and economically. Increasing water takes are putting pressure on Marlborough's aquifers and waterways. The introduction and transition of water takes to the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 and new Freshwater regulations has placed increased functions and responsibilities on both Council and the holders of water permits. Active monitoring of water takes is critical to the sustainability of Marlborough's aquifers and waterways.

Enforcement

Identification of breaches of the RMA and escalated enforcement due to their significance can have a substantial effect on the Environmental

Protection team's work programme by diverting staff from other activities into enforcement proceedings.

Managing complaints

Council receives over 500 complaints (excluding excessive noise complaints) each year in regard to alleged breaches of the RMA, all of which require investigation. The follow up involved in resolving a complaint can vary from a relatively simple desktop exercise to a complex investigation and Court action. Prioritising resources is a continual issue for the team to achieve efficient and effective monitoring while meeting customer expectations and achieving environmental outcomes.

National direction

Legislative change or the introduction of national environmental standards can influence the nature, scope and timing of the Environmental Protection team's work programme. Any increased statutory functions and responsibilities place increased demands on the team's resources e.g. the introduction of the National Environmental Standards for Plantation Forestry in 2017 and National Environmental Standards for Freshwater in 2020.

Database

Current database functionality impacts on the efficiency of the team's activities and reporting for monitoring and compliance activities. Development plans and a preliminary budget are in place for a replacement system.

Levels of Service 2021-31: Environmental Protection

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.3	≥ 6.0	≥ 6.0	≥ 6.0	≥ 6.0
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 Resource Management Plans and consent conditions.	31-Aug	31-Aug	31-Aug	31-Aug	31-Aug
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level
	Report on waste from wineries for compliance with resource consent conditions (waste water and grape marc).	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level
	Report on Water monitoring for compliance with resource consent conditions, MEP and RM (Measurement and Reporting of water takes) Regulations 2010	31-Oct	31-Oct	31-Oct	31-Oct	31-Oct
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level
	Report on resource consents for forestry in the district.	30-Nov	30-Nov	30-Nov	30-Nov	30-Nov
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level
Monitor and investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

Funding Impact Statement for LTP 21-31

Environmental Protection

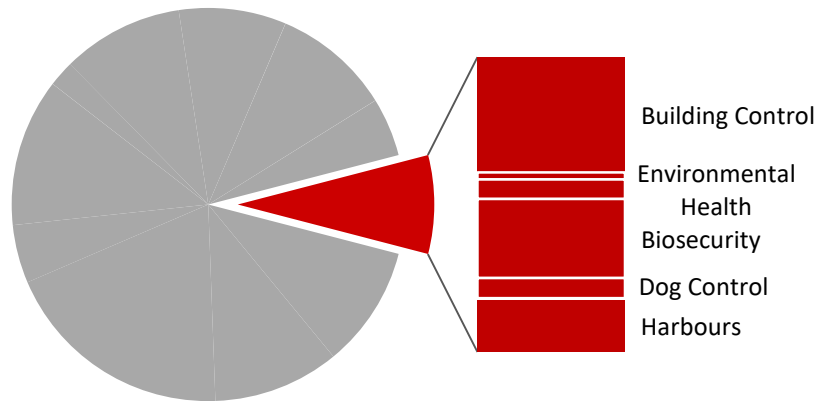
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	878	948	987	957	1,050	1,084	1,122	1,158	1,200	1,240	1,281
Fees and charges	712	722	822	925	967	989	1,010	1,033	1,056	1,079	1,104
Fuel tax, fines, infringement fees and other receipts	73	136	138	126	41	37	35	34	33	33	33
Total sources of operating funding	1,663	1,807	1,948	2,007	2,057	2,109	2,167	2,225	2,289	2,353	2,418
Applications of operating funding											
Payments to staff and suppliers	1,117	1,220	1,333	1,371	1,411	1,451	1,492	1,534	1,579	1,623	1,670
Internal charges and overheads applied	546	582	610	632	642	652	668	685	704	723	741
Total applications of operating funding	1,663	1,802	1,943	2,003	2,054	2,103	2,161	2,219	2,283	2,346	2,411
Surplus (deficit) of operating funding	(0)	4	4	4	3	7	7	7	7	7	7
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	13	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	13	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	46	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(0)	4	4	4	(30)	7	7	7	7	7	7
Total applications of capital funding	(0)	4	4	4	17	7	7	7	7	7	7
Surplus (deficit) of capital funding	0	(4)	(4)	(4)	(3)	(7)	(7)	(7)	(7)	(7)	(7)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Regulatory

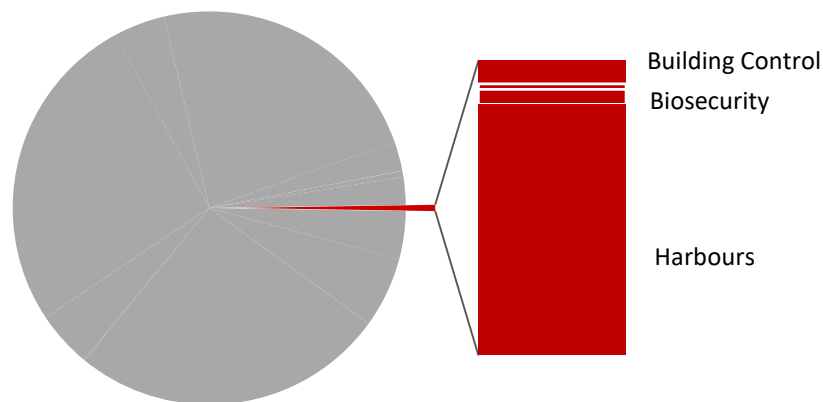
Operating costs

The operating costs for the Regulatory Group of Activities represent \$119 million of total Council expenditure.



Capital projects

Capital expenditure for the Regulatory Group of Activities represent \$4 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activity sections.



Activity	Major Capital Projects	Inflated value (Millions)
Harbour	2021-31 instrumentation.	\$0.7
	2021-31 navigation equipment, boat, sundry plants etc.	\$2.3

Rationale for delivery of Activities in this Group

Council is charged with carrying out a number of statutory functions, on behalf of Central Government. The Regulatory activity group is responsible for the provision of advice and discharging of statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, biosecurity and maritime safety.

Each activity delivers separate services in the discharge of statutory functions under various statutes and regulations and plays an integral role in the provision and protection of public health, safety and well-being of the Marlborough community, tourism and productive land uses.

Our communities' health and well-being are safeguarded through the delivery of the activity by ensuring standards of construction, food safety, hazardous substances, animal control, biosecurity, and maritime safety do not adversely affect quality of life.

Respond to legislative change and statutory functions

The Council is required to respond to legislative change and deliver statutory functions which Council is directed to fulfill by central government. Including:

- Health Act 1956
- Food Act 2014
- Sale and Supply of Alcohol Act 2012
- Hazardous Substances and New Organisms Act 1996
- Resource Management Act 1991
- Gambling Act 2003
- Local Government Act 2002
- Building Act 2004
- Dog control Act 1996
- Impounding Act 1955
- Biosecurity Act 1993
- Maritime Transport Act 1994

Changes to Regulatory Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

The table describes intended changes to the levels of service within the group from the levels of service displayed in the 2020-21 Annual Plan. The reasons for the intended changes are also described.

2020-21 Annual Plan	2021-31 LTP	Reason for changes
Activity: Building Control		
Provision of Land Information Memoranda.	Removed	The LIM's function is unusual in that liability for the process does not fall with the Building Control team but it is an aspect of the Council Building Control Activity.
New	% of public inquiry via the Duty Building Control Officer to be responded to within 72 hours	To ensure that public inquiries are acknowledged and action within a reasonable time frame.
New	% of CRM's (Customer Complaints -Building Act 2004) responded to in 72 hours	To ensure that public complaints are acknowledged and action within a reasonable time frame and to ensure urgent situations are identified quickly.

Significant negative effects Associated with this Group of Activities

There are no negative effects from effective registration, inspection and monitoring of buildings, premises, animals, hazardous substances and maritime risk and safety.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the Activity Group, throughout this section a separate FIS is included for each Activity and these should be referred to for more detailed information.

Funding Impact Statement for LTP 21-31											
Regulatory											
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,575	3,902	4,049	4,259	4,705	4,822	4,935	5,155	5,327	5,517	5,651
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4,618	4,837	4,959	5,068	5,177	5,292	5,408	5,529	5,650	5,777	5,908
Internal charges and overheads recovered	-	50	51	53	54	55	45	47	48	49	50
Fuel tax, fines, infringement fees and other receipts	558	5,438	6,626	1,508	438	425	419	425	428	433	437
Total sources of operating funding	8,750	14,227	15,685	10,889	10,374	10,595	10,808	11,155	11,453	11,775	12,047
Applications of operating funding											
Payments to staff and suppliers	6,251	11,376	12,712	7,813	7,272	7,482	7,636	7,788	7,975	8,202	8,427
Finance costs	18	28	31	31	31	31	30	29	26	24	23
Internal charges and overheads applied	2,257	2,487	2,599	2,687	2,733	2,776	2,843	2,913	2,990	3,071	3,144
Other operating funding applications	89	86	87	87	88	88	89	90	90	91	92
Total applications of operating funding	8,615	13,977	15,429	10,618	10,124	10,377	10,599	10,819	11,081	11,389	11,686
Surplus (deficit) of operating funding	135	250	256	270	250	218	209	336	372	387	361
Sources of capital funding											
Increase (decrease) in debt	488	103	61	(58)	58	(67)	8	(75)	(78)	1	(63)
Gross proceeds from sales of assets	-	-	-	-	163	-	-	-	-	-	-
Total sources of capital funding	488	103	61	(58)	221	(67)	8	(75)	(78)	1	(63)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	72	-	-	77	-	515	82	-	-
Capital expenditure to replace existing assets	795	383	200	266	783	170	253	178	182	270	190
Increase (decrease) in reserves	(173)	(31)	45	(53)	(312)	(96)	(36)	(432)	30	118	108
Total applications of capital funding	623	352	317	212	471	151	216	261	294	388	298
Surplus (deficit) of capital funding	(135)	(250)	(256)	(270)	(250)	(218)	(209)	(336)	(372)	(387)	(361)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Biosecurity

What is this Activity about?

Under the Biosecurity Act 1993 the Council has leadership responsibilities to prevent, reduce, or eliminate adverse effects from invasive species. Marlborough has a long history of invasive species impacting on our economy and the environment, and the potential for new invasive species threats is ongoing and requires an active regime in order to understand and manage those threats.

The ways Council undertakes its activities include:

- promoting the alignment of invasive species 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 invasive species management and facilitating communication and cooperation among people involved in invasive species management activities to enhance the effectiveness, efficiency, and equity of programmes
- monitoring to determine whether or not invasive species are present and undertaking surveillance of invasive species, pests, and unwanted organisms
- investigating, eradicating or managing invasive species or pests in accordance with relevant pest management plans or immediate response measures.

The guiding framework and principles for the biosecurity activity are outlined in the Marlborough District Council Biosecurity Strategy. A key component in the Strategy is the use of a Regional Pest Management Plan (RPMP) – a regulatory tool available to Council under the Biosecurity Act 1993. The RPMP highlights priority programmes that are feasible, and sets clear achievable programme objectives for those specific invasive species. In turn, those species are declared as a pest

under the Biosecurity Act 1993 with Council able to utilise administrative powers where necessary to ensure those programmes are implemented.

The RPMP clearly defines programmes for a number of invasive species, each programme includes objectives and outcomes that align with the National Policy Direction for Pest Management. These are outlined below.

Exclusion — where the intermediate outcome being sought is to prevent the establishment of the pest in Marlborough.

Eradication — where the intermediate outcome being sought is to control the pest to a level where it has been removed entirely from the region.

Sustained control — where the intermediate outcome being sought is to control the pest down to levels that can be sustained and that are not causing undesired impacts.

Progressive containment — where the intermediate outcome being sought is to control the pest in areas of the region, with an aim to reduce and contain the geographical distribution of the pest.

Site-led — where the intermediate outcome is to manage a pest (using one of the previously aforementioned outcomes) at a given site or sites within the region.

The Council also provides a range of non-regulatory biosecurity services through the facilitation of community partnerships, conducting research, supporting biological control initiatives and promoting voluntary control of a range of other invasive species.

The operational details of both the implementation of the RPMP and other biosecurity services will be outlined in an Operational Plan (which is a statutory requirement for the RPMP). This Operational Plan will be reported on each year – also a statutory requirement.

How this Activity contributes to the Vision and related Community Outcomes

This activity helps to achieve the Vision by controlling potential pest impacts on high-value enterprises and natural ecosystems. It also contributes to the Community Outcomes of Environment, Economy, People and Living as outlined below.

Outcome	Actions
Environment	Monitoring and managing invasive species that pose a threat to our indigenous ecosystems.
Economy	Monitoring and managing invasive species that pose a threat to primary industry production and economic well-being. These services promote innovation for improved pest management systems.
People	Helping to create solutions with the community through information, discussions and research.
Living	Helping to protect our lifestyle and general well-being from the threat of invasive species which degrade recreational areas (e.g. invasive marine pests).

Emerging issues and expected changes

Issues relating to Biosecurity and invasive species management are outlined in detail in Council's Biosecurity Strategy.

An emerging issue is the pressure for the Biosecurity activity to address long established invasive species issues given they are more visible and causing real or perceived current impact rather than in the future. This pressure is often shared with Council's biodiversity protection or enhancement initiatives or Council as a manager of public land (e.g. Reserves). These activities are also facing significant resource pressures given invasive species are one of the greatest threats to

biodiversity values and managing these established invasive species is often challenging and required in perpetuity.

In terms of invasive species issues that are the priority for the Biosecurity activity, ongoing management of Chilean needle grass and wilding conifers continues to prove challenging. However, with a high level of community buy-in, and central government investment through the National Wilding Conifer Control Programme, these programmes are on track.

An issue emerging with growth of wilding conifer management initiatives is significant resource pressure on Council to fulfil its role of regional 'fund holder', facilitator and (in some cases) the contract principal for operational implementation.

Levels of Service 2021-31: Biosecurity

Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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	≥ 6.5	≥ 6.5	≥ 6.5	6.5
Implement the Regional Pest Management Plan (RPMP).	% of Operational Plan targets relating to the RPMP met.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Deliver non-RPMP biosecurity services and/or initiatives.	% of Operational Plan targets relating to non-RPMP biosecurity services and/or initiatives met.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%

Funding Impact Statement for LTP 21-31

Biosecurity

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,594	1,544	1,602	1,659	1,843	1,912	1,967	2,028	2,090	2,157	2,217
Fees and charges	3	3	3	3	3	3	3	4	4	4	4
Fuel tax, fines, infringement fees and other receipts	162	4,868	6,046	924	80	74	69	69	68	67	67
Total sources of operating funding	1,759	6,415	7,651	2,586	1,926	1,989	2,040	2,100	2,162	2,228	2,288
Applications of operating funding											
Payments to staff and suppliers	1,372	6,001	7,221	2,145	1,483	1,527	1,570	1,522	1,570	1,622	1,669
Internal charges and overheads applied	406	418	437	453	461	468	480	492	506	520	532
Other operating funding applications	60	60	60	60	60	60	60	60	60	60	60
Total applications of operating funding	1,838	6,479	7,719	2,658	2,004	2,056	2,110	2,074	2,135	2,202	2,261
Surplus (deficit) of operating funding	(79)	(64)	(68)	(71)	(78)	(67)	(70)	27	27	27	27
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	52	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	52	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	186	-	-	-	-	-	-
Increase (decrease) in reserves	(79)	(64)	(68)	(71)	(211)	(67)	(70)	27	27	27	27
Total applications of capital funding	(79)	(64)	(68)	(71)	(26)	(67)	(70)	27	27	27	27
Surplus (deficit) of capital funding	79	64	68	71	78	67	70	(27)	(27)	(27)	(27)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Building Control

What is this Activity about?

This Activity is important for the health and safety of Marlborough District residents, workers and visitors. The Building Act and Regulations sets out the rules for the construction, alteration, demolition and maintenance of new and existing buildings in New Zealand. It aims to improve control, encourage better design and construction and provide greater assurance for consumers. The efficient processing of building consents is a key focus of this Activity to ensure the Building Control Group are responsive to customer needs.

This Activity involves giving effect to the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories: as a Territorial Authority (TA) and as a Building Consent Authority (BCA). The Council's role is to ensure compliance and to meet the requirements of the relevant Acts and Regulations.

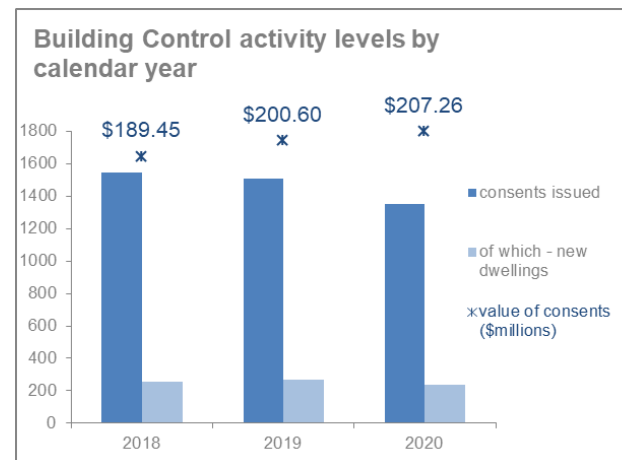
The most significant component of this Activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing Code Compliance Certificates. The standard of compliance required is set out in the Building Regulations and means of compliance are outlined in the New Zealand Building Code. Council is also required to have Building Consent Authority accreditation.

This Activity also involves other functions under separate legislation including:

- Monitoring swimming pool fencing under the Building (Pools) Amendment Act 2016
- Investigating building related complaints under the Local Government Act and the Building Act 2002
- Administering the requirements in the Earthquake Prone Buildings Amendment Act 2016.
- Administering the Building Acts requirement to undertake Building Warrants of Fitness audits annually.

Activity levels

The Activity level varies from year to year. The following table lists the numbers of Building Consents handled during the last three years.



How this Activity contributes to the Vision and related Community Outcomes

This activity helps to achieve the Vision by ensuring building works support quality lifestyles and community well-being. It also contributes to the Community Outcomes of Governance, Economy, People and Living as outlined below.

Outcome	Actions
Governance	Supporting community and industry forums in our region by communicating building control challenges and success. Ensuring the Council meets its statutory obligations under the Building Act 2004.

Outcome	Actions
	We advocate to central government and other public agencies where their actions will impact on the interests of the Marlborough District.
Economy	<p>Providing assurance that the buildings people live and work in comply with the Building Code, are structurally sound, weather-tight and meet fire protection requirements.</p> <p>Helping people to understand the requirements and processes of the Building Code when carrying out development.</p> <p>Good regulatory practices contribute to economic well-being in the community.</p>
People	<p>The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives.</p> <p>By ensuring buildings are well constructed, safe and weather-tight, the activity contributes to the development of the district, and protection of assets in the community.</p>
Living	Enabling events to take place with an effective inspection regime to ensure safety.

Emerging issues and expected changes

IANZ accreditation

The Group's Building Consent Authority (BCA) accreditation status is audited by IANZ biennially. The BCA received re-accreditation in 2020 and the next audit round will occur May 2022.

Electronic and digital development

The Building Control Group continues to develop and implement electronic I systems to improve efficiency.

Succession planning

An increasing number of the Building team members are reaching retirement age. Management need to plan ahead to ensure adequate numbers of trained staff are available to meet industry demands and the requirements of the Building (Accreditation of Consent Authorities) Regulations Act 2006. Such succession plans and upskilling of staff has been considered as part of the LTP. March 2021 saw a change of Building Control Group Manager as a result of the current manager stepping down.

Quality management

The Building Control Group continues to use the services of an external Quality Manager. The QM is responsible for undertaking audits on each regulation for the Building (Accreditation of Building Consent Authorities) Regulations and applying processes to rectify any non-compliance with those regulations. The use of an external QM proved its worth during the May 2020 accreditation audit. The BCA only received 8 general non compliances of which 2 were cleared during the audit process.

Training for Building Control Officers

In recent years the qualification process has changed for new Building Control Officers (BCOs) under Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006. The previous recognition of prior learning (APL) system has been removed. New officers without a recognized qualification will now be required to complete a 2 year NZQA diploma (Level 6). This process will require the candidate to complete 240 units which will include monthly classroom training events (main centers), self-driven learning and on-site practical training.

The employment process will be similar to a cadetship. It is envisaged that this will negatively affect the number of potential candidates for job vacancies and will impact on the training budget for Building Control. The time away from the core activity attending training programs will also impact on the day to day output of the team. On a positive note, the diploma ensures that the BCA has fully qualified technical staff that has the competency to make appropriate decisions on compliance and therefore protect the Council from future liability.

Levels of Service 2021-31: Building Control

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	6.3	≥ 6.0	≥ 6.1	≥ 6.2	6.3
Provide a service that is responsive to customer needs and minimises risks to public safety.	% of Building Consents applications granted within 20 working days of receipt of the application.	100%	100%	100%	100%	100%
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	100%	100%	100%	100%	100%
	% of swimming pools inspected annually.	33.3%	≥ 33.3%	≥ 33.3%	≥ 33.3%	≥ 33.3%
	% of Building Warrants of Fitness audited annually.	20%	≥ 20%	≥ 20%	≥ 20%	≥ 20%
Provide a service that is responsive to customers needs and minimise risk to public safety	% of CRM's (Customer Complaints -Building Act 2004) responded to in 72 hours	New measure	100%	100%	100%	100%

Funding Impact Statement for LTP 21-31

Building Control

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	551	739	777	858	939	996	1,011	1,089	1,115	1,170	1,220
Targeted rates	97	99	101	102	104	106	108	110	113	115	118
Fees and charges	3,223	3,385	3,470	3,549	3,628	3,710	3,792	3,877	3,962	4,051	4,143
Internal charges and overheads recovered	-	50	51	53	54	55	45	47	48	49	50
Fuel tax, fines, infringement fees and other receipts	88	154	158	162	76	74	72	73	73	74	75
Total sources of operating funding	3,959	4,427	4,558	4,724	4,801	4,941	5,028	5,196	5,311	5,459	5,606
Applications of operating funding											
Payments to staff and suppliers	2,617	2,946	3,004	3,117	3,175	3,272	3,319	3,446	3,515	3,615	3,719
Internal charges and overheads applied	1,338	1,434	1,505	1,559	1,583	1,606	1,645	1,685	1,731	1,779	1,822
Other operating funding applications	20	20	21	21	21	22	22	23	23	24	24
Total applications of operating funding	3,974	4,399	4,530	4,696	4,780	4,900	4,986	5,155	5,270	5,418	5,565
Surplus (deficit) of operating funding	(15)	28	28	28	21	41	41	41	41	41	41
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	84	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	84	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	289	-	-	-	-	-	-
Increase (decrease) in reserves	(15)	28	28	28	(185)	41	41	41	41	41	41
Total applications of capital funding	(15)	28	28	28	105	41	41	41	41	41	41
Surplus (deficit) of capital funding	15	(28)	(28)	(28)	(21)	(41)	(41)	(41)	(41)	(41)	(41)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Building Control	3,746	4,130	4,250	4,406	4,490	4,609	4,698	4,857	4,963	5,101	5,238
LIMs	228	247	257	265	271	277	284	292	300	309	317
Capital expenditure											
Building Control	-	-	-	-	289	-	-	-	-	-	-

Activity: Environmental Health

What is this Activity about?

This Activity provides services to protect public health through registration, inspection and verification of operators, and the investigation of food complaints, and discharging statutory functions 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 written information to the public.

The Environmental Health Officers also administer the Sale and Supply of Alcohol Act 2012, which requires the issuing of alcohol licences and monitoring of compliance with licence conditions, and licensing of Class 4 venues under the Gambling Act 2003. Staff also investigate nuisance complaints such as noise, smoke, odours, pest control and hazardous substances.

The key objectives for the activity are outlined below.

- Effective licensing, verification, inspection and enforcement of premises to ensure public health is maintained.
- To ensure nuisances are abated within the district.
- To investigate complaints of excessive and unreasonable noise.
- To establish a measurable system of control over the safe and responsible sale, supply and consumption of alcohol with the aim of minimising harm caused by excessive or inappropriate consumption.
- To adopt a Class 4 venue policy with regard to the social impact of gambling.
- To process Class 4 gaming machine venue consent applications.

The key methods to achieve these objectives are as follows:

- The licensing, inspection, education and enforcement of standards with regard to all premises (particularly food, hairdressers, funeral directors, camping grounds and offensive trades) to ensure compliance with the relevant legislative requirements.
- The licensing, education and monitoring of premises that sell or supply alcohol, to ensure compliance with the relevant legislative requirements and licence conditions, and issuing of managers' certificates.
- The inspection of markets, food stalls and other annual events.
- Investigating statutory nuisances and responding to noise complaints.
- The assessment/granting of Class 4 Gaming Consent applications.
- Responding to complaints of a critical nature (food poisoning) within one working day and of a non-critical nature within seven working days.
- Overseeing the effective delivery of Council's noise control contract.
- In general, ensuring the health of the public of Marlborough is not put at risk from environmental influences by investigating conditions that may directly or indirectly have the potential to threaten public health.

Statutory Requirements

Heath Act 1956

- The Council has responsibility pursuant to section 23(b) to regularly inspect properties in the district relating to any nuisance conditions, or conditions which are likely to be injurious to health or offensive.
- The Council has responsibility pursuant to section 23(a) to appoint Environmental Health Officer(s) to enable it to carry out its duties under the Act.
- Section 323(d) requires the Council to enforce the provisions of all regulations under this Act within the District.

Food Act 2014

- Perform function of registration authority.
- Manage verification functions.
- Investigate non-compliance and complaints under the role of Food Safety Officer.
- Ensure adequate resources are provided to carry out the Council's role, functions and duties under the Act.

Sale and Supply of Alcohol Act 2012

- An inspector must inquire into and file reports with the licensing committee regarding on, off and club licence applications (section 103).
- An inspector must inquire into and report on special licence applications (section 114).
- An Inspector must inquire and report on Manager applications (section 220).

Hazardous Substances and New Organisms Act 1996

- The Council must enforce the provisions of this Act other than those premises specified in paragraphs (a) to (g) of section 97.

Resource Management Act 1991

- To investigate, monitor and take appropriate enforcement action under the RMA, where it is necessary.

Gambling Act 2003

- Report on Class 4 venue applications in accordance with the District's Class 4 venue policy.

Local Government Act 2002

- Enforcement of bylaws.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by promoting quality lifestyles and well-being. It also contributes to the Community Outcomes of Governance, People, Economy, and Living as outlined below.

Outcome	Action
Governance	<p>Ensuring the Council meets its statutory obligations under applicable statutes.</p> <p>Publishing policy consultation documents, and making participation in the consultation process easy and accessible.</p> <p>Enabling public interaction and targeted engagement in Council verification and registration processes through customer surveys.</p> <p>Supporting community and industry forums in our region to communicate challenges and successes.</p>
People	<p>Safeguarding the community's health and enhancing the well-being of people in the region through inspections and ensuring standards of food safety, alcohol sales and consumption and nuisances do not adversely affect quality of life and</p>

Outcome	Action
	<p>ensure public health.</p> <p>Engaging with individuals, community groups and industry to educate them on issues relating to food safety and public health.</p>
Economy	<p>Enhancing and maintaining the confidence of locals and visitors in the region's public health.</p> <p>Good regulatory practices contribute to economic well-being in the community.</p>
Living	<p>Helping people feel more secure by applying CPTED (Crime Prevention Through Environmental Design) principles to alcohol licensing in the region.</p> <p>Providing an effective registration, inspection and enforcement regime of food and alcohol premises to ensure public health is maintained.</p> <p>Regularly inspecting premises to resolve nuisance issues.</p>

Emerging issues and expected changes

Industry education

Continuing education services are required for industries as a result of legislative changes.

Electronic systems

The team is working towards making the majority of processes electronic and carrying out geospatial mapping of registrations and licensing. These changes will provide increased functionality and access to information via web-based systems for applicants and the public.

Levels of Service 2021-31: Environmental Health

Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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%	100%	100%	100%
	Number of annual inspections of markets and events with 10 or more food stalls.	12	≥ 13	≥ 13	≥ 14	≥ 14
	% of complaints of critical nature (e.g. food poisoning) actioned within one working day.	100%	100%	100%	100%	100%
	% of complaints of a non-critical nature assessed within seven working days.	100%	100%	100%	100%	100%
Administer Food Control Plans under the Food Act 2014	% of businesses registered in Food Control Plans and National Programmes - of those that are required to be registered under Food Act 2014.	100%	100%	100%	100%	100%
	% of registered business as scheduled in the Food Act 2014 and Regulations audited.	100%	100%	100%	100%	100%
Carryout 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" ¹³ inspected once a year.	90%	≥90%	≥90%	≥90%	≥90%
Provide a service for investigation of noise complaints.	Timely provision of a report on performance of noise control contract.	31-Aug	31-Aug	31-Aug	31-Aug	31-Aug
	Assess complaints concerning unreasonable noise within one working day.	90%	≥90%	≥90%	≥90%	≥90%

¹³ An "on-licence" allows the sale or supply of liquor to any person present on the premises, for consumption on the premises.

Funding Impact Statement for LTP 21-31

Environmental Health

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	120	195	203	214	239	249	258	268	278	289	299
Fees and charges	357	392	407	416	425	435	445	455	465	475	486
Fuel tax, fines, infringement fees and other receipts	10	28	28	28	9	8	8	8	8	8	8
Total sources of operating funding	488	615	638	658	674	693	711	731	750	772	792
Applications of operating funding											
Payments to staff and suppliers	316	429	443	456	468	482	495	510	523	539	553
Internal charges and overheads applied	169	266	277	286	292	297	304	311	320	329	337
Total applications of operating funding	485	694	720	742	760	779	799	821	843	868	890
Surplus (deficit) of operating funding	2	(80)	(82)	(84)	(86)	(86)	(88)	(91)	(93)	(95)	(98)
Sources of capital funding											
Gross proceeds from sales of assets	-	-	-	-	6	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	6	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	3	3	4	4	31	4	4	4	4	4	4
Increase (decrease) in reserves	(1)	(83)	(85)	(88)	(110)	(90)	(92)	(95)	(97)	(100)	(102)
Total applications of capital funding	2	(80)	(82)	(84)	(80)	(86)	(88)	(91)	(93)	(95)	(98)
Surplus (deficit) of capital funding	(2)	80	82	84	86	86	88	91	93	95	98
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Animal Control

What is this Activity about?

The objective of this Activity is to encourage responsible dog ownership which allows owners to enjoy their dogs without infringing on the enjoyment and safety of others. This involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs.

The Activity also provides services in relation to wandering livestock on public land and roads.

The Dog Control Act 1996 (DCA) is the primary legislative tool used in this Activity, together with related regulations including the Impounding Act 1955 and Council Dog Control Bylaws.

Council oversees the effective delivery of this service, which is delivered on a day-to-day basis under contract. The key deliverables to achieve this objective include:

- providing a dog registration process;
- educating the community about dog safety and care; and
- investigating dog complaints and taking the appropriate enforcement action.

Statutory Requirements

Dog Control Act 1996

- Promote and encourage responsible dog ownership and welfare of dogs.
- Adopt a dog control policy.
- Register and classify dogs.
- Appoint dog control officer(s).
- Report on implementation of the Dog Control Policy.

Impounding Act 1955

- Establish and operate a district pound.

Council's Dog Control Bylaw

- Enforce the District's Bylaws.

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by promoting quality lifestyles and well-being. It also contributes to the Community Outcomes of Governance, Environment, People, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Ensuring the Council meets its statutory obligations under applicable statutes. Publishing policy consultation documents, and making participation in the consultation process easy and accessible. Enabling public interaction and targeted engagement in Council registration and dog control processes through various communication means and customer surveys.
Environment	Providing for a range of dog exercise, restricted and prohibited areas in the Council's Dog Control Policy and Bylaw to provide a safe environment for dog owners and the public.

Outcome	Actions
People	<p>Supporting and enhancing the well-being and quality of life of people by specifying dog exercise, restricted access and prohibited areas within our community.</p> <p>Providing information on animal control challenges and successes to individuals, schools, community groups and industries.</p>
Connectivity	<p>Ensuring our public roads and public places are kept safe and accessible by removing wandering dogs and livestock.</p>
Living	<p>Patrolling parks and reserves, and taking appropriate dog control education and enforcement action to prevent public nuisance and to ensure public safety.</p> <p>Supporting the public to safely participate in sports and recreation in areas where there are dog friendly or restricted areas.</p> <p>Protecting public and individual safety by investigating complaints of dog nuisance and attacks and taking appropriate enforcement action.</p>

Emerging issues and expected changes

Perceptions of dogs in the community and dog attacks

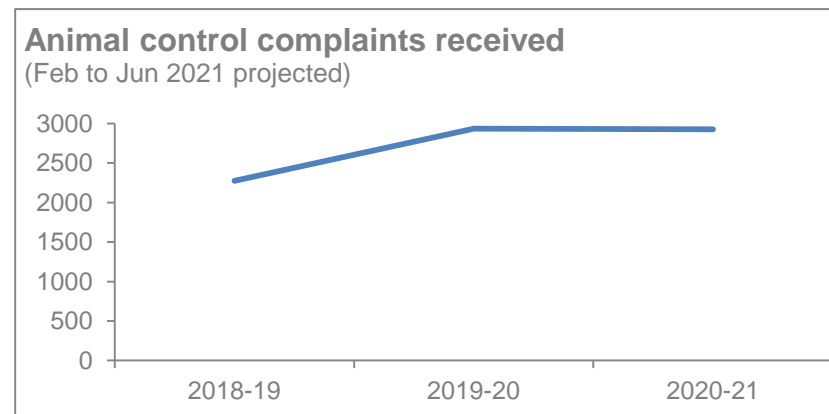
There has been ongoing media interest in dog attacks in recent years. This can create fear in the community whereas in reality serious dog attacks are rare. When serious incidents do occur, these need to be investigated thoroughly and the likely cause of the attack assessed so that appropriate enforcement action can be taken.

Workload demands

More than 10,000 dogs are registered in the District and the Council receives more than 2,000 dog associated complaints each year. This

makes a significant resource demand on the Animal Control contractor and Council's Animal Control Contract Manager.

The following graph presents all complaints received by Animal Control.



Dog Parks

Council completed the construction of dog park in Renwick on Foxs Island Road (off State High Way 6 and next to the SPCA) in 2019. The park is a dog exercise area where dogs may be off leash. Council is investigating proposed sites for dog parks in Picton and Blenheim, with the intention of funding these parks from the Dog Control budget reserves. The currently proposed location in Blenheim is on a closed landfill site on the Taylor River which has already been designated for a dog park and in Picton at Waitohi Domain.

Policy and Bylaw review

Council is undertaking a review of the Dog Control Policy and Dog Control Bylaw in accordance with the Dog control Act 1996 and the Local Government Act 2002. The review is required to be undertaken every 10 years and looks at dog access to all public places and includes new Council reserves which have been created since the previous bylaw review.

The proposed draft Dog Control Policy and Dog Control Bylaw received 679 submissions and also a petition signed by 699 people opposing dogs being on leash along the Taylor River. Hearings were held in December 2020. The Hearing Committee is considering all the written submissions alongside additional comments during the hearings. Site

visits have also been undertaken by the Hearing Committee. Recommendations in the form of a final draft policy and bylaw will be presented for adoption to the council's Environment Committee in 2021, before it is ratified by the full Council.

Levels of Service 2021-31: Animal Control						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.2	≥ 7.2	≥ 7.2	≥ 7.2	7.2
Provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	Level of compliance with the Animal Control contract	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements
	Annual report preparation and publicising.	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep

Funding Impact Statement for LTP 21-31
Animal Control

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	150	146	150	155	173	177	182	186	191	195	200
Fees and charges	572	595	605	615	626	637	650	664	679	694	710
Fuel tax, fines, infringement fees and other receipts	85	93	95	96	84	85	86	88	90	92	93
Total sources of operating funding	807	834	851	867	882	900	918	938	960	981	1,003
Applications of operating funding											
Payments to staff and suppliers	704	732	750	768	785	804	822	841	860	880	900
Internal charges and overheads applied	82	82	86	89	91	92	95	97	100	102	105
Other operating funding applications	9	6	6	6	6	7	7	7	7	7	7
Total applications of operating funding	796	820	843	864	883	902	923	945	966	989	1,012
Surplus (deficit) of operating funding	11	14	8	3	(0)	(3)	(5)	(6)	(7)	(8)	(9)
Sources of capital funding											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	11	14	8	3	(0)	(3)	(5)	(6)	(7)	(8)	(9)
Total applications of capital funding	11	14	8	3	(0)	(3)	(5)	(6)	(7)	(8)	(9)
Surplus (deficit) of capital funding	(11)	(14)	(8)	(3)	0	3	5	6	7	8	9
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Harbours

What is this Activity about?

The purpose of the Harbours Activity is to enable Council to meet its statutory obligation to ensure maritime safety in the region in accordance with the Maritime Transport Act 1994.

Council has appointed a Harbourmaster to lead the Harbours Activity and the Harbourmaster has regulatory authority and responsibility for navigation safety in the port, harbour and coastal seas.

The Harbourmaster is supported by a team of five full-time staff including a deputy Harbourmaster, a Harbour Protection Officer, two Maritime Officers and an Administration Officer. Additional personnel are employed on a casual basis to support safer boating initiatives.

Council is a signatory to the New Zealand Port and Harbour Safety Code, a tripartite agreement between Maritime New Zealand, Regional Councils and Ports. The Code identifies standards of practice, guidelines and operating principles for Code members to adopt and apply so as to demonstrate good practice in efforts to ensure a safe and healthy maritime and coastal environment.

The Harbours Activity is also responsible for maintaining an adequate marine oil spill response capability as required under the Maritime Transport Act 1994. In the event of a marine oil spill the Harbourmaster fulfills the role of Regional On-Scene Commander and leads a team of twenty trained oil spill responders.

The foundation of all Harbours Activity is the Harbour Safety Management System. This is a risk based approach to managing all known hazards and risks in the Harbour and the system constantly evolves to meet the changing risk profile of the Harbour. A copy of the current Harbour Safety management system is available on the Council website.

Harbour information

The Marlborough Harbour is significant in size and scope, covering approximately 4200km² of water space. Activity in the Harbour is extremely high and encompasses a very broad range of commercial and recreational activity. At certain times of the year specific parts of the Marlborough Harbour are among the most congested waterways in New Zealand. Picton Harbour is a prime example.

The Harbour contains three distinct designated pilotage areas for ships over 500 gross tonnes and provides safe anchorages for ships including oil tankers, large container ships, oil rigs and offshore support vessels.

Port Marlborough (PMNZ) is the main port servicing Cook Strait ferries, bulk carriers, log ships and cruise ships from the port facilities at Picton/Waitohi. Major marina facilities exist in Waikawa, Picton and Havelock servicing a range of recreational and commercial vessels.

Aquaculture in the form of mussel and salmon farming occurs throughout the region with marine farms serviced by an extensive commercial fleet of vessels. The harbour is extremely popular for recreational activity including fishing, kayaking, sailing, water-skiing and jet skiing.

The Harbours Activity serves to ensure the provision of safe, healthy and navigable waterways so as to enable activity in the Coastal Marine Area that supports Councils vision and mission statement.

How this Activity Contributes Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, Economy, People, Connectivity and Living as outlined below.

Outcome	Activity
Governance	Fostering a system of governance that leads and defines best practice for the provision of safe and clean coastal waters.
Environment	Guiding the ongoing evolution of systems, activities and networks designed to protect our coastal waters from oil pollution and keep coastal environment healthy and safe.
Economy	Upholding a regulatory regime that supports sustainable economic activity and growth in the Marlborough maritime sector. Mitigating maritime risk in a strategic manner to ensure effective outcomes and value from our levels of service.
People	Engaging with the people who live and work in the Marlborough Sounds so as to support and encourage activity which contributes to a safe and healthy coastal area for the benefit of all.
Connectivity	Upholding freedom of navigation in the Marlborough Harbour so that the waters of the region can be enjoyed without obstruction or exposure to undue risk.
Living	Understanding the significance and value of the Marlborough Harbour to people and providing a safe, clean and navigable harbour.

Emerging issues and expected changes

A changing harbour risk profile

The risk profile of the harbour changes continuously and is monitored by risk assessment. The risk assessment identifies factors that have or may have led to increased risk in the harbour and identifies the controls that need to be in place or adjusted to ensure maritime safety and protection of the environment. The following sections describe the most significant risks and/or controls relevant to the long term plan.

Tory Channel

The proposal to introduce larger Cook Strait ferries triggered a review of navigation risk over the entire ferry route and in particular, the Tory Channel. Advice received by Council suggests that existing controls in place to manage risk in Tory Channel are not sufficient to enable the safe transit of larger vessels. A process of collaborative risk assessment will guide the identification and implementation of risk controls necessary to ensure the ongoing safe transit of ferries to and from Picton.

Marine farm lighting

Opportunities exist to rationalise the Marine farm lighting requirements in the Coastal Marine Area so as to enhance navigation safety and reduce light pollution. Lighting solutions to support safe navigation around marine farms will more fully consider the surrounding environment, achieve consistency across all aquaculture management areas and ensure alignment with national and international marine farm lighting.

Mooring management area

The proposed implementation of mooring management areas in Waikawa Bay and Picton/Waitohi aims to establish an optimal mooring layout and management system. The objectives to be achieved are; navigation safety, environmental enhancement and efficient use of water space. The need for additional mooring management areas will be assessed following the establishment of the Waikawa and Waitohi mooring management areas.

Bylaws

A new draft navigation safety bylaw is expected to be put forward for consultation in 2021. Changes to the bylaw will take into account existing and expected risk in the harbour, the new Marlborough Environment Plan and the need for enhanced risk management of Tory Channel. A mooring management bylaw will also be proposed.

Wrecks

An ageing fleet of recreational vessels is creating a near constant stream of wrecks and derelict craft most commonly wooden displacement launches and sailing vessels. Such vessels are typically abandoned or being used as live aboard by person with limited alternative housing options. Such vessels can be costly to remove and can involve complex social issues. This problem is expected to increase.

Pelorus Sound

Pelorus Sound can only be accessed by ships over 500 gross tonnes if they are exempted from pilotage requirements by the Director of Maritime New Zealand. A visit of a New Zealand cruise vessel to the region in 2021 will provide an opportunity ensure an effective system is in place to facilitate such visits and manage the associated risk should demand for access to the area increase.

Digital technologies

Tracking the changes in the risk profile of the harbour over time is essential to ensure appropriate risk management strategies are in place. New technologies are enabling improved data capture, increasing understanding of risk and enhanced monitoring and control of harbour activity.

Ongoing areas of advancing digital innovations include; cloud based incident capture and management, advanced vessel traffic monitoring and alerting, improved app and web based harbour user engagement tools, an expanding network of weather sensors, tide and current modelling, high density bathymetry and automated vessel wake and speed monitoring.

Mass Rescue Plan

A regional Mass Rescue Plan has been developed by Police to deal with an event such as the foundering of a cruise ship. In an event of this scale the initial local response will be critical. The Harbourmaster and Marlborough Emergency Group are aiming to establish drills and scenario training to ensure adequate regional response capability.

Rivers

Changes to the Maritime Transport Act in 2017 created an obligation on Council to regulate navigation safety on the rivers of the region despite rivers having been excluded from the navigation safety bylaws. The Harbours Activity now actively manages risk on high risk parts of the Wairau River and may need to expand risk management efforts on this river and/or extend regulatory activity to cover other rivers in the region.

d'Urville Island

Recreational activity around the coast of d'Urville Island has increased significantly over recent years and as a result there has been a rise in serious incidents involving recreational vessels navigating in or transiting to/from this area. Ensuring maritime safety in this area requires increased engagement with the users of this part of the harbour.

The Nautical and Coastal Science Team

The Harbours Activity and the Coastal Science Activity are merging in 2021 to form a Nautical and Coastal Science team. At the present time details of the Coastal Science Activity can be found within the Levels of Service for Environmental Science and Monitoring.

Formation of a Nautical and Coastal Science Team will create efficiencies in the delivery of both the Coastal Science and Harbours existing levels of service by enabling maritime resources and personnel to be shared and utilised in a manner that increases output across both Activities. This reflects the fact that these two activities have a clear shared objective to understand, manage and influence human activity in the maritime space.

The Nautical and Coastal Science Team will be dedicated to the pursuit of optimal integrated management practices within the Marlborough coastal marine area (CMA) and ensure Council is well positioned to meet future changes in the coastal space. Specific challenges include:

Sensitive marine areas

Establishing a baseline understanding of Sensitive Marine Areas as defined in the plan, raising awareness of these sites and establishing a robust monitoring and reporting regime.

Cumulative effects

Defining, assessing and monitoring cumulative effects of human activity on the Coastal Marine Area and proposing initiatives that promote and enable effective integrated management.

Climate change

Establishing processes of risk assessment as relates to the impacts of climate change in the Coastal Marine Area so as to mitigate the impact of climate change on the health of the marine ecosystem.

Summary

Demand on the Harbours Activity and the Coastal Science Activity is increasing but efficiencies are being achieved by introduction of new technologies, community engagement and the establishment of the Nautical and Coastal Science Team.

Levels of Service 2021-31: Harbours

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).	7.4	≥ 7.4	≥ 7.4	≥ 7.4	≥ 7.4
Provide a safe environment for all users through effective public education.	Number of Marlborough Safe Navigation and Tides Brochures distributed.	7,000	≥ 7,000	≥ 7,000	≥ 7,000	≥ 7,000
	Annual % increase of Cruise Guide App users.	5%	≥ 5%	≥ 5%	≥ 5%	≥ 5%
	Number of safe boating surveys completed through face to face on water interactions.	1,000	≥ 1,000	≥ 1,000	≥ 1,000	≥ 1,000
	Number of targeted 'no excuses' enforcement days undertaken in high risk areas.	15	≥ 15	≥ 15	≥ 15	≥ 15
Maintain compliance with the Harbours Maritime Transport Operators Plan (HTOP) as certified by Maritime New Zealand.	Review.	Annually	Annually	Annually	Annually	Annually

Levels of Service 2021-31: Harbours

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
Ensure that Port and Harbour Safety Code requirements are met.	Completion of self-assessment and review of the Safety Management System (SMS), Risk Assessment, General Direction, and Harbourmaster Notices.	Annually	Annually	Annually	Annually	Annually
	Number of risk review meetings undertake with Port Marlborough Marine Services.	2	≥ 2	≥ 2	≥ 2	≥ 2
	Safety Management System verified by as compliant with the Code.	Annually	Annually	Annually	Annually	Annually
Remove wrecks and provide navigation warnings when necessary.	All wrecks removed in a reasonable timeframe (in days).	30	≤ 30	≤ 30	≤ 30	≤ 30
Audit Marine Farms.	Number of marine farm lighting audited each year.	150	≥ 150	≥ 150	≥ 150	≥ 150
	Audit mooring arrangements on all Fin Fish farms annually.	Annually	Annually	Annually	Annually	Annually
Regulate Pilotage activity.	Review of the Certified Marlborough Pilot Exemption Certificate (PEC) Training Program.	Annually	Annually	Annually	Annually	Annually
	Check of Pilot and PEC Master Currency.	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Provide navigation aids to International Light House Authority (IALA) standard.	% availability					
	Cat 1	99.9%	99.9%	≥ 99.9%	≥ 99.9%	≥ 99.9%
	Cat 2	99%	≥ 99.0%	≥ 99.0%	≥ 99.0%	≥ 99.0%
	Cat 3	97%	≥ 97.0%	≥ 97.0%	≥ 97.0%	≥ 97.0%
Maintain an Oil Spill Response capacity.	Meet all annual requirements as specified by the Maritime New Zealand Oil Spill Response Service.	Annually	Annually	Annually	Annually	Annually

Funding Impact Statement for LTP 21-31

Harbours

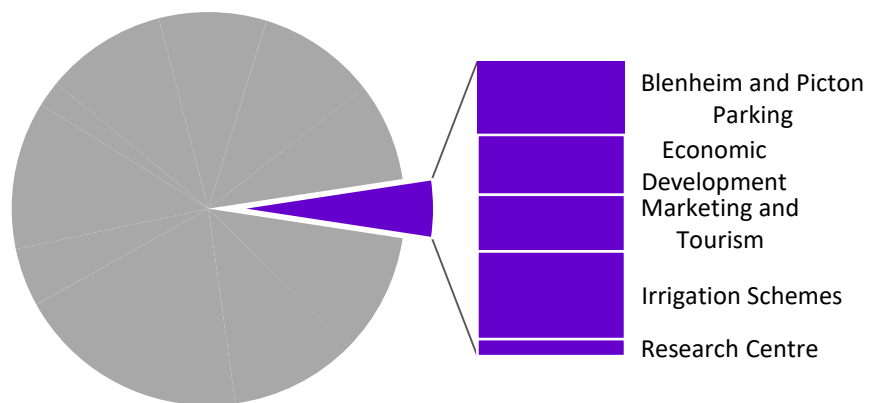
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,062	1,179	1,216	1,270	1,408	1,382	1,409	1,474	1,541	1,590	1,598
Fees and charges	462	462	474	484	495	506	518	529	541	553	565
Fuel tax, fines, infringement fees and other receipts	213	294	299	298	188	184	184	187	189	192	194
Total sources of operating funding	1,737	1,935	1,988	2,053	2,091	2,072	2,111	2,190	2,271	2,335	2,358
Applications of operating funding											
Payments to staff and suppliers	1,242	1,269	1,293	1,327	1,360	1,396	1,431	1,470	1,507	1,547	1,586
Finance costs	18	28	31	31	31	31	30	29	26	24	23
Internal charges and overheads applied	262	287	294	300	307	313	320	327	334	341	349
Total applications of operating funding	1,522	1,584	1,618	1,659	1,698	1,740	1,781	1,825	1,867	1,912	1,958
Surplus (deficit) of operating funding	215	351	370	394	393	332	330	365	404	422	400
Sources of capital funding											
Increase (decrease) in debt	488	103	61	(58)	58	(67)	8	(75)	(78)	1	(63)
Gross proceeds from sales of assets	-	-	-	-	21	-	-	-	-	-	-
Total sources of capital funding	488	103	61	(58)	79	(67)	8	(75)	(78)	1	(63)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	72	-	-	77	-	515	82	-	-
Capital expenditure to replace existing assets	792	380	197	262	278	167	249	174	178	266	186
Increase (decrease) in reserves	(89)	74	163	74	194	22	89	(400)	66	158	151
Total applications of capital funding	703	454	431	336	472	266	338	290	326	424	337
Surplus (deficit) of capital funding	(215)	(351)	(370)	(394)	(393)	(332)	(330)	(365)	(404)	(422)	(400)
Funding balance	-	-	-	-	-	-	-	-	-	-	-



Regional Development

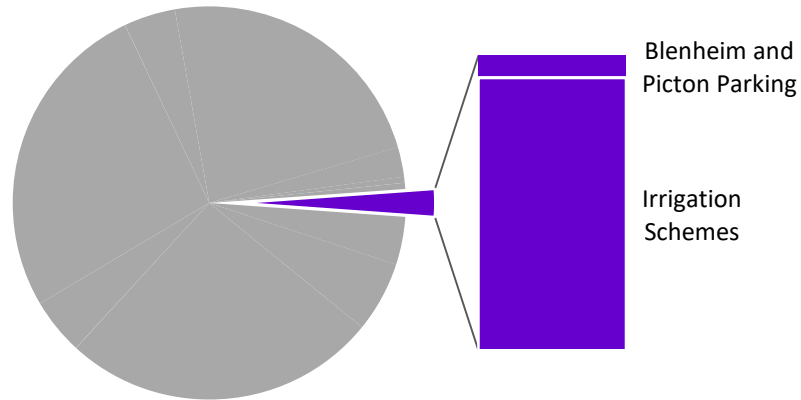
Operating costs

The operating costs for the Regional Development Group of Activities represent \$71 million of total Council expenditure.



Capital projects

Capital expenditure for the Regional development Group of Activities represent \$16 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Activity	Major Capital Projects	Inflated value (Millions)
Irrigation Schemes	2021-23 Flaxbourne Irrigation Scheme.	\$13.7
	2022-23 pump station for the Southern Valleys Irrigation Scheme (SVIS).	\$1.0
Property Development	2021-22 fit out for Marlborough Convention Centre	\$0.3

Rationale for the delivery of the Regional Development Activity Group

Council decisions and actions can significantly assist the development of the regional economy by encouraging local business initiatives and innovation, attracting new investments, and by presenting Marlborough as an attractive tourist destination. As a provider of infrastructure (such as roading, water, parking and irrigation), as a regulator of many business activities, Council is both a facilitator and encourager of development in the region.

Changes to Regional Development Activity Group from the 2020-21 Annual Plan

There are no changes to this Activity Group.

Intended changes to Levels of Service from the 2020-21 Annual Plan

There are no intended changes to the levels of service within the group from the levels of service displayed in the 2020-21 Annual Plan.

Significant negative effects Associated with this Group of Activities

While there are no significant negative effects from undertaking this Activity Group, unplanned development carries a variety of risks, chiefly associated with the sustainability of resource use. Council takes a sustainable development approach to planning for regional development, and endeavours to balance current and future needs of the community. The Irrigation Activity may involve the potential for environmental impact or the operation of machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities appropriate controls are applied.

Activity: Regional Development

What is this Activity about?

This Activity supports the regional economy to achieve long term economic growth for the benefit of the Marlborough community. It is about identifying where the direction of growth could be, how we could get there and what needs to be done. It is important to recognise that regional development is not just about supporting businesses, but also about ensuring people have the skills and knowledge to play their part in the development of Marlborough's economy and to benefit from the wealth created.

Local government makes long-term and strategic investment decisions that impact on the nature and structure of the local economy. It undertakes planning and manages regulatory functions, infrastructure and services that impact on business and investment decisions.

Council also directly provides some services for the benefit of the regional economy including:

- economic development, marketing and tourism
- Marlborough Research Centre
- parking
- irrigation
- the Small Townships Programme.

Economic development

The economic development function has recently been reviewed and is being reshaped. The services provided prior to the review are being incorporated into the new structure, and new areas of focus are being added.

The new direction is focused around six pillars of work:

1. Business capability

2. Innovation, R&D and transformation
3. Workforce and talent development
4. Economic leadership and vision
5. Investment attraction
6. Foresight and intelligence

The six pillars will provide support for Marlborough's key economic sectors:

- Wine
- Aquaculture
- Forestry and wood processing
- Food (new)
- Screen industry (new/enhanced)
- Technology (new)
- Tourism and hospitality; and
- Retail

Council's role in delivering the six pillars of work is varied, and includes:

- Direct service provision, for example providing support for businesses engaging with Council processes and departments, or the Marlborough screen office permitting service
- Facilitation and leadership, for example through management of the award winning Marlborough Smart+Connected programme, and participation in the Marlborough Regional Skills Leadership Group
- Networking and engagement, for example developing a Marlborough CEO's programme, and an innovation programme

- Partnership working, for example working with Marlborough's food sector to develop a food story and connecting food businesses to government support
- Attraction programmes, for example for screen projects, technology businesses and migration and business investment.
- Economic intelligence, for example Infometrics economic data and gathering data from partner business support organisations.

An economic development strategy will be developed in 2021/22 that will guide the various actions of the economic development activity and other organisations in Marlborough.

Regional Events Strategy

Council has developed a Regional Events Strategy with the support of the events sector to identify opportunities for growing events in the region and increasing the commercial return to local businesses. A Regional Events Adviser is employed to help deliver the strategy and to support the events sector.

A key focus of the role is to assist communication within the events sector, and to help promote the many events offered in the region to locals and visitors alike. The Follow ME* website is the primary tool alongside targeted promotional documents such as the Summer Events Guide and Marlborough Arts Month. The Regional Events Adviser also manages the Commercial Events Fund to assist with the development of existing and new events to grow the economic and other benefits of hosting events in the region. The Regional Events Adviser is also involved with managing Marlborough applications to the government's Regional Events Fund alongside Destination Marlborough.

Marketing and tourism

Destination marketing services are undertaken on Council's behalf by the Destination Marlborough Trust Inc. Destination Marlborough exists to grow and support a sustainable visitor economy that contributes to achieving a Smart and Connected economy for Marlborough. It is funded through a combination of Council and private sector investment. The organisation's core marketing priorities are to position Marlborough as a

compelling destination to visit, to prioritise effort on attracting more visitors outside of the peak tourism months, and to grow visitor spending in the region. In 2020, the focus of tourism promotion shifted to domestic as COVID-19 closed international borders, including a Make it Marlborough campaign aimed at encouraging locals to visit regional attractions as businesses. Destination Marlborough is developing a destination management plan to guide the development of visitor products and attractions in the region.

Marlborough Research Centre

This Activity is delivered by the Marlborough Research Centre Trust (MRC), and provides support for public good research, regional prosperity and environmental sustainability in support of Marlborough's primary industries.

MRC was set up in 1984 to ensure the Marlborough region makes the best use of its natural resources, by assisting innovative research and technical development in agricultural, pastoral, horticultural and viticultural matters. Funding from the government's Provincial Growth Fund to develop Te Whare ā Waina Aotearoa/the New Zealand Wine Centre at the Budge Street campus will set up Marlborough as the recognised base of research for New Zealand's wine industry.

Small Townships Programme

The Small Townships Programme (STP) provides a strategic planning and design process for improving public amenities in small townships as part of the implementation of the Growing Marlborough Strategy.

The purpose of this programme is to:

- design liveable towns with an attractive central space
- enable freedom of movement, connectivity and accessibility
- strengthen a sense of place and unique identity
- enhance the use, enjoyment and pride in outdoor public spaces.

Council has allocated 10% (around \$50,000) of the Small Township Programme's annual budget for a Community Projects Fund. This funds small, low cost infrastructure projects related to outdoor public spaces. Project examples include community spaces, recreation areas, landscaping and streetscape upgrades to improve walking and cycling.

Parking

A large number of businesses are located in or close to the main town centers of Blenheim and Picton. The ability for customers, staff and visitors to access these businesses is supported by the provision of convenient and affordable car parks, as well as support for other transport modes such as buses, biking and walking. Council provides, operates and maintains more than 1,900 on and off-street parks in Blenheim and Picton. This service is contracted to Marlborough Roads, which currently sub-contracts parking enforcement to ADT Armourguard and the Cash Collection contract, which is held by Gary Ching Ltd.

The provision of car parking in the Blenheim and Picton town centers is guided by parking strategies for each town. Council is currently reviewing parking strategies for Blenheim and Picton CBD's, which will be reported mid-2021. The table below provides a summary of Blenheim and Picton kerbside and off-street parking numbers.

Parking	Length / Quantity
Blenheim Car Parks	498 kerbside, 1,111 off-street metered (includes 323 car park building), 255 leased, 199 off-street time limited.
Picton Car Parks	266 off-street metered, 56 on-street time restricted.

Irrigation

Sourcing water for irrigation is of critical importance to our primary industries, particularly in areas of water shortage such as south Marlborough. Council has significant expertise and experience in

providing water infrastructure in Marlborough, and has developed an irrigation scheme for the Southern Valleys to the south of Renwick for horticultural, farming and rural residential properties which covers an area of approximately 4,500 ha. The scheme is operated during the drier months of the year providing there is sufficient water available in the Wairau River.

A proposed irrigation scheme for the Flaxbourne area, estimated to cost between \$10.5M and \$16M, is under consideration. It would provide similar benefits to the Southern Valley scheme in supporting the development of productive agricultural land and it would be paid for by the beneficiaries through a targeted rate. Council has agreed to support the development of this scheme subject to a number of conditions:

- Securing sufficient water.
- Satisfactory final design, estimates and funding.
- Securing 100% commitment to fund the scheme from landowners and/or the provincial growth fund.
- The actual cost of construction being within the funding secured.

In principle the Council supports other community irrigation schemes if environmental effects can be managed and mitigated. The table below provides a summary of the Southern Valleys' Irrigation Scheme assets.

Southern Valleys' Irrigation Scheme (SVIS)	Length/Quantity
Reticulation length	57 km
Service connections	4,500 hectares
Abstraction gallery	2
Distribution pumps	6

Southern Valleys' Irrigation Scheme (SVIS) Length/Quantity	
Booster pumps	8
Meters	261

How this Activity contributes to the Vision and related Community Outcomes

This Activity helps to achieve the Vision by supporting smart, progressive, high value enterprises and economic efficiency. It also contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	<p>Enabling and encouraging industry groups to develop and implement Smart and Connected strategies and leadership groups.</p> <p>Enabling communities to develop Township Plans which will enhance the public amenities where they live.</p> <p>Using a participative approach to discuss the option of a community irrigation scheme with the Flaxbourne community. If the irrigation scheme proceeds it will create employment and increase the capital value of properties in that area.</p>
Environment	<p>Promoting the beauty of the Marlborough District. Destination Marlborough's recognises the role of sustainable tourism in protection of the environment.</p> <p>Environmental enhancements to small communities are undertaken by the Small Townships Programme</p>

Outcome	Actions
People	Supporting people's aspirations for community-driven projects and facilities on public land through the Small Townships Programme.
Economy	<p>Enabling individual industries to have a strong leadership group with broad representation and a strategic plan through the Smart and Connected programme, and to work with other industries and communities.</p> <p>Encouraging connectivity between Marlborough businesses and national and international science and markets through the Marlborough Research Centre (MRC).</p> <p>Providing advice through Business Trust Marlborough to support people starting and growing businesses (including new residents to the area).</p> <p>Providing Smart Business Marlborough services to support business develop through international links, regional identity, resources and up to date information.</p> <p>Developing global links through Sister City and Sister Region initiatives.</p> <p>Growing Marlborough's capacity as a prime region for conferences and events, and as a diverse and attractive visitor destination.</p>
Connectivity	<p>Providing parking in towns for locals and visitors to shop, work and access the many services located in the CBD.</p> <p>Providing connectivity improvements in communities (such as walking and cycling) via the Small Townships Programme</p>
Living	Supporting commercial events via the implementation of the Regional Events Strategy and community events via funding. Organising and

Outcome	Actions
	<p>participating in events offers opportunities for people to meet and work with others in the community.</p> <p>Enabling our main townships to have a strong community led group with a strategic plan through the Smart and Connected programme.</p> <p>Helping our small communities to identify improvements to make their townships great places to live via the Small Townships Programme</p>

Emerging issues and expected changes

Economic development

The COVID-19 pandemic has had a severe impact on New Zealand's economy. Locally, Council has established The Economic Action Marlborough (TEAM) group to identify how the pandemic has impacted Marlborough's economy and to identify interventions to mitigate these impacts. To date, the principal impact has been on the Tourism, Retail and Hospitality sectors as international borders have been closed since March 2020. TEAM will continue to operate to assist with the economic response to the pandemic until it is deemed that the effects are manageable.

As outlined above, the economic development activity is evolving to focus on six pillars of support for the Marlborough economy.

Te Taihu Intergenerational Strategy

Marlborough has participated in the development of a Regional Strategy with partners in Nelson and Tasman regions called the 'Te Taihu Intergenerational Strategy'. The strategy was launched in December 2020 with decisions about how it will be implemented still to be made. The strategy has identified a vision 'To become good ancestors' and a number of outcomes and actions.

Marlborough participates in the Top of the South Regional Infrastructure Forum (RIF) which brings together iwi and public sector organisations across the Top of the South. Marlborough's economic development staff participate in the Economic Pou of the RIF. Post Treaty of Waitangi settlement process, iwi authorities are focused on developing economic development activities, alongside cultural and other activities.

Tourism

The COVID-19 pandemic has had a severe impact on Marlborough's visitor economy. The closing of international borders in March 2020 has meant that visitor economy businesses are reliant on domestic travellers solely until borders reopen. Destination Marlborough has reoriented its activity to support domestic visitation.

Irrigation

Council support for the Flaxbourne Irrigation Scheme is subject to a number of conditions including Government assistance, resource consents and uptake by landowners. Council will continue to work with the community and the Government on these issues.

Levels of Service 2021-31: Regional Development

Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2021-22	2022-23	2023-24	2024-31
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).					
	Economic Development	5.7	≥ 5.7	≥ 5.7	≥ 5.7	≥ 5.8
	Tourism	6.4	≥ 6.4	≥ 6.4	≥ 6.4	≥ 6.5
	Parking	6.0	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.6
	Irrigation	6.2	≥ 6.6	≥ 6.6	≥ 6.6	≥ 6.7
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	% funded projects achieved.	New measure	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Manage Marlborough Research Centre contract to ensure service quality and value.	% of MDC funded projects achieved.	80%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Effectively promote Marlborough as a visitor destination.	% of MDC funded projects from DM Annual Plan achieved.	New measure	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Provide convenient and affordable car parks to support CBD businesses.	Occupancy rates:					
	- On-street	65%	≥ 65%	≥ 65%	≥ 65%	≥ 65%
	- off-street (Queen St + Clubs only)	65%	≥ 65%	≥ 65%	≥ 65%	≥ 65%
	- Parking building	45%	≥ 45%	≥ 45%	≥ 45%	≥ 45%
	Regularly review the parking strategies for Blenheim and Picton (five yearly).	2020-21	N/A	N/A	N/A	2025-26
Maintain the supply of irrigation water to support land based industries.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	1	≤ 1	≤ 1	≤ 1	≤ 1

Funding Impact Statement for LTP 21-31

Regional Development

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,091	2,146	2,554	2,600	2,892	2,964	3,036	3,111	3,185	3,261	3,292
Targeted rates	1,739	1,757	1,771	1,895	1,920	3,065	2,980	2,337	2,372	2,409	2,443
Subsidies and grants for operating purposes	-	100	-	-	-	-	-	-	-	-	-
Fees and charges	1,823	1,854	1,893	1,930	1,951	1,987	2,024	2,167	2,207	2,250	2,401
Internal charges and overheads recovered	-	36	37	38	39	40	41	42	43	44	45
Fuel tax, fines, infringement fees and other receipts	256	421	447	434	206	198	193	194	195	196	197
Total sources of operating funding	5,908	6,314	6,701	6,897	7,007	8,254	8,274	7,850	8,003	8,160	8,378
Applications of operating funding											
Payments to staff and suppliers	3,597	3,846	3,911	4,079	4,180	4,287	4,604	4,513	4,637	4,767	4,885
Finance costs	525	522	686	763	703	742	777	734	699	663	626
Internal charges and overheads applied	781	819	849	873	891	909	931	954	979	1,004	1,029
Other operating funding applications	1,266	389	242	246	249	254	258	263	269	274	280
Total applications of operating funding	6,169	5,576	5,688	5,961	6,023	6,192	6,570	6,464	6,584	6,709	6,820
Surplus (deficit) of operating funding	(260)	738	1,013	936	985	2,062	1,704	1,386	1,419	1,451	1,558
Sources of capital funding											
Increase (decrease) in debt	(612)	2,773	8,014	(1,792)	(1,838)	3,145	(1,584)	(1,164)	(1,191)	(1,218)	(1,073)
Other dedicated capital funding	-	65	-	-	-	-	-	-	-	-	-
Total sources of capital funding	(612)	2,838	8,014	(1,792)	(1,838)	3,145	(1,584)	(1,164)	(1,191)	(1,218)	(1,073)
Applications of capital funding											
Capital expenditure to meet additional demand	80	80	83	85	87	90	93	95	98	101	104
Capital expenditure to improve the level of service	816	4,010	10,007	-	-	-	11	-	-	-	-
Capital expenditure to replace existing assets	6	6	688	23	35	60	48	51	67	68	70
Increase (decrease) in reserves	(1,774)	(519)	(1,751)	(963)	(976)	5,057	(32)	75	63	64	311
Total applications of capital funding	(872)	3,577	9,028	(856)	(854)	5,207	120	222	228	233	485
Surplus (deficit) of capital funding	260	(738)	(1,013)	(936)	(985)	(2,062)	(1,704)	(1,386)	(1,419)	(1,451)	(1,558)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Operating expenditure											
Economic Development	2,076	1,549	1,315	1,320	1,354	1,388	1,423	1,459	1,497	1,536	1,575
Marketing and Tourism	1,283	1,272	1,293	1,314	1,332	1,353	1,377	1,402	1,429	1,457	1,485
Research Centre	369	373	380	387	393	401	409	417	426	436	446
Irrigation Schemes	1,420	1,379	1,845	2,101	2,012	2,121	2,433	2,258	2,303	2,350	2,393
Parking	1,781	1,738	1,723	1,714	1,738	1,756	1,784	1,813	1,845	1,852	1,849
Capital expenditure											
Economic Development	-	10	-	-	-	-	11	-	-	-	-
Irrigation Schemes	816	4,000	10,677	16	18	17	18	20	20	20	20
Parking	86	86	101	91	105	133	123	126	145	149	153

Part 3:

Financial and Infrastructure Strategy and Statements





Financial Strategy

Introduction

The financial strategy outlines our overall approach to managing our finances. It sets our limits on rates increases and debt, illustrates the overall financial impacts of decisions made in the Long Term Plan and is key in demonstrating prudent financial management.

Council key financial outcomes

Council aims to achieve the following financial outcomes over the next 10 years:

- Maintain a credit rating of at least AA (stable) from S&P Global.
- Generate sufficient funds to deliver the levels of service and undertake the capital investments within the 2021-2031 LTP.
- Minimise the impact on ratepayers through the appropriate use of reserves and debt, while ensuring intergenerational equity.
- Remain within a rates cap of the Local Government Cost Index plus 3%. The 3% comprises 1% for the cost of rising Government requirements and 2% for growth and improved levels of service.
- Remain within a debt cap of \$230 million, which is currently less than 10% of total assets, for the period covered by the 2021-2031 LTP.
- Maintain investments in MDC Holdings Ltd, Marlborough Regional Forestry, Local Government Funding Agency, and set aside easily accessible funds for emergencies.

A balanced budget is essential to achieving these financial outcomes, and Council has considered how to balance:

- the levels of service to be provided and the cost of achieving and maintaining them during periods of growth,

- the priorities and timing of expenditure across all activities, especially expenditure of a capital nature and the link to the Infrastructure Strategy,
- the proposed levels of rates and charges across the full 10-year period of the LTP and their impact on the community,
- the proposed level of borrowing that current and future ratepayers will need to service.

Overall, Council considers that it has successfully balanced these four key elements in preparing the draft Long Term Plan 2021-2031. Community input is welcome on how the current result contained in this LTP can be improved.

Council must, under the Local Government Act 2002, manage its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that sustainably promotes the current and future interests of the community.

Strategic direction of Council

Council's Mission Statement is set out on page 2 and Community Outcomes are set out on pages 24 of this Plan. Each Activity in this Long Term Plan identifies the outcomes that it contributes to.

Outline of factors that are expected to have a significant impact on the Long Term Plan

1. Environment

Marlborough provides a unique lifestyle opportunity for residents and visitors with the full range of geological features from mountains to fertile plains, rivers and the magnificent Marlborough Sounds, coupled with high sunshine hours and available water. These features support a wide range of business and leisure opportunities. Business opportunities have predominantly centred on "land and sea" based activities i.e. viticulture, forestry, horticulture, pastoral farming, aquaculture, tourism and the servicing sectors. The common thread for almost all these activities is having a quality environment with an emphasis on

maintaining and possibly improving it. Availability of quality water is also a key factor.

2. Economy

The major industries identified above rely upon favourable international markets to provide a strong economic foundation for the District.

Infometrics' November 2020 forecast of GDP anticipates a decline of 5% over the year to March 2021. However over the year to March 2022, growth is forecast to swing marginally back into the positive with Marlborough's GDP growing by 1.2% and New Zealand by 1.0%.

To date Infometrics' predictions have proven pessimistic. Marlborough has a relatively diverse economy which provides a solid base for recovery from the impacts of COVID-19, with strong local and international demand for the District's wine, forestry and aquaculture. However the lack of international tourists is having an adverse impact on our tourism and hospitality sector.

With Marlborough having a trade based economy, much will depend on how quickly our major trading partners can address their COVID-19 issues and how well their economies weather the COVID storm.

3. Inflation projections

Council, along with the majority of other Councils in New Zealand, uses inflation projections provided by Business and Economic Research Ltd (BERL). These projections are used to inflate Council's forecast operating and capital expenditure in years two to 10 of the Long Term Plan.

BERL prepares projections for road, property, water, energy, staff, earth-moving, pipe lines and private sector wages. These are consolidated into an overall Local Government Cost Index (LGCI). To generate its forecasts, BERL estimates relationships based on historic data between price indices and a set of driver economic variables (e.g. GDP, employment, oil prices, construction, investment and CPI).

This year because of COVID-19, BERL provided three inflation scenarios, i.e. Stalled Rebuild scenario, Mid-scenario and a Faster rebuild scenario. Council is using the Mid scenario as it is seen by BERL as the most likely.

BERL comments;

“that its mid-scenario might be thought of as a likely scenario. In line with the RBNZ scenario, the risks to this scenario are mostly on the downside. It is more likely that growth and employment is more likely to be lower than higher in this scenario. The assumptions are consistent with Treasury and RBNZ forecasts and include BERL’s adjustment for the historic record of time taken to recover from previous economic crises.

This scenario is likely to be applicable to most councils, and especially for those in areas that:

- a) *Have a diverse economy without an overreliance on the worst affected industries of tourism and retail trade;*
- b) *Have relatively sound infrastructure and do not expect to engage in significant infrastructure upgrades in the next decade;*
- c) *Have a growing young population;*
- d) *Have a high proportion of employment in local and central government; and*
- e) *Have a high proportion of employment in knowledge work generally.*

We expect that areas of New Zealand whose economies fit this description are likely to experience a prolonged but generally healthy recovery. This assumes continued support from local and central government”

Currently BERL are forecasting the following combined and overall increases in its LGCI:

Forecast BERL LGCI

2022	2023	2024	2025	2026	2027	2028	2029	2020	2031
3.7*	2.9	2.5	2.5	2.6	2.5	2.6	2.7	2.7	2.6

*The 3.7% increase for 2021-22 is after a forecast decrease of 0.7% for 2020-21

These increases make up a significant portion of the proposed rates increase over 10 years of the Long Term Plan contained on page 211 of this Strategy.

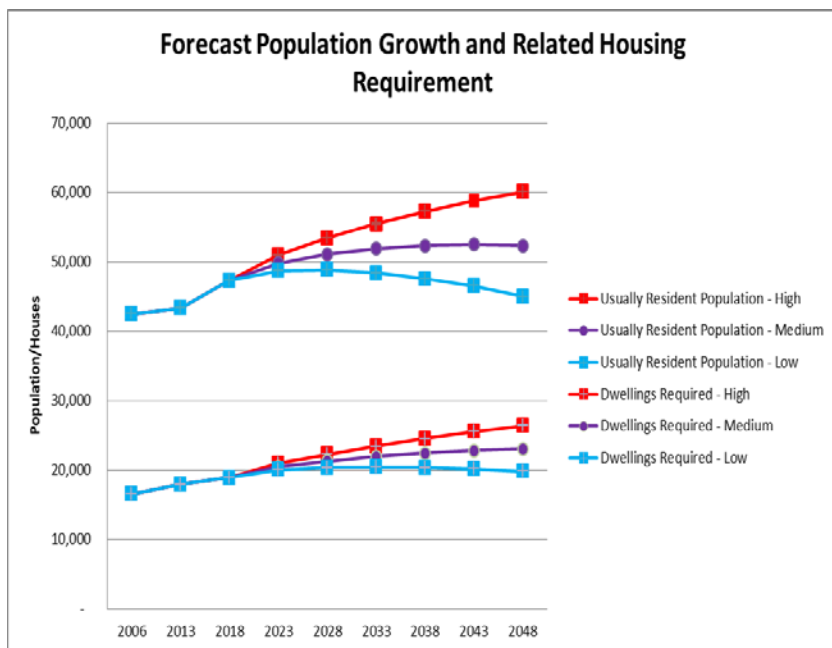
1. Growth and population composition

The number of people in the District, (both permanent residents and visitors), where they choose to live and the growth in economic activity directly affects the demand for land for development, infrastructure and other services the Council provides. This growth underpins land use planning, infrastructure developments, where and when new services and facilities are required and their cost.

In June 2020, Marlborough’s population was estimated at 50,200, an annual growth rate of almost 2% per annum over the 2013 census figure of 43,416. More than 60% of the Marlborough population lives in Blenheim, with a further 16% in Picton and Renwick. Most population growth since 2006 has occurred in Blenheim and Renwick. Although Picton has recently seen an overall decline in usual resident population, there was strong growth in Waikawa. Prime building land in Waikawa is becoming less readily available and future growth in this area may be limited.

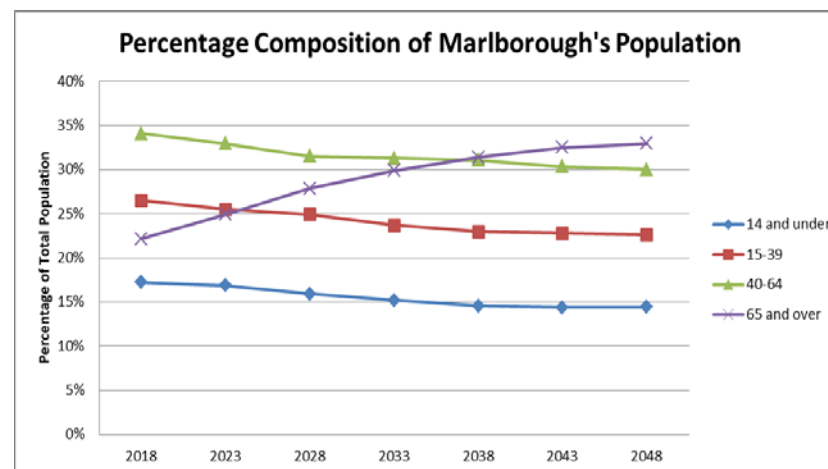
On 31 March 2021, Statistics New Zealand has provided a range of population projections. The low, medium and high growth scenarios for the Marlborough region for both population and houses are shown on the following graph. As the sunniest area in New Zealand, our climate, beautiful environments and healthy economy will continue to attract people to our area. This will help to counter balance the general trend for provincial New Zealand to loose population to the major centres.

Partly because of this uncertainty planners use the medium to high projection as a basis for planning future service provision in Marlborough. There are long lead-in times for major projects due to public consultation, land purchase negotiations, resource consent approval and construction. Planning conservatively for medium/high growth also provides some future proofing for assets that may have a useful life in excess of 80 years. **This approach has proved sound with Marlborough’s actual growth exceeding the “High” predictions.**



(source: Statistics New Zealand 2018-2048 projections)

Marlborough has one of the highest proportion of older people in New Zealand, with 20.5% of our population aged 65 or more in 2013. By June 2019 that had increased to 23% and is forecast to increase further to almost 35% by 2048. The change in Marlborough’s age distribution between now and 2048 is clearly shown in the graph below.



(source: Statistics New Zealand 2018-2048 projections)

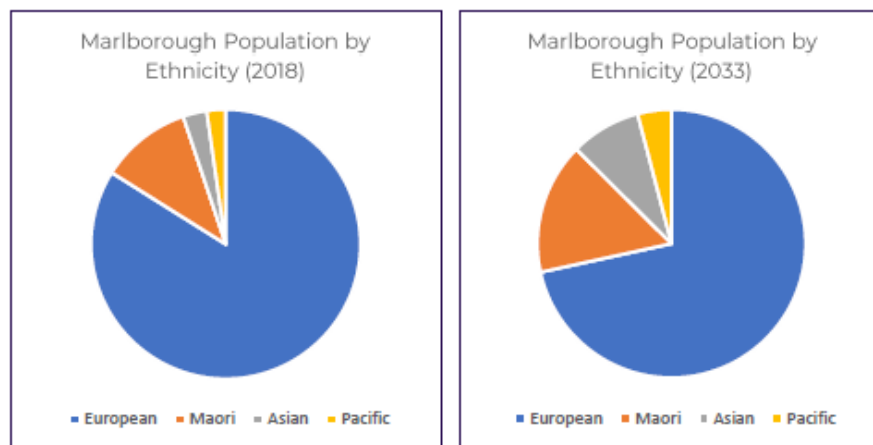
The increasingly elderly population and fewer working age people needs to be taken into consideration in financial planning, particularly when setting rates as affordability issues could arise as a large percentage of this group are on relatively fixed incomes.

The trend for growing urban centres and fewer people living in rural areas is expected to continue, as older people generally prefer to live closer to the services provided in larger centres. The provision of infrastructure in smaller settlements and the method of funding may need to be considered in the light of these projections. This may also result in new and or different levels of services being requested.

Older people are also more likely to prefer smaller houses and units, near the urban centres. Providing for this market could lead to urban intensification through regeneration of the existing housing stock.

Marlborough is also becoming a more ethnically diverse community. The Maori population is forecast to increase from 5,300(11% of the total population) in 2018 to 9,020 (16%) by 2033. Increases in other ethnic groups are also forecast to occur with the exception of NZ Europeans.

While NZ Europeans will still be making up the largest percentage of the population, it will drop from 84% in 2018 to 72% in 2033.



(source: Statistics New Zealand ethnic population projections)

Changes in the age of our population and increasing ethnic diversity could change the demand for different Council services.

Also changing are settlement patterns. The current urban settlement pattern consists of an average of 10-11 properties per hectare. The Development Contribution Policy helps to encourage urban infill by offering reduced charges for the subdivision of small residential sections. Urban intensification would help to reduce further urban spread and subsequent extension to the linear infrastructure. Costs per connection would decrease and improve the affordability of these services. According to historic Building Consent and Development Contribution information, growth is estimated to increase by 125 household equivalent units annually for the next ten years within Blenheim. This demand is expected to be much higher in the first few years, and drop off over time. Blenheim traditionally accounts for about 60% of all building consents for new dwellings, the remainder in the wider district.

Council believes that, as development increases the consumption of its current infrastructure capacity and accelerates the requirement for new

infrastructure, developers should bear the cost of this increased demand.

Through the application of its Development Contributions Policy to fund the cost of this additional infrastructure, Council is seeking to achieve an appropriate balance between encouraging growth and reduce the potential for additional burden on the ratepayer.

Undertaking development in a planned, co-ordinated manner can reduce costs as infrastructure development is not responding to “ad hoc requests” for isolated, scattered, piecemeal development. Responding to ad hoc development can mean that parts of the infrastructure networks are replaced earlier in their life than optimum while allowing other parts of the network to remain comparatively underutilised.

2. Government requirements

Currently existing government requirements are having a significant impact on Council’s cost structures. Government requirements affect the whole of Council, with requirements ranging from the level of training required for staff, to Traffic Management Requirements, to infrastructure standards to monitoring standards. The anticipated impact is of such significance that Council has increased its “Rates Cap” by one percent. In addition to known Government requirements, there are further National Environment Standards, Environmental Policy Statements, Resource Management Act reviews and the possible change in the delivery of the Three Waters. Council has included into its budgets the anticipated costs of delivering Government’s requirements where they can be identified with some certainty.

Balancing the budget

The Council is required under the Local Government Act 2002 to ensure that each year’s projected operating revenues are set at a level sufficient to meet that year’s projected operating expenses i.e. Council must demonstrate financial prudence.

In assessing financial prudence consideration is to be given to:

- The estimated expenses and required revenue to achieve and maintain the predicted levels of service provision set out in the Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of the assets throughout their useful life;
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life;
- The funding and financing policies.

During the development of the 2021-31 Long Term Plan, the Council considered how to maintain its current levels of service, operating expenditure and capital expenditure needed to replace existing assets and provide new infrastructure and facilities to meet the levels of growth that are forecast within the 10 years of the Long Term Plan. The Long Term Plan as presented should, for the majority of activities, enable Council to maintain current levels of service.

The Council is forecasting that its Activity expenditure will increase from \$114 million in 2020-21 to \$171million in 2030-31 an increase of 50%. The increase is primarily due to investments in infrastructure including Community Facilities, improvements in levels of service, especially in the environmental and Solid Waste Management areas, the projected movement in the LGCI and additional central government requirements.

Borrowing over the period of the Long Term Plan will increase. Borrowings net of investments and debt raised on behalf of subsidiaries (Port Marlborough and Marlborough Airport) are proposed to increase from the \$84 million shown in the 2020-21 Annual Plan to \$234 million in 2030-31 year, to fund a \$729 million capital program. Council is anticipating that it may be outside this “Cap” from 2027 onwards, but in reality this should not occur if the Three Waters assets and related debt are transferred to new entities as currently proposed by Government. Also based on the experience gained from Council’s previous plans actual requirements are likely to be less than currently forecast.

Much of the increase in debt has been driven by Council’s need to invest in infrastructure. Investment is needed to renew assets that are reaching the end of their economic life, to meet new standards and Resource Consent conditions and growth. Marlborough is currently experiencing higher levels of population growth than has been the case over the not too distant past. Higher levels of growth increases the demand for additional Council infrastructure and while the growth component is paid for via Development Contributions in the long term, Council must fund the cost upfront.

Development contributions have been reviewed accordingly to fund growth related `expenditure. The “Financial Trends and Summaries” section of the report below provides the extent of capital works and the funding sources.

Under section 101 of the Local Government Act 2002, Council considered its financial management responsibilities where it must manage revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Council also considered whether it was sustainable to undertake the level of capital expenditure proposed in the Long Term Plan together with increased operating costs associated with the higher debt level. If the Council has too much debt then future ratepayers will subsidise current ratepayers. If population growth, which is expected to fund the growth portion of assets incorporated into the capital expenditure programme, does not occur or occurs at a slower rate this may either increase rates or slow the delivery of capital projects.

The policy of fully funding depreciation except for Community Assets has been continued in the Long Term Plan and is considered an appropriate measure to ensure the concept of intergenerational equity is maintained. That is, current ratepayers will pay for its use and a share of its replacement cost in relation to the assets provided.

In summary, the rate movements have been affected as a result of:

- Price increases – cost adjustors (inflation) that have been applied to the estimates within the Long Term Plan.
- Growth – while development contributions fund much of the growth related capital expenditure, additional developed land and services need to be maintained and add to the Council’s operational expenditure. Generally the additional costs are met by the rates recovered from the extra ratepayers.
- Service levels increases – for some services, such as water supply, sewerage and environmental activities, a greater total rate take will be required.
- Depreciation and interest payments – the increased capital expenditure programme will mean that there will be a corresponding increase in depreciation and debt servicing costs that will be required to be met through fees and charges and rates.
- Additional central government requirements.

Rates, rates increases and rate increase limit

Council is very conscious of the impacts of rates increases in the community, the community’s wish to maintain or enhance current levels of service and the underlying cost drivers that Council has limited ability to control. The underlying cost drivers particularly relate to the materials that go into building and maintaining infrastructural assets i.e. diesel, bitumen, pipes and other construction materials. Council has reviewed the Capital Expenditure Programme and looked to defer projects where possible without significantly affecting levels of service.

Existing Reserves and Development Contributions are the first sources for funding capital expenditure. The balance is generally funded by loans, predominantly on a 20 year table mortgage basis. Loans have a rating impact, but as their repayment is spread, they reduce the burden on current rates and spread the costs over those future ratepayers who will also benefit from the asset being created. Increased operating and in the longer term maintenance costs also result.

Because Council’s costs are not the same as the costs faced by households e.g. food, housing, transportation etc as measured by the CPI, Council has decided to use the specifically developed LGCI as its inflation benchmark. It has further decided that it will aim to keep increases in total rates below the LGCI movement plus 3%. Council has decided to lift its previous “Rates Cap” to recognise the additional costs being imposed on Council by central government. The following table shows forecast rates increases, LGCI movements and the difference between the two showing where Council has exceeded the LGCI plus 3% stated above.

The impact of the voluntary targeted rates (clean heating and irrigation) has been removed as they only affect a relatively small number of ratepayers and are only incurred after voluntarily agreeing to receive the service.

The table shows that Council is outside its “Rates Cap” between 2023-2026. In 2023 and 2024 Council marginally exceeds the rates cap due to operating costs associated with an increased capital programme. In 2026 the cap is slightly exceeded due to the start of the Flaxbourne voluntary targeted rate.

In 2025 the main reason is cessation of assistance from the COVID Rates Relief Reserve. Recognising that the impact of rates increases on the community, Council has decided to establish a new Reserve called the COVID Rates Relief Reserve funded by anticipated unallocated revenue from river leases and subsidiary dividends. Council also decided to make allocations from this Reserve for a period of three years. Three years was decided as it is hoped that COVID will be well behind us by then and the likely Government reforms on the delivery of the Three Waters will prompt a significant review of the whole structure of Council’s rating.

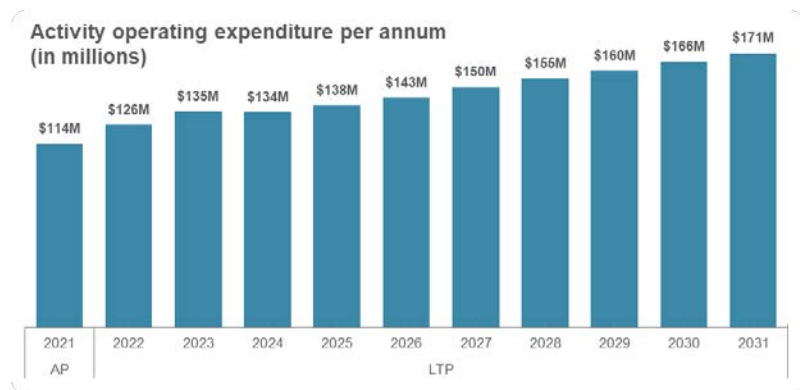
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Average
Rates	5.1%	6.4%	5.7%	9.7%	5.7%	4.3%	3.7%	3.9%	4.1%	3.2%	5.2%
Rates Cap	6.7%	5.9%	5.5%	5.5%	5.6%	5.5%	5.6%	5.7%	5.8%	5.6%	5.8%
Above/Below Rates Cap	1.6%	-0.5%	-0.2%	-4.2%	-0.1%	1.2%	1.9%	1.8%	1.7%	2.4%	0.6%

The amounts shown above are the total rates increases across the District. There will be properties that will pay less and others that will pay more, depending on the services that they receive. Samples for areas across the District are provided within the Long Term Plan, “Rates Movements” section. The other point to note is that while this document sets out Council’s plans for the next 10 years, each year it reviews its priorities and need to undertake capital projects with the objective of reducing rates.

Financial trends and summaries within the ten year plan

Operating expenditure

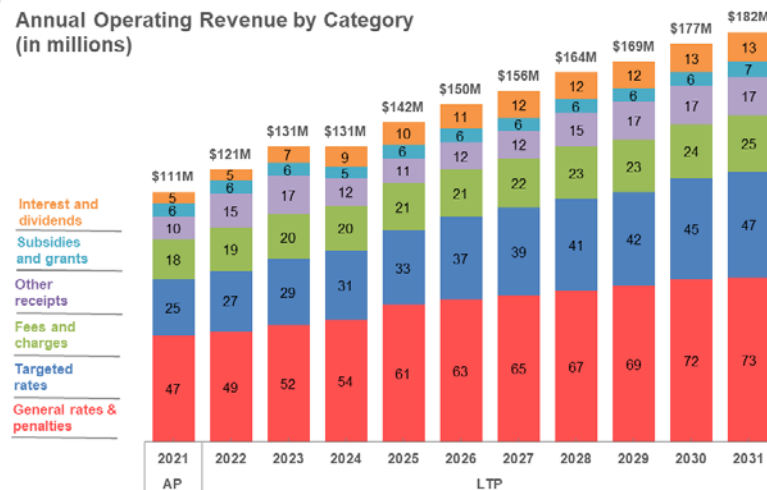
The following graph shows that total Activity related operating expenditure is forecast to increase from \$114 million in 2020-21 to \$171 million in 2030-31 an increase of 50%.



Operating revenues

Total Operating revenue (from the Funding Impact Statement) is forecast to rise from \$111 million in 2020-21 to \$182 million in 2030-31.

The following graph shows the sources of operating revenue throughout the Long Term Plan.



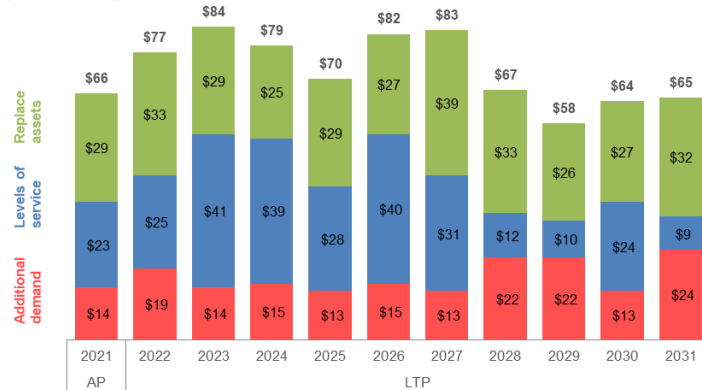
Capital expenditure

The Council currently has assets worth almost \$1.6 billion. During the next 10 years the Council is planning to undertake capital expenditure of:

- \$170 million to meet additional demand (including vested assets)
- \$259 million to improve the levels of service
- \$300 million to replace existing asset
- \$729 million in total

The following graph shows the amounts being spent on each capital expenditure category to meet community expectations (levels of service), replacement of existing assets and additional demand/growth over the Long Term Plan.

Annual Capital Expenditure by Category
(in millions)

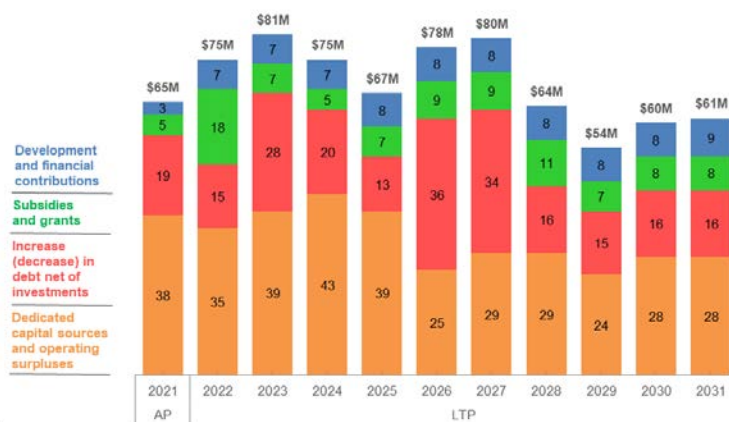


In each Activity section there is a list of major capital projects planned over the 10 years of the Long Term Plan. A number of these projects have been spread out to coincide with growth, need and/or affordability.

Capital funding sources

The following graph shows the capital funding sources planned to fund the capital expenditure.

Annual Capital Funding Sources
(in millions)



External debt

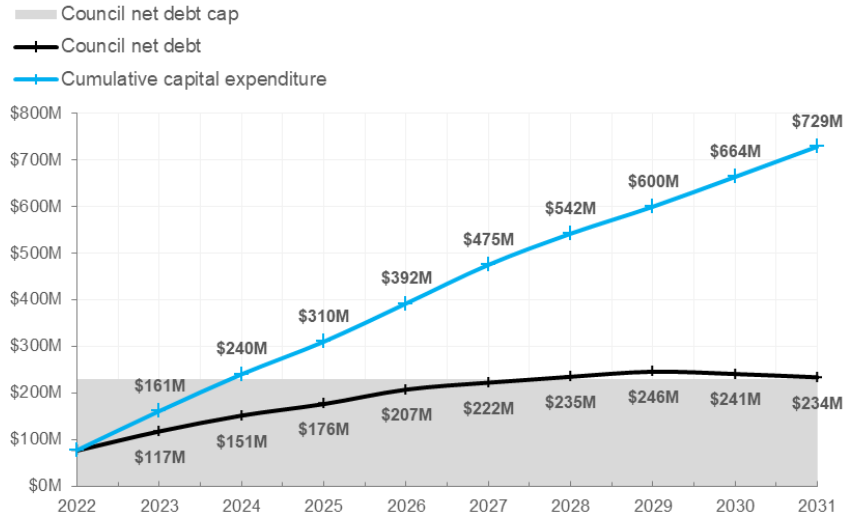
Council will continue to take advantage of the current low interest rate environment as it looks to increase its debt, by locking in longer term rates where possible.

External debt is only raised after development contributions, reserves and other funding sources have been used. Despite using external debt as a last resort, net borrowing is proposed to increase from the \$84 million shown in the 2020-21 Annual Plan to \$234 million in 2030-31 year, to fund the \$729 million capital program. However, as stated earlier in actuality this level of debt is very unlikely.

Note these values are Net Debt, after deducting the \$12 million of investments held as part of its disaster recovery planning and the borrowings made on behalf of the 100% owned MDC Holdings Ltd Group, which includes Port Marlborough NZ Ltd and Marlborough Airport Ltd.

The graph below shows the trend over the Long Term Plan for Council's net debt and cumulative capital expenditure. This graph includes an allowance for price movements based on the BERL forecasts. This graph clearly shows the capital expenditure programme in the initial years is linked to a corresponding movement in loans required to fund this work. In outer years depreciation on the increased asset base funds capital expenditure and there is a reduced reliance on debt.

Council net debt compared to cumulative capital expenditure (in millions)



Debt levels and interest costs

The Council Treasury Policy includes the Investment and Liability Management Policies. The Council has established a net debt cap of \$230 million.

Council has adopted the LGFA’s borrowing covenants in accordance with advice received from the Council’s Treasury Advisor.

The Council is a shareholder and lender of the LGFA. This has enabled Council to achieve a lower cost of funding. The Council comfortably meets all the covenants the LGFA has set for Councils to borrow from it.

The table below identifies each covenant and how Council compares against each one.

FINANCIAL COVENANTS	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net debt / total revenue <250%	54%	84%	108%	116%	128%	132%	133%	136%	129%	122%
Net interest / total revenue <20%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Net interest / annual rates income <30%	4%	5%	6%	5%	5%	5%	5%	5%	5%	5%
Liquidity > 110%	153%	136%	129%	125%	121%	120%	119%	118%	119%	119%

Security on borrowing

The Council generally does not offer assets, other than a charge over rates or rate revenue, as security for general borrowing programmes through its Debenture Trust Deed.

Limit on borrowing

Borrowing is a means by which those who pay the cost of providing an asset can be better matched with those who benefit from the use of these assets.

Current ratepayers may form the view that borrowing is the answer to reducing rates increases. However, borrowing is not without cost. The immediate cost is interest. The less obvious costs are:

1. The loss of flexibility Council would face if debt levels rose too high. At the extreme is when Sovereign nations are directed to undertake certain actions by their bankers as happened in the GFC. In Council’s case it would be by its Debenture Trustee.
2. Council and, as a consequence, ratepayers are impacted upon more severely by increases in interest rates.

As a result Council must also look to keep debt within acceptable levels. The best way of doing this is to constrain capital expenditure. Council has done this by managing its investment levels in Capital Projects.

There are a number of benchmarks that exist for evaluating if Council’s proposed level of debt is too high. These include obtaining a credit

rating and adopting the LGFA's parameters as set out above. Currently Council has AA+ long term stable credit rating from S&P Global Ratings (formerly Standard and Poors). As can be seen from the above table Council easily meets the covenants outlined above. To ensure Council continues to meet these tests it is proposed that net debt remain below \$230 million for the period of the Long Term Plan.

Interest rate risk

The Council enters into swap arrangements to mitigate against interest rate risk. However, because of Council's comparatively low level of current debt, it is unable to fix the interest rates until the forecast increased level of debt is actually required. In the event that interest rates moved resulting in a 1% movement above that provided for in the 10 Year Plan for Council only debt, this would provide the following increase in rates:

For the year ending	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1% interest rate movement (\$000)	927	1,434	1,838	2,524	2,744	2,987	3,281	3,452	3,484	3,460
Average cost per rateable property (\$)	35	54	70	96	104	113	124	131	132	131

Funding depreciation

Council intends to continue funding depreciation in accordance with its Revenue and Financing Policy, which requires the funding of depreciation for all assets except for some Community Facilities (cemeteries, street trees, plots and berms, halls and reserves) and rivers, quarries, drains. Roading where depreciation is only half funded because of the NZTA financial assistance rate of 51%); and Southern Valleys Irrigation Scheme. The revenue collected to fund depreciation will initially be used to repay the debt and then to finance new and replacement assets. Any unused revenue from depreciation will be separately accounted for in the appropriate depreciation reserve.

Operating surpluses

Council also generates operating surpluses each year. These accounting surpluses shown in the Forecast Statement of Comprehensive Revenue and Expense are driven primarily by:

- The need for revenue to meet the principal repayments relating to increasing levels of debt that have arisen as a result of Council's significant Capital Expenditure Programme; and
- That Generally Accepted Accounting Practice requires vested assets and capital contributions, including development contributions, and NZTA financial assistance for roading capital works to be treated as operating revenue. In reality these items are used to fund capital as compared to operating expenditure.

Any remaining surpluses will be used to defer the need for increasing debt. As a result of the significant recent expenditure on new assets, Council is currently in a period of low renewals. However, as these assets age, the need for renewals will increase, as shown in Council's Infrastructure Strategy, particularly in the years post this Plan. As a result, it is important for Council to retain a strong balance sheet and continue to fund depreciation.

Equity investments and other interests

Council holds investments in:

- MDC Holdings Ltd and its subsidiaries - Port Marlborough NZ Ltd and Marlborough Airport Ltd.
- Marlborough Regional Forestry.
- Investment Bonds and Term Deposits.

MDC Holdings Limited

MDC Holdings Ltd was established to:

- Separate Council's commercial trading activities from the other functions it carries out; and
- Bring Council's main trading activities into one structure.

For the most part MDC Holdings Ltd is charged with operating in a completely commercial manner. As such the only significant target is to generate a tax paid return on shareholder's funds of at least 7.0%. This target is reviewed annually when Council considers the MDC Holdings Ltd's Statement of Intent.

In addition to the commercial returns received, Council through MDC Holdings Ltd's subsidiaries (Port Marlborough NZ Ltd and Marlborough Airport Ltd) promotes Regional Economic Development as it provides means for the arrival and departure of visitors and the import and export of goods.

Marlborough Regional Forestry (MRF)

The Council has an 88.5% ownership interest in MRF, with Kaikoura District Council owning the remaining 11.5%. MRF, a Joint Operating Committee of both Councils, has approximately 5,000 hectares of commercial forest with 4,321 hectares owned and the balance in predominantly leasehold title. This forest is managed on a rotation period of approximately 30 years with minor variations in this period based on market conditions. The forest had a value of \$21.1 million as at 30 June 2020. As a result of this holding Council is entitled to approximately 180,000 NZ Emission Trading Units (NZETUs) almost entirely from pre 1990 forest (current value circa \$6.5 million). The current intention is to replant the forest following harvest. Providing the replanting policy is maintained MRF should not be required to surrender NZETUs to meet the obligations imposed by the Emissions Trading Scheme on harvest. As a result, Council may elect to sell its Units to assist in meeting a future funding need.

Council is not expecting to generate cash proceeds from its investment in MRF for the majority of the period covered by the LTP as there will be insufficient mature trees available for harvest to generate a profit. Post 2031 significant returns should be generated depending on the internationally determined market price as the forest will be on its second rotation and not require expenditure on the development of roads and other infrastructure.

Council also has significantly smaller holdings of trees in its own right, but these are held predominantly for river protection and not for financial return.

Investment bonds and term deposits

Council holds approximately \$12.0 million of investment bonds and term deposits as part of its Disaster Recovery Planning. It is expected that the rate of return received should be similar to the cost of Council's external debt.

LGFA

Council is a shareholder/member of the LGFA. The LGFA is a Council Controlled Trading Organisation (CCTO) set up by specific legislation. A key objective of the LGFA is to provide a funding vehicle that would enable local authorities to borrow at lower interest margins than would otherwise be available.

The LGFA is 'AA+' rated from S&P Global Ratings. This is the same as the New Zealand government's domestic rating.

All local authorities are able to borrow from the LGFA. As at 30 June 2020 the LGFA had advanced \$10.9 billion to local authorities, generating an estimated saving of approximately 0.2% in interest costs. The amount currently advanced is now in excess of \$12.0 billion.

The LGFA's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA cost of funds plus 2.00% over the medium term. Noting however, that the payment of any dividend will be subject to the LGFA Board meeting its legal obligations and its views on appropriate capital structure. No dividend was paid on the 2020 result to strengthen the LGFA's capital structure.



Infrastructure Strategy

Executive summary

Planning for change is an essential business practice — to identify potential risks and to ensure we are well placed to make the most of our opportunities.

The purpose of this strategy is to consider how our infrastructure assets will continue to support our community and our economy over the next 30 years. Changes over this time period are likely to include:

- population growth slightly above the midpoint of Statistics NZ Regional population projections based on recent development;
- opportunities to use technology and increasing automation to be even smarter and more connected;
- making our infrastructure more resilient to climate changes and natural disasters.

We have almost completed our repair work following the 2016 Kaikoura Earthquake. We've taken this opportunity to build and upgrade this infrastructure to be more resilient to other natural hazards such as drought, sea level rise and intense rainfall events of the next 30 years and beyond. What we've learnt from the major earthquake has also been applied across all other capital and maintenance programmes.

Our overall approach to asset management is to maintain flexibility wherever possible, enabling us to take action when circumstances change, our knowledge improves and as technology develops.

The Council's major strategic priority for infrastructure is to:

- maintain our target levels of service and make improvements where required;
- extend our infrastructure as efficiently as possible to meet demand;
- maintain debt at a sustainable level.

Infrastructure summary

Key infrastructure challenges

This strategy identifies critical challenges for our roads, wastewater, water supply, stormwater, rivers and land drainage and community facility assets over the next 30 years, and the options for responding to them.

The key infrastructure challenges remain:

- to respond to the changes in population growth, distribution and age profile;
- meet changes to customers' expectations;
- meet changes to legislative requirements;
- the need to replace infrastructure which has reached the end of its useful life;
- the need to build resilience to natural hazards (including climate change and earthquakes).

Implications for our assets

Significant asset management challenges for each asset type are summarised below.

Roads:

- Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures; resulting in reduced asset lives and unacceptable safety and amenity issues.
- The increasing frequency and intensity of natural events is impacting on our vulnerable local road network, resulting in more frequent emergency events, network deterioration and subsequent network disruption.

- Increased traffic flows in urban and rural areas are resulting in barriers to walking and cycling (especially for the youngest and oldest members of the community), putting safety at risk and reducing transport options.
- We are facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality.
- The compliance costs and resources required to mitigate harmful effects of transport on the environment are increasing, resulting in increased complexity and cost of transport activities.

Water

- Investment in new water treatment plants to comply with the NZ Drinking Water Standards and legislative changes as a result of the establishment of Taumata Arowai and the Water Services Bill.
- The need for water demand management (particularly in Picton) to ensure the water sources can meet future demand.
- Continued development of a targeted and efficient renewal programme for up to \$33.3M of water network over the next 30 years.

Wastewater:

- Meet increasing national standards and cultural sensitivities of effluent discharges to the environment.
- Anticipated growth in wastewater flows particularly industrial effluents from the wine industry
- Continued development of a targeted and efficient renewals programme for up to \$52.9m of wastewater network over the next 30 years.
- Continuing to reduce the vulnerability of some older wastewater pipes to ground movement during an earthquake.
- Increasing likelihood of infiltration of stormwater into the wastewater network as a result of ageing pipe network and climate change.

Stormwater:

- The effects of urban growth and climate change on stormwater volumes.
- The need to improve the quality of stormwater discharges.
- Continued development of a targeted and efficient renewals programme for up to \$9.2m of stormwater network over the next 30 years.

Rivers and land drainage:

- The need to meet levels of service in areas where land use has been changed and development is occurring.
- The impacts of climate change on coastal storm waves, sea level rise and flood flows on the effectiveness of the existing land drainage system.
- Managing gravel extraction to ensure sustainability of the resource and good river management.

Community Facilities:

- Can adapt to meet needs that inevitably change over time.
- Facilities meet an evidenced and identified need within the community.
- Facilities should be developed to maximise usage of assets by many groups to ensure sustainability.

Preferred options for responding to these challenges

The Council's preferred options for address the challenges are summarised below.

Legislation

Changes in legislation particularly affect our water-related assets. We intend to complete existing water treatment plant upgrades for Renwick and Havelock and install treatment to Wairau Valley and Riverlands and

point-of-entry treatment devices for each household in Awatere Rural to meet the anticipated Water Services Bill and regulatory requirements of the newly formed Taumata Arowai.

National guidance on environmental standards will continue to be provided through the National Policy Statements. In particular the National Policy Statement for Freshwater Management, National Coastal Policy Statement and the National Policy Statement on Urban Development Capacity. Local implementation of the policies will be through the Marlborough Environment Plan.

Improving the quality and the quantities of water used and discharged back into the natural environment will require ongoing investment in our wastewater and stormwater assets. Actions include progressive implementation of the Blenheim Stormwater Strategy and its extension to other urban areas in the region.

The upgrade of the Blenheim Wastewater Treatment Plant to meet increasing volumes of wastewater particularly from the wine industry; increasingly stringent standards for effluent discharge and to meet the cultural requirements to avoid or restrict the volume of waste returned to the aquatic environment across all Wastewater Treatment Plants.

To deploy water demand management tools to promote more efficient water supply, reduce leakage and ensure water resources are sustained for future generations.

Renewals

For all types of assets, the preferred option is to implement a proactive, planned renewals programme and invest in more condition assessment technology, field data collection and data management. This will enable informed decision making on the most cost effective timing of renewals. Enhanced condition assessments will be particularly valuable for our underground assets.

Resilience to climate change and natural hazards

Ongoing investment in our resilience plan will ensure roads are reopened as soon as possible after a major natural event or other disruption.

The Council will soon begin a review the core Wairau River Floodway Management Plan. The review will examine the current level of service, customers' expectations and land use changes. It will also model flood flows under different conditions so that the range of effects that may result from climate change and sea-level rise can be more accurately predicted. Minor upgrades will be sufficient to preserve existing levels of service to about 2050 but after that time other options, including accepting increased flood risk or a managed retreat from some low-lying areas, may need to be considered.

Building infrastructure to the latest standards and with the most suitable materials increases resilience to flood events, earthquakes and changes in the climate. We are also prioritising the replacement of pipework and other assets made of older materials that are susceptible to natural hazards or have deteriorated more quickly than anticipated.

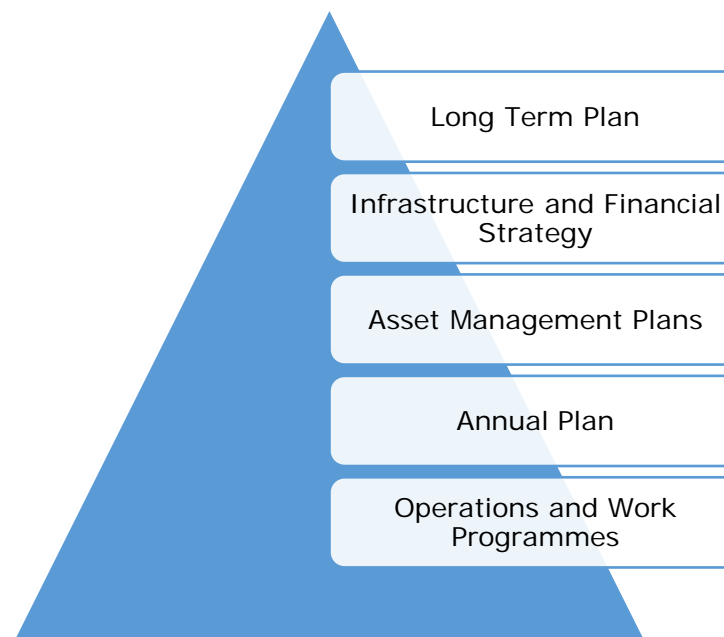
Our financial planning is another way we will ensure we can recover as quickly as possible from emergency events. Ensuring we have reserves, flexible capital programmes and insurance to meet the expected losses.

Strategic Planning

There are a number of documents that make up the Asset Management System which enables the successful delivery of this strategy.

Engagement and Significance Policy

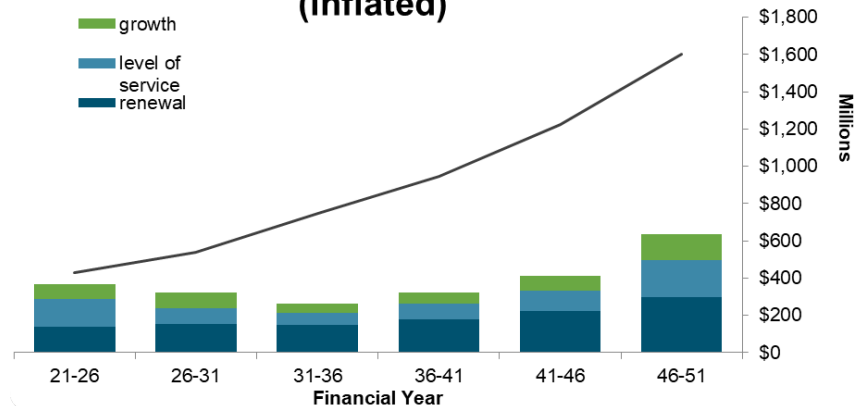
The following diagram demonstrates the hierarchy of this documentation:



Financial implications

This graph provides an overall picture of the proposed capital and operating expenditure for our infrastructure over the next 30 years.

Infrastructure Spending 2021-2051 (inflated)



Introduction

Why infrastructure matters

We often take for granted the infrastructure we rely on for the very basics of everyday life — clean water from the tap, a readily available flushing toilet and a safe drive to work or school. We tend not to think about how infrastructure works unless something goes wrong — roads are closed through land slips, homes or businesses are flooded, or there is a public health scare from contaminated water. That's when we realise how essential infrastructure is to all aspects of our lives.

This strategy covers the infrastructure owned and operated by the Council that delivers the core services — roads, wastewater, water supply, rivers and land drainage, and urban stormwater drainage. Community facilities have also been included as they are important part of the fabric of the community

An infrastructure strategy needs to answer three basic questions:

1. What are the significant infrastructure challenges over the next 30 years?
2. What are the main options for resolving those challenges and which of these is Marlborough District Council's preferred option?
3. What will it cost, and what does that mean for rates and debt?

In order to fully recognise the challenges faced by the region it is necessary to describe what Marlborough will look like in 30 years' time; consider the aspirations of the community and what we need to do differently to ensure infrastructure will still be meeting the needs of the people who will live here in 2051 and beyond.

We know the size and composition of the New Zealand population will be quite different. Climate change is almost certain to affect our daily lives. The massive advances of computer technology and the automation will continue to change the way we work and live.

These questions will be answered in the three parts of this strategy as outlined below.

Part One – context, opportunities and key challenges

In this section Marlborough's unique combination of people, economy and environment are examined. The region is a wonderful place to live and work. The Council aims to enhance and develop the potential of the region to ensure the community is prosperous, healthy and educated; the lifestyle is attractive; the natural environment is protected and enriched and society is resilient to the inevitable challenges of the future. However we must consider recent changes to lifestyle, technology and the environment and identify trends that can be projected forward to try to understand what the region will look like in 30 years' time.

The economic environment will change as businesses prosper or decline. New employment opportunities will be created and different work patterns will emerge. Workers and their families will move in and out of the region in response to the opportunities. There will be many

more elderly people who may, or may not, have retired from the workforce.

Both the ethnic composition and wealth distribution throughout the population will be different

Lifestyles will change as computer based technology matures. Automated vehicles, Artificial Intelligence, 3D printers and robotics manufacture, and remote control through the 'internet of things' will almost certainly become commonplace.

Climate change will affect weather patterns, which will alter cultivation practices and the associated industries, building design, urban planning and many other aspects of daily life.

The fundamental Council infrastructure required to support the community — road transport, land drainage and water and wastewater services will need to adapt to the changing environment. In some cases the infrastructure will evolve and adapt in response to the changes but often it will need to be planned and implemented in advance to keep the community safe and facilitate the new developments.

Over the next 30 years technology will provide new opportunities that have strong potential to positively affect the management of infrastructure.

Part One concludes with an outline of the key challenges facing our region's infrastructure, including:

- the need to replace infrastructure which has reached the end of its useful life;
- changes to legislative requirements;
- the response to climate change predictions;
- preparation for a major earthquake.

Part Two — Specific challenges, options and preferred solutions for each of our infrastructure assets

These chapters provide a more comprehensive summary of the significant asset management challenges for each asset type, the main options Council has to address these, and the implications of those options. Where possible, a preferred option is indicated.

The anticipated capital investment and the ongoing costs of operating infrastructure has been estimated. Financial information is provided in detail for each of the first ten years, and then in five year blocks after that. These forecasts also include the expected impact of price changes for projects over time expressed at current prices and adjusted for price inflation.

Part Three — Financial summary

This section takes the financial information from Part Two and combines it to provide an overall picture of how much money needs to be invested over the next 30 years. A timeline for that spending is included.

Infrastructure is the biggest proportion of Council spending (61%) and this strategy informs, and is closely aligned with, Marlborough's Financial Strategy 2021-2031. This Infrastructure Strategy will also inform our long term plans, asset management plans and annual plans.

Part One — Context, Opportunities and Strategic Challenges

Context and Opportunities – what sets our region apart

Our vision is that over the next 30 years Marlborough will become a globally-connected district; known for progressive, high-value enterprise and economic efficiency. Residents will enjoy an enviable lifestyle and natural environment. The region will achieve a world-wide reputation as a visitor destination. Marlborough will be 'smart and connected'.

Infrastructure has a key role to play in supporting this vision — including an abundant supply of drinking water direct from the tap; a clean, safe

and sanitary environment; and the connectivity to safely link the region's communities together and to the outside world.

Marlborough is regularly recorded as one of the sunniest places in New Zealand. The good weather combined with the beautiful Marlborough Sounds, the Wairau and Awatere Valleys, a gateway to the Nelson Lakes National Park and the welcome awaiting at the numerous winery cellar doors makes the region a very popular destination for both national and international tourists. Tourist numbers have been increasing rapidly since 2000 and cruise ships regularly visit Picton with more than 5000 passengers on-board up until March 2020 when the COVID-19 Pandemic put New Zealand in to Alert Level Four. As international tourism is put on hold through border restrictions, Marlborough's tourism, as with the rest of the country, will be negatively affected. As the full impact of the COVID-19 pandemic is currently unknown, a The Economic Action Marlborough (TEAM) Group has been established to understand the effects and support businesses across the region.

The Marlborough economy has a number of significant industries — wine production, farming, forestry and aquaculture — and a booming tourism sector. The GDP generated by these activities in 2016 is shown below.

In March 2017 the New Zealand Transport Agency (NZTA) published its Long Term Strategic View. Their projections for the South Island were that the current economic drivers will remain consistent, with a continued emphasis on primary production. However regionally wine production and tourism are forecast to be the key growth area.

The Government has set a target of tripling the country's food and beverage exports over the next 15 years. This growth will be partially achieved by more land being converted to productive land, more efficient production and the introduction of high yielding products. The Marlborough wine industry is predicting a 29% increase in land area under grape cultivation by 2019/20.

Longer term, economic growth will be reliant on adding value to the raw primary products through manufacturing processes. In this respect the

wine industry is well ahead - turning their raw material into a high value product. Marlborough wine is marketed as a high quality product and has achieved a premium status in international marketplaces.

The gross domestic profit in Marlborough in 2020 is represented by the following;

There are opportunities for aquaculture to increase the value of fish and seafood. The pharmaceutical and nutraceutical industries are also finding new markets for seafood-based products.

The timber industry has the opportunity to manufacture boards, milled timber, joinery and other timber products to lift the value of the logs that are currently exported.

Marlborough has a well-established engineering industry and is a national centre for aircraft maintenance. The wine industry has attracted stainless steel fabrication, irrigation and wastewater processing and other production engineering.

New industries using computers and the internet do not need to be located in close proximity to traditional markets in busy cities. Employees in these fields are choosing to work remotely and some are relocating to Marlborough to take advantage of the enviable lifestyle.

Viticulture

New Zealand's wine exports continue to grow strongly, and appear on track to exceed the \$2 billion mark within the next couple of years. This is significant for Marlborough as the region produces 80% of the New Zealand total output. Vineyards now occupy 24,020 hectares of land in the region and in 2016 produced 323,290 tonnes of grapes.

The statistics for 2020 show 1,496 people are employed in grape growing and another 1,271 in wine making. The industry continues to forecast an increase in future production which will create jobs for an even larger workforce.

There are a number of related infrastructure implications:

- managing the additional liquid trade waste from the wineries;
- increased stormwater runoff from changing land use to vineyards;
- managing freshwater resources as demand increases for process and drinking water;
- increased demands for flood protection as the value of the crop increases;
- road traffic increases to transport both product and workers related to the industry.

The viticulture industry employs a large and growing number of seasonal workers. Specialist residential accommodation is being provided and much of it is sited on the outskirts of Blenheim. This creates new demand at the edges of the water and wastewater distribution networks, which was not anticipated at the time the services were designed and installed.

Tourism

International and domestic visitors are a vital element of our economy due to the demand they create for local goods and services — accommodation, food and beverages, retail and transport. This sector was been expanding rapidly as Marlborough's unique climate and wonderful environment attract visitors from around the world. The full impact of the COVID-19 Pandemic on tourism in Marlborough is unknown, but is being supported by TEAM.

The graph below shows the tourism share of gross domestic profit that Marlborough receives compared to New Zealand as a whole.



Aquaculture, seafood and fishing

Aquaculture, seafood and fishing make a major contribution to the local economy. Marlborough salmon and green lipped mussels are a luxury product valued around the world. It is estimated that around 504 people work specifically in seafood processing, and another 1833 work in other agriculture and fishing support services.

There may be some potential to increase the productivity of aquaculture in the Marlborough Sounds but there is growing concern over the negative environmental consequences of intensive fish farming. Further expansion is likely to meet with some resistance.

There is growing recognition of the health benefits of fish oil and fish-based products. There may be more opportunity to add value and open new markets through developing pharmaceutical and nutraceutical products than on increasing sales of the traditional products. However, seafood processing typically uses large volumes of clean water and produces equivalent volumes of liquid waste. Meeting the additional

demand for water supply and waste water treatment may become a challenge.

Sheep and beef farming

Sheep and beef cattle farming continues to be a strong contributor to the regional economy, with an estimated 277 people working directly in stock farming. Many more workers are employed in the farm services sector, supplying everything from animal feed to tractor repairs to fencing services.

Remotely located farms rely on strong roads and bridges for access by heavy vehicles. Dairy farms are particularly reliant on constant road access to take the daily milk for processing.

Forestry

Forestry directly contributes 6% to the local economy and harvesting is expected to increase in the future. Maintaining roads and bridges in remote forestry areas which are strong enough to take the weight of larger, heavier vehicles is an infrastructure challenge for Marlborough.

As more tourists travel into the remote areas, maintaining safety for all the road users requires more consideration. Heavy vehicles travelling on unsealed roads also create large dust clouds. These can become both a hazard and a nuisance to other road users, visitors and the growing numbers of residents living on lifestyle blocks.

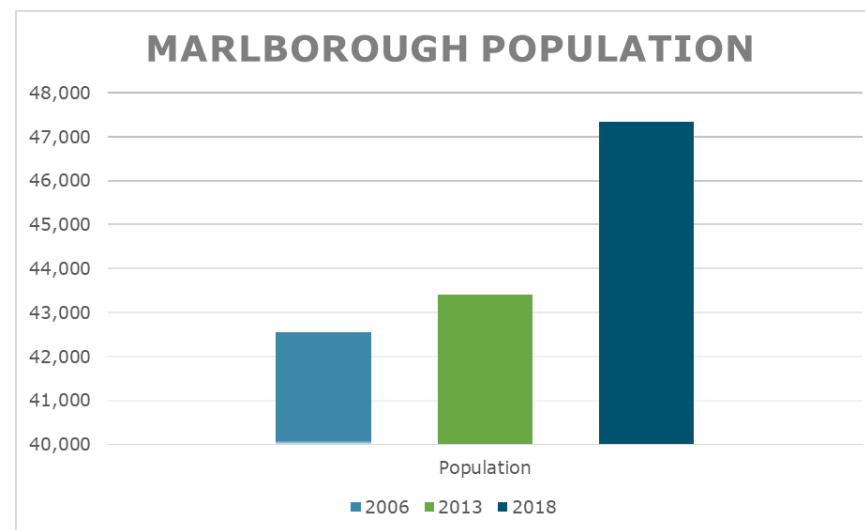
Population

In preparing the Long Term Plan Council has assumed population growth will occur at slightly above the Department of Statistics medium population growth projections, supplemented by more recent economic forecasts and the actual growth that has occurred over recent years.

Many migrants are attracted to, and settle in, the larger cities. The elderly also tend to move to urban areas where social and medical services are more readily available. For both these reasons statisticians are predicting a general decline in rural provincial populations and growth in the major urban areas, especially Auckland.

As the sunniest area in New Zealand, our climate, beautiful environments and healthy economy will continue to attract people to our area. This will help to counterbalance the general trend for provincial New Zealand. Partly because of this uncertainty planners use the medium to high projection as a basis for planning future service provision in Marlborough. There are long lead-in times for major projects with public consultation, land purchase negotiations, resource consent approval and construction. Planning conservatively for medium/high growth also provides some future proofing for assets that may have a useful life in excess of 80 years.

Marlborough has had an increase in population by approximately 9% between the 2013 and 2018 Census. Graph 5.1 below shows the increase from 43,416 in 2013 to 47,340 in 2018. This population increase is in line with medium to high projections rates produced by Statistics NZ and is driven primarily through net migration into the region.

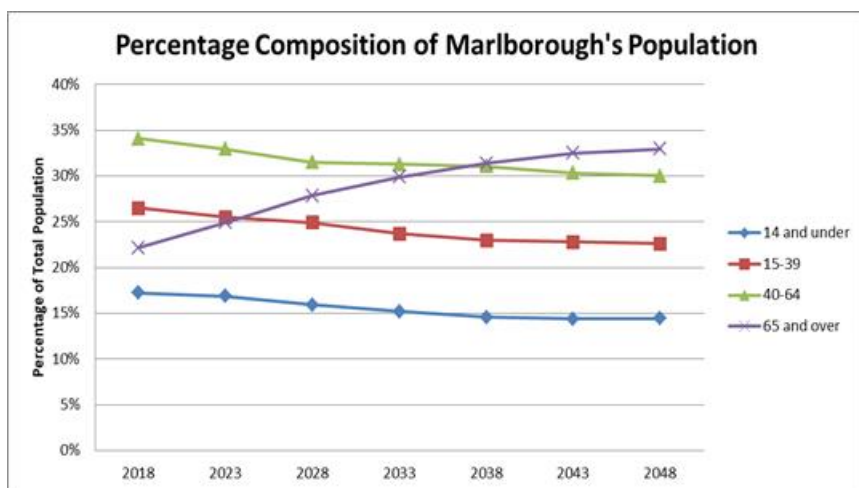


Graph 5.1 Marlborough Population 2006 – 2013 - 2018

The forecast population projections for Marlborough indicate some population growth over the next 20 years. The 2020 population estimates from Statistic New Zealand indicate the Marlborough population is still growing at a rate of over 1% per year and is now 50,200 (estimate as at June 30, 2020)¹⁴. More than 70% of this population live in Blenheim and approximately 16% in the Picton, Waikawa area.

Marlborough's population is ageing. The Marlborough population is expected to have a significantly larger number of residents aged 65 years and older with other age groups experiencing declines in population levels. This is similar to many parts of New Zealand (and the Western world).

Graph 5.2 highlights the population projections by age groups.



Graph 5.2 Population projections by age, 2018-2048

¹⁴ www.stats.govt.nz Estimated resident population at 30 June 2020

The increasing elderly population and fewer working people need to be taken into consideration in financial planning, particularly when setting rates.

The trend for growing urban centres and fewer people living in rural areas is expected to continue, as older people generally prefer to live closer to the services provided in larger centres. The provision of infrastructure in smaller settlements and the method of funding may need to be considered in the light of these projections.

Older people are also more likely to prefer smaller houses and sections near the urban centres. Providing for this market could lead to urban intensification through regeneration of the existing housing stock.

The current urban settlement pattern consists of an average of 10-11 properties per hectare. The Development Contribution Policy helps to encourage urban infill by offering reduced charges for the subdivision of small residential sections. Urban intensification would help to reduce further urban spread and subsequent extension to the linear infrastructure. Costs per connection would decrease and improve the affordability of these services.

According to historic Building Consent and Development Contribution information, growth is estimated to increase by 125 household equivalent units annually for the next ten years within Blenheim. This demand is expected to be much higher in the first few years, and drop off over time. Blenheim traditionally accounts for about 60% of all building consents for new dwellings, the remainder in the wider district.

Technology

Technological developments have the potential to change many elements of infrastructure over the next 30 years, including:

- driverless cars, reducing the need for parking spaces in urban centres and improving road safety. This would help to reduce risks associated with drivers who are unfamiliar with our roads;

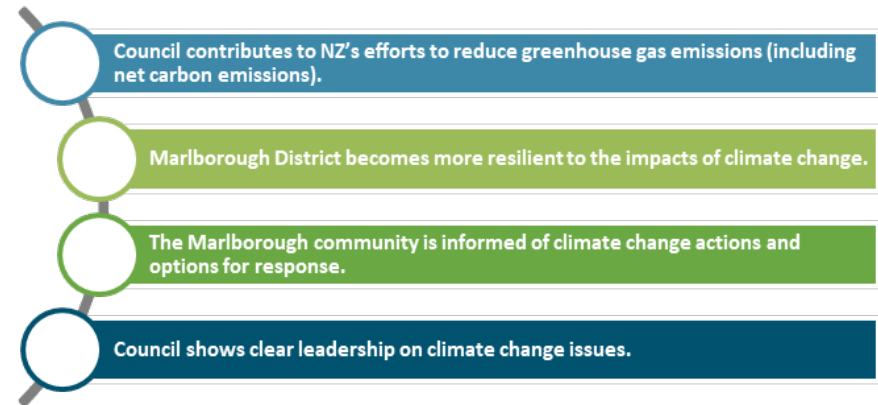
- car sharing of driverless electric cars is expected to be the norm in the US in 13 years. Private car ownership may become rare as driverless cars are shared in car pools, houses will not require garages and suburban streets will become single lane roads with passing spaces as computers control navigation and avoid other cars;
- micro-treatment and water recycling will become readily available;
- smart metering will enable people to use water and electricity more efficiently and suppliers can incentivise customers to reduce peaks in demand;
- infrastructure providers will have access to real time data to better understand their networks, including traffic flows and water use;
- 3-D printing will become commonplace changing retail and goods distribution industries;
- intelligent robotics will be used in underground inspections and works.

Climate Change

The Climate is changing and the impact of this is constantly measured, monitored and assessed for the future impact that it will have on our infrastructure assets.

While the climate change predictions remain mostly unchanged from the 2018 LTP, our consideration and investigation in to the impact of these predictions has improved. A Climate Change Working Group has been established across the Council and a Climate Change Action Plan was adopted by Council in March 2020.

The Climate Change Action Plan has four main goals;



At the point of writing the LTP, a Carbon Emissions Inventory is underway to assess our current level of emissions, the resiliency of these methods to reduce emissions and identify opportunities for future reductions. NIWA have been commissioned to provide Climate Change Projections and Impacts for Marlborough so that all future planning can be based on the same climate change predictions.

Climate change is a long-term influence that has been incorporated in to the planning and design of long-life infrastructure. The effects and impacts that climate change poses across the Infrastructure Assets are highlighted within this strategy.

The full Climate Change Action Plan forms the appendices for the Asset Management Plans.

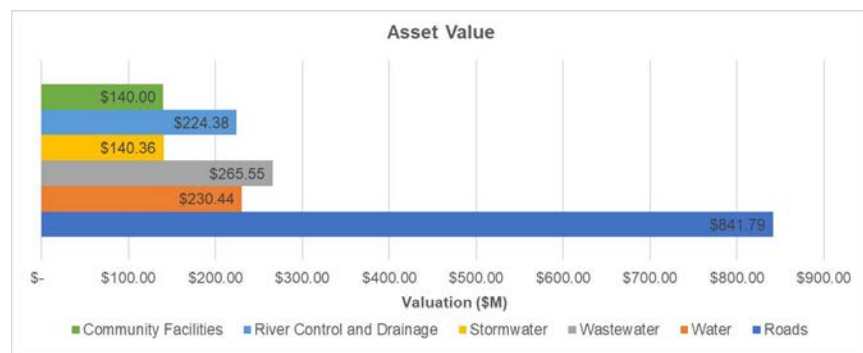
COVID-19

The development of this plan has occurred during the global COVID-19 pandemic. This has caused some alterations to the timing of various stages of the project process, however there has been no substantial impact on the overall project. It is acknowledged that the COVID-19 pandemic may cause delays or changes to some of the proposed recommendations within this report. It is still unclear what the longer term impacts of COVID-19 will be on infrastructure.

Key infrastructure challenges

1. Infrastructure renewals

Marlborough District Council's water, wastewater, stormwater, roads, community facilities and flood protection assets have a combined asset value of around \$1,801.52 million. The value of each asset type is:



Many of these assets have long life expectancies, but ongoing investment is required to maintain and eventually replace them when they reach the end of their useful life.

Each year The Council collects the amount required to cover the full cost of both maintaining these assets and replacing them when they wear out (depreciate to the point of replacement). These costs are a big proportion (21%) of the rates collected each year.

Calculation of infrastructure depreciation is an accounting estimate for inclusion in the annual funding assessment. The rate of deterioration is a critical factor in the calculation but can be difficult to accurately predict. There are many influencing factors which often work in combination including: wear and tear, differential loads, the quality of workmanship during installation and maintenance, third party damage, weather and its effects on the networks, seismic activity, ground movement and technological change.

The buried pipe infrastructure and the sub-structure of roads present another challenge as they are not visible and it is therefore more difficult to assess their condition. Without reliable condition information it is a complex task to accurately estimate how long the asset will remain serviceable.

There is projected to be a large spike in water infrastructure renewal activity just beyond the 30 year planning horizon of this strategy (from 2048 –2057). This reflects the high level investment made around 50 years ago when the region was growing rapidly. It is desirable to spread the cost in order to remove the peaks and create a smoother spending profile. Considerable efforts are being made to determine the accuracy of this projection so the renewal programme can be managed to meet this objective

Similarly, there are many small bridges in Marlborough (often constructed of timber in rural areas) that were built as the road network was consolidated after the Second World War. Many were designed for lighter traffic and reaching the end of their useful life. Speed and weight restrictions have been implemented to help extend their lives but a planned renewal programme is required.

It should also be noted that as more infrastructure is added to meet the demands of growth and higher levels of service, the cost of funding depreciation in future will increase and be reflected in ongoing rates collection. The costs of operations, maintenance, finance and insurance also increase.

2. Legislative Requirements

The Council's management of infrastructure needs to comply with national legislation, policies and standards. The following documents set the direction for delivering quality services.

- The Local Government Act 2002 requires the adoption of a 30 year infrastructure strategy every three years.
- The Resource Management Act 1991 (RMA), National Policy Statement on Freshwater Management (NPSFM) and the New Zealand Coastal Policy Statement (NZCPS) include requirements to

sustainably manage water use and discharges to coastal and freshwater water.

- Taumata Arowai has been established as Crown Entity in March 2021 and will be responsible for the implementation of the Water Services Bill anticipated in July 2021. The Water Services Bill will replace the existing Drinking Water Standards of New Zealand (DWSNZ) and set the standards for supply and delivery of drinking water throughout New Zealand. Responsibility of this role will be removed from District Health Boards, where it currently sits.
- The Government Policy Statement on Land Transport (GPS) includes a hierarchy of roads in order to work towards national consistency for each road type throughout New Zealand.
- The Civil Defence Emergency Management Act 2002 (CDEM Act) requires lifelines utilities (which includes providers of roads, water supplies, stormwater and wastewater services) to ensure these services function to the fullest possible extent during and after an emergency (section 60).
- The Government is currently developing a National Policy Statement on Resilience, which is likely to have implications for future versions of the Council's financial and infrastructure strategies.

Legislative Requirement - Implications For Our Assets

Roads

- The GPS may influence levels of service targets for Marlborough Roads.

Water

- Significant investment is being invested to upgrade the supplies to Renwick, Awatere, Havelock, Riverlands and Wairau Valley to meet the current DWSNZ.
- Meeting likely increased standards in the supply and delivery of drinking water with the implementation of the Water Services Bill anticipated in July 2021, whilst currently planning to meet the DWSNZ across all supplies.

- The fluoridation of water supplies continues to be a political issue which may also result in additional costs to Council.
- New water quantity requirements in the NPSFM and the Marlborough Environment Plan will be reflected in future water permits for public water supplies. The Council will need to demonstrate efficient use of water when it applies for its next urban water supply resource consent for Blenheim, after the existing one expires in 2030.

Wastewater

- The NZCPS will again influence the outcome of the 2023 and 2024 consent applications for the Seddon and Havelock sewage treatment plants. The resource consent for the Blenheim Wastewater Treatment Plant is due for renewal in 2023. Capital upgrades to the plants are underway to meet the expected consent conditions.

Stormwater

- Consolidation and updating of the stormwater resource consents is a primary objective of the Blenheim Stormwater Strategy. The NPSFM and NZCPS requirements will be reflected in the resource consent conditions. Stormwater quality control measures are being installed on new sub-divisions and expenditure will be required to upgrade some existing discharges to freshwater and the coast. Stormwater Management Area Plans are being developed for each catchment, starting in Blenheim.

3. Climate Change

The current advice from the Ministry for Environment is outlined below.

Temperature: by 2040 temperatures are likely to be 0.7°C – 1.0°C warmer and by 2090 0.7°C – 3.0°C warmer compared to 1995 temperatures. The number of days when the temperature exceeds 25°C is increasing and the number of frosts are decreasing. By the end of the 21st century these very hot days could rise from 6 days to 38 days per year and frosts could decrease from 19 to 7 days per year respectively.

Rainfall: by 2090 summer rainfall is likely to be 9% higher. The incidence of extreme rainfall events and also droughts are both likely to increase. However, there will be some regional variation. Precipitation in the winter is likely to fall as rain rather than snow. This may increase river flows during the winter with subsequent potential for flooding. Less snow melt could decrease river flows during spring, reducing the water available for abstraction.

Wind: by 2090 the number of extremely windy days is expected to have increased by 2-10%. These increases will be seen as westerly's in the winter and north easterly's in the summer.

Sea level rise: relative to the 1980-1999 average mean sea level, it is anticipated by 2048 there will be a rise of 300mm and by 2100, a rise of 800mm. Average sea level rose by 1.7mm per year over the last century. This rate has increased over the last 20 years and is predicted to continue to rise. The effects are exacerbated by changing tide patterns and an increase in storm surges.

Climate Change - Implications For Our Assets

The effects and impacts of climate change on our infrastructure assets are summarised below.

EFFECTS/IMPACTS	Temperature	Rainfall	Wind	Sea Level Rise
Roads	Longer sealing season	Closures and reduced reliability Increased maintenance costs Upgrading of road drainage and bridges	Closures and reduced reliability Increased maintenance costs	Storm surge damage at risk roads Low level roads unusable
Water	Shift in demand profiles	Shift in demand profiles Increased pressure on water treatment and aquifers	Shift in demand profiles	Salt water intrusion of groundwater bores
Wastewater	Change to treatment process	Increase likelihood of wastewater overflows through inflow and infiltration in to the network	Evaluation of effect on oxidation ponds in treatment and health and safety	Blenheim and Havelock Treatment Plants seriously impacted Inability to irrigate using wastewater
Stormwater		More pressure on flood protection and overland flow paths		Change in flow characteristics
River and Land Drainage	Less snow melt reducing river flows in spring reducing water available for extraction	Higher river flows increasing likelihood of flooding events		Resistance to rivers and drains discharging in tidal zones

Roads

- Some road drainage may need to be upgraded.
- Bridges and culverts will need to be designed to cope with the increased flows.
- Slips are likely to become more frequent after heavy rain. Additional resources will be needed for road clearance and the securing of unstable hillsides. We will also need to proactively regrade and secure steep roadsides.

Water Supply

- Increased frequency and duration of droughts will put strain on the water sources particularly where aquifers are shared between public water supply and production water.
- Increased droughts will place additional demands on water treatment and reticulation plant.

Wastewater

- Marlborough's wastewater treatment plants can continue to operate with a 300mm increase in sea level rise, as is predicted to occur over the next 30 years. However, the existing wastewater treatment plants will be seriously impacted by 700mm of sea level rise, which is predicted to occur by 2100.
- Rising water tables will affect the Council's ability to continue irrigating land with treated wastewater from the Blenheim Wastewater Plant (when the land is too wet and/or the water table is high.)
- More frequent and intense storms will increase the risk of sewer overflows in urban areas via stormwater inflow and infiltration into the wastewater reticulation.

Stormwater

- More frequent high intensity rainfall events will place greater demands on the stormwater system. Urban drainage reticulation will be tested, detention areas will temporarily fill with storm water and overland flow paths will need to be utilised.

Rivers and Flood Protection

- Council may need to dig larger drainage channels, increase the height of existing stop banks and provide added stop bank protection to cope with increased rainfall intensity.

As the sea level rises, pumped outfalls are also likely to be required to assist with drainage of flat, low-lying land on the Lower Wairau plain where we can no longer rely on gravity to achieve discharges to the sea.

4. Earthquakes

A significant earthquake in the next 50 years (on the Alpine Fault) has a 50% likelihood of occurring, and an 85% likelihood of occurring over the next 100 years. This event could be 10 times more powerful than the November 2016 event, with shaking lasting up to six minutes (compared to up to two minutes during the Kaikoura earthquake).

To prepare for such a large earthquake, new infrastructure is being built to high standards, and emergency power generation is provided for new plants. The Council has also assessed the impact of a significant earthquake on roads, riverbanks and stopbanks.

Fault lines will need to be avoided when developing land and installing infrastructure. Slumping and liquefaction are also becoming more significant considerations when planning future urban development.

In 2018, Council reviewed its assumptions and expectations regarding the Maximum Probable Loss to infrastructural assets as a result of a large earthquake. Consultants were employed to undertake a study of probable losses to the three water services (water supply, wastewater and stormwater) and river defence assets due to an earthquake with a 1:500 and a 1:1000 year return period. An estimate of damage to roading, insurance excesses and losses of rates revenue was also considered. An event of this magnitude was estimated to result in a \$485 million loss to the Council in 2018.

Currently central government meets 60% (above the excess) of infrastructure damage costs incurred from natural disasters. Local government is obliged to show prudent arrangements to meet the

remaining 40% of costs. However, central government has indicated it is reluctant to continue this ongoing liability and may wish to pass greater responsibility to local authorities in future. The costs of additional risk mitigation could be considerable. The Council maintains a \$14 million Disaster Recovery Reserve and continues to be regularly analysed to ensure it is sufficient to meet any potential future events in combination with insurance coverage.

Earthquake - Implications For Our Assets

Roads

- Many roads particularly in the Sounds and rural areas are vulnerable to landslips.
- Major bridges have been surveyed and strengthened to resist earthquakes but may still be vulnerable to very large events.

Water

- The water treatment plants for Blenheim and Picton have been upgraded in the last ten years and are built to the latest standards for earthquake resistance. Emergency power generation is included. The treatment plants at Renwick and Havelock are less resistant until upgrade works re completed.
- New reservoirs have been built to be earthquake resistant and older reservoirs have been strengthened. Some damage from a very large event must be anticipated.
- There is 138kms of asbestos cement pipe with an estimated replacement cost of around \$26 million with a life expectancy of less than 40 years.

Wastewater

- The wastewater treatment plants at Blenheim and Havelock are located on the coastal plain. Tsunami inundation is a risk. As is ground movement and liquefaction on river/coastal soils.
- Many pump stations have been upgraded to resist the effects of ground shaking but significant damage could be expected from a very large event.

- Modern plastic pipe materials are more resistant to damage from ground shaking. Around 65kms of pipe (valued at approx. \$64 million) is over 50 years old.

Stormwater

- Around 19kms of stormwater reticulation with a combined replacement value of approximately \$10 million is of the older 'brittle' materials asbestos cement and earthenware.
- Ground movement may affect gravity pipelines laid to shallow gradients on the Wairau Plain.

Rivers and Flood Protection

- Many of the older stop-banks have not been constructed to modern engineering standards.
- The 2016 earthquake caused \$2.4 million damage to existing stop banks and river edge protection through lateral spread and slumping

Community Facilities

- Many of the local community halls are not constructed to modern earthquake resistance standards.
- Major memorials have been strengthened but some damage can be anticipated from a large event.

5. *Spending and Funding Balance*

One of the key infrastructure challenges is to address the tensions between spending and funding of core infrastructure.

The strategy is based on the following general principles:

- growth driven capital expenditure is funded by Development Contributions.
- capital expenditure to increase levels of service, e.g. improve quality of drinking water supply, is funded by borrowing.
- renewals capital expenditure is funded from revenue - rates and charges - set to recover depreciation expense, and accumulated

until spent. This funding source emphasises the importance to Council of continually fully funding depreciation on infrastructural assets.

The detail of financial management is described in the Financial Strategy. The Infrastructure Strategy and Financial Strategy align with each other.

The timing of expenditure with funding availability is an important outcome of the planning process. It is critical to ensure that adequate funding is available to prevent delays in programmed works but avoid excess cash that will incur unnecessary funding costs. An analysis of Council's capital spending has shown that over the period 2015-2020, \$34.2M has been spent per annum. The strategy identifies major capital projects. The delivery of many of these projects will depend on a number of protracted processes – public consultation and agreement, resource consent approval, land-purchase and design & construction resource availability. In consideration of these constraints the Council is planning to provide capital funding of no more than \$71M per annum for the first three years of the LTP.

Part Two – Asset-Specific Chapters

Roads

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available.

Roading Goals

- The roading infrastructure will reliably, efficiently and safely connect communities within Marlborough; connect Marlborough to wider New Zealand and provide safe transit for visitors passing through the region.
- The road transport network will support economic growth through better access on key routes.
- Increase the resilience of the roading infrastructure to natural hazards to provide a safe and reliable transport system.
- Maintain the unsealed roads to keep the network functions and fit for purpose throughout its life cycle.

Introduction

The Council is responsible for the management of a transportation network that comprises 1549km of roads (909km sealed and 640km unsealed).

This is Council's largest infrastructure asset. The affordability of **renewals** is particularly an issue for roads, which have the highest replacement value (\$827 million). Approximately \$13.4 million has to be spent each year to address the effects of deterioration of the roads, bridges and associated assets. To achieve this, renewals are phased to ensure all areas are addressed on a cyclical basis based on the level of traffic they receive and technical review by engineering staff.

The Marlborough roads traverse some difficult terrain and this has influenced the design and character of the transport system. Of the 1549km, only 184km of that is urban, the rest is rural. Roads tend to be long and narrow, with few alternate options in many cases. Our roads

are vulnerable to flooding and slips, as well as tidal inundation in the Sounds. As people and businesses become increasingly reliant on reliable transport links, building resilience against the uncertainties of **climate change** and large **earthquakes** will be a key challenge for this asset.

In future years the rural population and smaller townships are projected to decline. Changing **demographics** mean there will be a larger number of older people within the population which will increase the demand for better access and dedicated routes for mobility scooters and spaces to park them. Nuisance from dust on unsealed rural roads, and waterway contamination at the numerous remaining fords, are emerging challenges, along with the need for continuous improvement in road safety. The **level of service** for the roads and bridges will be adjusted to meet the new realities of road users.

There is an increasing demand for freight haulage. The success of Marlborough wines, timber production and the region's growing reputation as a tourist destination are all generating **growth** for road services.

While tourists and freight operators share the same network, they travel in different ways. Freight trips are often longer, time critical journeys while tourist journeys can be less time constrained with multiple stops. Both journey types need to be adequately provided for.

1. *Specific challenges*

1.1. *Intensive Heavy Vehicle Movements*

Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures; resulting in reduced asset lives and unacceptable safety and amenity issues. Where a road will experience sustained heavy vehicle movements over an extended period then upgrades (widening and strengthening) can be justified. Roads have been identified for upgrade to meet projected demands.

Coordinating work programmes with intensive activities as well as improving drainage maintenance and having robust seal designs are a few of the options to deal with this challenge.

1.2. *Natural Events*

The increasing frequency and intensity of natural events is impacting on our vulnerable local road network, resulting in more frequent emergency events, network deterioration and subsequent network disruption.

In cases where it is likely to be uneconomic to try and predict and implement resilience improvements; added resilience/capacity is being built in to emergency response solutions and asset replacement programmes.

1.3. *Increasing Traffic Flows*

Increased traffic flows in urban and rural areas are resulting in barriers to walking and cycling (especially for the youngest and oldest members of the community), putting safety at risk and reducing transport options.

Crash analysis revealed that Blenheim has an urban cycle safety issue compared with other areas of New Zealand. Infrastructure for walking and cycling will continue to be provided and appropriate interventions will be developed and installed where required using the Low Cost Low Risk Funding.

1.4. *Renewal Need*

We are facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality. In terms of structures, as were addressed in the previous plan, the High Street Bridge will be replaced within the next seven years.

A Forward Works Programme with a particular view to seek alternative treatment options will be developed. Alternative and cheaper treatment options give opportunities for earlier intervention methods, which in the right situation, could stretch the life of the assets and also allows the

opportunity to take advantage of times of low oil prices in order to increase seal lengths rather than reduce budgets.

complexity and cost of transport activities. Recruitment of additional staff is being undertaken in order to support this aspect.

1.5. Compliance Costs

The compliance costs and resources required to mitigate harmful effects of transport on the environment are increasing, resulting in increased

The Governments new waiver of resource consent requirements for minor works e.g. culvert replacements, also offers an opportunity to reduce costs and also delivery time.

Projects	LOS %	Growth %	Renewal %	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Bridges	0.00	100.00	0.00							\$6.5M			
Cycle Facilities	0.00	0.00	100.00						\$0.5M				
Cycle Facilities	100.00	0.00	0.00			\$1.5M							
Cycle Facilities	100.00	0.00	0.00						\$1.3M				
External Vested Assets	0.00	100.00	0.00						\$6.2M				
Footpaths - concrete	50.00	50.00	0.00						\$0.9M				
Footpaths - sealed	50.00	0.00	50.00		\$1.0M								
Kerb and Channel	50.00	50.00	0.00						\$0.9M				
Other buildings	100.00	0.00	0.00						\$1.9M				
Other buildings	0.00	0.00	100.00	\$0.6M									
Other buildings	100.00	0.00	0.00						\$1.9M				
Other buildings	0.00	0.00	100.00	\$0.3M									
Paved / Cobbled areas	100.00	0.00	0.00						\$7.5M				
Paved / Cobbled areas	0.00	0.00	100.00	\$0.6M									
Renewals Bridges	0.00	0.00	100.00					\$7.0M					
Renewals Bridges	0.00	0.00	100.00							\$4.1M			
Renewals Drainage	0.00	0.00	100.00						\$7.5M				
Renewals Footpaths (sealed)	0.00	0.00	100.00						\$4.5M				
Renewals Kerb and Channel	0.00	0.00	100.00						\$0.5M				
Renewals Pavement rehabilitation	0.00	0.00	100.00						\$13.3M				
Renewals Sealed Road Surfacing	0.00	0.00	100.00						\$44.2M				
Renewals Sealed Road Surfacing	0.00	0.00	100.00	\$0.7M									
Renewals Street Furniture	0.00	0.00	100.00						\$0.4M				
Renewals Structures component replacement	0.00	0.00	100.00						\$3.7M				

Projects	LOS %	Growth %	Renewal %	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	
Renewals Traffic Services	0.00	0.00	100.00	\$2.7M										
Renewals Unsealed road metaling	0.00	0.00	100.00	\$14.7M										
Renewals Vehicle crossings	0.00	0.00	100.00	\$0.8M										
Renewals: Minor improvements	0.00	0.00	100.00	\$15.0M										
Renewals: Minor improvements	0.00	0.00	100.00	\$0.7M										
Renewals: Minor improvements	0.00	0.00	100.00	\$0.3M										
Renewals: Minor improvements	100.00	0.00	0.00	\$0.2M										
Renewals: Minor improvements	0.00	0.00	100.00	\$0.7M										
Sealed pavement	0.00	0.00	100.00	\$0.1M										
Sealed pavement	100.00	0.00	0.00	\$1.0M										
Sealed pavement	0.00	100.00	0.00	\$1.5M										
Signs	50.00	50.00	0.00	\$0.5M										
Signs	0.00	0.00	100.00	\$0.2M										
Street furniture	100.00	0.00	0.00	\$0.0M										
Streetlighting	0.00	50.00	50.00	\$0.4M										
Traffic Islands / Services	0.00	100.00	0.00	\$0.4M										
Vehicle crossings	50.00	50.00	0.00	\$0.3M										
Wharves	0.00	0.00	100.00	\$0.8M										
Wharves	0.00	100.00	0.00	\$0.3M										
Pipelines	0.00	100.00	0.00	\$0.4M										
Pipelines	0.00	100.00	0.00	\$0.5M								\$0.1M		
Pipelines	0.00	100.00	0.00	\$0.1M										
Sealed pavement	0.00	100.00	0.00	\$0.6M										
Pipelines	0.00	0.00	100.00	\$0.6M										
Sealed pavement	0.00	0.00	100.00	\$0.4M										

Water

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available

Water Supply Goals

- The seven water supply schemes will comply with the quality standards of the Drinking Water Standards New Zealand.
- Flow and pressure of water supplied will meet the reasonable expectations of the community and be sufficient for fire-fighting purposes (except Awatere and Wairau Valley.)
- As far as possible economic development will not be constrained from inadequate or unsuitable drinking water supply.
- The water supply will meet the statutory obligation under the Civil Defence Emergency Management Act to function as fully possible after an emergency event.

Introduction

The Council owns and operates seven water supply schemes — in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere (Awatere is further divided into the Seddon and Awatere Rural supplies.) Around 82% of Marlborough residents have access to water through these schemes.

All of the key themes identified in Part One of this strategy are reflected in the water supply activity. **Growth** in demand for water, both for residential uses and for production (irrigation & processing water), has been steadily increasing. In particular, a predicted 25% increase in wine production will increase demand for water.

There is a need to manage future growth in demand, particularly in relation to uncertainty about future **demographics** and **climate change**, to ensure the water sources remain at sustainable levels for all users. **Levels of service** have been set to ensure tap water from all Council supplies is safe for drinking. Building and running the treatment plants present **affordability** issues for small communities.

Much of the water reticulation infrastructure was installed during the ‘baby boom’ growth periods in the middle of the 20th century. These pipes will reach the end of their useful life over the next 30 years. The pipe materials used at that time are less resistant to ground shaking during earthquakes than the materials we have been using more recently. Continuing to manage an efficient and effective **renewals** programme that improves the **resilience** of the networks will be a key challenge.

The following table provides a summary of the Council’s water supply systems.

Location/Asset Type	Mains (km)	Service Lines (km)	Meters	Back flow Preventor	Bores	Intake	Treatment Plants	Distribution Pump Stations	Booster Pump Stations
Awatere	147.7	6.9	535	7		1	1	1	4
Seddon	10.2	2.0	286	4			1	1	
Blenheim	202.6	72.5	713	302	9		2	2	6
Havelock	9.5	2.6	37	9	2		1	1	
Picton	61.0	17.2	189	59	3		2	1	3

Location/Asset Type	Mains (km)	Service Lines (km)	Meters	Back flow Preventor	Bores	Intake	Treatment Plants	Distribution Pump Stations	Booster Pump Stations
Renwick	17.1	6.6	49	22	6		1	1	
Riverlands	10.8	1.2	134	50	3			1	
Wairau	3.5	0.4	61	3	1		1	1	
Total	462.3	109.4	2004.0	456.0	24.0		9.0	9.0	13.0

1. Specific Challenges For This Asset

1.1. Drinking Water Standards

Upgrades

The upgrade of two water treatment plants in Blenheim in 2011 means the supply to the town now meets the requirements of the Drinking Water Standards New Zealand (DWSNZ.) The Picton water supply was upgraded to meet the standards in 2017 with the completion of the Speeds Road Water Treatment Plant (WTP). Construction has commenced on a new treatment plant at Seddon and designs are progressing for Renwick and Havelock. The treatment of water supplies to rural Awatere Riverlands and Wairau Valley will follow.

The Seddon water treatment plant was greatly assisted by a \$1 million subsidy from central government.

A number of upgrades of Water Treatment Plants have recently been completed or are underway;

2011	Blenheim – Middle Renwick Road and Auckland Street
2017	Picton – Speeds Road

2020	Awatere – Seddon Water Treatment Plant ¹⁵
Underway	Renwick, new source, new reservoir, upgrade of treatment plant Havelock, new source, new treatment plant Wairau Valley, additional source, upgrade of treatment plant Riverlands, new source, new treatment plant
Planned	Awatere, Point of Entry (POE) devices

Funding the completion of the treatment plant upgrades for all areas will continue to be a challenge for the smaller communities of Renwick, Havelock, Wairau Valley and Awatere Rural. In 2016 the Council consulted Marlborough residents on their willingness to share the capital costs for the construction of treatment plants at Renwick and Havelock across all Marlborough ratepayers, and received strong support for this approach. The ongoing operational costs will be met by a district wide

¹⁵ For treatment purposes, the large Awatere scheme has been split into two parts — the urban area of Seddon and the rural area of Awatere. A single treatment plant for Seddon (with the assistance of a Government subsidy) and point-of-entry treatment for each property in Awatere.

funding formula that will make a clean water supply more affordable for smaller communities by spreading the costs across all ratepayers. The Combined Drinking Water Funding was adopted in 2016.

The Awatere Rural system has a long-piped reticulation network serving a relatively small number of, mainly rural, lifestyle blocks. Much of the water is used for livestock drinking water or irrigation. A small disinfection plant installed at the point of entry into every home has been proposed as an alternative to centralised treatment for this area.

Taumata Arowai and Water Services Bill

Taumata Arowai has been established as Crown Entity in March 2021 and will be responsible for the implementation of the Water Services Bill anticipated in July 2021. The Water Services Bill will replace the existing Drinking Water Standards of New Zealand (DWSNZ) and set the standards for supply and delivery of drinking water throughout New Zealand. Responsibility of this role will be removed from District Health Boards, where it currently sits.

Private Water Schemes

The remaining 18% of the population access water individually or through privately managed schemes. An assessment of private water supplies was undertaken in 2019 to assess the potential effects and impacts changes to the DWSNZ may have to these supplies and to Council should we need to take responsibility for these. There were 40 schemes identified, serving a population of over 1,700 people that are not supplied by the Council.

1.2. Water Availability and Consumption

Partly due to the beautiful Marlborough weather, our region has some of the highest per capita water usage in the country. The current demand for water in Renwick and Havelock, and projected demand in Picton, is putting considerable strain on the groundwater aquifers from which the water is taken. The National Policy Statement on Freshwater Management (NPSFM) requires allocation limits to be set to protect the sustainability of natural water sources, and it is unlikely that the Council will be able to significantly increase its current water allocations in future consent applications and may even have further limitations imposed. The table below shows the designation of consents for water sources for the Marlborough Region.

Supply Areas	Source	Daily Consent Limit (m ³)	Peak Summer Daily Demand (m ³)	Average Winter Daily Demand (m ³)	Consent Expiry
Blenheim	Bomford St	43,500	36,400	14,500	1/12/2030
	Middle Renwick				
Riverlands	Malthouse	7,700	6,100	1,327	1/07/2029
	Hardings Road				1/08/2024
Renwick	Terrace Road	5,000	3,650	1380	1/11/2028
	Conders Bend				1/11/2028

Supply Areas	Source	Daily Consent Limit (m ³)	Peak Summer Daily Demand (m ³)	Average Winter Daily Demand (m ³)	Consent Expiry
Awatere	Black Birch Stream	8,000	2,820	1550	15/12/2029
Havelock	Kaituna River Catchment	2,000	1,150	500	1/07/2037
Picton	Speeds Road	7,900	6,210	2,970	1/10/2050
	Barnes Dam				30/09/2032
Wairau Valley	Wairau River	480	264	52	1/03/2048

Groundwater

Saltwater intrusion detected in the Havelock bores is also an indication that more water is being abstracted from these than can be immediately recharged from the aquifer.

The water aquifer on the Wairau Plain is, in theory, over-allocated. In practice, not all users are using their permitted allocations. Considerable effort is being made to devise a system of re-allocation to allow consented volumes to be distributed equitably to meet the demands of current users, including the Council's public water supply requirements.

The water levels in the Renwick bores regularly drop during the summer peak demand period, as water is pumped out faster than it is replaced. Three new wells have been drilled at Conders Bend to support the Renwick water supply.

Alternative Water Sources

Investigations have been undertaken to find alternative sources of water for Havelock. Abstraction from the Pelorus River Valley appears to have the most potential. For Picton, the nearest viable source is the

Tuamarina aquifer. The costs of developing and piping water from these new sources to the settlements is high. Water demand management strategies will delay, and possibly avoid, the need for this investment. Universal metering is a proven method to reduce demand. Other techniques such as leakage control, pressure management, public education and new technologies are less certain but can also result in more efficient use of water.

Increasing Wine Production

The success of Marlborough wines around the world is hugely beneficial to the region. However, increasing production through additional vineyard hectares, or enhanced processing to add value to the primary product, will increase demand for water resources. A new source and water treatment plant is being established in St Andrews to support this and meet the DWSNZ.

Climate Change

The eastern areas of Marlborough are predicted to experience longer periods of dry weather as a result of climate change. Water demand peaks during the dry spells as gardens are irrigated and swimming pools

are topped up. Longer droughts will increase the frequency and duration of periods of high demand, with potential implications for both water sources and the water supply infrastructure.

Continuous sea level rise over the next 100 years is generally regarded as inevitable. This will affect the freshwater–saline balance in groundwater systems and may further restrict the capacity of the Havelock water bores to continue to supply freshwater to the community.

Demand Management

Renwick and Havelock are leading the way with meters fitted to household supplies, and volume-based charging for water use to be implemented in 2021. This will help to reduce volumes of water used for urban irrigation and other high use activities. In future, smart metering combined with advanced telecommunications and remote control of household appliances will allow customers to take advantage of lower tariffs for water and electricity during periods of low demand. Levelling out the times of high and low demand for water will help reduce the

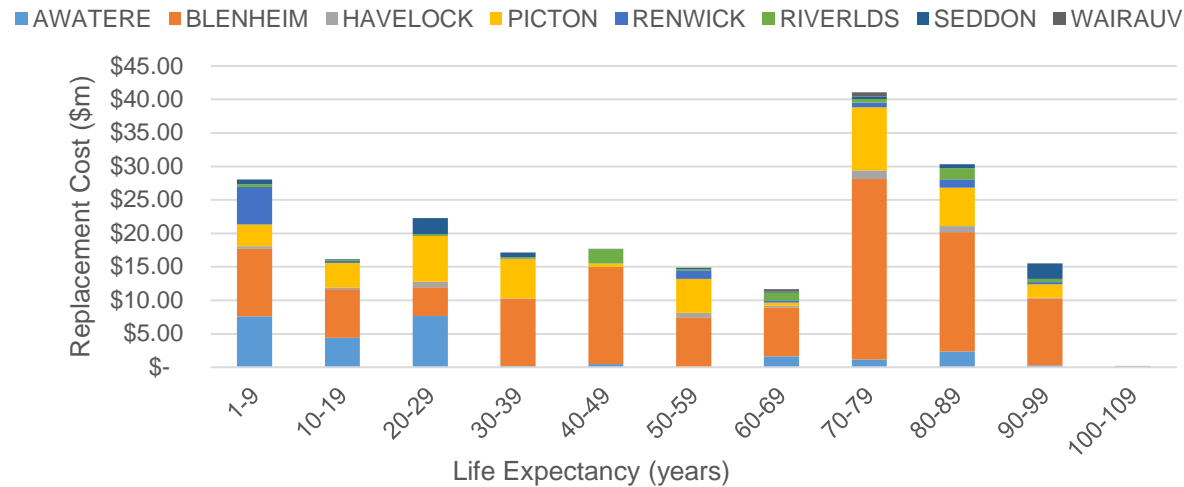
capacity requirements of future infrastructure and assist with more efficient designs. Following review of this works programme, it will be implemented across other water supply areas.

The introduction of rules through a local amendment to the Code of Practice for Subdivision could be used to encourage developers to install low water use plumbing apparatus and ‘grey-water recycling’ systems to new housing. This is a useful tool to manage demand for both water supply and wastewater services. However, it is difficult to implement retrospectively and it will take considerable time to yield results.

1.3. Ageing Infrastructure

The average of the water supply network is getting older (as shown in the graph). Yet the reticulation pipework continues to perform well with little evidence of the increased maintenance or burst frequency that might be expected from ageing assets. However, in order to avoid a deterioration of the level of service and unacceptable leakage a proactive renewals programme will be required.

Remaining Life of Water Assets



In addition, pipe rehabilitation and renewal using 'low-dig' techniques can significantly reduce the costs and disruption involved in replacing worn out pipes.

Installation of smart meters will make it much easier to identify where leaks are occurring in the water pipes carrying water between the mains and individual households.

Currently the specialist skills and equipment required to undertake these works are not readily available locally but are becoming more widespread in New Zealand. They and will become more competitively priced as the market develops. The costs of deploying national/international specialist companies to the region to undertake contract works can be reduced by larger contracts, for example shared services contracts with other councils, or comprehensive contracts for one supplier.

1.4. Earthquake Risk

We know from Christchurch's experience that some of the older pipe materials (particularly asbestos cement and cast iron) do not perform well following earthquake ground shaking and liquefaction.

New pipe materials such as PVC, and particularly polyethylene, are more resistant to ground shaking and ground deformation than the older, more brittle, materials. There is a considerable legacy of asbestos cement and cast-iron pipes that may be regarded as less resistant. This is particularly the case for the Awatere water supply as the scheme was first installed in 1947 when asbestos cement was a popular pipe material.

All the new water infrastructure — treatment plants, reservoirs, pump stations and pipelines are being built to the latest design standards. These performed well in the November 2016 earthquake and other previous events.

Older reservoirs at the Cloudy Bay Business Park and Wither Hills have been strengthened to increase their resilience. The main reservoirs have been fitted with automatic valves which close when they detect

significant ground movement and prevent water from leaking away through ruptured pipes.

Impacts of Earthquakes

The new standards and materials will reduce the impacts of an earthquake. However, scientists are predicting the occurrence of a large event which will cause significant damage — partly because there is a legacy of older assets and partly because structures can be built to be earthquake resistant but cannot be made earthquake proof.

Insurance

The Council constantly reviews its insurance strategy in the light of new scientific research, a changing infrastructure base and an ever-changing insurance market. The Council prefers to avoid damage to the infrastructure through good engineering but there will always be a residual risk, and insurance can help to meet this financial liability.

2. Options to Respond to Each of These Identified Challenges, and Implications of These Options

2.1. Drinking Water Standards

Option	Implications
<p>PREFERRED OPTION</p> <p>Complete existing water treatment plant upgrades for Blenheim, Renwick, Riverlands, Wairau Valley and Havelock, and install treatment point-of-entry treatment for each property</p>	<p>Benefits: All of the Council owned water supplies will meet the high standards for clean and safe drinking water.</p> <p>Costs: The combined capital costs of the water treatment plants for Blenheim, Renwick, Havelock, Riverland's, Rural Awatere and Wairau Valley is in excess of \$57.9 million.</p> <p>To ensure the point-of-entry systems for Awatere Rural are regularly serviced, the Council will need to implement an annual service programme. Sending a service engineer to individual properties will be an ongoing operational cost.</p>

Option	Implications
in Awatere Rural.	
Consider alternatives to full compliance with DWSNZ on the grounds of affordability	<p>Benefits: Reduces the financial burden on small rural communities.</p> <p>Costs: Public health risks. Reputational risk particularly amongst tourists and foreign visitors. The option to not meet the DWSNZ on the grounds of affordability may be removed upon implementation of the new standards.</p>

2.2. Water Availability and Consumption

Options	Implications
Do nothing. Respond to water shortage issues as they arise, by introducing water restrictions during peak demand periods.	<p>Benefits: This option defers capital investment and allows for future flexibility to respond to changes in population growth and to wait until we have more information about the impacts of climate change on the length and severity of droughts in Marlborough.</p> <p>Costs: Additional operational costs in implementing and enforcing water restrictions. Potential for adverse impacts on public health, the economy, levels of service and reputation. This approach does not promote efficient water usage, which is an objective of the NPSFM, and may become mandatory in future.</p>
PREFERRED OPTION Universal metering and other demand management techniques.	<p>Benefits: Water metering is a proven technique to reduce average water demand by approximately 25% and peak demand by around 30%. Other techniques (leakage control, pressure management, public education and use of new technologies) are less effective but can contribute to overall reduction in water use.</p>

Options	Implications
	<p>Costs: The capital cost of installing meters in both Renwick and Havelock was \$0.73 million; and is \$2.1 million for Picton. The increased operational costs of meter reading and administration are approximately \$165k per annum.</p>
Amend the Code of Practice for Subdivision to include water saving techniques such as grey water recycling in all new homes.	<p>Benefits: New homes will be built with low use apparatus, grey water recycling and water conservation will become normal practice.</p> <p>Costs: Small additional costs to new house build costs but it will be a long time before sufficient houses are at the new standard to have a significant effect on communities' levels of water use. Retrofitting devices can be costly and difficult to implement.</p>
Access alternative sources of water for Picton and Havelock.	<p>Benefits: Increases certainty of water supply for Picton and Havelock residents. This option would ensure water supply is not a limiting factor for future growth.</p> <p>Costs: Development of the Pelorus River abstraction piping and additional treatment is estimated to cost \$5.6 million. Development of the Tuamarina source and piping to Picton is estimated to cost \$12 million.</p> <p>Note: These estimates exclude consent application costs as well as annual operation and maintenance costs.</p>

2.3. Ageing Infrastructure

Option	Implications
Renew non-critical mains when failure rates become	<p>Benefits: Ensures that only pipes that have reached the end of their useful life are replaced.</p>

Option	Implications
intolerable.	Costs: Downstream customers will experience a deterioration in service as supply interruptions increase. Operation and maintenance costs will increase. Unpredictable renewals make budget and resource planning difficult. Unplanned work is more disruptive and expensive than a planned programme of renewals.
PREFERRED OPTION Implement a proactive, planned pipe renewals programme based on critically and invest more in condition assessment technology, field data collection and data management.	Benefits: Avoids unacceptable deterioration of the level of service and allows efficient, targeted investment in planned renewals works. Pipes are replaced based on their criticality e.g. critical pipes are replaced before the end of their useful lives, non-critical pipes are replaced at or beyond their useful lives. Costs: Additional costs of pipe sampling, analysis and data collection to improve pipe and asset condition assessments and ensure well targeted renewals and efficient investment.

2.4. Earthquake Risk

Option	Implications
PREFERRED OPTION Prioritise replacement of asbestos cement and cast iron pipes in areas where they have	Benefits: Will increase resilience to pipeline damage and assist with more rapid recovery following a large earthquake. Costs: The total value of the asbestos cement and cast iron water mains is around \$55.5 million. To replace all pipes of these materials in the next 30 years it will be necessary to bring forward the replacement of 94kms of pipe

Option	Implications
deteriorated more quickly than anticipated.	at an approximate cost of \$31 million.
Provide financial contingency to replace these pipes urgently if a significant earthquake occurs.	Benefits: Recognises damage from any particular earthquake is difficult to predict and saves money to use in response to damage following actual events. Costs: Disrupted water supplies and longer restoration times will increase public health risks and reduce levels of service following an earthquake. Materials and resources will be in short supply, which means premium costs would apply to undertake restoration works. Emergency repairs followed by renewals will duplicate costs in some instances.

3. Most Likely Scenario

3.1. Drinking Water Standards

The most likely scenario is that the Council will complete the upgrade of water treatment plants to meet the requirements of the DWSNZ for all water supply areas. Renwick, Havelock, Riverlands and Wairau Valley treatment plants are planned for completion in 2020, 2024, 2023 and 2023 at a cost of \$7.6 million, \$7.3 million, \$12 million and \$0.8 million respectively.

As an alternative to building a large treatment plant for the Awatere Rural supply to disinfect the water before it is distributed, it is more practical to install small treatment units to each dwelling at the point of entry of the supply pipe.

This approach will consist of around 540 small disinfection units. The installation cost of this has been estimated to be around \$1.5 million. However, each unit will need to be regularly serviced and the costs of ongoing maintenance will increase.

It is likely that all supplies will need to be chlorinated as a result of the new drinking water standards. If this change occurs, some additional plant would be required at the Blenheim treatment plants and there would be ongoing operational costs.

Increased monitoring of the water quality supplied is also likely to be required. This might include installing chlorine monitoring points on the distribution system and taking additional tap samples for laboratory analysis. These additional costs are included in the operational cost projections in the following section.

The Council will wait for direction from central government on whether water fluoridation is required. In order to be prepared for that situation, the Council will investigate the costs for installation of fluoridation dosing plant and the ongoing maintenance at all treatment plants. The overall costs are not likely to be very high.

3.2. Water Availability and Consumption

Universal metering has now been installed in Havelock and Renwick as a means of demand management. The most recent census has shown that growth in Picton has slowed significantly and a decision on metering can be delayed. It is probable that within the span of this strategy that metering will be adopted for all of the Council's water supply schemes. Improving our knowledge on actual water usage and demand patterns will improve our understanding of our total leakage across our networks and to improve our water availability.

More active leakage detection, repairs and renewals are likely to be employed in all areas to reduce wastage and demonstrate efficient use of the resource.

Developments in technology in 'smart meters' and remote control of household appliances will allow customers to have more choices about how they manage their water consumption patterns. They will be able to understand their water usage and will be able to manage their use to reduce peak demands, allowing the Council (and the community) to benefit from more efficient sizing of the supply infrastructure.

3.3. Ageing Infrastructure

There will be a relatively small but growing water pipe renewals programme over the next 10 years which will increase significantly over the following 20 years as the ageing pipe network begins to struggle to meet customers' expectations. Critical pipes and materials that are expected to perform less well in an earthquake will be prioritised for replacement.

The replacement of asbestos cement mains in Renwick will be completed by 2022, improving the level of service, reducing maintenance costs and also leakage across this network.

Data collection on asset condition and performance is improving and is building into a more accurate picture of where renewals works can be most effectively targeted. More resources will be allocated to pipe condition assessments to inform the renewals programme.

3.4. Earthquake Risk

Major new assets will be built to the current high standards of earthquake resistance. Networks will be designed with increased inter-connections to allow flexibility of supply in the event of earthquake damage. Additional strengthening will be retrofitted for critical assets and less resistant pipe materials will be replaced as part of the renewals programme. The residual risk will be mitigated with financial contingencies to meet the realistic costs of repair. The insurance sector has helped the council to calculate the 'maximum probable loss' from the most recent experience around the country and is assisting the Council with its risk management plans.

4. Table of Major Projects for This Activity

A brief summary of upcoming projects for this asset is shown below, and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

The key 'drivers' of investment are:

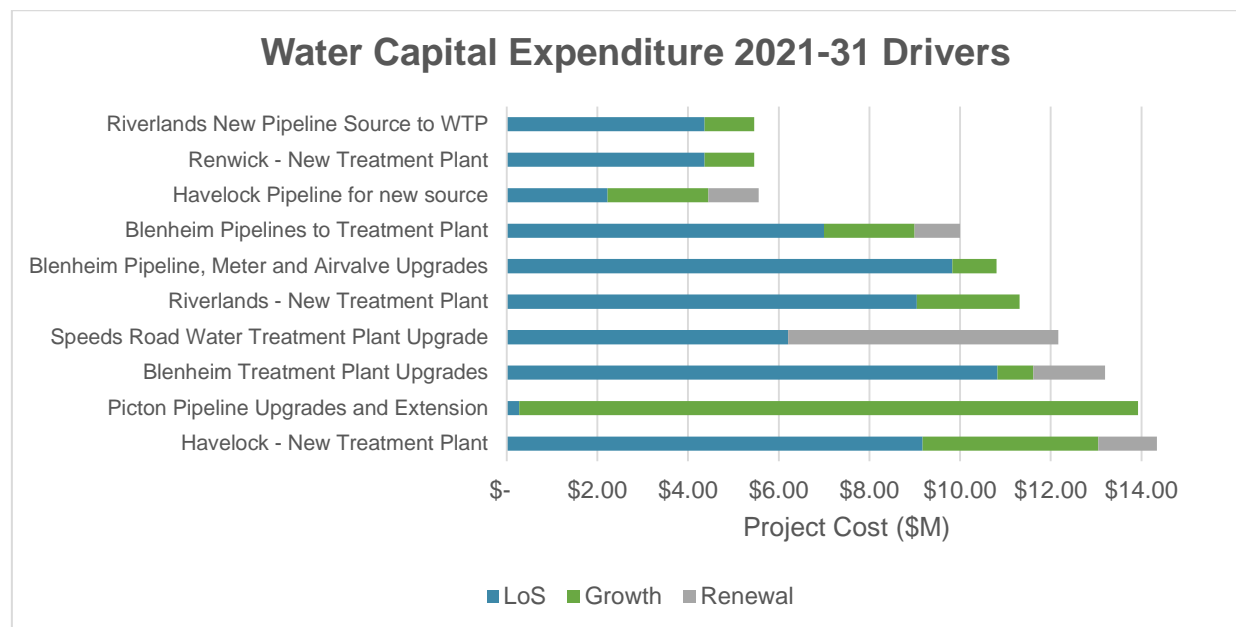
- Growth — investment to provide additional capacity to cope with increased demand for the service due to population growth or increased usage
- Levels of service — investment to improve the service customers receive

- Renewals — investment to replace worn out or inefficient assets.
*Costs exclude overheads, financing and inflation.

Asset Type	Project	LoS %	Growth %	Renewal %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	
Awatere Rural															
Storage	Lions Back Reservoir Renewal			100	\$1.2M										
Storage	Reservoir Renewals, Replacements and Upgrades	12	40	48	\$1.59M										
Treatment	Point of Entry Treatment	95	5			\$1.52M									
Blenheim															
Reticulation	Pump Stations and Wells	70	10	20						\$2.5M					
Reticulation	Pipeline Upgrades for Fire/Capacity	27	40	33	\$2.62M										
Reticulation	Pipeline, Meter and Airvalve Upgrades	91	9		\$0.08M							\$10.7M			
Reticulation	Wither Road Booster Pump Station Upgrade	83	9	8						\$1.78M					
Treatment	Blenheim Treatment Plant Upgrades	82	6	12	\$5.7M					\$7.5M					
Havelock															
Treatment	Pipeline for new source	40	40	20									\$5.56M		
Treatment	New Treatment Plant	64	27	9	\$7.35M										
Picton															
Treatment	Essons Pipeline Upgrade	100						\$1.2M							
Reticulation	Speeds Road Pipeline Renewal			100	\$4.2M										
Treatment	Speeds Road Water Treatment Plant Upgrade	51		49	\$6.17M										
Reticulation	Water Metering	70	20	10	\$2.12M										
Renwick															
Treatment	New Pipelines from Source to Treatment Plant	75	20	5	\$1M										
Treatment	New Water Treatment Plant	80	20		\$5.46M										

Riverlands										
Treatment	New Pipelines from Source to Treatment Plant	80	20			\$5.46M				
Treatment	New Treatment Plant	80	20			\$11.3M				
Wairau Valley										
Treatment	New Water Treatment Plant	75	25			\$0.79M				
Reticulation	Watermain Extension		60	40			\$0.3M			
Combined										
Reticulation	New Water Connections		100						\$1.1M	
Reticulation	Pipeline Renewals - Renwick, Havelock, Riverlands								\$1.02M	

The graphs below shows the expenditure and drivers of the top ten water supply capital projects based on project cost;



Wastewater

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available.

Wastewater Goals

- Wastewater Treatment Plants will fully comply with current and anticipated discharge standards.
- Wet weather sewer overflows will not occur from storm events with a frequency of less 10-year ARI.
- Future treatment plant upgrades will be designed to avoid cultural offence by removing or reducing effluent discharges to the aquatic environment.
- The wastewater network will meet the statutory obligation under the Civil Defence Emergency Management Act to function as fully possible after an emergency event.

Introduction

With an asset value of \$265.5 million, wastewater is the second largest asset group owned by the Council.

The huge success of the Marlborough wine industry has created challenges for the Council. During vintage there is a ten-fold increase in the discharge of trade effluent from the wineries. The total load on the

Blenheim wastewater treatment plant is five times as much as normal. For a few weeks between March and May each year the wastewater treatment plant is required to process a load equivalent to the wastewater produced by 120,000 people. In terms of wastewater Blenheim becomes the fifth largest city in New Zealand.

To meet this demand the treatment plant has undergone a number of upgrades. Capacity was significantly increased in 2009 with the addition of an advanced dissolved air flotation (DAF) treatment plant. Tertiary treatment wetland ponds (established in 2013/14) improve the quality of the final discharge and allows a portion of the final effluent to be returned to irrigate the land. The Council will continue to collaborate closely with the wine industry to ensure additional wastewater processing capacity is available as production grows.

Wastewater processing capacity may also need to increase at other treatment plants to manage **growth**. For example, the relatively small treatment plant at Havelock cannot accommodate high loads of organic trade waste (from seafood processing) and is currently in the process of being upgraded.

The discharge of human waste to the aquatic environment is a cause of cultural offence to the indigenous iwi. Council is working with the local iwi to remove or minimise the discharges from the treatment plants

The following table provides a summary of the Council's wastewater systems.

Area	Sub Area	Treatment Plants	Biofilters	Pump Stations	Grinder Pumps	Mains (km)	Connections
Blenheim	Blenheim	1	3	37	57	198.3	7953
	Grovetown				1146	17.0	833
	Spring Creek			2		3.6	142
	Renwick			1		15.0	833
	Riverlands		1	5		11.5	121

Area	Sub Area	Treatment Plants	Biofilters	Pump Stations	Grinder Pumps	Mains (km)	Connections
Havelock		1		6		9.7	293
Picton		1		9		49.7	1644
Seddon		1		2		7.3	189
TOTAL		4	4	62	1203	312.1	12008

The wastewater system collects and treats the wastewater from both domestic and industrial properties. Currently the treatment plants at Blenheim and Havelock are on low lying coastal plain that is vulnerable to liquefaction associated with earthquake shaking and tsunamis. The design of treatment plants needs to be **resilient** to sea level rise and storm surges that may result from **climate change**. The Havelock Wastewater Treatment Plant is currently in the process of being relocated to remove this risk.

As the wastewater reticulation ages, stormwater is able to seep into leaky joints. The **levels of service** are challenged when the ingress of stormwater into the wastewater system causes wastewater overflows during severe storms, with subsequent insanitary conditions and pollution of waterways. Reduction of stormwater infiltration and improved resilience of the pipe network to earthquake damage are two major benefits from a well targeted **renewals** programme.

1. Specific challenges

1.1. Growth in Demand Related to Trade Waste and Urban Development

There are a number of growth-related challenges for wastewater treatment.

Certain industries create large volumes of liquid waste with high organic content. These require far more treatment than normal domestic sewage and can quickly overwhelm the treatment capacity of a plant designed for an urban population. Blenheim wastewater treatment plant has

undergone several major upgrades in recent years to cope with the demand from the wine industry. The upgrades have been planned and funded by the wineries. As growth continues, further upgrades are likely.

The Council is committed to ongoing communications with industry representatives and individual businesses to ensure infrastructure is provided to meet demand and to overcome uncertainties about the required timing of upgrades, given that the popularity of Marlborough wines in the world market has led to very rapid growth in volumes. The funding methodology will be agreed at this time.

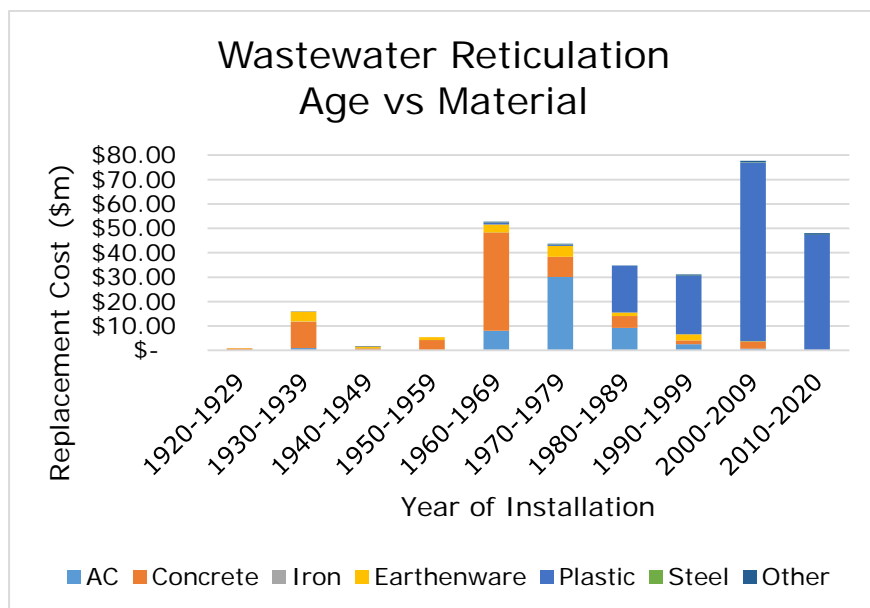
The smaller treatment plants at Havelock and Picton have limited capacity to deal with additional trade waste growth. This can be an issue for industries such as seafood and meat processing. Processing can add value to exports and create jobs, but early consideration needs to be given to the treatment of the associated liquid wastes.

The Marlborough Urban Growth Strategy has identified land for future growth pockets in each settlement. The land is often on the periphery of the existing settlements and requires new pipework and upgrades to the existing reticulation to accommodate the additional flows. For example, development to the west and north of Blenheim and further development in Waikawa requires careful design as these areas are a considerable distance from the treatment plants. These projects are currently in progress. Sequencing the order of development will assist in construction and ensure the system is installed in an efficient manner. The Council's Development Contributions Policy has been updated to reflect these costs.

1.2. Renewals

The age profile of the wastewater network indicates that \$28 million worth of pipes will reach the end of their useful life within the next ten years followed by a further \$38 million worth of pipes in the following 20 years. Work is constantly being undertaken to assess the condition of pipes using CCTV and during reactive and planned maintenance tasks. Assumptions on life expectancy are reviewed annually during the valuation process based on specific network knowledge and national and international data that is available.

The chart below shows the age profile and pipe materials of the wastewater reticulation. The large spike in PVC/Polyethylene during the 2000s coincides with new sewers installed in Renwick, Spring Creek and Grovetown. Pipe replacement assumes most buried mains will be will serviceable for 80 to 100 years. However, this can vary considerably for a variety of reasons and the assumption needs to be verified through continual pipe condition assessment and likely rates of deterioration.



The Council has implemented a proactive, planned renewals programme and have invested more in condition assessment technology, field data collection and data management to address the renewal challenges, which are described in more detail below. New installation and pipe rehabilitation techniques are becoming more commonplace, reducing the costs and disruption of renewal upgrades.

Earthquakes

The Blenheim and Havelock Wastewater Treatment Plants are built on coastal plains. The areas are flat and low-lying and vulnerable to tsunami inundation. The land is also prone to liquefaction and ground deformation which could have important consequences, as the flows through the plant rely on gravity flows along a shallow gradient. For this reason, the Havelock Wastewater Treatment Plant is being relocated to new site with less risk of damage. The new Treatment Plant should be commissioned by 2026.

Earthenware pipes are particularly vulnerable to ground movement. Asbestos cement and the older concrete pipes also perform less well. PVC plastic mains perform better. Polyethylene mains perform best of all, but these pipes do attract grease and fat which sticks to them, so they need to be cleaned more regularly.

Climate Change

Stormwater infiltration into the wastewater network becomes a more significant problem during storms and when groundwater levels are high. Climate change is likely to make this problem worse as storms are predicted to become more intense and frequent.

Hotter drier summers will have an impact on the bacteria and algae used in the wastewater treatment process, because they require dissolved oxygen in the wastewater to effectively process the waste into treated effluent. Dissolved oxygen decreases as the temperature of the ponds increases. Additional aeration plant may be required to increase the oxygen in the treatment ponds.

The Seddon Wastewater Treatment Plant discharges to the Starborough Creek which can have very low natural flows. The impact of the

discharge may be affected by a change in the volume and temperature of the receiving water.

The Blenheim Wastewater Treatment Plant includes a facility to recycle a portion of the treated effluent to irrigate land. This is only permitted when the soil requires additional moisture and when the groundwater levels are low enough to prevent surface ponding. Longer, drier summers may prolong the irrigation season but rising sea levels may raise the groundwater levels, preventing irrigation.

Cultural Values

Iwi have a strong cultural relationship with the environment, and the disposal of human waste into the aquatic environment is of concern to them. The Council is working with Iwi on an Iwi engagement plan, and will continue to work with Iwi on mutually acceptable solutions to wastewater management. A pipeline has been installed alongside the Picton Trunk Main upgrade. It will facilitate the recycling of treated effluent for irrigation at a later date. Further improved practices can be expected over time.

Infiltration & Inflow

The capacity of the wastewater system can be put under strain from the additional flow due to the ingress of stormwater through inflow or infiltration. Leaky joints in pipes and manholes, and accidental connections between stormwater and wastewater pipes, all contribute to the problem.

Finding the source of ingress can be time consuming and expensive. Progress is often frustrated as fixing one area is quickly replaced by infiltration from another area. It can also be difficult to identify if the leak is on the public pipework or within private property. Pipe renewal can be a more sustained solution than repairing individual leaks.

New Technologies

Similar to water supply assets, the adoption of new 'smart' technologies by residents will give them more choices about how they use water, and this is likely to smooth the peaks and troughs of wastewater flows,

allowing for more economic designs. Grey water recycling and water-efficient appliances will counterbalance the increase in growth

New treatment processes are being developed and high quality treated effluent discharges are becoming easier to achieve consistently. Many new treatment technologies are becoming 'scalable'. It may become efficient for small businesses, and even domestic properties, to treat their wastewater. This will reduce both the strength and the volume discharged to sewer and enable recycling of a portion of the 'grey water' for use as irrigation or other low-quality uses.

2. Options and Implication

2.1. Increased Demand Related to Trade Waste

Options to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Ongoing communications with industry representatives and individual businesses to ensure infrastructure is provided to meet demand.</p>	<p>Benefits: Local economy allowed to grow to meet the market and support local jobs and prosperity.</p> <p>Costs: Approximately \$25.8M upgrade to Industrial part of the Blenheim Wastewater Treatment Plant by 2030. Ensure equitable funding mechanism is agreed with industries in advance, and ensure land availability, resource consent and cultural sensitivities are addressed at an early stage.</p>
<p>Do nothing. Cap effluent discharges once existing treatment capacity is reached.</p>	<p>Benefits: No further investment in infrastructure required and certainty that levels of service can be maintained for existing customers.</p> <p>Costs: Economic development restricted, requiring industries to relocate.</p>

Options to address it	Implications of the options (financial and non-financial)
Assist industries to develop on-site alternatives to disposal to the wastewater system.	<p>Benefits: Industrial development is not restricted by wastewater reticulation and treatment capacity. The costs of wastewater are borne by those responsible.</p> <p>Costs: Efficiencies of scale are lost and businesses could become less viable or relocate. Increased costs in monitoring.</p>

2.2. Increased Demand Related to Urban Growth

Options to address it	Implications of the options (financial and non-financial)
Install conventional sewerage system on new sub-divisions and upgrade downstream infrastructure as necessary	<p>Benefits: Wastewater disposal was considered at the outset of the Urban Growth Strategy and selection of growth pockets. Relatively minor downstream upgrades required. Downstream upgrades will help to resolve some levels of service issues with inflow & infiltration</p> <p>Costs: Some upgrades will lead to premature replacement of functioning assets</p>
Install non-conventional vacuum or grinder pump system	<p>Benefits: Lower flow volumes as less susceptible to inflow & infiltration consequently smaller diameter reticulation and reduced installation costs. Lower impact on downstream infrastructure</p> <p>Costs: Increased mechanical infrastructure with subsequent on-going maintenance costs. Unproven modern technology.</p>

2.3. Renewals

Asset renewals will assist the Council to address the challenges associated with infiltration/inflow, climate change, earthquake risk and cultural values and the opportunities of new technologies

Options to address it	Implications of the options (financial and non-financial)
Do nothing. Renew pipes as and when they fail.	<p>Benefits: Certainty of targeting pipes at the end of their useful life. Investment delayed as long as possible.</p> <p>Costs: Increased overflows and insanitary conditions. Older pipes remain vulnerable to earthquake damage. Costs of increased maintenance and unplanned works. Increased pumping and treatment of infiltration and inflow.</p>
<p>PREFERRED OPTION</p> <p>Implement a proactive, planned renewals programme and invest more in condition assessment technology, field data collection and data management.</p>	<p>Benefits: Avoids unacceptable deterioration of the level of service. Prevents damage to the environment and public health risks from sewage overflows. Allows efficient, targeted investment in planned renewals works. Comprehensive condition grading will allow targeted renewals and an opportunity to 'smooth' the renewal expenditure</p> <p>Costs: Additional costs of CCTV surveying, pipe sampling, analysis and data collection to improve pipe and asset condition assessments and ensure well targeted renewals and efficient investment.</p>

Options to address it	Implications of the options (financial and non-financial)
Implement a pipe rehabilitation programme using a variety of rehabilitation techniques – patching, relining & renewals	<p>Benefits: Rehabilitation can be targeted at specific pipes or sections of pipe avoiding wholesale renewal costs</p> <p>Costs: Very high-quality condition data required. Specialist techniques and skills may not be available locally and incur additional establishment costs. Many rehabilitation techniques are relatively recent and have not been tested over a prolonged time and have unproven durability</p>

3. Most likely Scenario

This section provides an overview of the preferred options, and what this means for levels of service, and for costs.

3.1. Growth Related to Urban Growth

The provision of wastewater services was considered during the development of the urban growth strategy and the Housing Assessment being undertaken at the time of writing this LTP. Servicing the identified growth pockets will be achievable with some downstream upgrades some of which are currently in progress.

On-site wastewater will be installed by the developer to an agreed services plan. Council will collect and distribute development levies to fairly allocate the costs of over-sized infrastructure that a developer may incur for the benefit of subsequent development.

The costs of downstream upgrades have been estimated and added included in a revised Developer Contributions model.

Conventional gravity wastewater with pump stations is preferred. Modern materials and installation quality will minimise inflow and infiltration problems.

Growth Related to Trade Waste

The continued success of Marlborough wines in national and international markets will drive-up demand for increased grape processing capacity. The wine industry is rapidly becoming the dominant industry in the region and facilitating growth by the provision of wastewater treatment will contribute to the continued development and prosperity.

Close monitoring of effluent volumes and strengths is undertaken each year during the vintage. Liaison with representatives of the industry will assist with anticipating the timing of future upgrades agree a funding mechanism from each of the contributory wineries in advance.

Feasibility studies have been undertaken to upgrade the processing capacity of the Blenheim Wastewater Treatment Plant to meet the projected peak demand periods between March to May each year. An outline of treatment plant upgrades has been prepared. Detailed design and construction will be planned to meet the growth in demand.

3.2. Renewals

The useful service lives of infrastructure assets are considered annually during the valuation process. Condition data collected through CCTV, planned and reactive maintenance across the network validates this data.

Additional resources will be allocated for pipe condition surveys through CCTV in targeted areas and pipe sampling where maintenance takes place. Data is continually gathered to enhance the targeted renewals programme. Plans will be developed to manage the predicted peak in renewals from 2048 to smooth the peak once a prioritised assessment has been completed.

Modern 'low-dig' renewal and rehabilitation techniques will be assessed if they can be efficiently deployed and have a proven track record.

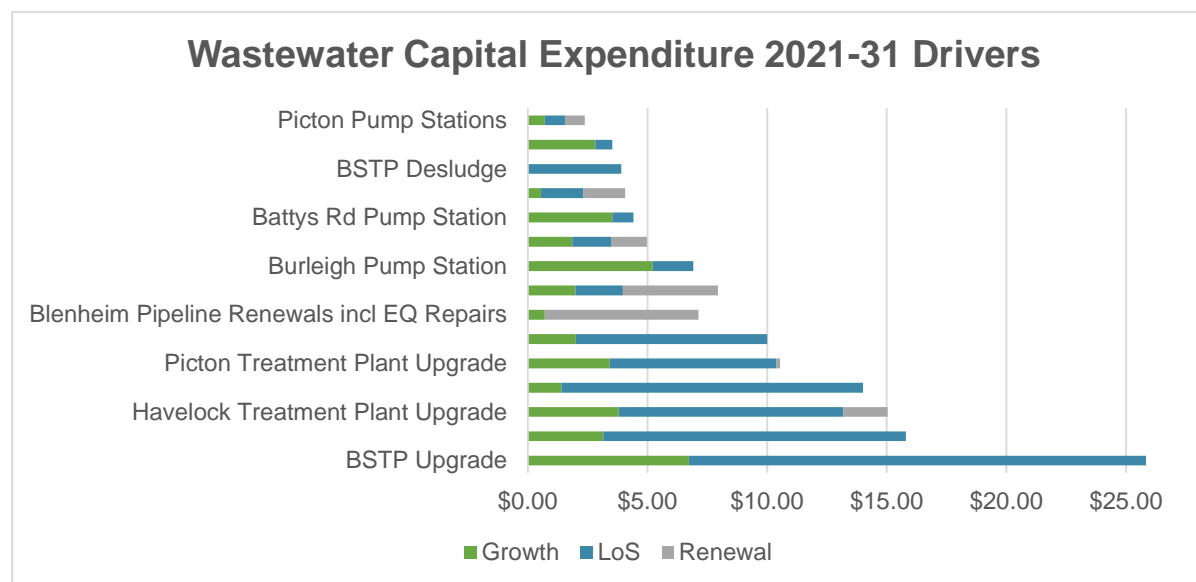
4. Major Projects For This Activity

A brief summary of upcoming projects for this asset and to explain the reasons for these choices, which expand on the categories of growth, renewal and levels of service in the table

Asset Type	Project	Growth %	LoS %	Renewal %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	
Blenheim															
Treatment Plant	Blenheim Wastewater Treatment Plant Upgrade	26%	74%		\$25.8M										
Pipelines	Reclaimed Water Reticulation	20%	80%							\$10M					
Pump Stations	MOPS Pump Station Upgrade	25%	25%	50%	\$7.95M										
Pipelines	Blenheim Pipeline Renewals incl EQ Repairs	10%		90%	\$7.1M										
Pump Stations	Burleigh Pump Station Upgrade	75%	25%				\$6.92M								
Pipelines	Blenheim Modelled Pipeline Upgrades	37%	32%	30%	\$4.98M										
Pump Stations	Battys Rd Pump Station Upgrade	80%	20%								\$4.42M				
Treatment Plant	Blenheim Wastewater Treatment Plant Desludging		100%		\$7.8M										
Pipelines	MOPS to BSTP Pipeline Upgrade	80%	20%								\$3.53M				
Pipelines	Burleigh Pipeline Upgrade	20%	80%						\$1.94M						
Pipelines	Muller Road Wastewater Renewal	5%	12%	83%	\$1.53M										
Pump Stations	Blenheim Pump Station Renewals			100%	\$1.38M										
Pump Stations	Blenheim Pump Station Generators		100%		\$0.3M				\$0.3M				\$0.3M		
Pipelines	Murphy/Adams/Colemans/Cherry Pipeline Upgrade	59%	9%	33%			\$0.6M								
Pump Stations	Purkiss St North/Kingwell Moorings Pump Station Renewal	24%	23%	53%	\$0.58M										
Pump Stations	Blenheim Modelled Pump Station Upgrades	33%	33%	33%	\$0.47M										
Pipelines	Purkiss Street Pipeline Replacement	11%	44%	45%	\$0.35M										
Havelock															
Treatment Plant	Havelock Wastewater Treatment Plant	25%	62%	12%	\$9M									\$6,025,000.00	
Pump	Havelock Pump Station Renewal	10%	40%	50%	\$0.65M		\$0.6M								

Asset Type	Project	Growth %	LoS %	Renewal %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Stations							M							
Picton														
Treatment Plant	Picton Wastewater Treatment Plant	33%	66%	1%	\$10.5M									
Pipelines	Picton Pipeline Replacements	14%	43%	43%	\$4M									
Pump Stations	Picton Pump Station Upgrades	30%	35%	35%	\$2.38M									
Pipelines	Picton Pipeline Renewals incl EQ Repairs	10%		90%	\$1.78M									
Renwick														
Pump Stations	Renwick Pump Station Upgrade	100%								\$1.2M				
Riverlands														
Treatment Plant	Blenheim Wastewater Treatment Plant Industrial Upgrade	20%	80%		\$15.8M									
Seddon														
Treatment Plant	Seddon Wastewater Treatment Plant	10%	90%		\$14M									
St Andrews														
Pipelines	St Andrews Pipeline Upgrade	14%	86%				\$1.05M							
Combined														
Connections	New connections across Region	100%			\$0.67M									

The graphs below shows the expenditure and drivers of the top ten wastewater supply capital projects based on project cost;



Stormwater

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available

Stormwater Goals

- The habitable floors of all properties within urban stormwater areas will not experience flooding from storms that, on average, will occur once in 50 years or less
- All properties within urban stormwater areas will not experience flood water from storms that, on average, will occur once in 10 years or less.

- Discharges of urban stormwater will not cause a deterioration in the quality of the receiving water beyond the standards of the time.

Introduction

The stormwater infrastructure is a reticulated network of pipes, channels, pump stations and associated apparatus required to drain rainwater from residential, commercial and industrial properties and surrounding land. The service is predominantly focused on the urban areas where buildings and other structures disrupt the natural flow paths of surface water drainage and hard surfaces, such as roofs and roads, prevent rainwater from being absorbed into the ground.

Stormwater drainage relies on discharging rainwater to rivers and streams as well as man-made channels. As a unitary authority (with both regional and district council responsibilities) the Council manages both

the man-made stormwater pipes, drains and natural water courses. Close, coordinated management between the stormwater management staff and rivers and land drainage staff is essential to achieve an effective and efficient drainage of surface waters. This arrangement was incorporated in the Blenheim Stormwater Strategy, which was adopted in 2012. The strategy provides an integrated and holistic approach to stormwater management with clearly defined objectives to manage the quantity and quality of stormwater across Blenheim.

The Stormwater Action Group (SAG) is a collaborative working relationship between the Council's Rivers & Land Drainage, Stormwater and Operations departments is proving to be an effective mechanism for implementing the stormwater strategy. The strategy is a detailed analysis of the stormwater issues for the town and is a fundamental element of infrastructure planning. The strategy groups many small drainage catchments throughout Blenheim into 11 Stormwater Management Areas (SMAs.) Detailed, integrated action plans are being developed for each SMA which will meet the future requirements for growth in stormwater flows and quality standards.

The urban **growth** pockets identified to the north-west of Blenheim are in the headwaters of many local creeks. Development of these areas, coupled with increased rainfall from climate change, needs to be managed carefully to prevent negative consequences downstream. The Springlands Stormwater Management Area Plan (SMAP) has been developed and links all of the work done in this area.

Many of the spring-fed creeks passing through Blenheim, and upland streams passing through the smaller settlements, have high quality water and pristine aquatic habitats. Increased public concern over the quality of New Zealand waterways has been recognised through the National Policy Statement for Freshwater Management (NPSFM). New developments include low impact design techniques for on-site treatment of stormwater. Infrastructure may need to be retrofitted to ensure existing stormwater discharges meet the new **level of service** standards.

The expectation of more intense storms as a result of **climate change** must be accommodated through a combination of larger pipes, channels

and pump stations, overland secondary flow paths and specially designed detention areas that will hold back the peak flows, preventing downstream flooding.

Similar to water and wastewater assets, much of the underground stormwater reticulation is reaching the end of its useful life and will need to be renewed. A very significant peak of around a third of the total asset value (of \$20.9million) is anticipated from around 2050 – just at the edge of the planning horizon of this strategy.

The following table provides a summary of the Council's stormwater systems.

Area	Length mains (km)	Pump Station
Anakiwa	0.8	
Blenheim	134.0	2
Grovetown	0.7	
Havelock	2.5	
Okiwi	0.8	
Picton	29.5	1
Renwick	5.5	
Riverlands	6.8	
Seddon	0.9	
Sounds	0.3	
Spring Creek	3.6	
St Andrews	0.3	
TOTAL	185.8	

5. Specific Challenges For This Asset

5.1. Stormwater Quantity

Urban Growth

The Marlborough Urban Growth Strategy has identified pockets of land to accommodate the expected demand for housing in the future. For Blenheim a land area of around 160ha was identified to the north and west of the existing town. The natural drainage for these areas is from west to east meaning that the stormwater will feed into streams that pass through the existing urban area and to some extent are part of the urban drainage infrastructure. Development in the headwaters of these catchments requires careful design to ensure there are no adverse effects downstream.

This became very apparent with the development of a large retail park and proposed residential development in an area that drains to Murphy's Creek. The downstream residents were very concerned over the increased input of stormwater and the potential for both flooding and deterioration of water quality. An independent arbitrator worked with the Council and the residents to resolve these concerns using a structured decision-making process. Over the course of 18 months a mutually acceptable solution was reached.

The solution included many features that may be expected to be included in future stormwater designs. Land within the new development has been assigned for stormwater detention. This will detain part of the run-off and help reduce the peak flow. Dished, grass swales will provide a flow path for stormwater whilst at the same time increasing infiltration into groundwater. This natural process will provide primary treatment by removing some of the suspended solids and other contaminants from the run-off. A regulated portion of the flow will be directed into the existing Murphy's Creek and the remainder directed to the Taylor River through a new stormwater pipe. Development of the Stormwater Management Area Plan for Springlands in 2020 also assisted in a collaborative approach across Council and local residents to managing stormwater in this area, monitoring it and setting a benchmark to achieve.

Climate Change

Strategies to manage the effects of more intense storms are considered in all future infrastructure assessments. Building bigger infrastructure and ensuring renewed pipes are sized to meet the new standards will be important. Advanced mathematical models are used to project future stormwater flow patterns and ensure infrastructure is designed with sufficient contingency to accommodate the current uncertainties. A good understanding of historic rainfall patterns and the powerful hydraulic models allow different combinations of factors to be simulated. Non-infrastructure alternatives can be modelled and the engineering solutions adjusted.

The use of overland flow paths along roads can avoid the expense of installing additional stormwater infrastructure, but roads and adjacent properties need to be designed appropriately to provide this function. Stormwater detention areas can make an important contribution to stormwater management by removing the peak flows and allowing stormwater to drain away once the peak flood waters have receded. Maximising the potential for soakage into the ground is useful, as are roof water collection tanks. The code of practice for subdivision could be amended to encourage greater stormwater management for new developments.

5.2. Stormwater Quality

Rainfall landing on urban areas will mobilise a wide range of contaminants — oils and greases from roads and parking areas, litter and urban waste, tiny but significant amounts of metals from roofs and spouting, and an assortment of chemicals and organic matter that wash off hard, impervious surfaces. If the stormwater cannot soak into the ground within a property, it is piped and channelled to the nearest waterway. This could lead to significant deterioration in the quality of the natural waterway. Stormwater from industrial areas can be a particular hazard, but accidental and sometimes deliberate spillages from residential areas can also cause acute pollution problems.

Stormwater and wastewater pipes are often laid underground in close proximity to each other. The potential for both systems to leak, and for stormwater to become contaminated with sewage, is high. This is

particularly the case following an earthquake, as both systems can be damaged by ground movement. Regular monitoring of stormwater outfalls provides useful information on the integrity of both systems

In 2017 a government supported project was initiated by the Council's Environmental Science and Monitoring Department to monitor the water quality of the Taylor River as it passes through Blenheim. The Assets & Services Department opted to undertake a complementary sampling programme of the stormwater outfalls to the river. The outcome of the project helps to guide future decisions on pipe rehabilitation and stormwater treatment.

Many of the existing stormwater outfalls are managed under a range of different resource consents. The Blenheim Stormwater Strategy includes a proposal to consolidate the legacy of consents into a new consent structure that meets both the current and foreseeable standards and reflects the land use plans for the town. This process has taken place for Springlands SMAP and will continue for the remaining 10 stormwater areas in Blenheim and then for the rest of Marlborough.

The most recent sub-divisions on the periphery of Blenheim have included especially designed swales (shallow dished drainage channels), porous water courses and, a wetland to provide treatment of urban run-off through filtration and entrapment of particulate matter. The cost of installation resides with the developer as a condition of Resource Consent, however maintenance, renewal and monitoring will become an on-going operational cost to the Council and included in future budgets. As we gather information and technology in stormwater treatment and retention improves we are flexible in taking a case-by-base approach in

areas of development to ensure our stormwater runoff is not having a negative impact on the mauri of the water.

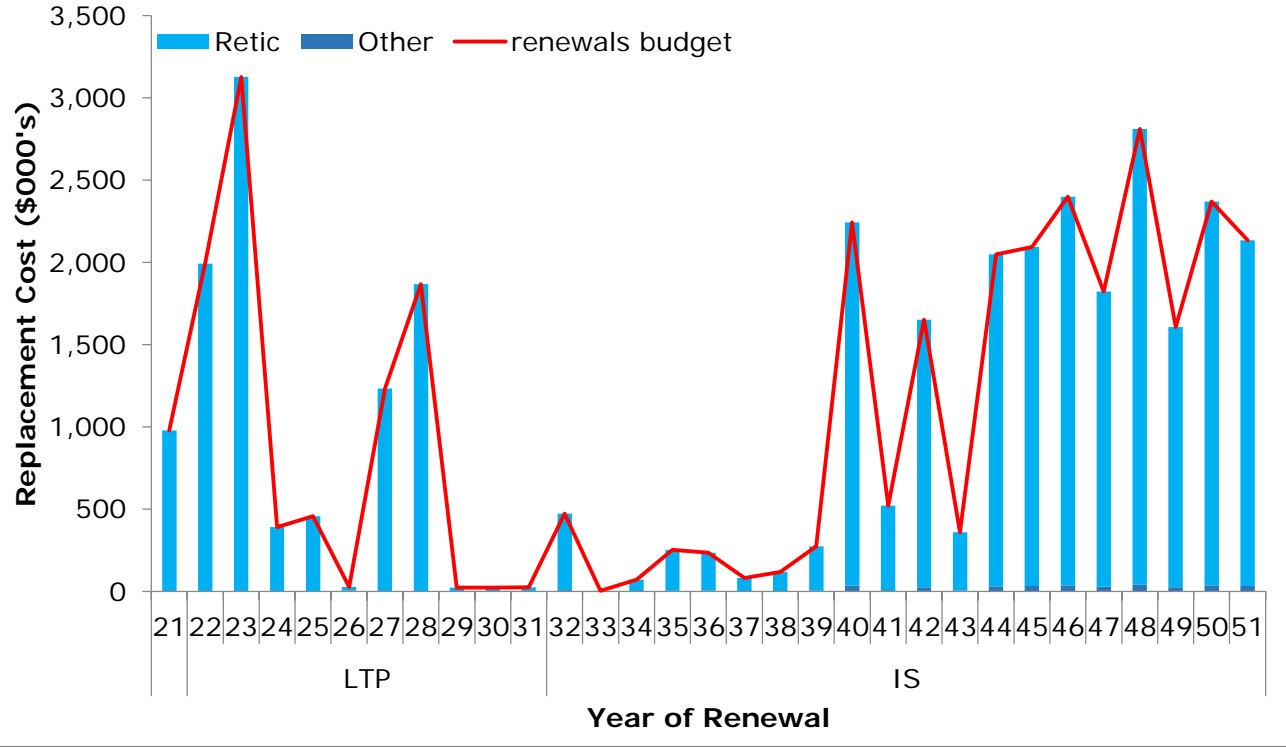
There are numerous patented treatment systems that can be installed on the reticulation system to intercept contaminants in the urban stormwater. Due to their compact nature they can be an effective treatment for particulate matter to retrofit to existing outfalls.

5.3. Ageing Infrastructure

The age profile of the stormwater pipes shows a relatively modest rate of replacement is required over the next 30 years. However, around 48 kilometres of predominantly concrete mains were laid in the 1960s and 70s and these will be reaching the end of their useful around 2050/60, just on the edge of this planning horizon. This spike has been smoothed within the 30 year planning period. In reality, many of these pipes are not critical and will be able to sustain their useful lives being extended and still meeting level of service requirements.

These predictions are based mainly on the current knowledge of pipe condition and the expected rate of deterioration. As discussed previously, many factors influence the life expectancy of pipes. It will be important to gain more knowledge of the pipe condition over the life of this strategy, so the projections can be refined and plans developed for the replacement in a manageable renewals programme. A programme to CCTV survey wastewater and stormwater pipes was instigated following the 2016 earthquake. The survey has been targeted the pipes considered to be most affected (mainly earthenware and vitreous clay) in the areas where most damage is expected (Blenheim) and the pipes that will have the most severe consequence of failure (generally wastewater.)

Stormwater - Infrastructure Strategy - 30 year renewal profile (\$000's)



6. Options to Respond to Each of These Identified Challenges, and Implications of These Options

6.1. STORMWATER QUANTITY - Increased Stormwater Volumes from Subdivision Development and Climate Change

Option	Implications
Upsize infrastructure to accept maximum anticipated flows at the developers' cost	<p>Benefits: Certainty of outcome. Follows the principle of “user pays”.</p> <p>Costs: Disruption during the installation and escalating costs of development. Downstream consequences as the receiving waters reach capacity and also require infrastructure upgrades.</p>
Upsize infrastructure to accept maximum anticipated flows and devise funding formula to spread costs.	<p>Benefits: Certainty of outcome. Development costs are shared to assist with affordable housing.</p> <p>Costs: Disruption during the installation. Inequity as ratepayers fund private developments. Downstream consequences as the receiving waters reach capacity and also require infrastructure upgrades.</p>
<p>PREFERRED OPTION</p> <p>Implement a combination of engineering interventions as part of an integrated Stormwater Management Area Plan.</p>	<p>Benefits: Total and peak discharge volumes are optimised. Minimises infrastructure upgrades and impacts on downstream drainage. Good coordination between urban stormwater and the receiving waters. Forms part of a coordinated river catchment strategy</p> <p>Costs: Potentially requires set-aside land for stormwater detention. Significant planning, modelling and engineering design require in advance of development.</p>

6.2. STORMWATER QUALITY – Ensuring Discharge Quality of all Stormwater is not Detrimental to Existing Water Bodies

Option	Implications
<p>REQUIRED</p> <p>Meet the requirements of the National Policy Statement for Freshwater Management.</p>	<p>Council will continue to identify best practice from around NZ and implement these practices to ensure new developments are ‘future-proofed’ to meet current and anticipated standards.</p> <p>This work will include monitoring current discharge quality and catchment risks and preparing plans for preventative and remedial works.</p>
<p>Status quo. Pro-actively manage potential pollution sources within catchments and respond to pollution incidents as they occur</p>	<p>Benefits: No additional costs</p> <p>Costs: Derogation of responsibilities under the NPSFW. Fails to address long term low-level contamination from urban run-off. Unable to adequately monitor stormwater impact on the receiving waters</p>
<p>PREFERRED OPTION</p> <p>Continue to implement a comprehensive Stormwater Management Area Plan including comprehensive stormwater monitoring regime.</p> <p>Install water quality treatment on new developments and retro-fit treatment to existing stormwater reticulation</p>	<p>Benefits: Provides good information on the catchment and infrastructure integrity and allows planned remedial works. Proactively protects the receiving water from chronic contamination. Fits with the aims of the Blenheim Stormwater Strategy.</p> <p>Costs: Additional costs to new developments. Capital investment in retro-fit treatment. Additional operational & maintenance costs of treatment apparatus. Costs of sampling, laboratory analysis and data interpretation of stormwater outfalls.</p>

6.3. AGEING INFRASTRUCTURE – Strategy to Renew Stormwater Networks.

Option	Implications
Renew non-critical mains when failure rates become intolerable.	<p>Benefits: Ensures that only pipes that have reached the end of their useful life are replaced.</p> <p>Costs: Pipe failure will become apparent during storm events and during likely increases of property flooding. Operation and maintenance costs will increase. Unpredictable renewals make budget and resource planning difficult. Unplanned work is more disruptive and expensive than a planned programme of renewals.</p>
<p>PREFERRED OPTION</p> <p>Implement a proactive, planned pipe renewals programme and invest more in both condition assessment technology, field data collection and data management.</p>	<p>Benefits: Targeted investment in planned renewals works. Smooths the renewals investment profile. Avoids unacceptable deterioration of the level of service,</p> <p>Costs: Additional costs of pipe surveying, analysis and data collection to improve pipe and asset condition assessments, to ensure well targeted renewals and efficient investment. Smoothing the renewals profile may accelerate the investment programme if works cannot be deferred.</p>

7. Most likely Scenario

The most likely scenario is that the Blenheim Stormwater Strategy will continue to be implemented through the progressive implementation of Stormwater Management Action Plans for the remaining ten management areas. The solutions implemented will be multi-dimensional to the benefit of the urban drainage and receiving waters. The strategic approach will be extended to the other urban settlements (Picton, Havelock, Renwick, Seddon, Spring Creek and other smaller settlements). The aims and

objectives of the strategy, and the holistic approach to catchment management, remains a strong framework for future stormwater management.

7.1. and 7.2 Stormwater Quantity and Quality

It is likely there will be an increasing focus on urban stormwater quality and the impact on the natural receiving waters. As a result, there will be a regular stormwater monitoring programme and a programme of remedial works as Stormwater Management Area Plans are developed. It is likely that the remedial works will include:

- increased management of potential contamination sources such as factories, businesses and commercial sites;
- retrofitting treatment devices into stormwater pipelines;
- stormwater treatment to be built into all new development and
- increased efforts to raise public awareness and education.

7.3. Ageing Infrastructure

The useful service lives of infrastructure assets are considered annually during the valuation process. Condition data collected through CCTV, planned and reactive maintenance across the network validates this data.

Additional resources will be allocated for pipe condition surveys through CCTV in targeted areas and pipe sampling where maintenance takes place. Data is continually gathered to enhance the targeted renewals programme. It is likely that a small but growing pipe renewals programme will be instigated over the next three years, with accelerated growth in the following years, as more information is gained on pipe condition and life expectancy. Plans will be developed to manage the predicted peak in renewals from 2050.

8. Table of Major Projects for this Activity

A brief summary of upcoming projects for this asset is shown below, and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

The key 'drivers' of investment are:

- Growth — investment to provide additional capacity to cope with increased demand for the service due to population growth or increased usage

- Levels of service — investment to improve the service customers receive
- Renewals — investment to replace worn out or inefficient assets.

Asset Type	Project	LoS %	Growth %	Renewal %	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Combined														
Connections	New Connections		100%		\$0.5M									
Blenheim														
Pipelines	Murphys Creek Pipeline	35%	65%		\$3.7M									
Pipelines	Redwood St - Muller to Stephenson)			100%		\$1M								
Pipelines	Muller Rd stormwater renewal			100%	\$3.6M									
Pipelines	Scott St, Lewis St to Redwood St			100%				\$0.75M						
Pipelines	Stephenson to Stuart St	100%							\$1M					
Pipelines	Graham St - Stephenson - Boys college - Francis St			100%						\$2.5M				
Pump Stations	Water Quality infrastructure for Kinross St	100%			\$0.25M									
Picton														
Pipelines	Pipelines	100%			\$0.29M									
Blenheim, Picton, Renwick														
Pipelines	Pipeline Renewals			100%	\$0.29M									

Rivers and Flood Protection

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available

Flood Protection Goals

- To manage flood hazard and drainage occurring in more developed areas of Marlborough.
- Requirements in different areas have developed according to the history of flood risks, development of drainage improvements and more recently from development due to land use changes.

Introduction

This chapter covers three activities:

- controlling flood waters from major rivers
- management of drains and small streams which receive the stormwater flowing from the urban stormwater network in Blenheim, Picton and other settlements
- land drainage, which is the steady, longer term removal of water from low-lying rural land.

Since 2010 significant flood events have occurred in most of the region's rivers and streams including the Rai/Pelorus/Wakamarina catchments, outer Sounds catchments, in the wider Picton/Waikawa/Koromiko area, Wither Hills and Southern valleys and the main Wairau River and lower Wairau floodplain. The existing flood systems have generally coped well with these events.

The Wairau floodplain's major rivers and stop-banked floodways cover 20,000 hectares of fertile land around Blenheim, and is the Council's major river control and drainage activity. A review of the Wairau flood protection and drainage works is scheduled for completion in 2024 and this will take into account land use changes over the past 25 years as well as the predicted impacts of climate change.

Expectations of higher standards for flood protection and environmental values

There is a trend for ratepayers to expect that Council will provide a high standard of flood control and drainage throughout Marlborough. The Building Act 2004 and the Resource Management Act 1991 (RMA) also oblige councils to take a more active role in managing flood risks than was required under earlier legislation.

New river control assets may be required for several reasons:

- areas that would like to benefit from flood protection and are prepared to meet the costs can request this service from the Council
- land development increases the flood runoff from the land
- increased awareness of flood risks as a result of climate change and/or better hydrological flood records

The long history of flood control and drainage on the lower Wairau floodplain initially had an emphasis on risk management and affordability. However, over recent years the issues involved in river control and drainage have become more complex. Much more regard must now be given to maintaining and enhancing ecological values to meet the requirements of the Resource Management Act (RMA), the National Policy Statement on Freshwater Management (NPSFM) and the New Zealand Coastal Policy Statement (NZCPS).

The Council is committed to maintaining high environmental standards for its flood protection activities, particularly as there are many valuable and sensitive ecological sites in the region. Maintaining and enhancing riparian ecological habitats, including whitebait spawning areas and bird nesting habitat, is also necessary.

9. Specific challenges

9.3. Levels of Service and Increasing Demand for Flood Protection

Blenheim Stormwater Outfall Upgrades

Ongoing development of Blenheim including infill housing and expansion into the recently rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Town Branch drain, Redwood Street and Snowdens pond and additional pumping), Murphys Creek and Fultons Creek upgrades (Boyce Street stormwater diversion main, Parker Street stop banking), Blenheim west (Camerons Creek capacity and environmental issues).

Maintaining the Wairau River Alignment

The stopbanked reach of the Wairau River downstream from the Waihopai confluence has very powerful and erosive river flows. Bank protection in the form of rock rip-rap armouring and tree planting is required to protect the stopbanks from erosion, especially as a result of floods.

Regular asset inspections have confirmed the need for continued investment in new works and regular maintenance of existing works to ensure a robust flood protection system is in place. Ongoing maintenance and upgrade work is required downstream to both the Diversion and Wairau river mouths. This includes permanent repair at Wratts Road following emergency work in December 2019.

A key project for this plan is six new and strengthened heavy rock groynes and up to 1.4km of stopbank realignment over the 3.5km reach from the Southern Valleys irrigation intake down to Upper Condors. The aim of this work is to maintain the river alignment and so ensure the security of the adjacent stopbank and irrigation intake infrastructure.

Stopbank Upgrades

Ongoing stopbank upgrades are planned for the Taylor River through Blenheim, lower Opawa River and lower Wairau River. The stopbanks

upgrades are to bring older sections of stopbank to current structural standards, to provide agreed flood capacity and through Blenheim where possible shift sections of stopbank from private property into the Taylor River reserve. Likely climate change impacts will be included in upgrade designs where appropriate.

Stormwater Flows in Blenheim and Picton and the effects of new Urban Development

The Building Act 2004 requires the floors of new buildings to be protected in a 1 in 50 year return period flood event. The main challenge related to urban areas is to ensure that the system of drains, natural watercourses, pumping stations, and floodgates can adequately cope with the stormwater runoff that occurs in a 1 in 50 year return period flood.

This level of protection from stormwater flows is being achieved for many, but not all of the dozen watercourses in Blenheim and Picton.

Residential, industrial and commercial development is resulting in more impermeable (hard) surfaces, which reduces absorption of rain by land and increases the amount of rainfall runoff into the small rivers, streams and drains via stormwater pipes. This is occurring in all urban areas, especially Blenheim, Picton, and Renwick. The Riverland's industrial area is also expanding rapidly, and includes the rezoning of rural land to industrial zoning.

Wairau Land Drainage Areas and land Use Changes

The Wairau drainage area covers 8,000 hectares of low lying floodplain, which is drained by 200 km of minor watercourses and 18 pumping stations. This land is to the east of Blenheim and O'Dwyers Road. The Council is committed to avoiding more than 2-3 days of ponding occurring in paddocks in these drainage areas.

The drainage system consists of a mix of deliberately excavated drains and natural watercourses with floodgated culverts into the major rivers, and a series of pumping stations.

The current drainage network was last formally reviewed in 2015. This review recognised there has been significant intensification of land use

and subdivision, a trend towards viticulture and an expectation of a generally high level of service since the Wairau Scheme was established in 1960.

An extra 15.3km was included in the managed network of drains following the 2015 review. This provides a drainage outfall to all rural land parcels greater than 1 hectare within the Lower Wairau Drainage Scheme area.

60% of the land within the Lower Wairau designated floodway is owned by the Council while 40% remains private ownership. Private land owners are required to use the land in ways that are compatible with floodway management. As viticulture land becomes more scarce there are likely to be further requests to plant private land within key Wairau floodways (especially the Opawa, Wairau and Taylor River floodways), and requests for inclusion of these areas within the 1 in 100 year standard of the Wairau floodplain. Where 'compatibility' cannot be agreed there is a land purchase budget each year for acquisition of private land. The budget has not increased.

Viticulture is progressing westwards up the Wairau Valley. Land above the Waihopai confluence has a lower standard of flood protection. A rate review within the term of the Infrastructure Strategy may see further requests for an increased level of service in the upper Wairau Valley. The strategy assumes that the current level of service remains materially unchanged and the rate review will align the funding and service levels.

Most adjacent vineyard owners above the Waihopai confluence have now recognised that it is in their interest to leave an adequate fairway to provide for flood capacity and to undertake edge protection works, which are typically some combination of rock and willow planting to provide a good buffer between the active channel and productive vineyards. Accordingly, since the floods of 2011 and 2012 Council has assisted some property owners with the design and construction of new works, with the works to be owned by the landowner.

Vineyard developments also appear to be causing increased runoff on the gently sloping, moderately impermeable land of the southern valleys to the south of New Renwick road and State Highway 63 to the west of Renwick.

This will need to be managed with larger culvert sizes and increased maintenance of the drainage channels.

9.4. Environmental expectations

Weed Control

The blocking of drainage and stormwater channels by thick aquatic and terrestrial weeds is a major maintenance issue. Weed growth can reduce the hydraulic performance of the channels by a factor of 10 reducing the drainage efficiency and increasing the flood risk to nearby properties. Regular annual removal using herbicide or by excavation is essential.

The spread and extent of weed is increasing and new weeds regularly arrive in Marlborough. Conversely there is an increasing expectation from the public of more weed removal and there is generally increasing environmental (resource consent) constraints on the manner in which aquatic weed removal is carried out.

The use of the herbicides is a key tool for maintaining both the drainage network and a number of key streams infested with aquatic weed. The current resource consent to use herbicide in and near waterways expires in February 2019.

Impacts of Flood Gates on fish Migration

A total of 249 gravity outlets have been installed under river stopbanks. Simple floodgates (or flap valves) are constructed on the outlet of these culverts to prevent water flowing back from the river. These floodgates, while essential for preventing the backflow of floodwater, adversely affect movement of whitebait and other fish into the drainage network.

Pukaka Quarry Extension

The Council owned Pukaka Quarry is a key source of rock rip-rap for river protection works on the Wairau River and tributaries, and clay for stopbank upgrades and repairs. The quarry also supplies a variety of aggregates to the contracting market as a by-product of the rock production.

The rock resource within the existing land boundary is now very limited and further land is required if the quarry is going to continue for a further

40 plus years. Negotiations for purchase of the additional land are essentially complete and an application for the necessary statutory approvals will be lodged shortly.

This plan makes provision for the land purchase and initial capital development of the quarry extension. The Pukaka Quarry is self-funding and capital requirements for the extension are proposed to be serviced from operating revenue.

9.5. Climate Change

Managing the Impact of coastal Storm Waves and Sea Level Rise on Drainage

The lower Wairau Floodplain includes several thousand hectares which are less than 2 metres above sea level.

Sea level rise will impact on coastal erosion and drainage of this low-lying farm land. Average sea levels are predicted to rise by 0.3 m by 2050, which will impact on drainage gravity outfalls and require more pumping, alter general water table levels and may increase saline intrusion in the very low-lying areas. Sea level rise is also likely to lead to an increase in wave lap type erosion in the lower reaches of the Wairau and Opawa Rivers.

The marine storm wave forces are a very important factor. In the past they have formed a sand bar, typically extending a kilometre to the north. The bar is formed by a combination of marine forces, tidal flows into the Vernon Lagoons and river flows from the lower Wairau and to a lesser extent the lower Opawa. A training groyne at the mouth of the Wairau River has helped to maintain an open channel to the sea and scour any sand accumulation. There is some evidence of increased accretion at the mouth of the Lower Opawa. The situation continues to be monitored and may require additional dredging. If required, dredging will be a significant maintenance cost.

Potential Impacts of Climate Change on Flood Flows

Climate change will also alter the frequency and severity of flood events. Current advice to Council is that by 2050 a given 100 year or 1% AEP flood will increase in size by 10 – 15%. That means the current 5500 cubic

metres per second (cumecs) Wairau flood could increase to over 6000 cumecs. However, flood flows are likely to be variable — in some catchments they may actually decrease, while increasing in other areas.

The various scenarios will be investigated through a detailed technical review which commenced in 2019. The potential effects on levels of service and options will be presented to the Council for consideration (see options below).

9.6. Legislation

Dam Upgrades

The Taylor flood detention dam is about 55 years old and is generally in very good condition. However, a comprehensive safety review in 2013 identified a number of matters for Council to attend to, including a minor capacity upgrade to the auxiliary spillway, installation of additional drainage and crest level monitoring points, and resealing of the main outlet culvert joints. Immediate maintenance items have been completed and now investigation of the spillway upgrade options is nearing completion. These will be reported to Council in due course.

Similar refurbishment work is also required on the Gibson’s Creek Waihopai intake.

10. Options and Implication

10.3. Levels of Service and increasing Demand for flood Protection

Level of flood protection for the Wairau floodplains

Option to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Maintain and upgrade the floodways passing across the main Wairau floodplain to provide a</p>	<p>Benefits: Recognises agreements reached through the Wairau Rivers Floodway Management Plan in 1994.</p> <p>Certainty that building and land use planning can proceed to an agreed standard.</p>

Option to address it	Implications of the options (financial and non-financial)
capacity for flood sizes of up to a 1 in 100 year return period for the Wairau river and other major floodplain rivers of the Lower Wairau, Wairau Diversion, Opawa, Taylor, Omaka, Riverlands Co-op and others.	<p>Costs: Financial costs of ongoing upgrades outline budget to 2028 of \$10.5M.</p> <p>Environmental impacts of river control works.</p>
Maintain the existing level of protection, but do not increase the level of protection to meet a 1 in 100 year return period if the magnitude of floods increases as a result of climate change.	<p>Benefits: Avoids the need for flood protection upgrade works.</p> <p>Costs: Community consultation and consent required.</p> <p>Uncertainty as to level of flood protection and risks.</p> <p>Damage to property and crops.</p> <p>Possible reputational damage.</p>

Lower levels of flood protection – Kent Street tributary, Picton

Option to address it	Implications of the options (financial and non-financial)
Preferred Option Status Quo Undertake minor improvements to culverts to improve flow but accept additional flood	<p>Benefits: <i>No significant upgrade work</i></p> <p>Cost savings if culvert construction and reinstatement can be coordinated with port refurbishment.</p> <p>Helps manage rate increases.</p> <p>Costs: Properties exposed to increased</p>

Option to address it	Implications of the options (financial and non-financial)
hazard as culverts can achieve only around 60%-70% of 100 year flood flow. Defer the culvert upgrade until works can be coordinated with Kiwi Rail/Port Marlborough upgrades to port	<p>flood risk.</p> <p>Additional cost to new development of increased floor levels due to lower level of flood protection</p>
Upgrade culverts at earliest convenience	<p>Benefits: Improved flood protection for properties in Waitohi Stream catchment.</p> <p>Costs: Cost to undertake works and restore port facilities estimated to be in excess of \$10M.</p>

Wairau land drainage areas and land use changes

Options to address it	Implications of the options (financial and non-financial)
Further extend the land drainage areas on an adhoc basis when requested to do so by landowners.	<p>Benefits: Responds to land use changes in a timely way.</p> <p>Costs: Doesn't provide for integrated solutions within a catchment.</p> <p>Difficult to implement a fair cost recovery plan</p>
Preferred Option Scheduled land drainage reviews, to consider extensions of the land drainage area	<p>Benefits: Managed and cost-effective approach for Council.</p> <p>Increased land productivity and subsequent indirect benefits to the region</p>

Options to address it	Implications of the options (financial and non-financial)
integrated with rate review.	from greater flood protection Costs: All costs to borne by benefitting properties through the classified rate.

10.4. Environmental Expectations

Weed Control

Options to address it	Implications of the options (financial and non-financial)
Use of herbicide	Benefits: Cost-effective. Manual clearance is between 6 and 10 times more expensive than herbicide. Costs are likely to increase as landowners demand improved disposal of cleared weeds. Gradual die-back of targeted weeds has less impact on native flora and fauna. Costs: Additional cost of environmental impact monitoring of herbicides on aquatic life. Ensure safe working practices are employed. Possible but unknown environmental effects of chemical residues.
Manual clearance	Benefits: A conventional mechanical removal system with known environmental impacts Costs: Disturbance of river and stream beds, and impacts from sedimentation. More expensive. Damage to stream profile leading to increased 'canalisation.'

10.5. Climate Change

Managing the Impact of Coastal Storm Waves and Sea Level Rise on Drainage

Options to address it	Implications of the options (financial and non-financial)
Pro-actively upgrade wave-lap erosion control measures and prepare plans for up to three additional drainage pump stations.	Benefits: Retain the current level of service for flood protection and land drainage. Reduced storm damage remedial costs. Planning preparation for sea-level rise but physical works deferred until greater clarity on the extent of climate change effects. Costs: Capital costs to be determined following the review.
React to storm wave damage only	Benefits: Avoids capital costs of upgrades. Costs: Additional damage to wave band protection and adjacent land. Additional remedial costs and maintenance. Loss of some existing land uses over time.

Potential Impacts of Climate Change on Flood Flows

Options to address it	Implications of the options (financial and non-financial)
PREFERRED OPTION Undertake a comprehensive review of the Lower Wairau Flood Protection Scheme including climate change	Benefits: Community involvement in decision-making. Retains ability to adapt to changes over time. Include the most recent climate change projections and high quality hydraulic modelling. Decision making using high quality information. Costs: Consultancy costs to perform analysis and modelling. Potential delay in

Options to address it	Implications of the options (financial and non-financial)
scenarios and to consult with the community on both the desired levels of flood protection and their willingness to pay.	decision making. Financial and practical resources will be required for monitoring and for adaptation to changing flood flows and frequencies of flood events.
Accept lower levels of flood protection over time in areas where climate change increases the magnitude and frequency of flood events.	<p>Benefits: Recognises ongoing and increasing nature of climate change.</p> <p>Costs: Flood damage to private property and public infrastructure. Loss of some existing land uses over time. Costs of managed retreat. Possible reputational damage from flood damage.</p>

11. Most Likely Scenario

Council will review the core Wairau River Floodway Management Plan, and take climate change into account as well as the 25 plus years of additional flow data records collected since the plan was originally prepared. Once the flood risk data has been updated the Council will undertake a major public consultation exercise with the key stakeholders on an updated plan for the key Wairau works through to 2050. The objective is to gain more understanding of the desired level of service and willingness to pay for future flood protection works.

The current thinking is that relatively minor upgrades will be required to preserve existing levels of service to about 2050 but after that time other options, including accepting increased flood risk or retreat from some very low lying areas, may need to be considered.

This plan is likely to be implemented through a range of activities including building and maintaining stopbanks, river diversions, detention dams, stopbank erosion protection (rock and trees), river channel clearing, channel excavation, channel training, and use of flow control gates.

A climate change allowance is already built into all current Blenheim stormwater design and planning. The flood risk associated with the Picton rivers was recently reviewed, following the very large Waitohi and Waikawa River floods in 2004.

In Picton, further upgrade of the Waitohi triple culverts will be required to meet the desired 50 year flood standard. This work can only be cost effectively completed if it can be fitted in with upgrade plans within the KiwiRail shunting yard and Interislander parking area. No funding has been included in this plan to date as the feasibility and cost benefit of any work is still to be determined.

In the interim, the flood hazard risks in the Dublin Street area and adjacent to the Kent Street drain (Buller Street branch), will be identified in the Council's hazard register, with some building restrictions applying to this area (mainly minimum floor levels).

Over the longer term, further investigation of upgrading costs and also of possible funding sources for these upgrades is required as a part of the planned review of the Wairau River Floodway Management Plan followed by discussion with the affected community.

12. Major Projects For This Activity

A brief summary of upcoming projects for this asset is shown below, and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

Asset Type Description	Your Description	Growth %	LoS %	Renewal %	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	
Blenheim															
Pump Stations	New Pump stations	100%			\$719,999.96										
Drainage Channels	Town Branch Drain Upgrades		100%		\$6,000,000.00										
Opaoa															
Stopbanks	Stopbanks		100%		\$1,280,000.00										
Stopbanks	Waipuna St			100%					\$800,000.00						
Wairau															
Stopbanks	Lower Wairau Stopbanks			100%		\$450,000.00					\$700,000.00				
Rock & Gabion Protection	Edge works		100%		\$8,280,000.00										
Omaka															
Stopbanks	Stopbank upgrades			100%						\$600,000.00					
Quarry															
Land	Land purchase	100%			\$1,800,000.00										
Ruakanakana															
Drainage Channels	Lower terrace upgrade	100%							\$800,000.00						
Rural															
Pump Stations	Pump stations		100%		\$1,040,000.00										
Taylor															
Dams	Taylor Dam			100%	\$50,000.04					\$500,000.00					

Community Facilities

For Marlborough to achieve its vision for the future the infrastructure must be sufficient and functioning at the same time as being achievable and sustainable with the resources available.

Community Facility Goals

- Enhance the quality of the environment through the establishment and maintenance of reserves, parks, open spaces, libraries, museums, cemeteries, public conveniences, halls, trees etc.
- Promote quality lifestyles and the desirability of Marlborough as a place to live and visit.

- Provide a wide range of opportunities and facilities for recreation from passive through to active.
- Invest in and planning for infrastructure to meet social and economic wellbeing and health of our communities.

Introduction

Council has included Community Facilities within the infrastructure strategy. There is no statutory requirement to do so in the Local Government Amendment Act of 2014. However the infrastructure that contributes to community facilities has been included that has a reasonably significant value both in terms of their financial value and their contribution to community wellbeing. There are also many smaller assets that individually are less valuable but when grouped together are significant. The asset groups included are sports stadia, community halls, libraries, cemeteries and memorials, playgrounds and public conveniences.

The assets included in Community Facilities are quite diverse in the nature of the service they provide and spatial location around the region. Whilst they are subject to many of the key themes of the strategy some services provided are of a more discretionary nature.

Marlborough has an increasingly ageing population while at the same time becoming more ethnically diverse. As a population ages, sporting participation preferences are likely to change. Generally speaking, older residents do not participate in higher levels of moderate to vigorous physical activity. Another significant change is many older adults have the ability to recreate during week days, which is often a period of time where sporting facilities are underutilised. The increasingly ethnic diverse profile of Marlborough also brings opportunities for residents to participate in a more diverse range of activities. This diversity may place additional pressure on the Council to provide facilities for a wider range of activities as they emerge.

The **affordability of renewals** may also be a challenge for some groups of assets, particularly if there is a demand for an improved **level of service** from the replacement. Although there are some newer facilities in the district, the network of sporting facilities is generally ageing. The

Council has looked at increased investment in the network recently, including the development of the Endeavour Sports Hub and the new hard courts and sports hub at Lansdowne Park. The new Picton Library and the one under construction for Blenheim include a degree of upgrade to meet an increased level of service demanded by customers.

Demand for public services can also decline over time. Technological changes, changing trends and personal choices about activities people take part in and how they take part in can result in facilities being underutilised. Similarly it has been assumed that the various community halls will not be replaced when they reach the end of their useful life. Money has not been collected to fund their depreciation and renewal affordability could be a challenge. It is therefore important that facilities can adapt to meet changing needs and are sustainable, including financially.

Climate change and resilience to natural hazards may also impact on some of the groups of community facilities. For example coastal tracks and coastal reserves may be subject to increased storms, rising sea-level and the effects of tsunamis. There will need to be some modifications to sports facilities to maintain them through more severe weather events – drought resistant turf, irrigation and improved drainage. These are likely to be resolved through incremental changes that can be incorporated into operational management plans with lower financial impact.

Recreational Facilities

The underlying story for sports and recreational facilities, parks and reserves is that the major influences of change over the next thirty years are not likely to have a shock impact that will require major capital investment. Change is likely to be gradual and at least partially compensated by other contemporary changes. The other prevailing trend is that while levels of service may alter with changing community demands and operating environment but the overall standards are unlikely to decline. If this projection is correct the operational and maintenance costs will be at least comparable with current expenditure.

The major sports stadia in Marlborough - Stadium 2000 and Blenheim swimming pool, the Giesen Renwick sports centre, Picton Endeavour Park Pavilion and the Lansdowne Park sports hub in Blenheim have a combined insurance value of \$48.4 million. There are a further 23 sports and leisure facilities with total value of \$23.4 million. The major stadia are relatively new and have a long life expectancy. The Sports Facilities Strategic Plan 2021 has been developed to understand the current and future facility needs and aspirations of sporting codes in Marlborough. The plan identifies what changes, updates or additions could be made to the Council's sports facilities network over the next ten years. To date sharing of common facilities and synergies between codes helps to promote sports, save costs and future-proof the facilities to meet changes in community demand.

Stadium 2000 has undergone strengthening works to improve its resilience to earthquake as have other of the Council's community facilities. It is important to note that the main aim of building strengthening is prevent catastrophic failure and to allow people to escape. It does not mean the facility will be serviceable after a large earthquake. The Council has insurance to help manage the risk but the insurance excess can still be considerable.

Community Halls

There are around 16 community halls located in many of the small settlements from D'Urville Island to Ward. Many of them are old but are still a significant focus for the community. Many are in rural locations that are predicted to have declining populations in the future.

Many of the halls have an important role to play as the only public facility available in isolated communities. They may have limited use but they have strong cultural and nostalgic linkages to the community. Some are more valued for their heritage and future potential as much as their current practical utility. Six have been identified as Civil Defence Community Response Centres.

Council policy is not to fund depreciation of the community halls and an assortment of management practices have evolved by individual communities. Not all structures have been assessed for earthquake

resilience. Strengthening works would need to be incorporated into a cohesive management plan.

Parks and Reserves

The Council has three premier parks (Pollard Park, Seymour Square and Picton Foreshore) and around 79 neighbourhood parks. The premier parks not only provide a service for the local community but, increasingly, an attraction for visitors. Neighbourhood parks provide playground areas which are likely to become more frequented as property section sizes decrease. For these reasons the level of service for these assets is likely to be maintained into the foreseeable future.

Other Facilities

Similarly walkways, cycleways and public conveniences are increasingly used by visitors to the area. Tourism is an important and growing part of the economy. There will be continuing demand to expand and upgrade the facilities provided and maintain a high level of service for the benefit of local community and visitors.

Libraries

The new libraries in Picton and Blenheim will be in modern buildings designed to the latest standards with updated fittings and facilities. The main infrastructure is designed and built to last beyond the 30 year strategy but advances in technology may make some of the facilities obsolete or require significant re-investment. It is difficult to predict the implications of new technology but the strategy ensures the new structures are as flexible as possible to adapt to changing service requirements in a way that will allow the long term durability of the assets.

Museums and Cultural Facilities

The main Marlborough museum is located at Brayshaw Park and several smaller museums and art galleries at Havelock, Renwick, Picton, etc. A new art gallery will also form part of the new Blenheim Library complex. There is unlikely to be a major shift in the strategic management of these facilities. However, a change in level of service may be anticipated to embrace modern technology. Museum visitors

now expect inter-active displays and high quality presentation materials. Conversion of archive material to digital formats and other operational costs can be expected. The smaller facilities may face premature technical obsolescence or expensive upgrade.

The cultural significance of the Wairau Bar settlement in New Zealand history is becoming more apparent as more archaeological evidence is discovered. There may be increasing pressure for investment in a permanent facility to recognise and display the artefacts for the site.

Cemeteries and Memorials

The Council administers eight cemeteries with a combined area of around 26 hectares. Population projections show the proportion of the population over 65 is likely to increase from its current level of around 20% to 35%. Increased demand for burial space may require additional land purchases and development investment and operational costs. However there is evidence of a trend towards greater cremation. The introduction of the Cemeteries Bylaw in 2017 has provided the option to pre-purchase up to two cemetery plots per application. Management plans have been developed for all of the cemeteries to assist future

planning. Changes are expected to be accommodated without significant investment aside from a need to consider the purchase of additional land.

The community expect cemeteries and memorials to be maintained to a high standard. Deterioration to this level of service is unlikely to be acceptable.

Options and Implications

An options and implications table has not been included for Community Facilities.

Relatively small changes will be gradually deployed to implement further upgrades and meet changes in demand. The new infrastructure that has recently been completed or is under construction - libraries and sports hubs - has been deliberately designed to be as flexible as possible. Changing demand patterns, demographics of the community and new technologies can be accommodated in the structures that are planned or have been completed.

Project title	Approximate date required	Estimated cost \$m	Reason for project	(% weighting)	
			Growth	Level of Service	Renewal
Blenheim Library Renewal	2021-22	\$14.5M	0%	20%	80%
Lansdowne Park Hub Upgrade	2018-20	\$5.2M	20%	80%	0
Awatere Community Hall	2018-19	\$2.8M	0	0	100%
Blenheim A&P Park Pavilion	2019/20	\$1.5M	0	10%	90%

Early discussions have been initiated on Top Of The South centres of excellence that may result in major infrastructure being developed between Marlborough, Nelson & Tasman. There is insufficient progress on this initiative to include details at this stage.

General Assumptions and Risks

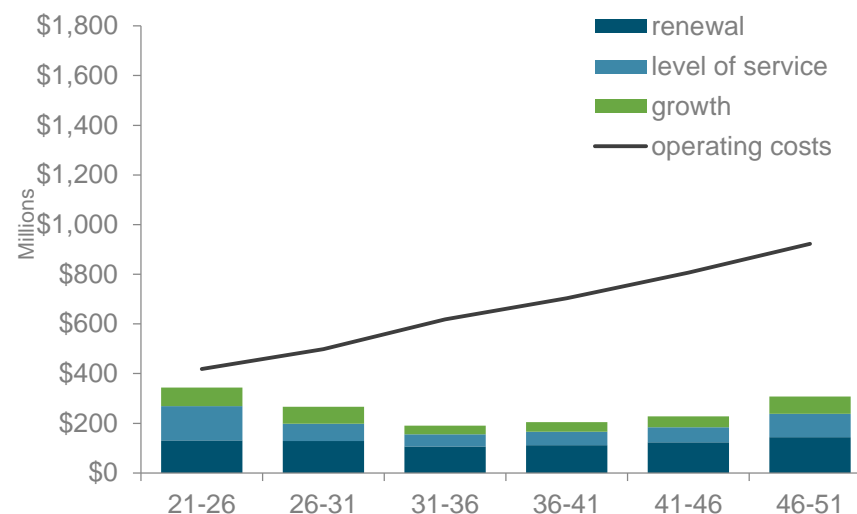
Made in preparing financial information (generally up to years 11 to 30):

1. Capitalised overheads have been added to capital spending in years 11 to 30 at the average rate they are applied in the budget ten years, by Activity.
2. The capital inflation rate applied to years 11 to 30 is BERL's forecast LGCIC for the year ending June 2031 i.e. 2.74%
3. Additional operating costs, including insurance and depreciation, have been estimated in relation to growth and level of service related capital projects in years 11 to 30.
4. For renewals capital expenditure in years 11 to 30 it has been assumed that any additional costs will be more than offset by a reduction in related maintenance and no operating costs adjustment has been made; this probably leads to an immaterial overstatement of operating costs towards the end of the planning horizon.
5. The renewals expected based on the estimated useful life of current and planned assets have been forecast to utilise availability of operational and financial resources; renewals have generally not been forecast earlier than the engineering trigger point.

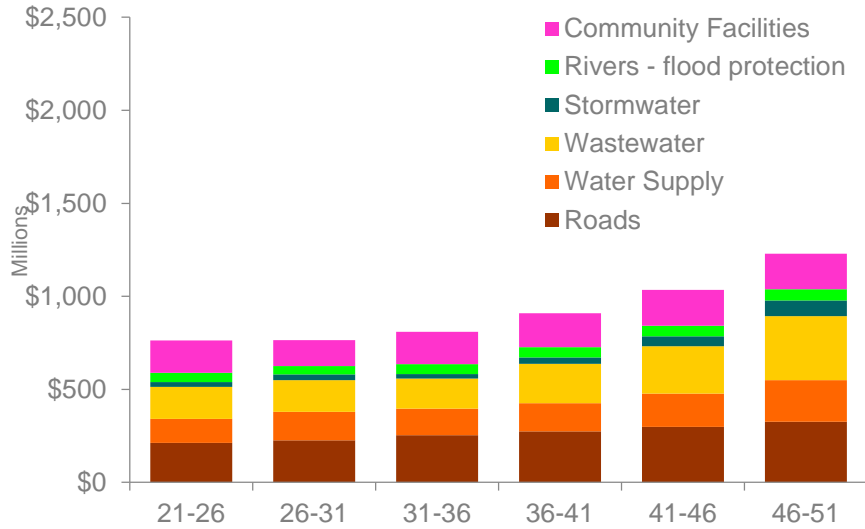
Part Three — Financial Summary

The capital work presented in section two represents total infrastructural capital spending of \$853 Million over the next 30 years; with associated operating expenditure totalling \$3.007 Billion – to operate and maintain existing and new infrastructural assets. The operating expenditure is spread fairly evenly across the years whereas the capital expenditure is more concentrated in the early years.

Infrastructure Spending: not inflated



Combined Infrastructure CAPEX and OPEX: Not



The preceding chart shows the total infrastructural spending (capital and operating combined) by Activity Group.

Given the constant challenge to provide the required services in an affordable manner, and the demand on internal and external project management and construction resources, the renewals expenditure based on expected useful life has been budgeted to “fill the gaps” between the major projects.

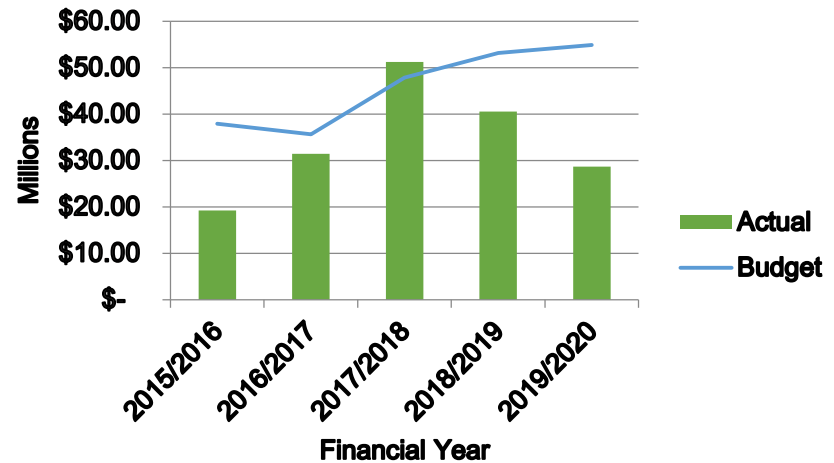
In preparing its LTP Council has to inflate the project cost estimates, also added into the budget are approximately \$1.0 Million of Planning and Development costs which will be capitalised. The same methodology has been applied throughout the thirty years of this financial summary.

Preparing the LTP and this financial summary also involved consideration of factors which may delay the proposed timing of projects and have a significant impact on the overall capital programme.

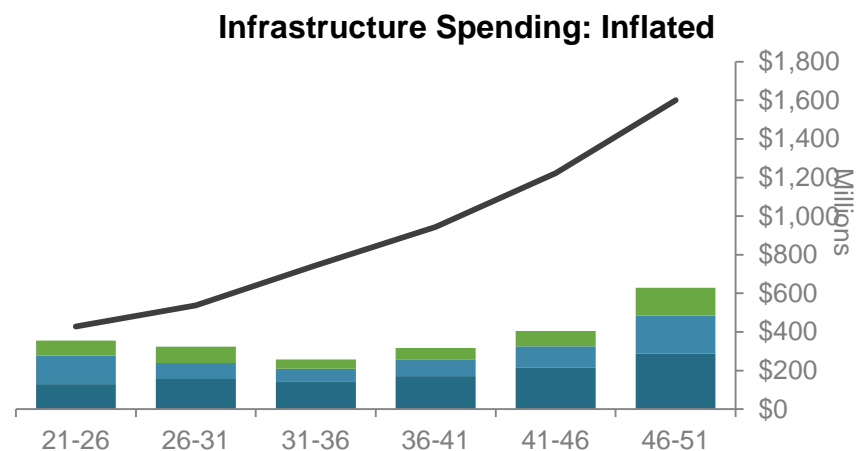
Over the past five years actual Capital Expenditure has ranged from \$19.21 Million in 2016 to \$51.25 Million in 202018 with an average of \$34.2 Million, the projection for 2020/2021 is over \$64.7 Million. In all but 2018, the actual spending was below budget, often significantly. Capital project timing has been delayed due to:

- finalising community consultation;
- obtaining land access;
- obtaining resource consents;
- the availability of external professional expertise;
- receiving acceptable contract price and contractor availability.

CAPEX Budget vs Actual



As described throughout the strategy there are many projects and some demand for improved services from all of the core activities. However it is unlikely that projects will rapidly overcome the obstacles described and accelerate much beyond an annual expenditure of \$71M. It has therefore been decided to limit capital financing to \$71M per annum for the first three years of the LTP.



The resulting “inflated” budget is for total capital expenditure of \$1.14 Billion and operating expenditure totalling \$4.6 Billion. The inflated capital spending is:

- 13% to service forecast growth
- 19% to improve levels of service (strongly influenced by wastewater and also by water supply)
- 67% to renew assets as they reach the end of their lives.

Council’s Financial Strategy sets out the strategic financial direction; the external and internal factors expected to have a significant impact (in particular over the next ten years); and the approaches used to fund this scenario in a prudent manner.

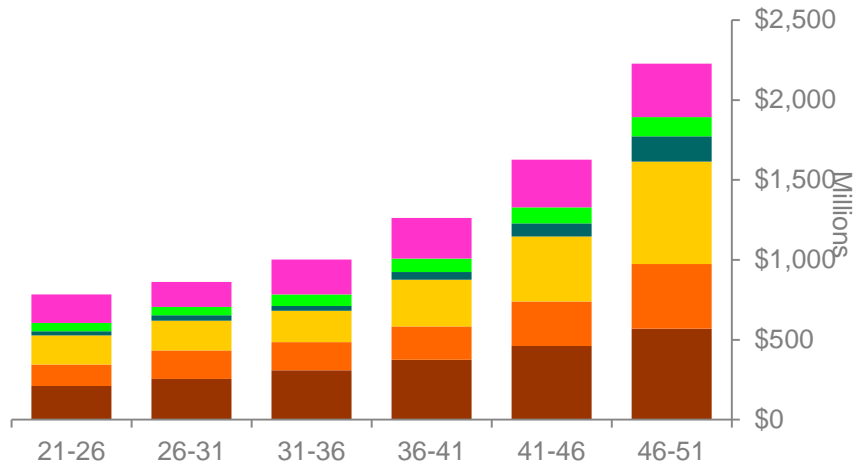
The strategy identifies that in general:

- growth driven capital expenditure is funded by Development Contributions
- capital expenditure to increase levels of service, e.g. improve quality of drinking water supply, is funded by borrowing
- renewals capital expenditure is funded from revenue - rates and charges - set to recover depreciation expense, and accumulated until spent. This funding source emphasises the importance to Council of continually fully funding depreciation on infrastructural assets.

As we move beyond the Financial Strategy and into the later 15 years of this Infrastructure Strategy the focus of capital expenditure is forecast to move to renewals.

In practice any funds available are used before new loans are drawn down, to avoid paying interest unnecessarily; excepting Development Contributions which are only ever used to fund growth projects.

Combined Infrastructure CAPEX and OPEX: Inflated



Activity Graphs

The following graphs show, for each Activity:

Budgeted expenditure over the next ten years, i.e. as included in the LTP, year by year:

- Inflated
- Not inflated

With the same scale for both graphs





Forecast expenditure over the next thirty years, taking the first ten years from the LTP and showing spending in five year blocks:

- Inflated
- Not inflated

With the same scale for both graphs

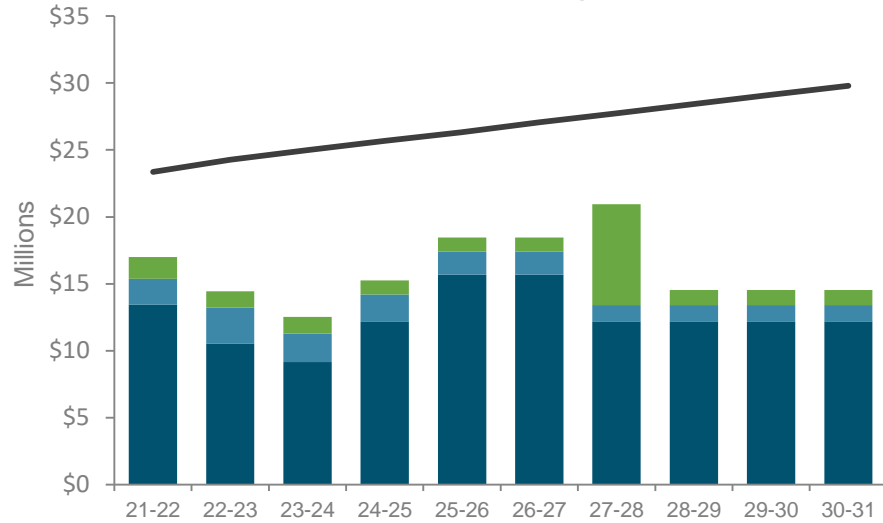
All graphs show:

- Total operating expenditure
- Capital expenditure separately identifying renewals, growth driven and level of service driven expenditure

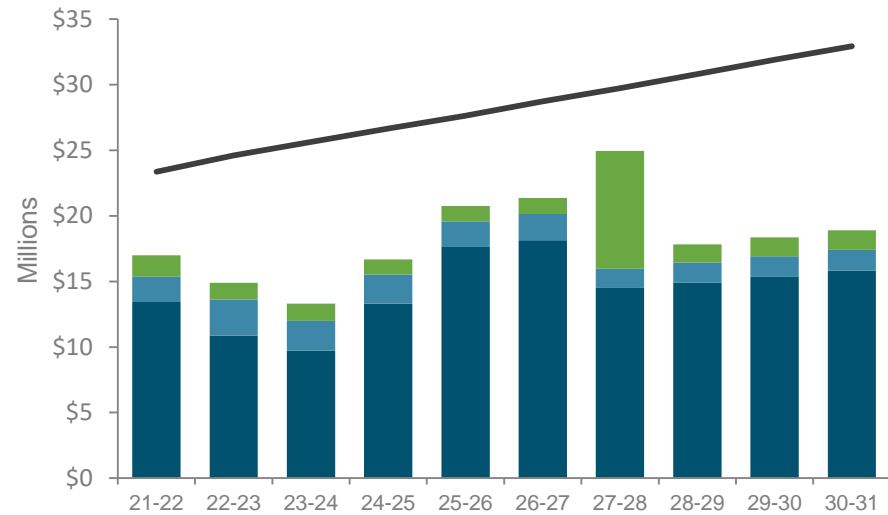
Key:	
Capex to:	
cater for growth	
increase level of service	
renew existing assets	
Total operating expenditure	

Roading

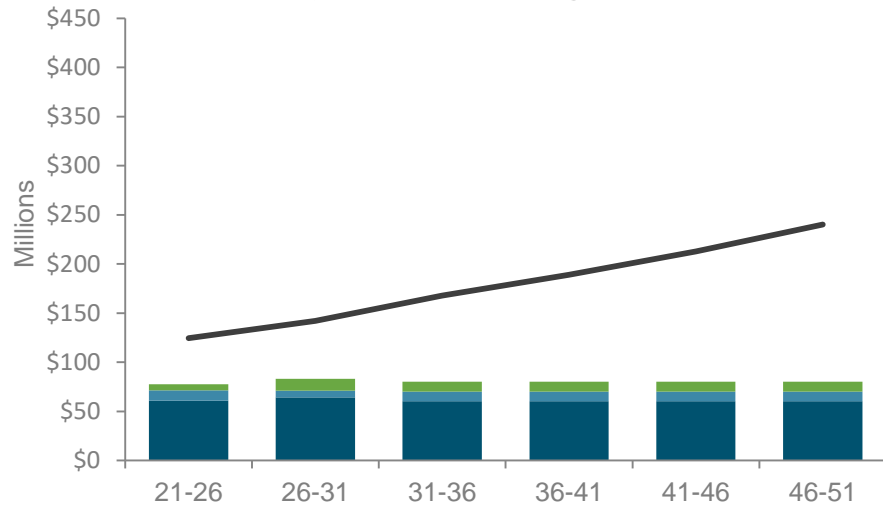
next ten years spending not inflated



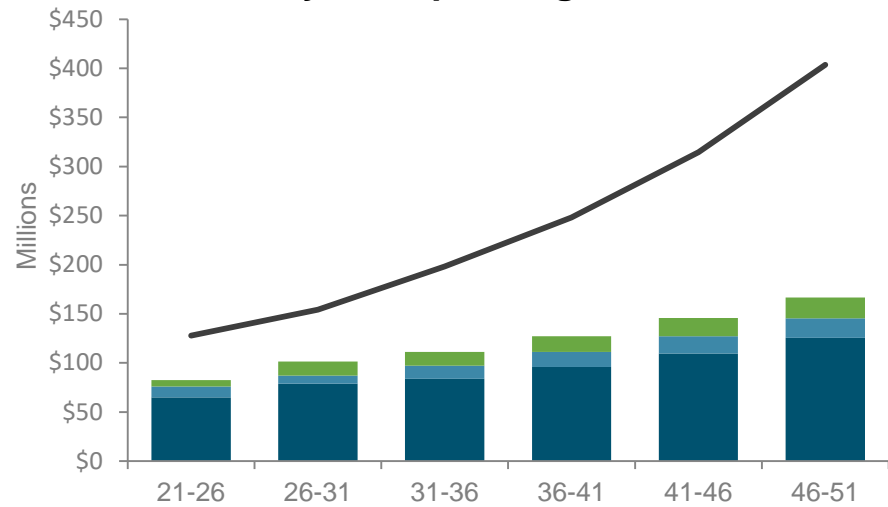
next ten years spending inflated



next 30 years spending not inflated

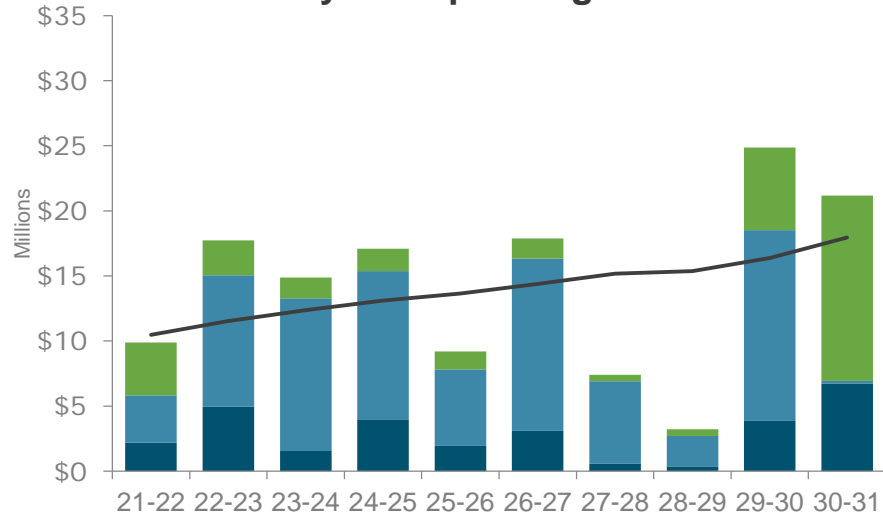


next 30 years spending inflated

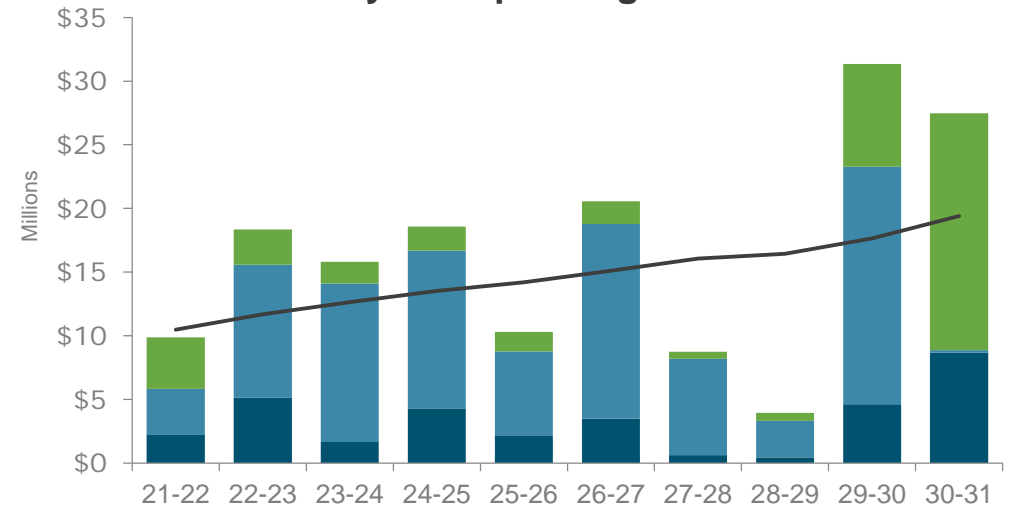


Water Supply

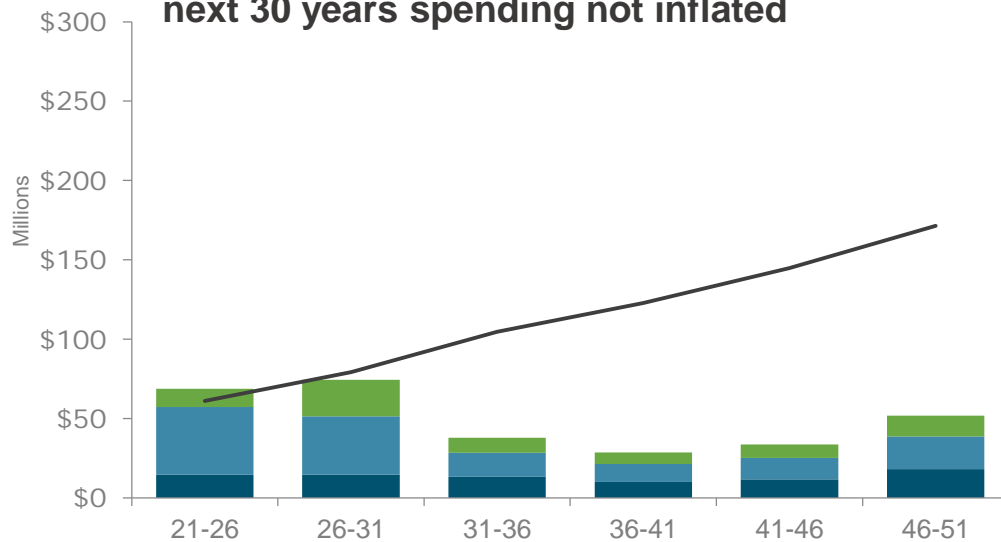
next ten years spending not inflated



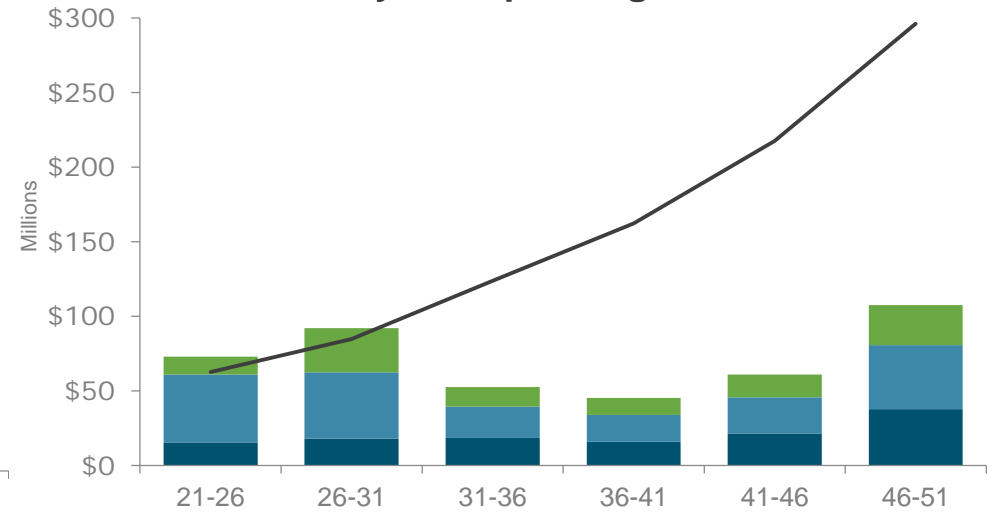
next ten years spending inflated



next 30 years spending not inflated

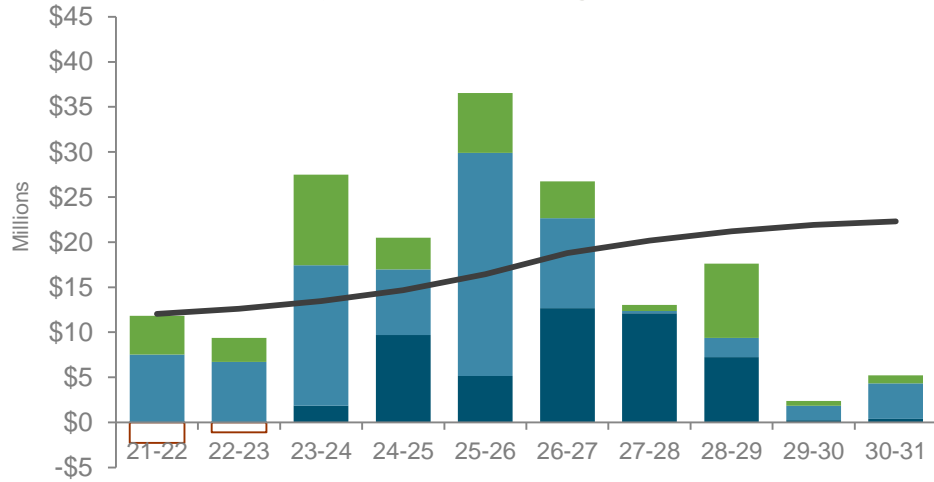


next 30 years spending inflated

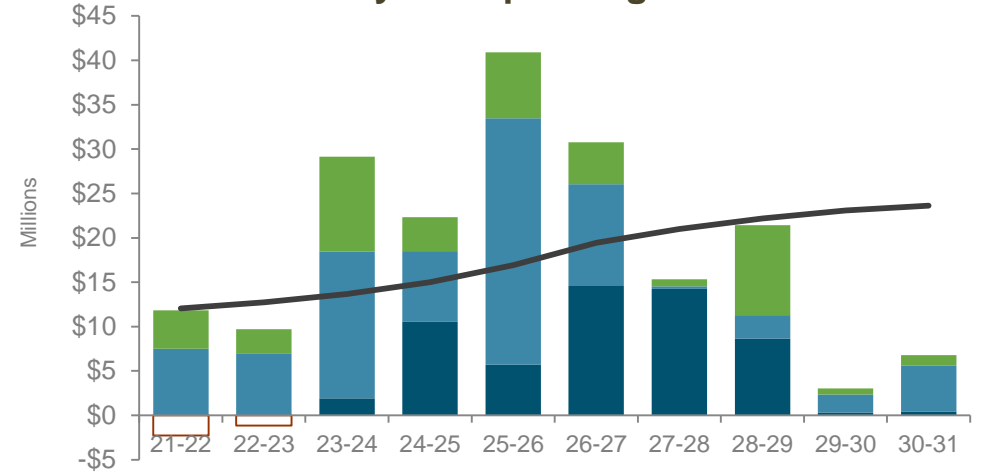


Wastewater

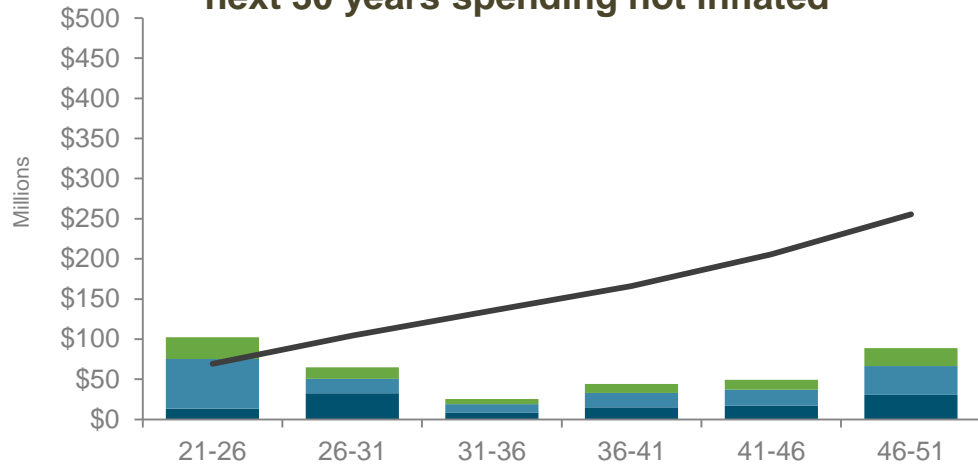
next ten years spending not inflated



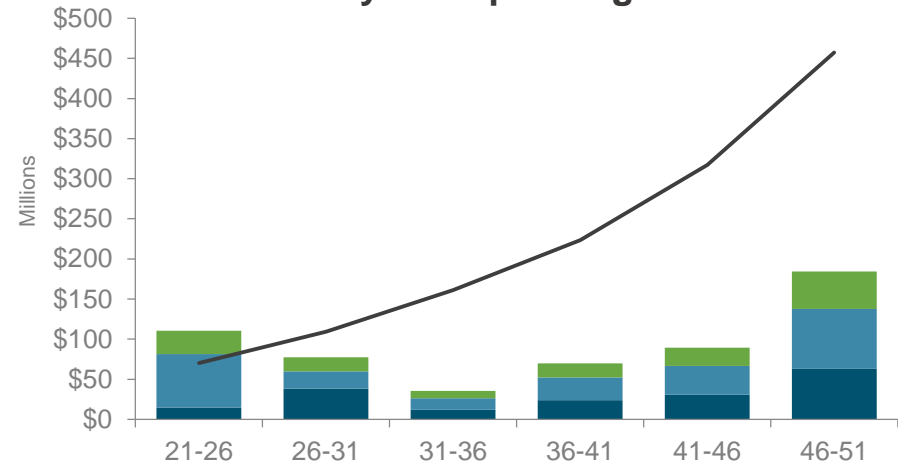
next ten years spending inflated



next 30 years spending not inflated

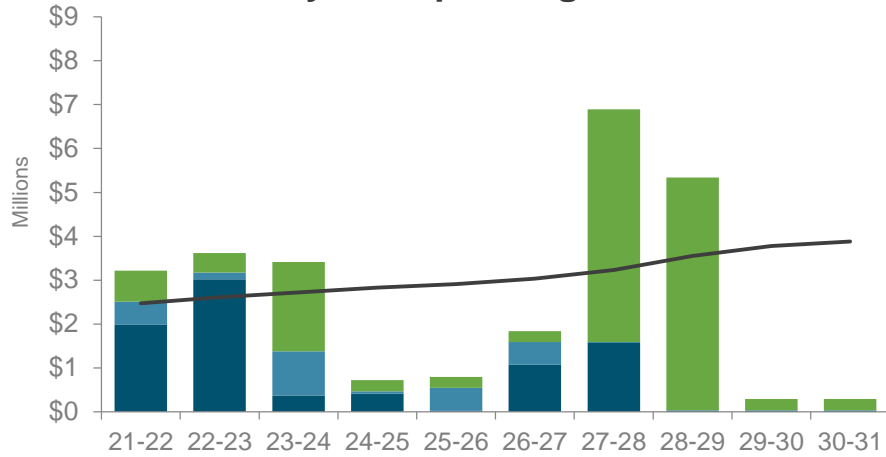


next 30 years spending inflated

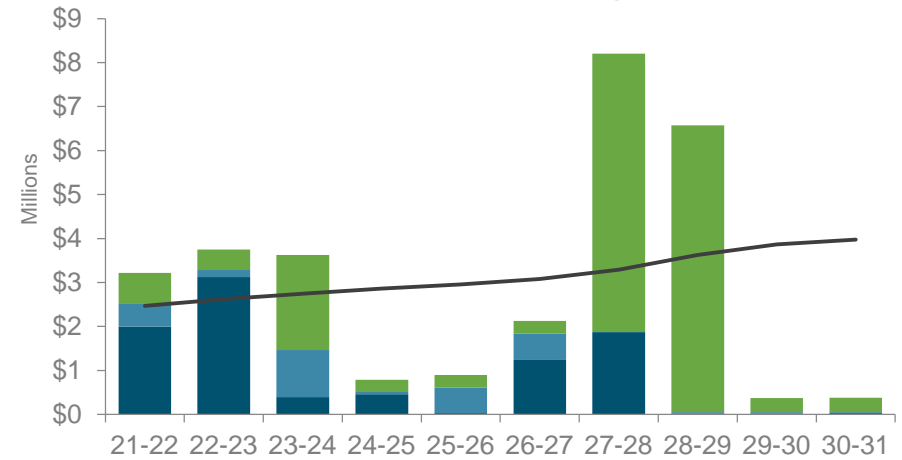


Stormwater

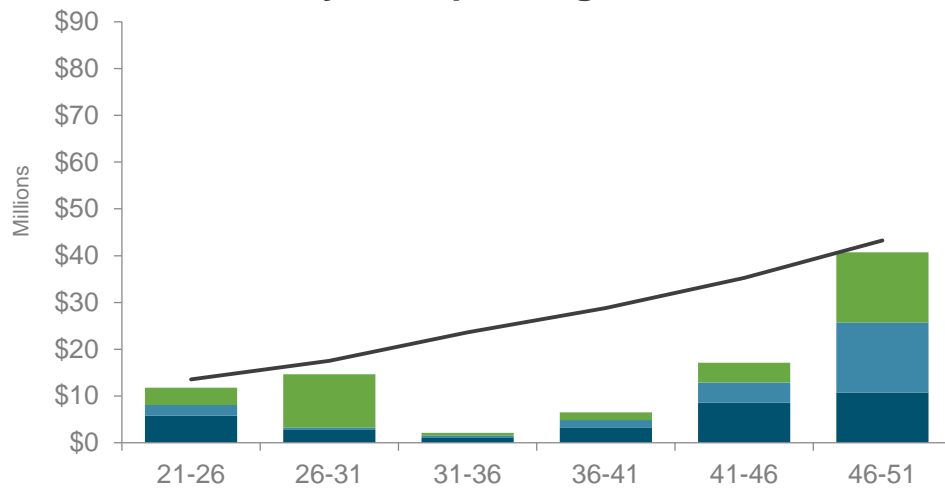
next ten years spending not inflated



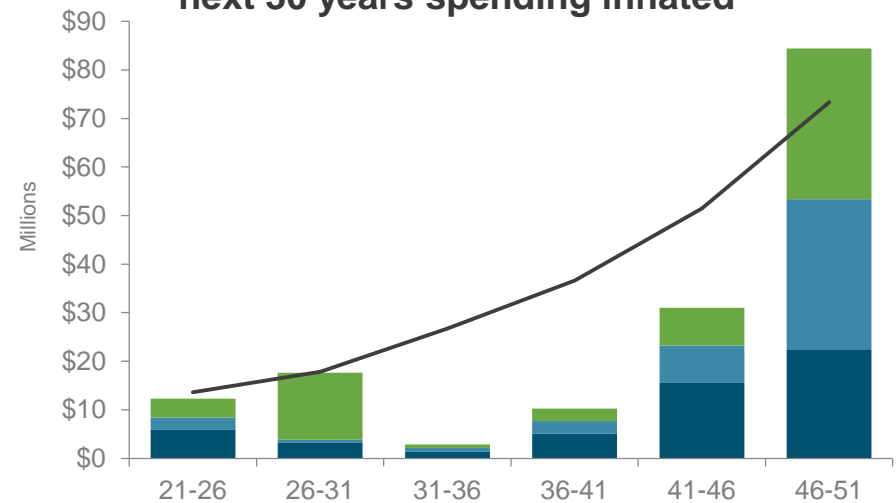
next ten years spending inflated



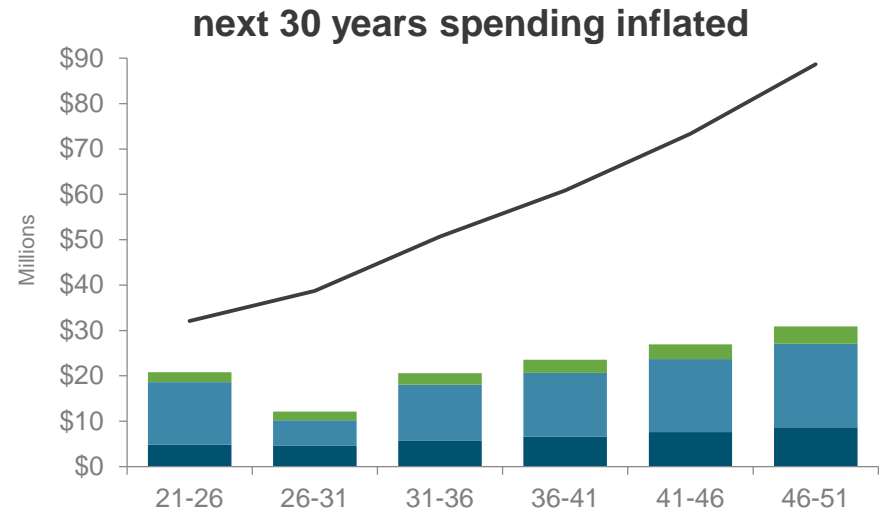
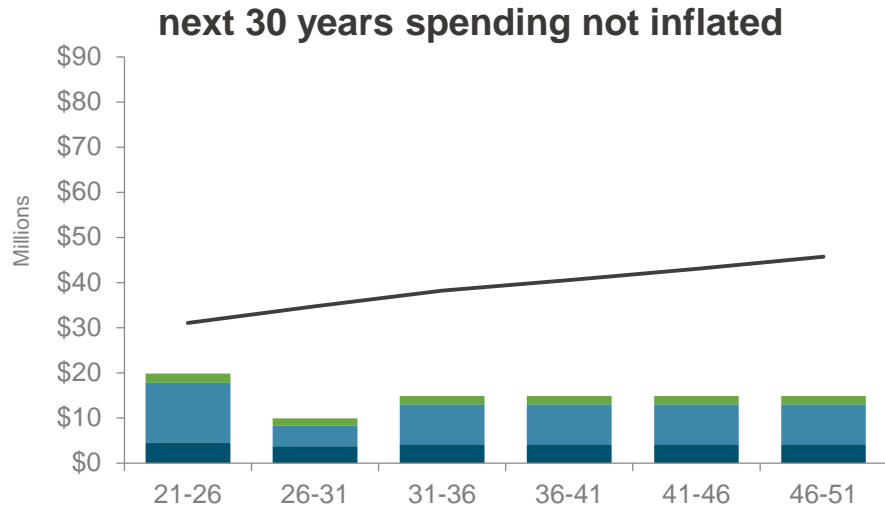
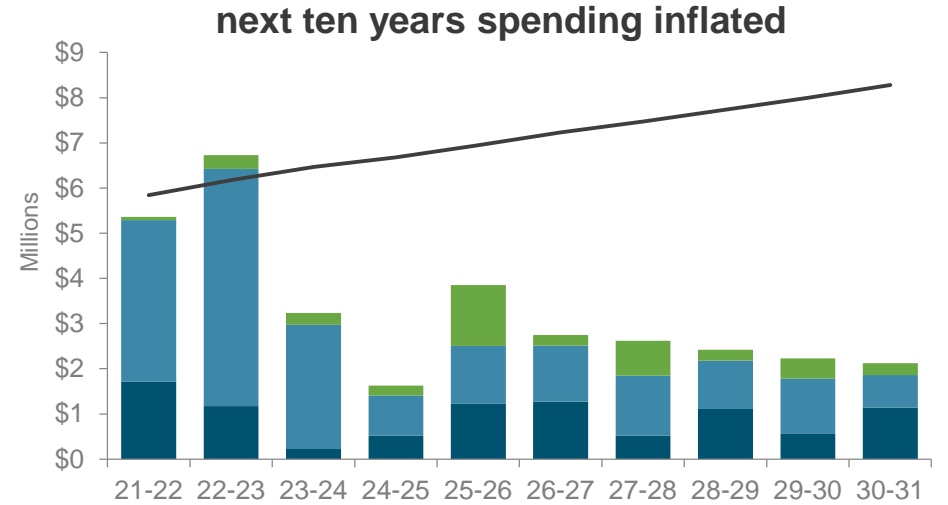
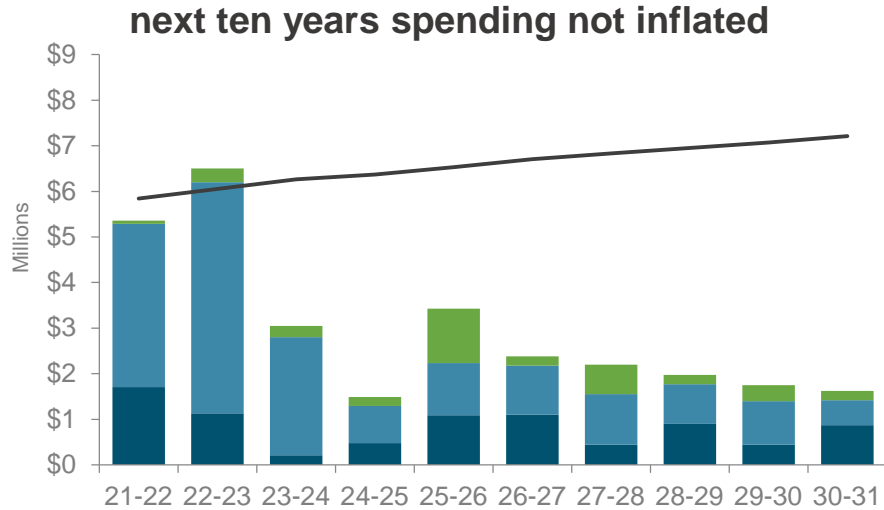
next 30 years spending not inflated



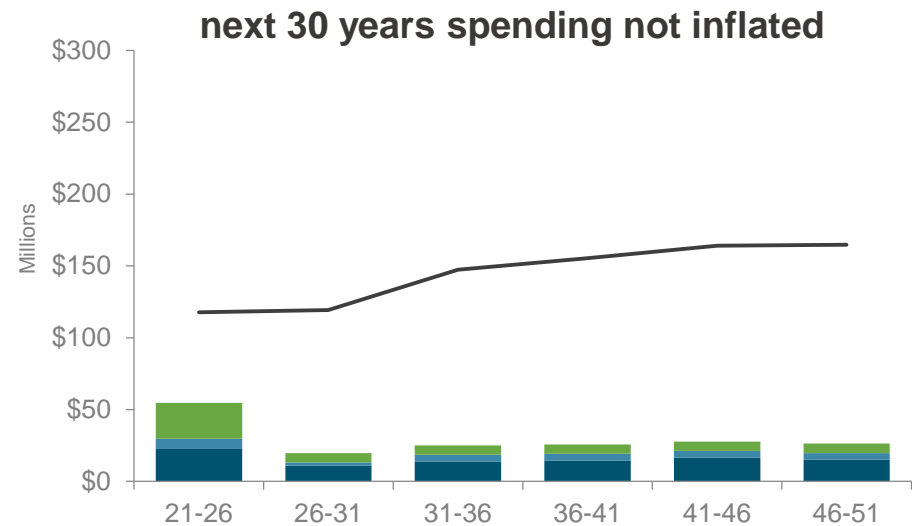
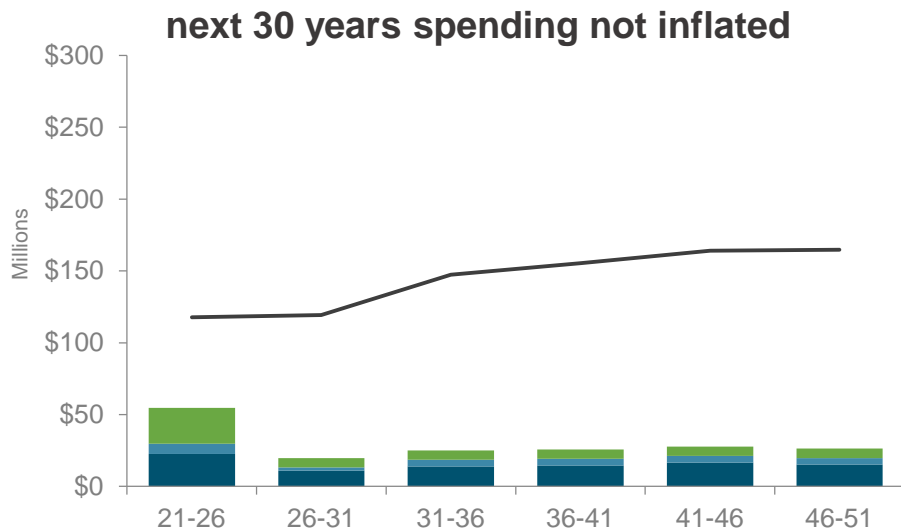
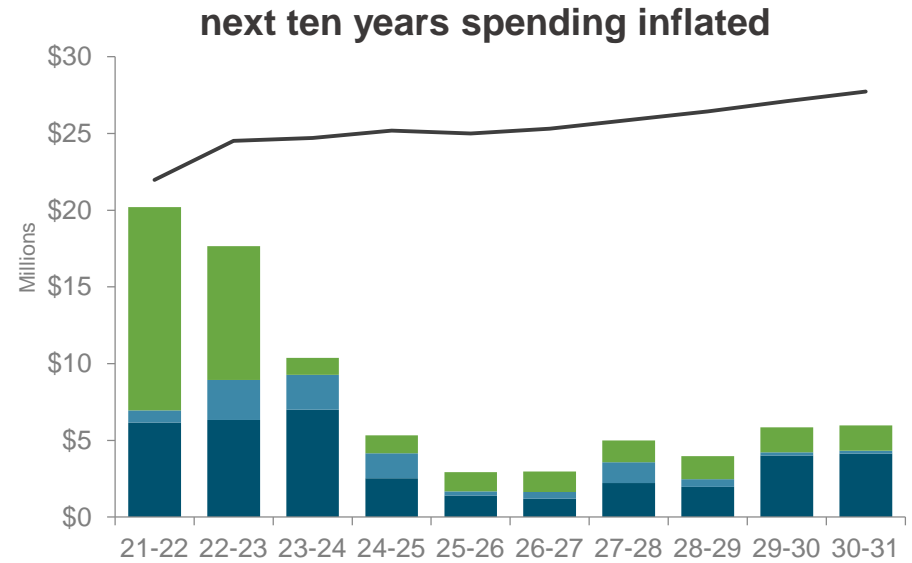
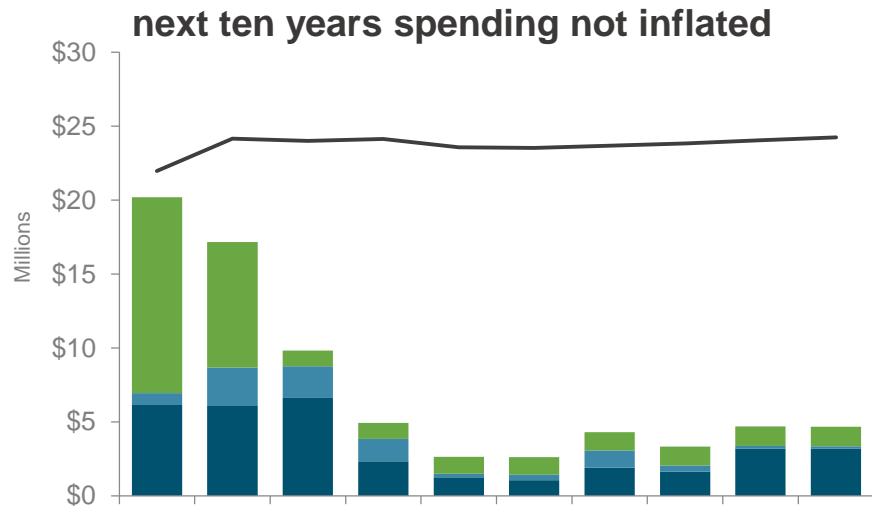
next 30 years spending inflated



Flood Protection



Community Facilities





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 as a result of the Government being re-elected in October 2020. As a result, it is likely that government will continue its reform programme, especially in the areas of, COVID-19 recovery, Community Housing, Environment and the delivery of the Three Waters. However, there are high levels of uncertainty on the exact path government will take and the implementation requirements and impacts on Council. As a result of this uncertainty, the consequential Financial impacts on Council can't be quantified with certainty yet. Therefore it is assumed that legislative and Government Policy changes will not significantly impact upon Council's current responsibilities and activities for the purposes of this LTP as suggested in guidance from Government and the Society of Local Government Managers (SOLGM), especially in regard to the Three Waters.

Level of uncertainty

High.

Risk

It is highly likely that the new Government will want to advance its agenda. As a result of local government having a very broad range of activities it is also very probable the cumulative effect on Council will be significant.

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. However, it is expected that there will be specific requirements resulting from National Policy Statements and legislative change, to establish a possible new means of delivering the "three waters" in response to the Havelock North Water Quality Inquiry. However, it should be noted that Council has already moved to address many of the recommendations of the Havelock North Inquiry in its infrastructure planning.

Infrastructure impact

Upon recommendation from Central Government, whilst changes will occur with the impending Three Waters Reform, we are continuing to do all Long Term Planning as per the status quo.

Civil engineering labour, plant and materials have already been in high demand in New Zealand. Current procurement costs are already high and timing on projects is somewhat dictated by the availability of contractors.

Significant changes in national standards or deadlines for compliance with statutory requirements may accelerate the delivery of specific capital projects accordingly.

COVID-19

Assumption

That the continuing impacts of COVID-19 on Marlborough will be no worse than currently forecast by the economic commentators. Associated with this is that New Zealand will not return to either Lockdown Levels 3 or 4 and that the effects of COVID-19 internationally do not require Council to:

5. make significant reductions to its planned levels of service in response to the effects on the local economy; and
6. increase its community support.

Level of uncertainty

High.

Risk

The significant risks are threefold:

1. The Government's border control measures and vaccines prove ineffective and COVID-19 enters the community, resulting in the reinstatement of either Level 3 or 4. Reinstatement of level 3 or 4 could have significant impact on Marlborough's retail, tourism and hospitality sectors. Also it could delay the completion of Capital Projects and Council's ability to deliver services.
2. Government closes the borders with the result that Marlborough's industries are unable to recruit the labour they need at critical times during the year. The consequence is that these industries are unable to produce their normal quantities of product.
3. The economies of Marlborough's trading partners suffer a significant down turn, resulting in a diminished market for Marlborough's product. However, as Vaccine programmes are progressively implemented, this risk should reduce.

Financial impact

Should the above risks manifest, this will have a significant impact on Marlborough's economy, resulting in reduced revenue to Council and the probability that Council will be called upon to provide support to the Community. The likelihood is that this will result in increased Council debt.

Infrastructure impact

Delays in capital works projects due to future lockdowns are unknown but provided they are short in duration, cause little upset to the final delivery schedule. The delays in receiving parts and equipment from overseas however does have a significant impact on delivery. Large lead times on specific infrastructure can be overcome with suitable planning, however this also changes the procurement process on

specific projects therefore reducing opportunities for innovation and removing a degree of competition in the tendering the process.

Aside from these delays affecting the capital programme, should unforeseen asset failure occur prior to the planning for replacement, there is also the risk of reduction to the level of service should asset failure occur before parts and equipment can be received.

Inflation

Assumption

The costs, revenues and asset values reflected in this plan reflect the following “Forecasts of Price Level Change Adjustors to 2031” produced by Business Economic Research Limited (BERL) in September 2020 for the Society of Local Government Managers. BERL provided three scenarios for their forecast, Council has adopted the middle scenario.

Label Year Ending	Planning and Regulation	Roading	Transport	Community Activities	Water and Environmental
% change on year earlier					
June 2020	1.7	1.9	1.8	1.7	2.5
June 2021	0.5	0.8	0.7	-0.2	-3.8
June 2022	2.7	3.3	2.9	3.2	6.0
June 2023	2.5	3.1	2.6	2.7	3.5
June 2024	2.3	3.0	2.4	2.5	2.6
June 2025	2.2	2.9	2.4	2.4	2.7
June 2026	2.2	2.9	2.4	2.5	2.9
June 2027	2.2	2.9	2.4	2.4	2.8

Label Year Ending	Planning and Regulation	Roading	Transport	Community Activities	Water and Environmental
% change on year earlier					
June 2028	2.2	2.9	2.4	2.5	3.2
June 2029	2.2	2.9	2.4	2.6	3.3
June 2030	2.2	2.9	2.4	2.6	3.4
June 2031	2.2	2.9	2.4	2.4	3.1
20 year average % pa	2.0	2.5	2.2	2.1	2.5

BERL also consolidates the above adjustors into a consolidated Local Government Cost Index (LGCI) which is further split between operating and capital expenditure.

Year ending	OPEX	CAPEX	TOTAL
annual average % change			
June 2020	1.9	2.0	2.0
June 2021	-0.6	-0.9	-0.7
June 2022	3.6	4.0	3.7
June 2023	2.9	3.0	2.9
June 2024	2.5	2.6	2.5
June 2025	2.5	2.6	2.5

Year ending	OPEX	CAPEX	TOTAL
	annual average % change		
June 2026	2.5	2.7	2.6
June 2027	2.5	2.6	2.5
June 2028	2.6	2.8	2.6
June 2029	2.7	2.8	2.7
June 2030	2.7	2.9	2.7
June 2031	2.6	2.7	2.6
20 year average %pa	2.2	2.3	2.2

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 forecast by BERL.

Financial impact

Council has assumed a long term interest rate on internal loans of 4.0% for the entire 10 years covered by the Long Term Plan. External interest rates may vary depending on the term of the debt and prevailing market conditions.

Infrastructure impact

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 internal loans of 4.0% for the entire 10 years covered by the Long Term Plan. External interest rates may vary depending on the term of the debt and prevailing market conditions.

Level of uncertainty

Medium.

Risk

As a result of the continuing impact of the Global Financial Crisis, COVID-19 and the expectation of increased interest rates in the future, Council has adopted a conservative position compared to current market rates to mitigate the risk associated with interest rate movements. Council has adopted this 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 4.0% will result in higher debt servicing costs and rates funding requirements. Council only debt (internal and external) is currently forecast to peak at approximately \$246 million. As a result a 1% increase in interest rates above the 4.0% forecast would result in increased interest costs of \$2.5 million.

Infrastructure impact

Deferral of capital projects which may impact upon the level of service that can be provided.

Population growth

Assumption

In preparing the Long Term Plan Council has assumed based on actual results that population growth will occur above the 31 March 2021 Statistics New Zealand medium population growth projections. Population growth is further discussed in the Key Issues and Infrastructure Strategy sections of the Long Term Plan.

Level of uncertainty

Low.

Risks

If population growth occurs at a slower rate than forecast, then the level of development contributions received will be lower than expected. However, there is the opportunity to mitigate the Financial impact by slowing the Capital Expenditure programme. It is not expected that levels of service will be impacted upon significantly.

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, there is the opportunity to mitigate the Financial impact by slowing the Capital Expenditure programme. It is not expected that levels of service will be impacted upon significantly.

Infrastructure impact

If the population declines, meeting the fixed costs (including operation and maintenance, depreciation, financing and insurance) of the infrastructure could place a significant burden on the remaining residents and businesses.

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 - above ground.

Medium – below ground.

Risk

Assets either wear out or become technically obsolescent 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.

Infrastructure impact

If useful lives of assets are shorter than what is assumed, forward works programmes need to be reprioritised and non-critical assets will be 'sweat' for a longer period to allow for the required change in programme. Should useful lives of assets be found to be longer than assumed, forward works programmes can be adjusted and renewal programmes can be deferred as appropriate.

Subsidy rates

Assumption

The New Zealand Transport Agency (NZTA) has recently reviewed its financial assistance policy and it is assumed that Council will retain, for the period of the Plan, its current 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.

Infrastructure 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. In 2017 Council estimated the maximum probable loss (MPL) cost as a result of a major earthquake, flood or tsunami at approximately \$485 million, following a joint Treasury supported exercise with AON and Tonkin and Taylor. Inflation adjusted this figure would now be approximately \$520M. 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 over a seven year period.

- As a result of a second earthquake occurring in Christchurch, Council has also modelled the Financial impact of second significant event. Through the use of the same mechanisms identified in the two bullet points above, Council could meet the remaining costs associated with a second major disaster over a seven year period post the second event.

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, and still is, 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.

Above ground assets are insured through commercial insurance. These costs are in addition to LAPP contributions. Insurance costs have increased over recent years as a direct result of national and international disasters. Council has mitigated the effect by joining with Nelson City and Tasman District Councils.

Level of uncertainty

Low.

Risks

The actual costs of recovery from a major natural disaster are higher than the forecast Maximum Probable Loss (MPL) of approximately \$520 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.

Infrastructure impact

Significant disruption of service immediately and reduction in the level of service able to be provided for a reasonable length of time following an event dependant on the damage and extent of the event. High costs of emergency response, combined with the lead times and costs for parts and equipment from overseas during COVID-19.

Taxation framework

Assumption

Council has assumed that the existing taxation framework for the Marlborough District Council group will continue for the period of the Long Term Plan.

Level of uncertainty

Low.

Risks

That the Inland Revenue Department takes the view that Council has used an incorrect tax treatment for any of its activities. Council while being generally exempt from Income Tax, is taxable on income received from subsidiaries. Council also has to account for GST, FBT, Withholding Tax and PAYE.

To mitigate this risk, Council seeks advice from PriceWaterhouseCoopers (PWC) and obtains legal opinions and IRD Binding Rulings where appropriate. Every three years Council also requests PWC to undertake a review of its taxation activities. The last review was in 2020 with the resulting recommendations implemented.

Financial impact

The likely Financial impact is low, because of the steps Council takes to mitigate its risks.

Asset ownership and valuation

In the preparation of the Long Term 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 Long Term 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 Long Term 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.

Infrastructure impact

Upon recommendation from Central Government, whilst changes will occur with the impending Three Waters Reform, we are continuing to do all Long Term Planning as per the status quo. With this in mind, should the valuation increase occur due to higher than anticipated replacement rates, the increased cost in delivery of the capital budget may require projects to be deferred and non-critical assets to be 'sweat' from longer than intended.

Sources of funds for capital expenditure

Page 213 of the Financial Strategy identifies the expected sources of funds for Council's Capital Expenditure programme. It has been

assumed that the funds identified for each of these sources 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 i.e. 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.

Infrastructure impact

With a reduced level of funding, the capital projects may be required to be deferred and non-critical assets would be made to 'sweat' for longer than intended.

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 2021-2031 Long Term Plan. This topic is considered in greater depth in Council's Infrastructure Strategy. This is appropriate given this Strategy covers a longer 30 year period.

Level of uncertainty

Low.

Risk

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

Financial impact

For the period of the Long Term Plan, 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.

Infrastructure impact

Remedial programmes may need to be accelerated and lower levels of service tolerated until works can be completed.

As understanding of the effects of climate change on infrastructure in Marlborough improves, all capital projects will give consideration of the effects of climate change in their regards to their priority and their design. The effects of climate change on demand, sustainability, future level of service and resiliency of infrastructure assets will be considered in operational and capital planning and expenditure.

High impact on flood risk if the rate of change is much faster than what is currently predicted, 0.3m by 2050 and a 1% AEP flood will increase in size by 10-15%.

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 during the Scheme's operation.

Infrastructure impact

Consideration is given to sustainability and emissions in the planning of maintaining, replacing, upgrading and extending all infrastructure. A cost benefit analysis will be applied where proven products, practices and principles exist.

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 water, sewerage and stormwater.

Level of uncertainty

Low.

Risk

Appropriate consents are either not renewed or require improvements in level of service before being granted. The trends in Resource Consent requirements are covered more fully in the Infrastructure Strategy.

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 likely require an increase in borrowing which in turn will impact on rates.

Infrastructure impact

Delays in approval of future resource consents due to factors beyond our reasonable control e.g. time extension for consultation, puts us at risk of not meeting our legislative requirements and incurring unnecessary costs and damage to our reputation. Any failure to meet the requirements of existing resource consents is also potentially damaging to the environment and our reputation. Working with the Regulatory Department to ensure compliance is met and improving the software in which we record and report on compliance will minimize the risk of failures.

Financial Statements

Forecast statement of comprehensive revenue and expense

for the year ending 30 June:	Notes	2021 (AP) \$000s	2022 \$000s	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s
Revenue:												
Rates, excluding targeted water rates	2	69,492	72,783	77,042	81,071	89,110	94,110	98,140	102,079	106,120	110,557	114,147
Targeted rates for metered water supply	2	2,522	3,110	3,730	4,311	4,558	4,944	5,160	5,077	5,199	5,349	5,498
Subsidies and grants	4	10,349	23,968	12,331	10,197	12,275	14,564	14,998	17,247	13,661	14,080	14,479
Interest revenue	3	1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
Development and financial contributions	4	3,572	7,176	7,326	7,478	7,634	7,792	7,955	8,120	8,289	8,462	8,620
Other revenue	4	33,575	39,279	41,967	38,411	38,962	40,937	43,081	46,524	50,008	51,713	52,830
Gains	4	4,884	1,263	1,693	1,434	1,501	1,591	1,692	1,059	486	423	314
Total revenue	1	126,114	150,046	148,211	148,627	160,587	170,389	177,374	186,321	189,858	196,552	201,568
Expenditure by function:												
People												
Democratic Process		3,438	3,503	3,809	3,866	3,822	4,072	4,108	4,080	4,364	4,423	4,395
Culture and Heritage		1,248	1,362	1,352	1,414	1,417	1,563	1,423	1,427	1,432	1,436	1,439
Housing for Seniors		1,560	1,606	1,639	1,675	1,686	1,697	1,851	1,821	1,841	1,896	1,922
Community Support		3,194	3,104	3,123	2,949	2,986	3,000	3,040	3,106	3,127	3,173	3,242
Library Services		2,748	3,004	3,147	3,521	3,534	3,648	3,714	3,758	3,843	3,974	4,068
Emergency Management		654	732	753	772	792	805	826	846	869	893	915
Community Facilities		13,899	14,294	14,341	14,447	14,755	15,197	15,342	15,723	16,065	16,449	16,835
Roads and Footpaths		22,128	23,370	24,599	25,630	26,665	27,634	28,742	29,742	30,818	31,899	32,941
Flood Protection and Control Works		5,652	5,844	6,173	6,470	6,680	6,939	7,214	7,461	7,723	7,991	8,281
Sewerage		11,491	12,033	12,731	13,665	14,996	16,924	19,452	21,003	22,175	23,090	23,642
Stormwater Drainage		1,871	2,469	2,623	2,742	2,859	2,952	3,079	3,293	3,623	3,862	3,974
Water Supply		9,181	10,483	11,698	12,649	13,530	14,198	15,096	16,050	16,439	17,635	19,385
Solid Waste Management		11,163	10,852	12,809	12,921	13,261	12,661	12,935	13,252	13,590	13,930	14,230
Environmental Management												
Environmental Policy		1,270	1,900	1,869	1,907	1,959	2,012	2,068	2,126	2,190	2,255	2,320
Environmental Science and Monitoring		4,708	6,175	6,646	6,481	6,573	6,628	6,813	7,005	7,030	7,224	7,167
Resource Consents		2,613	2,993	3,092	3,179	3,253	3,326	3,445	3,531	3,548	3,636	3,669
Environmental Protection		1,663	1,807	1,948	2,007	2,059	2,109	2,167	2,225	2,289	2,353	2,418
Regulatory												
Biosecurity		1,842	6,499	7,737	2,675	2,026	2,082	2,136	2,100	2,162	2,228	2,288
Building Control		3,974	4,377	4,506	4,671	4,761	4,886	4,982	5,149	5,263	5,410	5,556
Environmental Health		486	697	722	745	764	784	804	826	849	873	896
Animal Control		803	828	851	872	891	911	932	953	975	995	1,018
Harbours		1,713	1,888	1,934	1,995	2,032	2,006	2,040	2,115	2,193	2,252	2,295
Regional Development		6,929	6,311	6,557	6,837	6,829	7,018	7,425	7,350	7,501	7,631	7,748
Total expenditure by function		114,228	126,131	134,659	134,090	138,130	143,052	149,634	154,942	159,909	165,508	170,644
(less)/plus net external interest		(2,041)	226	2,194	3,641	3,434	2,743	1,668	1,056	531	(276)	(1,358)
Total expenditure by function		112,187	126,357	136,853	137,731	141,564	145,795	151,302	155,998	160,440	165,232	169,286

Forecast statement of comprehensive revenue and expense (continued)

for the year ending 30 June:	Notes	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Non-activity expenditure:												
Other expenditure	5	7,006	5,156	5,248	5,636	5,719	5,949	6,077	6,140	6,292	6,351	6,391
Marlborough Regional Forestry	5	1,108	1,009	1,212	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
Total non-activity expenditure		8,114	6,165	6,460	6,845	6,928	7,158	7,286	7,349	7,501	7,560	7,600
Total expenditure	5	120,301	132,522	143,313	144,576	148,492	152,953	158,588	163,347	167,941	172,792	176,886
Surplus		5,813	17,524	4,898	4,051	12,095	17,436	18,786	22,974	21,917	23,760	24,682

Forecast statement of other comprehensive revenue and expense

for the year ending 30 June:	Note	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Surplus for the year		5,813	17,524	4,898	4,051	12,095	17,436	18,786	22,974	21,917	23,760	24,682
Other comprehensive revenue:												
Gain on property revaluations	8	32,571	61,551	56,206	54,584	56,753	61,954	64,730	69,770	75,725	79,313	81,970
Total other comprehensive revenue and expense		32,571	61,551	56,206	54,584	56,753	61,954	64,730	69,770	75,725	79,313	81,970
Total comprehensive revenue and expense		38,384	79,075	61,104	58,635	68,848	79,390	83,516	92,744	97,642	103,073	106,652

Forecast statement of changes in net assets/equity

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Balance at 1 July	1,720,456	1,707,700	1,786,775	1,847,879	1,906,514	1,975,362	2,054,752	2,138,268	2,231,012	2,328,654	2,431,727
Total comprehensive revenue and expense for the year	38,384	79,075	61,104	58,635	68,848	79,390	83,516	92,744	97,642	103,073	106,652
Balance at 30 June	1,758,840	1,786,775	1,847,879	1,906,514	1,975,362	2,054,752	2,138,268	2,231,012	2,328,654	2,431,727	2,538,379

Forecast statement of financial position

as at 30 June:	Notes	2021 (AP) \$000s	2022 \$000s	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s
Assets:												
Non-current assets:												
Property, plant and equipment	8	1,809,037	1,824,360	1,923,619	2,013,583	2,104,705	2,212,435	2,308,178	2,412,640	2,521,475	2,620,008	2,720,125
Intangible assets	8	9,512	10,758	11,371	11,371	11,140	10,967	10,770	10,265	9,990	9,719	9,473
Forestry assets		17,750	23,342	24,678	26,090	27,583	29,161	30,830	31,877	32,348	32,757	33,061
Other financial assets	7											
- Investments in subsidiaries		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
- Other		76,711	88,050	143,574	193,925	214,773	204,628	194,983	184,653	171,008	160,363	150,098
Investment property	11	10,500	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Total non-current assets		1,929,510	1,963,260	2,119,992	2,261,719	2,374,951	2,473,941	2,561,511	2,656,185	2,751,571	2,839,597	2,929,507
Current assets:												
Cash and cash equivalents		111	140	109	110	114	123	181	187	187	185	154
Debtors and other receivables	6	11,064	12,953	13,330	13,670	14,010	14,375	14,740	15,117	15,532	15,960	16,375
Other financial assets	7	11,263	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299
Inventory		329	312	321	329	337	346	355	364	374	384	394
Total current assets		22,767	27,704	28,059	28,408	28,760	29,143	29,575	29,967	30,392	30,828	31,222
Total assets		1,952,277	1,990,964	2,148,051	2,290,127	2,403,711	2,503,084	2,591,086	2,686,152	2,781,963	2,870,425	2,960,729
Liabilities:												
Non-current liabilities:												
Borrowings	10	166,864	173,936	269,265	352,120	396,269	415,623	419,479	421,150	418,606	403,262	386,197
Provisions		6,049	9,616	9,670	9,715	9,761	9,809	9,858	9,909	9,961	10,013	10,069
Employee entitlements		282	287	295	303	311	319	327	335	344	353	362
Total non-current liabilities		173,195	183,839	279,230	362,138	406,341	425,751	429,664	431,394	428,911	413,628	396,628
Current liabilities:												
Creditors and other payables	9	17,958	18,239	18,770	19,248	19,726	20,240	20,754	21,285	21,869	22,471	23,055
Employee entitlements		2,284	2,111	2,172	2,227	2,282	2,341	2,400	2,461	2,529	2,599	2,667
Total current liabilities		20,242	20,350	20,942	21,475	22,008	22,581	23,154	23,746	24,398	25,070	25,722
Total liabilities		193,437	204,189	300,172	383,613	428,349	448,332	452,818	455,140	453,309	438,698	422,350
Net assets		1,758,840	1,786,775	1,847,879	1,906,514	1,975,362	2,054,752	2,138,268	2,231,012	2,328,654	2,431,727	2,538,379

Forecast statement of financial position (continued)

as at 30 June:	Notes	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Equity												
Accumulated funds		649,743	682,345	701,641	724,189	743,072	749,660	758,365	768,347	768,057	770,536	771,740
Asset revaluation reserves		1,063,148	1,050,461	1,106,667	1,161,251	1,218,004	1,279,958	1,344,688	1,414,458	1,490,183	1,569,496	1,651,466
Other reserves	13	45,949	53,969	39,571	21,074	14,286	25,134	35,215	48,207	70,414	91,695	115,173
Total equity		1,758,840	1,786,775	1,847,879	1,906,514	1,975,362	2,054,752	2,138,268	2,231,012	2,328,654	2,431,727	2,538,379

Forecast statement of cash flows

as at 30 June:		2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash flows from operating activities:												
Receipts from rates revenue		72,014	75,893	80,773	85,381	93,668	99,054	103,300	107,156	111,318	115,906	119,645
Receipts from other revenue		42,707	66,218	57,623	51,750	54,094	57,442	59,074	64,505	63,768	65,492	67,137
Interest received		1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
Payments to suppliers and employees		(88,060)	(96,803)	(101,372)	(98,238)	(100,103)	(103,270)	(106,837)	(109,359)	(112,462)	(115,640)	(118,729)
Interest paid		(3,832)	(5,594)	(8,307)	(10,572)	(10,939)	(11,168)	(11,431)	(11,773)	(11,890)	(11,749)	(11,346)
Net cash flow from operating activities		24,549	42,082	32,736	33,939	43,156	48,394	50,335	56,620	56,701	59,844	62,249
Cash flows from investing activities:												
Receipts from sale of property, plant and equipment		6,000	-	3,540	22	718	5	24	32	64	99	16
Movement in investments		(6,667)	(19,920)	(55,523)	(50,352)	(20,847)	10,145	9,643	10,333	13,647	10,645	10,263
Dividends received		2,995	2,599	2,447	2,788	3,194	4,204	5,279	5,655	6,377	6,893	6,893
Purchase of property, plant and equipment		(66,439)	(72,845)	(78,663)	(69,357)	(70,477)	(82,207)	(69,198)	(74,428)	(74,373)	(62,271)	(62,525)
Net cash flow from investing activities		(64,111)	(90,067)	(128,096)	(116,792)	(87,301)	(67,738)	(54,133)	(58,284)	(54,157)	(44,501)	(45,215)
Cash flows from financing activities:												
Movement in borrowings		39,571	47,924	95,329	82,854	44,149	19,353	3,856	1,670	(2,544)	(15,345)	(17,065)
Net cash flow from financing activities		39,571	47,924	95,329	82,854	44,149	19,353	3,856	1,670	(2,544)	(15,345)	(17,065)
Net increase / (decrease)		9	(61)	(31)	1	4	9	58	6	-	(2)	(31)
Cash, cash equivalents and bank overdrafts:												
At the beginning of the year		102	201	140	109	110	114	123	181	187	187	185
At the end of the year		111	140	109	110	114	123	181	187	187	185	154

Statement of accounting policies

Marlborough District Council (Council) is a unitary authority located in New Zealand that is governed by the Local Government Act 2002 (LGA). The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

These prospective financial statements of Council are for the 10 years commencing 1 July 2021 and ending on 30 June 2031.

These prospective financial statements were authorised for issue by Council on 30 June 2021.

1. Reporting entity

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 Council's 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. Therefore Council is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users.

These prospective financial statements therefore reflect the activities and position of Council plus Council's 88.5% share in the joint committee Marlborough Regional Forestry.

The primary objective of Council 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 entity (PBE).

2. Basis of preparation

These prospective financial statements have been prepared in accordance with Tier 1 PBE Accounting 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 Tier 1 PBE Accounting Standards and the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The prospective financial statements comply with PBE RFS 42 Prospective Financial Statements. The information in these prospective financial statements have been prepared using the best information available at the time they were prepared and may not be appropriate for purposes other than those described.

(ii) **Measurement base**

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

(iii) **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 paid to, the Inland Revenue (IR) is included as part of receivables or payables.

The net GST paid to, or received from the IR, 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.

(iv) **Cost allocation**

The costs of providing support services for each Council Activity are allocated to each Activity using direct and indirect cost allocations:

Direct costs

Direct costs are those costs directly attributable and charged to an Activity.

Indirect costs

Indirect costs are those costs that cannot be identified in an economical feasible manner with a specific Activity and are charged to the Activities using cost drivers such as actual usage, staff numbers and floor area.

(v) **Annual Plan figures**

The comparative 2020-21 figures are those approved by the Council in its 2020-21 Annual Plan. They have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these prospective financial statements.

(vi) **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.

(vii) **Changes in accounting policies**

There have been no significant changes in the accounting policies to those applied in the preparation of the financial statements for the year ended 30 June 2020.

(viii) **Accounting estimates and assumptions and critical judgments in applying accounting policies**

In preparing these prospective financial statements Council has made estimates and assumptions concerning the future.

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

3. **Significant accounting policies**

(i) **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 recognition of a liability to the extent of unfulfilled conditions.

Revenue from non-exchange transactions

Rates Revenue

Rates revenue is a non-exchange revenue and 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 set the rates and provided the rates assessment.

Subsidies and grants

New Zealand Transport Agency roading subsidies (received for maintaining and constructing the roading infrastructure) and other government grants/subsidies are recognised as non-exchange revenue upon entitlement ie; when conditions relating to eligible expenditure have been fulfilled. This revenue is shown as subsidy revenue.

Other Donations and Grants include contributions received towards the upkeep of Returned Servicemen Association cemetery plots, community housing, community safety, environmental control, Three Waters Review and Shovel Ready Projects.

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 outstanding obligations of the contract at reporting date at reporting date.

Vested assets

Assets vested in Council, with or without conditions, are recognised as non-exchange revenue, at fair value, when control over the assets is obtained.

Revenue from exchange transactions

Development and Financial Contributions

Development and Financial contributions are recognised as exchange revenue when received. Otherwise, Development Contributions are allocated to the appropriate Reserve until Council provides, or is able to provide, the service.

Water Billing revenue

Water Billing is recognised as exchange revenue 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 as exchange revenue 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.

(ii) 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.

(iii) 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.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(v) Debtors and other Receivables

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

(vi) Term deposit and bonds

Term deposits and bonds are held to maturity investment. The carrying value of term deposits and bonds approximates their fair value.

(vii) Loans to subsidiaries and community organisations

These are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

These investments are measured at their amortised cost, using the effective interest method less impairment. Where applicable, interest accrued is added to the investment balance. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

(viii) 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. 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.

(ix) Investments in subsidiaries

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

(x) Interests in Joint Committees

Forest assets are predominantly own and managed by Marlborough Regional Forest. The forestry estate is managed through a joint committee between Council (88.5%) and Kaikoura District Council (KDC) (11.5%).

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.

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.

(xi) Derivative financial instruments

Council enters into interest rate swaps to manage interest rate risk. The Council does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value and subsequently re-measured to their fair value. Derivative instruments entered into by Council 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.

(xii) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise 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.

(xiii) Non-current assets held for sale

Non-current assets (or disposal groups) classified as held for sale are stated in the Statement of Financial Position at the lower of their carrying amount and fair value less costs to sell.

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.

(xiv) Property, plant and equipment

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

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

Infrastructural assets - these are fixed utility systems such as road networks, sewer systems and water systems.

Operational assets - these assets enable the ongoing operations. These include land, buildings, landfill, library books, plant and equipment and motor vehicles.

Restricted assets - These are mainly reserves that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

Additions in the periods 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 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.

Disposals

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 surplus or deficit.

When revalued asset are sold the amounts included in the revaluation reserve in relation to those assets is transferred to accumulated funds.

Revaluation of property, plant and equipment is accounted for on a class of asset basis

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.

The net revaluation results are included in other comprehensive revenue and expense and are accumulated to an the asset revaluation reserve in equity for that class of asset. When the revaluation decrease exceeds the asset revaluation reserve balance this decrease is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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 rates and useful lives are reviewed annually. Depreciation on assets is charged to the surplus and deficit..

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

Infrastructural assets	Life (in years)	Rate
Flood protection and controlled works (pump stations, dams)	1 - 100	1 - 100%
Roads and footpaths	1 – 110	0.9 – 100%

Infrastructural assets	Life (in years)	Rate
Sewerage network including treatment	2.5 - 100	1 – 40%
Stormwater drainage schemes	1 - 100	1 – 100%
Water supply schemes - other	1 -100	1 – 100%
Water treatment and facilities	1 -100	1 - 100%
Operational assets		
Buildings	1 - 100	1 – 100%
Landfill	3.68 – 40	2.5 - 27.2%
Library books including audiobooks	5 - 13.34	7.5 - 20%
Other structures and improvements	3.23 – 100	1 - 31%
Office equipment, furniture and fittings	3.01 – 13.33	7.5 – 33.2%
Plant, machinery and equipment	2.23 - 100 years	1 - 45%
Restricted assets		
Buildings	5 - 100 years	1 – 20%

Assets not depreciated

The following assets are not depreciated in line with Council's depreciation policy:

Infrastructural assets - Assets under construction, infrastructure land, sewerage oxidation ponds and roading infrastructure including land under roads, roads and carpark formation, sealed roads subbase and street berms.

Operational assets - Assets under construction, forest crops and land.

Restricted assets - Land.

(xv) *Intangible assets*

Software acquisition and development

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

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs

include the software development employee costs and an appropriate portion of relevant overheads.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of computer software, the major class of intangible assets, is 5 to 10 years 10% to 20%.

(xvi) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets that have an indefinite useful life, or are not yet available for use are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. When the impairment loss exceeds the balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

Forestry assets

Forestry assets are owned and managed by Marlborough Regional Forestry.

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

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

Forestry maintenance costs are recognised in the surplus or deficit when incurred. Council owns and manage some trees for soil conservation purposes. These are revalued as per Council's policy on property, plant and equipment.

(xvii) Investment property

Investment property is property held primarily to earn rentals and/or for capital appreciation. Investment property is initially measured at cost and subsequently measured at fair value at each reporting date.

Investment properties are valued individually and not depreciated. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

(xviii) Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

(xix) Borrowings and associated costs

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

Interest rate swaps are measured at fair value with gains or losses on re-measurement recognised through the surplus or deficit.

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

(xx) Employee entitlements

Provision is made in respect of Council'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.

A sick leave gifting policy was adopted by Council in August 2018. The value of Council's sick leave gifting has been accessed but no material impact or changes have been made to the current level of provision.

(xxi) Provisions

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. Employer contributions to Kiwi Saver and the National Provident Fund are defined contribution superannuation schemes, and are expensed.

Provisions are recognised when Council 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 Council 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 responsibility under the consent 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.

(xxii) Contingent liabilities

New Zealand Local Government Funding Agency Ltd (LGFA)
Council is one of 67 Local Authority Councils participating of the LGFA.

Council is a shareholder and guarantor of the LGFA's borrowings. This is based on Council's rates as a proportion of the total rates for all guaranteeing Local Authorities. At 30 June 2020 LGFA had borrowings totalling \$11.9 billion (2018-19: \$11.9 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. At 30 June 2020 Council's share of this guarantee was 1.2% and the fair value of the liability is expected to be less than \$1.4 million. Council has not recognised this as it is considered to be extremely unlikely to ever be called on.

Financial guarantees

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

Council has previously served as a guarantor for community organisation's bank loans, however, there were no loans guaranteed by Council in these prospective financial statements.

(xxiii) Equity

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

Equity is the community's interest in MDC Group 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 Council intends to make of its accumulated surpluses.

The components of equity are:

Accumulated funds – these are the capital fund made up of accumulated surpluses and deficit. A surplus in any year is added to the fund and a deficit in any year and deducted from the fund.

Ordinary Reserves - these are Reserves created by Council decision. Council may alter the purpose of a Reserve without reference to a third party or the Courts. Transfers to and from these Reserves is at the discretion of Council.

Restricted Reserves - these are Reserves subject to specific conditions accepted as binding by 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.

Property Revaluation Reserves - these relate to the revaluation of property, plant and equipment to fair value.

1. Summary cost of services

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Revenue:											
People	11,873	20,511	14,860	14,004	14,219	14,752	15,079	15,315	15,859	16,256	16,512
Community Facilities	12,919	14,874	15,456	16,248	16,709	17,273	17,507	18,004	18,484	18,927	19,392
The Provision of Roads and Footpaths	23,015	23,695	24,364	25,003	27,762	30,722	31,859	34,713	31,823	32,903	33,925
Flood Protection and Control Works	7,998	10,620	10,075	9,862	10,175	10,552	11,183	11,672	12,065	12,447	12,798
Sewerage	12,031	16,252	14,985	16,238	17,340	18,504	19,906	21,213	22,304	23,248	23,928
Stormwater Drainage	2,512	3,596	3,776	3,919	4,062	4,181	4,335	4,642	5,174	5,558	5,715
Water Supply	9,648	12,777	12,461	13,204	13,788	14,453	15,224	16,140	16,636	17,672	18,996
Solid Waste Management	12,131	12,136	12,575	12,921	13,287	13,645	14,014	14,439	14,891	15,365	15,809
Environmental Management	10,321	12,725	13,405	13,423	13,682	13,994	14,411	14,807	14,977	15,386	15,494
Regulatory	8,750	14,177	15,634	10,836	10,320	10,539	10,762	11,108	11,405	11,726	11,996
Regional Development	5,908	6,343	6,664	6,859	6,968	8,214	8,233	7,808	7,960	8,116	8,332
Total activity revenue	117,106	147,706	144,255	142,517	148,312	156,829	162,513	169,861	171,578	177,604	182,897
Plus other income (including Forestry)	14,541	6,489	8,777	11,674	18,332	20,453	23,001	26,176	29,214	30,611	31,118
Internal Interest - Loans	(5,917)	(5,412)	(6,157)	(6,976)	(7,550)	(8,471)	(9,809)	(10,763)	(11,405)	(12,072)	(12,751)
Forestry revaluation gains	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
Total revenue	126,114	150,046	148,211	148,627	160,587	170,389	177,374	186,321	189,858	196,552	201,568

1. Summary cost of services

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Expenditure:											
People	12,841	13,311	13,823	14,198	14,237	14,786	14,962	15,036	15,476	15,795	15,981
Community Facilities	13,899	14,294	14,341	14,447	14,755	15,197	15,342	15,723	16,065	16,449	16,835
The Provision of Roads and Footpaths	22,128	23,370	24,599	25,630	26,665	27,634	28,742	29,742	30,818	31,899	32,941
Flood Protection and Control Works	5,652	5,844	6,173	6,470	6,680	6,939	7,214	7,461	7,723	7,991	8,281
Sewerage	11,491	12,033	12,731	13,665	14,996	16,924	19,452	21,003	22,175	23,090	23,642
Stormwater Drainage	1,871	2,469	2,623	2,742	2,859	2,952	3,079	3,293	3,623	3,862	3,974
Water Supply	9,181	10,483	11,698	12,649	13,530	14,198	15,096	16,050	16,439	17,635	19,385
Solid Waste Management	11,163	10,852	12,809	12,921	13,261	12,661	12,935	13,252	13,590	13,930	14,230
Environmental Management	10,255	12,875	13,554	13,573	13,845	14,075	14,493	14,888	15,058	15,467	15,575
Regulatory	8,818	14,289	15,751	10,958	10,473	10,668	10,894	11,144	11,441	11,759	12,052
Regional Development	6,929	6,311	6,557	6,837	6,829	7,018	7,425	7,350	7,501	7,631	7,748
Total activity expenditure	114,228	126,131	134,659	134,090	138,130	143,052	149,634	154,942	159,909	165,508	170,644
Plus other expenditure (including Forestry)	11,991	11,803	14,810	17,462	17,912	18,372	18,764	19,168	19,437	19,356	18,993
Interest - Internal Loans	(5,918)	(5,412)	(6,156)	(6,976)	(7,550)	(8,471)	(9,810)	(10,763)	(11,405)	(12,072)	(12,751)
Total operating expenditure	120,301	132,522	143,313	144,576	148,492	152,953	158,588	163,347	167,941	172,792	176,886

Note: Under PBE IPSAS 42 para. 40 Council is required to explain the relationship between financial information presented outside the Financial Statements to that in the Financial Statements. The total Sources & applications of operating funding reported in Council's Activity and Group of Activity Funding Impact Statements, contained in each Activity section, may differ from the Revenue and Expenditure presented above as the Funding Impact Statement excludes items such as:

- depreciation;
- fair value gains/losses;
- gains/losses on disposal of property, plant & equipment;
- internal recharges; and
- provisions.

The differences are due to different reporting requirements been applied. The reporting variations between are explained in the Notes to Funding Impact Statement on page 323.

2. Rates revenue

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
People	9,088	9,272	9,702	10,295	11,254	11,670	12,002	12,134	12,515	12,890	13,024
Community Facilities	10,030	10,690	11,155	11,854	13,303	13,853	14,065	14,508	14,931	15,318	15,723
The Provision of Roads and Footpaths	11,007	10,650	11,304	11,938	13,573	14,182	14,869	15,451	16,090	16,711	17,325
Flood Protection and Control Works	4,478	4,915	5,309	5,716	6,015	6,338	6,680	6,981	7,303	7,633	7,933
Sewerage	8,289	8,677	9,215	9,925	10,875	11,878	13,114	14,239	15,184	15,976	16,509
Stormwater Drainage	2,071	2,164	2,306	2,428	2,759	2,862	2,994	3,270	3,764	4,114	4,241
Water Supply	9,005	10,175	11,149	11,864	12,418	13,053	13,792	14,675	15,135	16,135	17,423
Solid Waste Management	3,058	2,929	3,052	3,158	3,399	3,485	3,579	3,682	3,778	3,860	3,947
Environmental Management	7,581	8,615	9,205	9,447	10,553	10,882	11,252	11,612	11,732	12,082	12,132
Regulatory	3,575	3,902	4,049	4,259	4,705	4,822	4,935	5,155	5,327	5,517	5,651
Regional Development	3,830	3,903	4,324	4,495	4,812	6,029	6,015	5,447	5,557	5,670	5,735
Total activity rates	72,012	75,891	80,770	85,380	93,666	99,052	103,298	107,154	111,317	115,904	119,643
Non-activity rates	2	2	2	2	2	2	2	2	2	2	2
Total gross rates revenue	72,014	75,893	80,772	85,382	93,668	99,054	103,300	107,156	111,319	115,906	119,645
less rates remissions	(851)	(667)	(681)	(681)	(670)	(671)	(683)	(674)	(676)	(679)	(681)
Rates revenue net of remissions	71,163	75,226	80,091	84,701	92,998	98,383	102,617	106,482	110,643	115,227	118,964

3. Finance revenue and finance costs

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Finance revenue - interest revenue:											
Term deposits and investments	1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
Total finance revenue	1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
Finance costs - interest expense:											
Total activity related interest expense	5,917	5,412	6,157	6,976	7,550	8,471	9,809	10,763	11,405	12,072	12,751
(less)/plus net external interest	(2,041)	226	2,194	3,641	3,434	2,743	1,668	1,056	531	(276)	(1,358)
Total finance costs	3,876	5,638	8,351	10,617	10,984	11,214	11,477	11,819	11,936	11,796	11,393
Bank charges on borrowings	44	44	44	45	45	45	46	46	46	47	47
Net finance costs	2,112	3,127	4,185	4,847	4,392	4,718	5,083	5,558	5,795	5,781	5,666

4. Other revenue including gains

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Other revenue:											
User charges	20,519	21,547	22,894	23,994	25,068	25,713	26,607	27,516	28,229	28,975	29,784
Regulatory revenues	5,175	5,393	5,522	5,624	5,354	5,450	5,554	5,674	5,793	5,917	6,046
Infringements and fines	642	970	1,001	1,030	951	978	1,006	1,035	1,064	1,096	1,127
Vested assets	1,139	1,139	1,177	1,210	1,244	1,280	1,317	1,356	1,398	1,443	1,486
Rental income from investment properties	1,978	731	761	782	811	833	865	888	921	946	982
Marlborough Regional Forestry distribution	34	-	-	-	-	-	-	1,887	3,562	3,796	3,796
Other revenue	4,088	9,499	10,612	5,771	5,534	6,683	7,732	8,168	9,041	9,540	9,609
Total other revenue	33,575	39,279	41,967	38,411	38,962	40,937	43,081	46,524	50,008	51,713	52,830
Subsidies and grants:											
NZTA roading subsidy	9,501	9,960	9,878	9,847	12,015	14,354	14,787	17,036	13,450	13,868	14,266
Other donations and grants	847	14,008	2,452	349	260	211	211	211	212	212	212
Total subsidies and grants	10,348	23,968	12,330	10,196	12,275	14,565	14,998	17,247	13,662	14,080	14,478
Development and financial contributions:											
Capital contributions	300	-	-	-	-	-	-	-	-	-	-
Development contributions	1,944	5,255	5,364	5,476	5,590	5,706	5,825	5,947	6,071	6,197	6,308
Development impact levies	100	100	103	106	109	112	116	119	123	126	130
Other contributions	244	50	52	53	55	56	58	60	61	63	65
Land subdivision revenues	984	1,771	1,807	1,843	1,880	1,918	1,956	1,994	2,034	2,076	2,117
Total development and financial contributor	3,572	7,176	7,326	7,478	7,634	7,792	7,955	8,120	8,289	8,462	8,620
Gains											
Gain on sale of fixed assets	4,500	-	357	22	8	13	23	12	15	14	10
Forestry revaluation gain	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
Total gains	4,884	1,263	1,693	1,434	1,501	1,591	1,692	1,059	486	423	314

5. Expenditure

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Other non-activity expenditure:											
Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:											
Insurance	1,535	1,784	1,809	1,832	1,855	1,880	1,904	1,929	1,955	1,981	2,008
Property costs	3,753	1,736	1,716	1,736	1,440	1,460	1,453	1,428	1,457	1,423	1,420
Rate remissions as note 2	851	667	681	681	670	671	683	674	676	679	681
Other (including Forestry)	1,975	1,978	2,254	2,596	2,963	3,147	3,246	3,318	3,413	3,477	3,491
Total non-activity expenditure	8,114	6,165	6,460	6,845	6,928	7,158	7,286	7,349	7,501	7,560	7,600
Expenditure disclosures:											
Revenue and Expense includes the following amounts which are required to be disclosed separately:											
Fees to principal Auditor:											
Audit fees for the Annual Report	140	149	162	166	170	173	177	181	185	189	194
Audit fees for the LTP	120	-	-	126	-	-	134	-	-	144	-
Finance costs as note 3	3,876	5,638	8,351	10,617	10,984	11,214	11,477	11,819	11,936	11,796	11,393
Depreciation	27,493	28,906	32,503	34,661	36,315	37,383	39,162	41,011	42,554	44,349	45,797
Amortisation	426	437	485	528	557	508	542	562	334	331	307
Personnel costs	24,657	27,897	29,172	30,219	31,398	32,389	33,453	34,457	35,490	36,556	37,647
Grants and donations	6,549	4,493	4,028	3,548	3,550	3,550	3,587	3,628	3,635	3,667	3,722
Insurance premiums	2,798	3,126	3,191	3,248	3,311	3,371	3,434	3,506	3,574	3,650	3,726
Councillors remuneration	739	714	732	749	765	782	800	818	836	854	874
Operating leases payments	515	165	169	172	175	168	172	175	179	182	186
Loss on disposal of fixed assets	-	-	18	-	114	-	-	-	27	24	-
Investment properties direct operating expenses	90	45	47	49	50	52	54	55	57	59	61
Other operating expenses	51,791	59,942	63,243	59,284	59,894	62,154	64,387	65,925	67,925	69,782	71,770
Marlborough Regional Forestry	1,108	1,009	1,212	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
Total expenditure disclosures	120,301	132,522	143,313	144,576	148,492	152,953	158,588	163,347	167,941	172,792	176,886

6. Debtors and other receivables

as at 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Non-exchange receivables:											
Rates receivables	1,018	1,245	1,281	1,314	1,347	1,382	1,417	1,453	1,493	1,534	1,574
Other	2,476	629	647	663	679	697	715	733	753	774	794
GST (net)	759	1,212	1,247	1,279	1,311	1,345	1,379	1,414	1,453	1,493	1,532
Total non-exchange receivables	4,253	3,086	3,175	3,256	3,337	3,424	3,511	3,600	3,699	3,801	3,900
Exchange receivables:											
Trade receivables	3,516	4,566	4,699	4,819	4,939	5,068	5,197	5,330	5,476	5,627	5,773
Other	3,273	2,872	2,957	3,032	3,107	3,188	3,268	3,352	3,445	3,539	3,631
Prepayments	35	2,440	2,511	2,575	2,639	2,708	2,777	2,848	2,926	3,007	3,085
Total exchange receivables	6,824	9,878	10,167	10,426	10,685	10,964	11,242	11,530	11,847	12,173	12,489
Less provision for impairment	(13)	(11)	(12)	(12)	(12)	(13)	(13)	(13)	(14)	(14)	(14)
Total debtors and other receivables	11,064	12,953	13,330	13,670	14,010	14,375	14,740	15,117	15,532	15,960	16,375

7. Other financial assets

as at 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Current portion:											
Term deposits and bonds with maturities of 4-12 months	11,263	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299
Total current portion	11,263	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299
Non-current portion:											
Term deposits and bonds and community loans with maturities 12 months plus	1,400	266	266	266	266	266	266	266	266	266	266
Community loans	14	10	6	2	-	-	-	-	-	-	-
Loan to joint venture Marlborough Regional Forestry	3,983	3,540	4,868	6,373	7,878	9,383	10,888	11,508	11,508	11,508	11,508
Loan to subsidiary MDC Holdings Ltd	69,860	82,780	136,980	185,830	205,175	193,525	182,375	171,425	158,045	147,665	137,665
Unlisted shares in subsidiaries	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453
Other shares	1	1	1	1	1	1	1	1	1	1	1
Total non-current portion	82,711	94,050	149,574	199,925	220,773	210,628	200,983	190,653	177,273	166,893	156,893
Total other financial assets	93,974	108,349	163,873	214,224	235,072	224,927	215,282	204,952	191,572	181,192	171,192

8. Property, plant and equipment and Intangible assets

as at 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Capital additions by activity:											
Opening value	1,747,404	1,728,925	1,835,118	1,934,990	2,024,954	2,115,846	2,223,404	2,318,950	2,422,906	2,531,465	2,629,725
Culture and Heritage	-	2,833	1,573	-	-	-	-	-	-	-	-
Housing for Seniors	160	3,640	185	-	193	-	202	-	211	-	220
Community Support	20	53	23	24	24	25	25	26	27	27	28
Library Services	4,320	8,916	5,945	399	388	405	423	442	492	482	494
Emergency Management	9	9	9	9	81	10	10	10	11	11	11
People	4,509	15,451	7,735	432	686	440	660	478	741	520	753
Community Facilities	8,521	7,093	6,906	6,657	4,294	2,005	2,425	4,428	3,009	2,191	2,208
Roads and Footpaths	14,017	17,003	14,895	13,296	16,677	20,755	21,360	24,958	17,826	18,359	18,890
Flood protection and control works	4,177	5,360	6,731	3,239	1,626	3,851	2,747	2,619	2,424	2,227	2,126
Sewerage	18,184	9,579	8,533	29,146	22,324	40,911	30,775	15,340	21,425	3,015	6,776
Stormwater Drainage	2,432	3,214	3,748	3,628	786	893	2,123	8,202	6,572	369	381
Water Supply	5,562	10,621	18,258	15,709	18,492	10,211	20,460	8,652	3,829	31,244	27,356
Solid Waste Management	4,286	2,130	3,235	3,520	653	517	120	132	481	3,176	3,278
Environmental Science and Monitoring	454	355	345	425	662	449	462	179	185	191	197
Environmental Policy and Protection	-	-	-	-	46	-	-	-	-	-	-
Resource Consents	3	3	3	-	44	-	-	-	-	-	-
Environmental Management	457	358	348	425	752	449	462	179	185	191	197
Building Control	-	-	-	-	289	-	-	-	-	-	-
Environmental Health	3	3	4	4	31	4	4	4	4	4	4
Biosecurity	-	-	-	-	186	-	-	-	-	-	-
Harbours	792	380	269	262	278	243	249	690	260	266	186
Regulatory	795	383	273	266	784	247	253	694	264	270	190
Regional Development	902	4,096	10,778	108	123	150	152	146	165	169	174
Land Development	700	-	-	-	-	-	-	-	-	-	-
Information Services	1,742	1,860	2,020	1,337	1,152	1,178	1,204	1,231	1,258	1,286	1,316
Commercial Property	-	300	-	-	-	-	-	-	-	-	-
Corporate services and asset management	-	50	51	52	997	55	56	57	59	60	61
Plant Operations	118	110	266	185	312	156	275	528	482	517	185
Office Services	100	270	251	105	289	110	112	115	117	120	122
Total capital expenditure	66,502	77,878	84,028	78,105	69,947	81,928	83,184	67,759	58,837	63,714	64,013

8. Property, plant and equipment and Intangible assets (continued)

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Disposal	(1,500)	-	(3,183)	(1)	(710)	8	(1)	(20)	(49)	(85)	(6)
(Less)/plus carryovers movement	1,491	(3,894)	(4,191)	(7,536)	1,773	1,557	(12,664)	8,021	16,935	-	-
Depreciation	(27,493)	(28,905)	(32,503)	(34,660)	(36,315)	(37,383)	(39,162)	(41,012)	(42,554)	(44,349)	(45,797)
Amortisation	(426)	(437)	(485)	(528)	(557)	(508)	(542)	(562)	(334)	(331)	(307)
Revaluation	32,571	61,551	56,206	54,584	56,753	61,954	64,730	69,770	75,725	79,313	81,970
Closing value	1,818,549	1,835,118	1,934,990	2,024,954	2,115,845	2,223,402	2,318,948	2,422,905	2,531,465	2,629,727	2,729,598

9. Creditors and other payables

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Trade and other payables	8,235	8,969	9,230	9,465	9,700	9,953	10,206	10,467	10,754	11,050	11,337
Accrued expenses	2,085	1,821	1,874	1,922	1,970	2,021	2,072	2,125	2,183	2,243	2,301
Income in advance	2,802	3,029	3,117	3,196	3,275	3,360	3,445	3,533	3,630	3,730	3,827
Deposit	1,340	991	1,020	1,046	1,072	1,100	1,128	1,157	1,189	1,222	1,254
Related party payables	3,496	3,429	3,529	3,619	3,709	3,806	3,903	4,003	4,113	4,226	4,336
Total creditors and other payables	17,958	18,239	18,770	19,248	19,726	20,240	20,754	21,285	21,869	22,471	23,055

10. Borrowings

as at 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
People	4,292	6,355	6,696	6,412	6,117	5,810	5,491	5,159	4,813	4,453	4,079
Community Facilities	20,328	21,002	24,378	27,328	28,353	26,905	25,683	26,202	24,893	22,912	21,634
The Provision of Roads and Footpaths	9,693	12,669	14,938	16,730	18,380	19,650	20,869	21,447	21,967	22,426	22,826
Flood Protection and Control Works	2,954	5,063	8,924	11,375	12,332	15,082	16,313	17,053	18,365	19,193	20,002
Sewerage	49,126	39,767	39,356	46,409	51,442	80,273	103,229	111,419	124,978	119,568	117,811
Stormwater Drainage	170	136	101	65	29	6	1	3,848	9,826	9,475	9,110
Water Supply	20,948	23,369	32,619	39,082	44,139	45,519	56,110	59,941	58,666	84,249	105,744
Solid Waste Management	5,923	5,908	5,343	4,767	4,215	3,695	3,174	2,668	2,284	2,009	1,746
Environmental Management	350	332	313	294	274	253	231	208	184	159	134
Regulatory	633	736	797	739	797	730	738	663	585	586	523
Regional Development	11,063	14,096	22,110	20,318	18,480	21,625	20,041	18,877	17,686	16,468	15,395
Commerical Property	10,416	9,835	9,234	8,609	7,959	7,283	6,579	5,847	5,085	4,292	3,467
Plant Operations	591	554	515	475	433	389	344	297	248	197	144
Marlborough Regional Forestry	2,655	3,540	4,868	6,373	7,878	9,383	10,888	11,508	11,243	10,978	10,713
MDC Holdings Ltd financing	70,420	83,340	137,540	186,390	205,735	194,085	182,935	171,985	158,605	148,225	138,225
Total loans	209,562	226,702	307,732	375,366	406,563	430,688	452,626	457,122	459,428	465,190	471,553
less internal loans	(42,698)	(52,766)	(38,467)	(23,246)	(10,294)	(15,065)	(33,147)	(35,972)	(40,822)	(61,928)	(85,356)
Total borrowings (external loans)	166,864	173,936	269,265	352,120	396,269	415,623	419,479	421,150	418,606	403,262	386,197

11. Investment property

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Balance at 1 July	10,500	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Balance at 30 June	10,500	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750

12. Exchange and non-exchange revenue

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Non-exchange revenue:											
General rates and charges	69,492	72,782	77,042	81,071	89,110	94,110	98,140	102,079	106,120	110,557	114,148
Donations, subsidies and grants	10,373	23,968	12,331	10,197	12,275	14,564	14,998	17,247	13,661	14,080	14,479
Fees and charges	17,793	18,841	19,517	20,106	20,608	21,142	21,678	22,342	22,966	23,619	24,357
Other revenue	15,280	19,911	22,221	17,471	17,198	17,738	18,142	17,914	17,803	18,049	18,311
Total non-exchange revenue	112,938	135,502	131,111	128,845	139,191	147,554	152,958	159,582	160,550	166,305	171,295
Exchange revenue:											
Metered water	2,522	3,110	3,730	4,311	4,558	4,944	5,161	5,077	5,198	5,349	5,498
Rentals and leases	5,905	6,365	6,800	6,959	7,098	7,234	7,629	7,907	8,077	8,243	8,409
Marlborough Regional Forestry distribuiton	34	-	-	-	-	-	-	1,887	3,562	3,796	3,796
Interest and dividends	4,715	5,066	6,568	8,512	9,741	10,654	11,627	11,870	12,471	12,861	12,573
Total exchange revenue	13,176	14,541	17,098	19,782	21,397	22,832	24,417	26,741	29,308	30,249	30,276
Total revenue	126,114	150,043	148,209	148,627	160,588	170,386	177,375	186,323	189,858	196,554	201,571

13. Other reserves

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s

13.1 Reserve funds - Council wide

Emergency Events Reserve

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; and
- 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	12,776	9,823	4,521	1,349	(1,382)	(3,017)	(4,214)	(4,508)	(4,330)	(3,809)	(2,632)
Transfer to reserve	1,262	336	350	361	717	1,479	2,304	3,263	3,558	4,309	5,290
Transfer from reserve	(5,351)	(3,159)	(3,230)	(3,092)	(2,353)	(2,676)	(2,598)	(3,085)	(3,037)	(3,132)	(3,360)
Capex transfer from reserve	(246)	(2,478)	(292)	-	-	-	-	-	-	-	-
Closing balance	8,440	4,521	1,349	(1,382)	(3,017)	(4,214)	(4,508)	(4,330)	(3,809)	(2,632)	(702)

COVID-19 Rates Relief Reserve

Purpose: The reserve was created in 2021-31 to provide rates relief for the period of three years as part of Council's COVID-19 recovery strategy.

Activities to which it relates: Any Activity rated by Council.

Opening balance	-	-	(4,000)	(8,300)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)
Transfer from reserve	-	(4,000)	(4,300)	(4,500)	-	-	-	-	-	-	-
Closing balance	-	(4,000)	(8,300)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)

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	11,022	13,845	9,388	4,281	2,389	1,959	1,607	1,257	998	1,254	1,515
Transfer to reserve	7,503	-	-	-	-	-	-	3	506	510	516
Transfer from reserve	(4,039)	(1,838)	(1,033)	(500)	(211)	(131)	(130)	(42)	(30)	(29)	(39)
Capex transfer from reserve	(6,186)	(2,619)	(4,074)	(1,392)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
Closing balance	8,300	9,388	4,281	2,389	1,959	1,607	1,257	998	1,254	1,515	1,772

Infrastructure Upgrade Reserve

Purpose: To be used for essential infrastructure; to assist funding of new assets (up to a maximum of 50%), and to assist the funding of significant capital upgrades which will increase the targeted level of service supplied to the community.

Activities to which it relates: Infrastructure such as Water and Sewerage etc, and other Activities as determined by Council from time to time.

Opening balance	9,433	11,724	13,268	14,333	14,934	14,800	14,428	13,974	12,910	11,892	10,638
Transfer to reserve	4,657	4,646	4,552	4,893	5,299	6,309	7,630	8,130	8,852	9,369	9,369
Transfer from reserve	(3,232)	(3,102)	(3,487)	(4,292)	(5,434)	(6,681)	(8,084)	(9,195)	(9,870)	(10,623)	(11,510)
Closing balance	10,858	13,268	14,333	14,934	14,800	14,428	13,974	12,910	11,892	10,638	8,497

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	3,824	2,545	1,664	2,077	2,886	3,837	4,779	5,694	6,477	6,999	7,745
Transfer to reserve	3,536	2,366	2,414	2,462	2,511	2,562	2,613	2,665	2,718	2,773	2,828
Capex transfer from reserve	(2,619)	(3,248)	(2,000)	(1,653)	(1,560)	(1,619)	(1,698)	(1,882)	(2,197)	(2,026)	(1,350)
Closing balance	4,741	1,664	2,077	2,886	3,837	4,779	5,694	6,477	6,999	7,745	9,224

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	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132
Transfer to reserve	194	173	173	173	173	173	173	173	173	173	173
Transfer from reserve	(194)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
Capex transfer from reserve		(181)	-	-	-	-	-	-	-	-	-
Closing balance	4,313	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132

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	263	(1,529)	(2,206)	(3,366)	(3,015)	(2,470)	(2,199)	(1,777)	(1,373)	(656)	(65)
Transfer to reserve	1,233	1,124	1,169	1,201	1,228	1,265	1,283	1,331	1,385	1,414	1,449
Transfer from reserve	(444)	(551)	(562)	(584)	(574)	(557)	(549)	(534)	(520)	(492)	(470)
Capex transfer from reserve	(3,197)	(1,250)	(1,767)	(265)	(109)	(438)	(312)	(393)	(148)	(331)	(157)
Closing balance	(2,145)	(2,206)	(3,366)	(3,015)	(2,470)	(2,199)	(1,777)	(1,373)	(656)	(65)	757

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	574	577	629	684	728	775	822	872	922	975	1,029
Transfer to reserve	47	53	54	45	46	48	49	51	52	54	56
Closing balance	621	629	684	728	775	822	872	922	975	1,029	1,085

Development Contribution reserves

Opening balance	(1,941)	(2,966)	(1,610)	1,284	2,108	5,596	9,188	12,886	14,593	18,398	22,314
Transfer to reserve	602	3,002	3,096	3,190	4,489	3,592	3,698	3,807	3,806	3,916	4,189
Capex transfer from reserve	(1,540)	(1,646)	(202)	(2,366)	(1,001)	-	-	(2,100)	-	-	-
Closing balance	(2,879)	(1,610)	1,284	2,108	5,596	9,188	12,886	14,593	18,398	22,314	26,503

Note that a new Development Contribution Policy was adopted by Council at time of completing this LTP, increasing the balance of this reserve.

Prior to the adoption of this new policy Council utilised the Infra Upgrade reserve to fund growth assets.

However, as this reserve has been rapidly consumed the additional funds available in the Development Contribution Reserve will be reallocated to fund growth assets as part of Council's 2022-23 Annual Plan

Operational (General and Depreciation) reserves

Opening balance	6,378	13,958	8,603	730	(14,165)	(25,275)	(18,937)	(14,513)	(4,367)	12,514	27,894
Transfer to reserve	25,055	25,621	28,743	31,592	33,016	38,493	35,091	38,369	39,431	41,208	42,780
Transfer from reserve	(7,772)	(7,936)	(9,174)	(9,866)	(9,967)	(9,650)	(10,936)	(11,461)	(11,681)	(12,059)	(12,184)
Capex transfer from reserve	(22,364)	(23,039)	(27,442)	(36,622)	(34,160)	(22,504)	(19,731)	(16,763)	(10,870)	(13,769)	(14,013)
Closing balance	1,297	8,603	730	(14,165)	(25,275)	(18,937)	(14,513)	(4,367)	12,514	27,894	44,477

Road Funding reserves

Opening balance	-	-	1,586	3,037	4,516	4,516	4,516	4,516	4,516	4,516	4,516
Transfer to reserve	138	1,798	1,671	1,721	151	155	159	164	168	173	178
Transfer from reserve	-	(74)	(77)	(95)	-	-	-	-	-	-	-
Capex transfer from reserve	(138)	(138)	(143)	(147)	(151)	(155)	(159)	(164)	(168)	(173)	(178)
Closing balance	-	1,586	3,037	4,516	4,516	4,516	4,516	4,516	4,516	4,516	4,516

MRF biological assets reserve

Opening Balance	12,018	16,731	17,994	19,330	20,742	22,235	23,813	25,482	26,529	27,000	27,409
Transfer to reserve	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
Closing balance	12,402	17,994	19,330	20,742	22,235	23,813	25,482	26,529	27,000	27,409	27,713

Total movements

Opening balance	58,660	69,021	53,969	39,571	21,074	14,286	25,134	35,215	48,207	70,415	91,695
Transfer to reserve	44,611	40,381	43,557	47,049	49,124	55,652	54,669	59,003	61,120	64,307	67,132
Transfer from reserve	(21,032)	(20,833)	(22,035)	(23,101)	(18,711)	(19,867)	(22,469)	(24,489)	(25,311)	(26,508)	(27,736)
Capex transfer from reserve	(36,290)	(34,599)	(35,921)	(42,445)	(37,201)	(24,937)	(22,120)	(21,522)	(13,602)	(16,519)	(15,918)
Other reserves closing balance as shown in Equity	45,949	53,969	39,571	21,074	14,286	25,134	35,215	48,207	70,415	91,695	115,173

Part 4:

Rates Information



Financial Funding Impact Statement (excluding GST)

Funding Impact Statement for LTP 21-31											
Marlborough District Council											
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	47,150	48,860	51,681	54,214	60,562	62,772	64,684	66,790	69,148	71,516	73,040
Targeted rates	25,414	27,348	29,406	31,483	33,421	36,597	38,931	40,681	42,486	44,705	46,920
Subsidies and grants for operating purposes	5,694	5,776	5,720	5,368	5,623	5,712	5,889	6,051	6,203	6,400	6,576
Fees and charges	18,150	18,980	19,677	20,269	20,774	21,310	21,849	22,516	23,140	23,792	24,532
Interest and dividends from investments	4,716	5,066	6,569	8,513	9,741	10,655	11,627	11,870	12,472	12,861	12,573
Local authorities fuel tax, fines, infringement fees, and other receipts	9,788	14,819	16,677	11,746	11,341	11,724	12,206	14,553	16,636	17,116	17,436
Total sources of operating funding	110,912	120,849	129,730	131,593	141,462	148,770	155,186	162,461	170,085	176,390	181,077
Applications of operating funding											
Payments to staff and suppliers	81,253	92,087	96,952	94,242	95,973	99,277	102,781	105,265	108,367	111,513	114,529
Finance costs	3,876	5,638	8,351	10,617	10,984	11,214	11,477	11,819	11,936	11,796	11,393
Other operating funding applications	7,205	4,901	4,432	3,952	3,957	3,961	3,999	4,042	4,055	4,088	4,147
Total applications of operating funding	92,334	102,626	109,735	108,811	110,914	114,452	118,257	121,126	124,358	127,397	130,069
Surplus of operating funding	18,578	18,223	19,995	22,782	30,548	34,318	36,929	41,335	45,727	48,993	51,008
Sources of capital funding											
Subsidies and grants for capital expenditure	4,679	18,192	6,611	4,829	6,652	8,852	9,109	11,196	7,458	7,680	7,903
Development and financial contributions	3,028	7,176	7,326	7,478	7,634	7,792	7,955	8,120	8,289	8,462	8,620
Increase (decrease) in debt	39,915	47,924	95,329	82,854	44,149	19,353	3,856	1,670	(2,544)	(15,345)	(17,065)
Lump sum contributions	150	150	154	157	161	164	168	172	176	180	184
Other dedicated capital funding	2,464	2,415	2,697	3,136	3,177	3,220	3,264	3,313	3,364	3,417	3,470
Gross proceeds from sale of assets	6,000	-	3,522	23	603	5	25	33	38	76	16
Total sources of capital funding	56,236	75,857	115,639	98,477	62,376	39,386	24,377	24,504	16,781	4,470	3,128
Applications of capital funding											
Capital expenditure to meet additional demand	14,082	19,424	13,799	14,698	12,968	14,833	13,155	21,970	22,400	12,694	23,619
Capital expenditure to improve the level of service	23,193	25,257	40,795	38,659	27,611	40,130	31,220	12,482	10,002	24,340	8,528
Capital expenditure to replace existing assets	29,226	33,197	29,434	24,748	29,368	26,965	38,809	33,307	26,435	26,680	31,866
Increase (decrease) in reserves	(13,452)	(16,315)	(15,734)	(19,909)	(8,281)	9,270	8,412	11,945	21,736	20,872	23,174
Increase (decrease) of investments	21,765	32,517	67,340	63,063	31,258	(17,494)	(30,290)	(13,865)	(18,065)	(31,123)	(33,051)
Total applications of capital funding	74,814	94,080	135,634	121,259	92,924	73,704	61,306	65,839	62,508	53,463	54,136
Deficit of capital funding	(18,578)	(18,223)	(19,995)	(22,782)	(30,548)	(34,318)	(36,929)	(41,335)	(45,727)	(48,993)	(51,008)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement for LTP 21-31											
Marlborough District Council											
	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Reconciliation											
Total operating funding	110,912	120,849	129,730	131,593	141,462	148,770	155,186	162,461	170,085	176,390	181,077
plus - Subsidies and grants for capital expenditure	4,679	18,192	6,611	4,829	6,652	8,852	9,109	11,196	7,458	7,680	7,903
plus - Development and financial contributions	3,028	7,176	7,326	7,478	7,634	7,792	7,955	8,120	8,289	8,462	8,620
plus - Lump sum contributions	150	151	154	157	161	164	168	172	176	180	184
plus - Other dedicated capital funding	1,325	1,276	1,520	1,926	1,933	1,940	1,947	1,957	1,966	1,974	1,984
plus - Contributions vested assets	1,139	1,139	1,177	1,210	1,244	1,280	1,317	1,356	1,398	1,443	1,486
plus - Gain on sale of fixed assets	4,500	-	357	22	8	13	23	12	15	14	10
plus - Forestry asset revaluation gain	-	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
Revenue as per Statement of Comprehensive Revenue and Expense	125,733	150,046	148,211	148,627	160,587	170,389	177,374	186,321	189,858	196,552	201,568
Total applications of operating funding	92,334	102,626	109,735	108,811	110,914	114,452	118,257	121,126	124,358	127,397	130,069
plus - Depreciation and amortisation	27,967	29,342	32,988	35,188	36,872	37,891	39,704	41,574	42,888	44,680	46,104
plus - Loss on sale of fixed assets	-	-	18	-	114	-	-	-	27	24	-
plus - Surrendered New Zealand Carbon Units (NZUs)	-	501	518	532	546	562	578	596	616	637	657
plus - Landfill aftercare provision	-	53	54	45	46	48	49	51	52	54	56
plus - Forestry asset revaluation loss	-	-	-	-	-	-	-	-	-	-	-
Expenditure as per Statement of Comprehensive Revenue and Expense	120,301	132,522	143,313	144,576	148,492	152,953	158,588	163,347	167,941	172,792	176,886
Surplus as per Statement of Comprehensive Revenue and Expense	5,384	17,524	4,898	4,051	12,095	17,436	18,786	22,974	21,917	23,760	24,682

Notes to Funding Impact Statement

1. Statement of accounting policies

Sources of operating funding - 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 NZ GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Statement of Comprehensive Revenue and Expense.
- Any gain from sale of assets is not included; instead the sale proceeds are included in “Sources of capital funding” - whereas under NZ GAAP any such gain is included in “Gains” in the Statement of Comprehensive Revenue and Expense.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council’s Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included, they are included in “Other dedicated capital funding” - whereas under NZ GAAP they are included in “Other revenue” in the Statement of Comprehensive Revenue and Expense and added to the value of Fixed assets in the Statement of Financial Position.

Applications of operating funding - includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under NZ

GAAP it is included in Expenditure in the Statement of Comprehensive Revenue and Expense. The value of this expense is shown in the reconciliation section.

- In Council’s Statement of Comprehensive Revenue and Expense 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 NZ GAAP it is included in Expenditure in the Statement of Comprehensive Revenue and Expense.

Sources of capital funding - 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 NZ GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Statement of Comprehensive Revenue and Expense.
- Any proceeds from the sale of an asset are included in here - whereas under NZ GAAP only the loss or gain on sale would be included in the Statement of Comprehensive Revenue and Expense.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are included - whereas under NZ GAAP they are included in “Other revenue” in the Statement of Comprehensive Revenue and Expense.
- 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 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.

Applications of capital funding - shows how much funding has been:

- Used to fund capital expenditure; and
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

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 differ from a surplus which would be calculated under NZ GAAP and as presented in the Statement of Comprehensive Revenue and Expense.

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.

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



Rates Funding Impact Statement

Rating definitions

Rating unit

What is a rating unit is decided by the Valuer General. It generally is a property comprised in one record of title. It can include parts of titles in very limited circumstances or two or more titles if the land is:

- owned by the same person or persons and
- is used together as a single unit and
- adjacent to one another.

Activities funded by rates and charges

Council makes decisions about local issues and services taking into account local needs and priorities. We break our business down into activity groups such as providing and maintaining community facilities, roads and footpaths, managing building activity, the environment and water and sewerage. (Full details of activity groups and activities can be found in the LTP at <https://www.marlborough.govt.nz/your-council/long-term-and-annual-plans-policies-and-reports/long-term-plan> or at our offices.)

Rates and charges are set by calculating how much of each activity is not funded by other sources such as user pay fees and charges, Government subsidies, development contributions, interest and dividends from subsidiaries

Non-rateable properties

Certain categories of property can be fully non-rateable or 50% rateable. These properties are still rated for services such as water, sewerage and refuse/recycling collection (where the service is provided). (These properties are defined in Schedule 1 of the Local Government Rating Act

2002 (LGRA)). Examples of fully non-rateable properties are public and some other types of schools, public libraries and public gardens.

Land value and capital value

These are the values assigned to the property at the last rateable revaluation.

Rateable revaluation

A rateable revaluation of the district took place on the 15 August 2020. The property values from this are used for rating purposes for three years from 1 July 2021.

Separately used or inhabited part of a rating unit (SUIP)

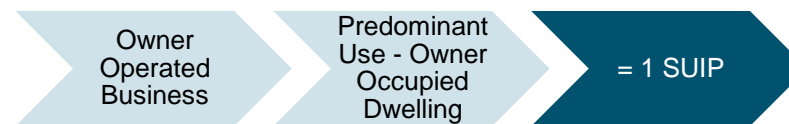
A SUIP includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. It includes separately used parts, whether or not actually occupied at any particular time, which are 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'.

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.

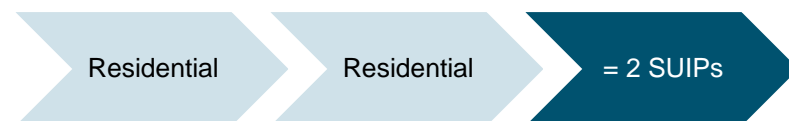


- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

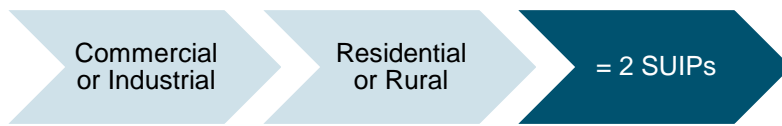


Examples of the application of the definition

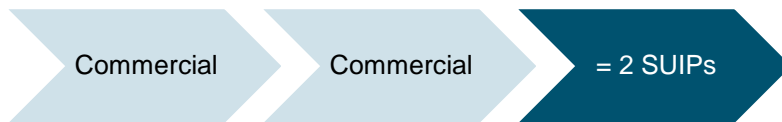
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



- 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.



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



Rating categories

It shall be at the sole discretion of the Council to determine the use or predominant use of any property in the district. The Council has adopted the following rating categories:

Residential or rural

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

Rural purpose 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 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. It 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 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 but does not include:

- Properties where the principal purpose is the provision of long stay 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 farm stay category.

Homestay or farm stay

Includes all rating units that are used for a homestay or farm stay activity on land predominantly used for residential or rural purposes, where a Building Act or resource consent was required for homestay or farm stay use (i.e. for six or more persons).

Infrastructural 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 rating categories (residential or rural and

commercial or industrial) except for predominantly residential properties where the owner of the commercial or industrial operation resides on the same rating unit.

Forecast number of total rateable properties

Forecast growth in the number of rateable properties has been based on the projection of 170 units per annum in the Development Contributions Policy.

Current	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
26,433	26,603	26,773	26,943	27,113	27,283	27,453	27,623	27,793	27,963	28,133

GST

Figures quoted are inclusive of GST unless otherwise stated.

General Type Targeted Rates and Charges

\$55,712,247

Geographic Area General Works and Services Rate

\$34,675,277

This rate pays for activities that aren't funded by other targeted rates, user pay charges, general revenue or reserves. The rate is assessed on a land value basis. The General Works and Services Rate is set differentially for six geographic areas, depending on where the land is situated and the benefit that rating area derives from the services these rates fund. (See figures 1-5 for the definition of the geographic rating areas.)

Within each geographic area, the rating units are further differentiated into categories depending on the use to which the land is put. The categories are:

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

For a detailed explanation of these categories see page 327.

For this rate utilities will be treated as falling within the commercial or industrial differential category.

Overall this rate will increase by \$1,593,540. However, there are varying impacts on the geographic areas and their differential rates.

(Further information on the calculations of general type targeted rates and charges can be found here

<https://www.marlborough.govt.nz/services/rates/funding-allocations-summary>)

General Works and Services Rates are set in each geographic area as follows:

Geographic Area	Differential Rating Categories	Levy	Cents in \$
Blenheim	Residential/rural	8,976,071	0.314699
	Commercial/industrial	4,127,838	0.948232
	Homestay/farmstay	5,480	0.473104
Blenheim Vicinity	Residential/rural	7,828,483	0.248056
	Commercial/industrial	412,186	0.483269
	Homestay/farmstay	19,473	0.306863
Picton	Residential/rural	2,425,684	0.406715
	Commercial/industrial	724,535	0.790194
	Homestay/farmstay	3,255	0.502776
Picton Vicinity	Residential/rural	481,928	0.222904
	Commercial/industrial	26,168	0.474374
	Homestay/farmstay	1,499	0.285760
General Rural	Residential/rural	8,910,593	0.253040
	Commercial/industrial	175,927	0.417735
	Homestay/farmstay	4,037	0.294217
Sounds Admin Rural	Residential/rural	527,534	0.131007
	Commercial/industrial	24,156	0.250413
	Homestay/farmstay	430	0.160858

Geographic area general works and services charges **\$21,036,970**

A targeted Geographic General Area Works and Services charge 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 rating area's share of activities that aren't funded by other targeted rates, user pays charges, general revenues or reserves.

These charges are set differentially for the same six geographic areas (as the General Works and Services Rates), depending on where the land is situated and the benefit that rating area derives from the services these charges fund.

There is also a differential charge for Infrastructural Utilities.

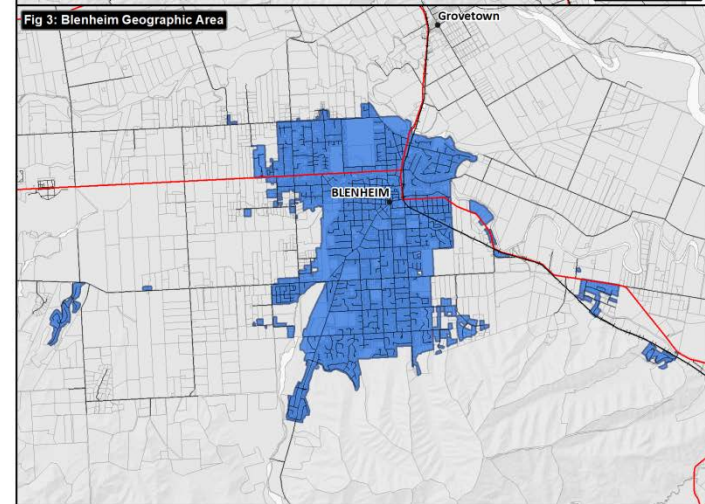
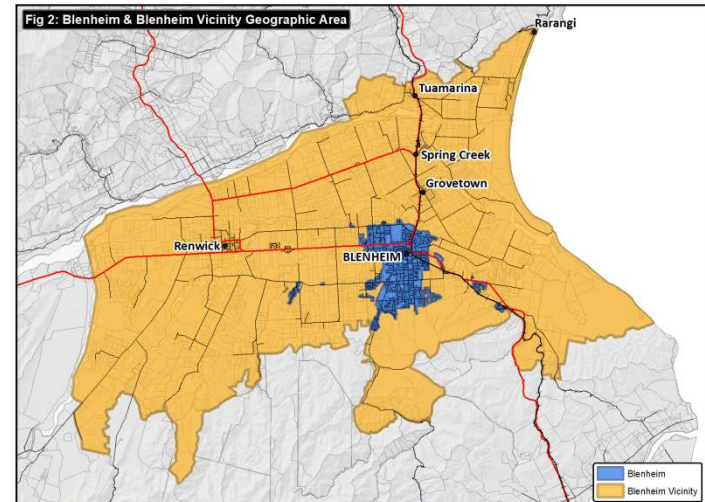
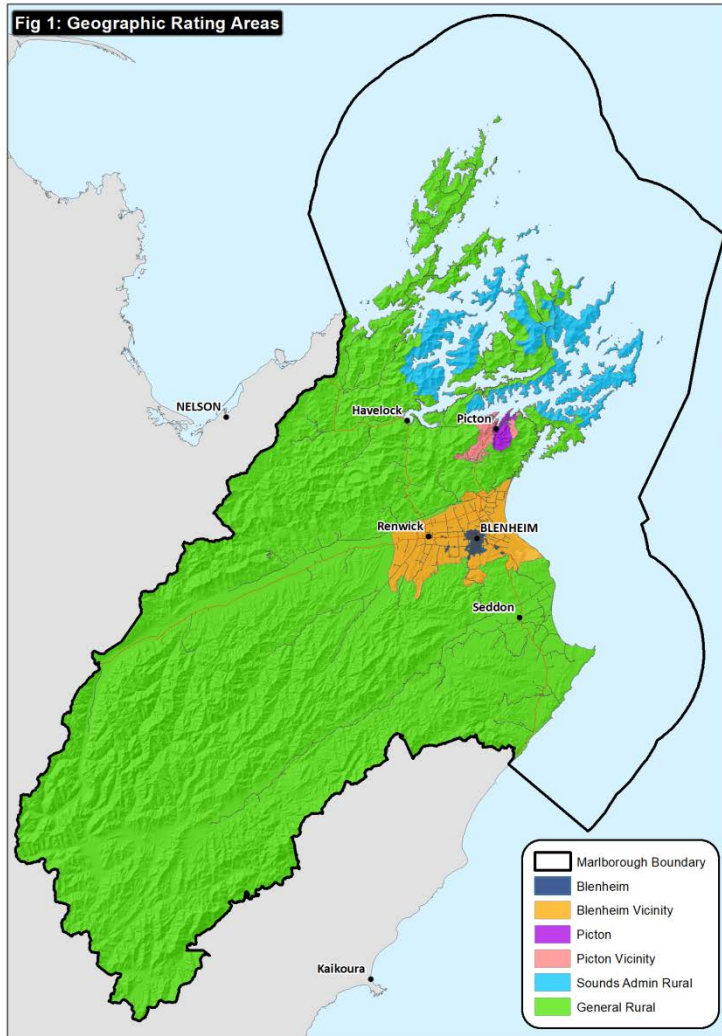
Overall, these charges will increase by \$529,179, with the increases assessed on an area by area basis.

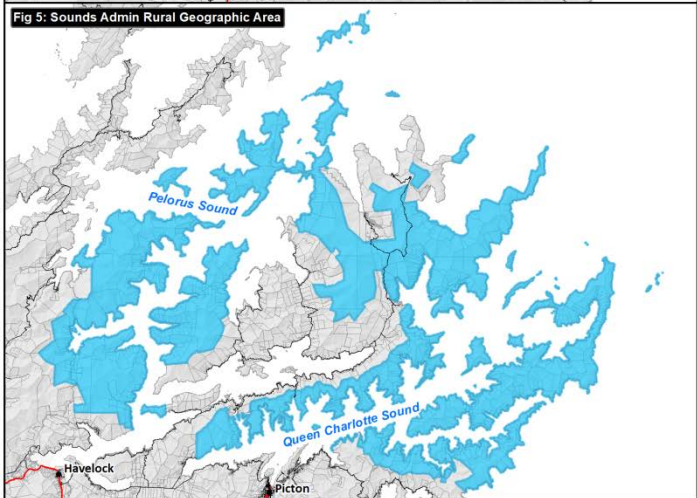
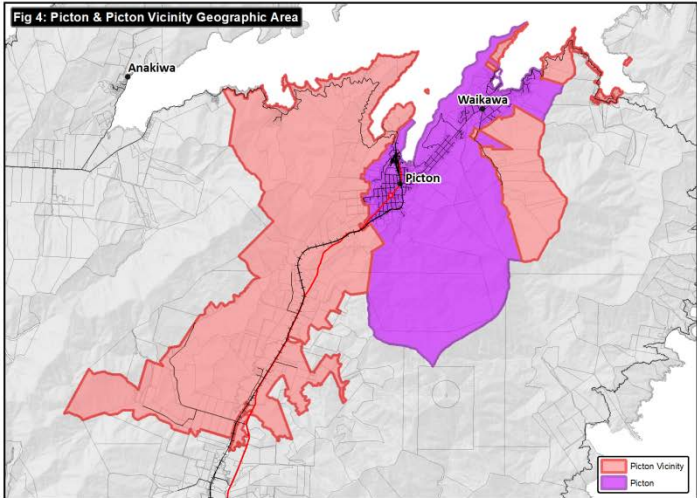
General Works and Services Charges are set in each geographic area as follows:

Geographic area	Levy	Unit charge
Blenheim	11,177,620	848
Blenheim Vicinity	3,160,708	754
Picton	2,511,503	868
Picton Vicinity	374,834	740
General Rural	3,120,580	558
Sounds Admin Rural	653,097	448
Infrastructural Utilities	38,628	703

Although the general type targeted rate and general type targeted charges have increased overall by \$2,122,720, there are varying percentage movements (both up and down) which are the result of expenditure movements not equally affecting each geographic area.

Geographic Rating Areas





Targeted Debt Servicing Rates **\$1,202,221**

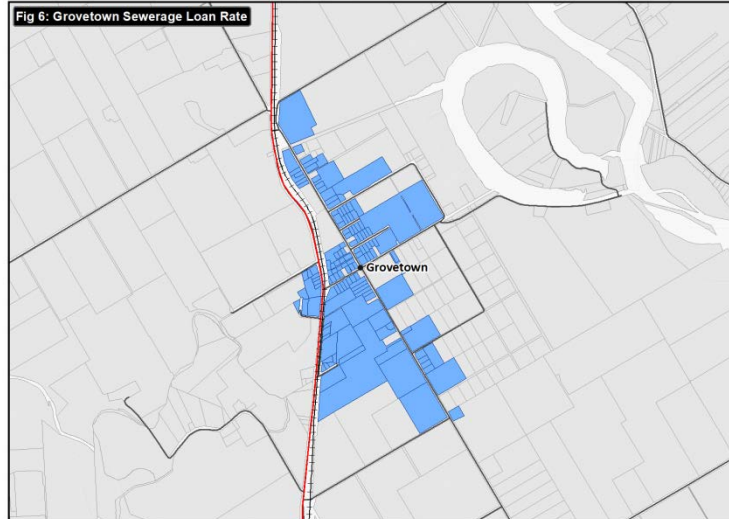
Grovetown Sewerage Loan Rate **\$92,370**

This targeted rate pays the debt servicing costs of the Grovetown sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 6).

Overall this rate will decrease by \$5,607

The loan rate will continue until 30 June 2039 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.224864



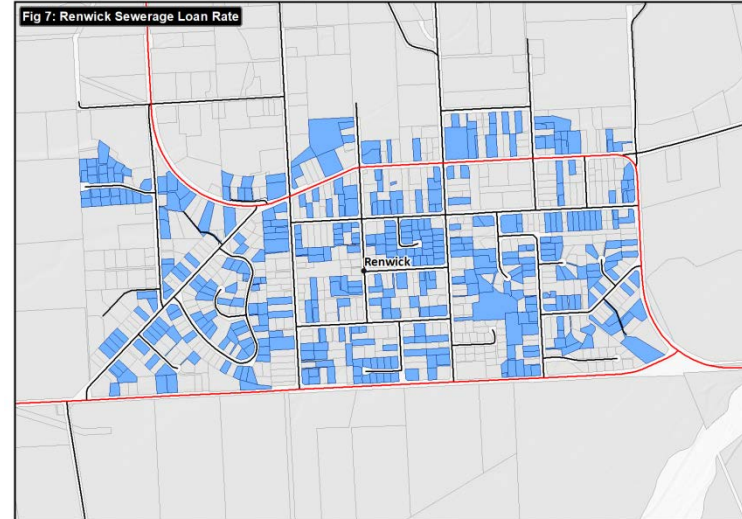
Renwick Sewerage Loan Rate **\$34,645**

This targeted rate pays the debt servicing costs of the Renwick sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 7).

Overall this rate will remain the same as last year.

The loan rate will continue until 30 June 2026 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.034234



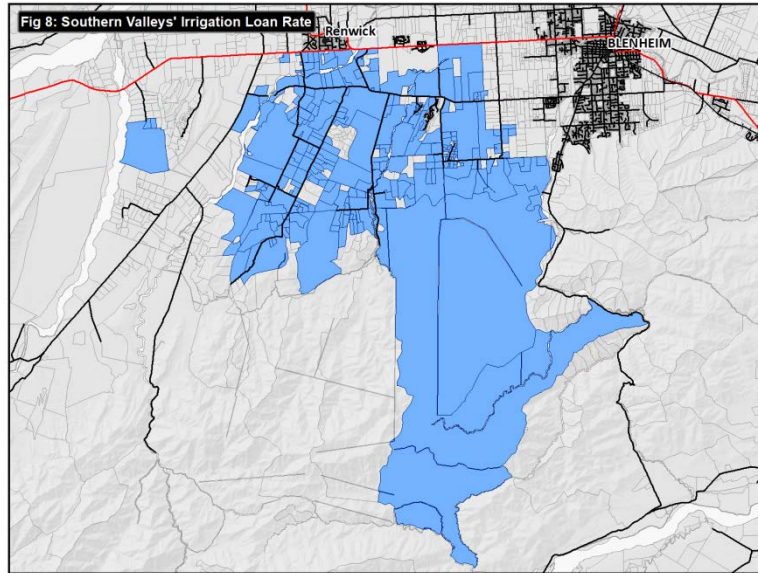
Southern Valleys' Irrigation Loan Rate **\$1,073,996**

This targeted rate funds the debt servicing costs on the capital cost of the Southern Valleys' irrigation scheme. It is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the special rating area (see figure 8) where no lump sum contribution to the irrigation scheme was chosen.

Overall this rate will decrease by \$13,072.

The loan rate will continue until 30 June 2027 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Per hectare	288.80

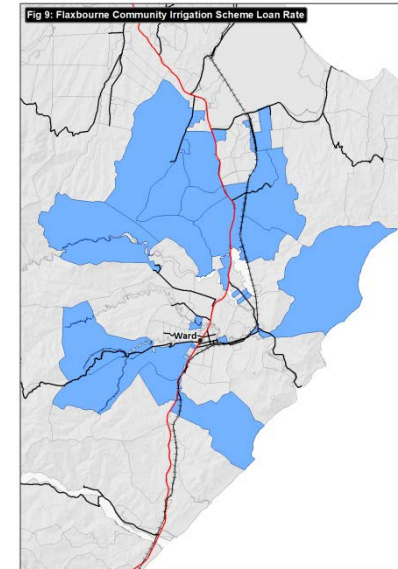


Flaxbourne Community Irrigation Scheme Loan Rate **\$1,210**

This targeted rate will be used to either fund investigation costs incurred should the scheme not proceed or the total cost of the scheme should construction contracts be awarded. It 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 m³ per hectare on land identified within the Flaxbourne Special Rating Area (see figure 9).

Overall this rate will remain the same as last year. The amount of the loan rate will change as the scheme proposal is progressed.

Per calculation	Rate in the \$
Per hectare	1.00



Roading Rates and Charges

\$72,867

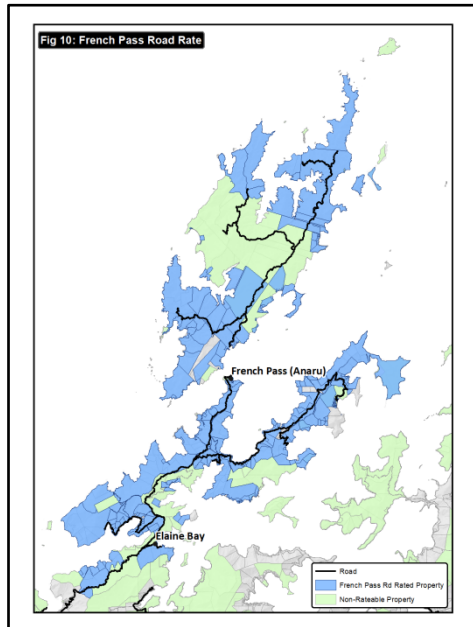
French Pass Road Charge

\$32,045

This targeted charge pays for the cost of seal extension in the French Pass rating area. It is charged on every rating unit in the area (see figure 10).

Overall this charge will remain the same as last year.

Per calculation	Rate in the \$
Per rating unit	99.00



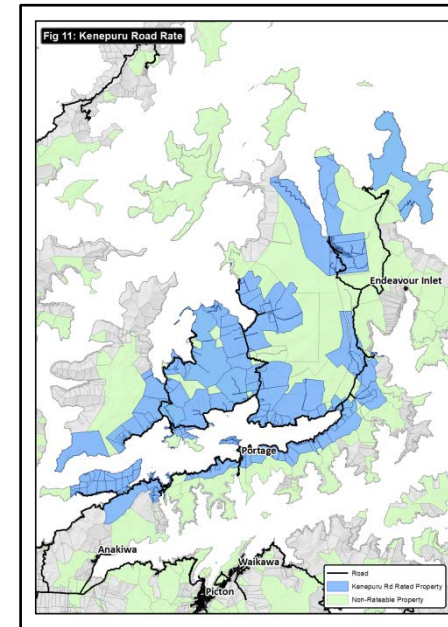
Kenepuru Road Rate

\$40,822

This targeted rate pays for the cost of roading improvements in the rating area. It is calculated on the capital value of every rating unit in the former Kenepuru Riding (see figure 11).

Overall this rate will remain the same as last year.

Per calculation	Rate in the \$
Capital value	0.009845



Wairau Valley River Works Rate **\$5,321,386**

This targeted rate covers the costs of river planning, control and flood protection in the Wairau Catchment and is calculated on a Capital Value basis on every rating unit in the Wairau Valley Rivers Rating Area (see figures 12-14). The differential rates in the dollar reflect the benefits derived by the defined locations of each group.

The funding requirements from each area are apportioned as follows (according to costs for that area):

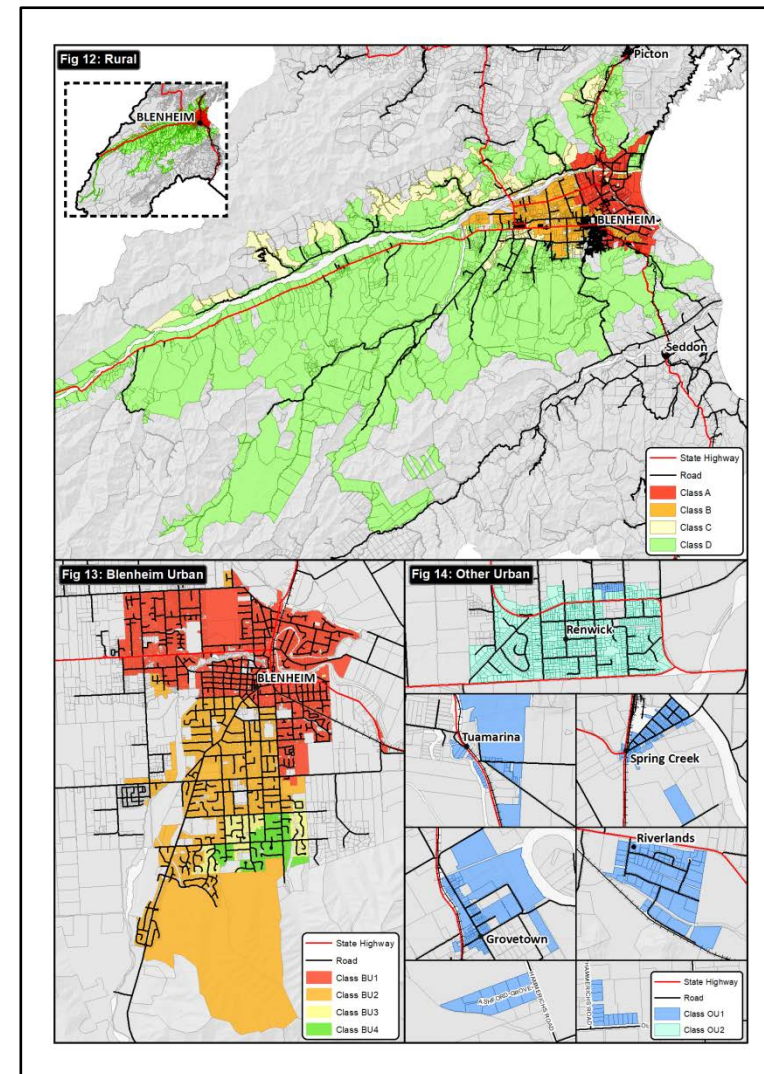
Blenheim Vicinity (Rural)	47.57%
Blenheim Urban	47.84%
Other Urban	4.59%

Overall this rate will increase by \$507,421.

Wairau Valley River Works Rates are set in the river rating areas as follows:

Rating areas	\$	Cents in the \$
Rural A Rating Units	758,014	0.058977
Rural B Rating Units	1,267,539	0.053670
Rural C Rating Units	295,367	0.040105
Rural D Rating Units	210,463	0.005308
Blenheim Urban 1 Rating Units	1,442,733	0.043259
Blenheim Urban 2 Rating Units	909,534	0.037010
Blenheim Urban 3 Rating Units	124,271	0.032204
Blenheim Urban 4 Rating Units	69,213	0.018265
Other Urban 1 Rating Units in Wairau Catchment	123,506	0.041241
Other Urban 2 Rating Units in Wairau Catchment	120,746	0.027985

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges **\$9,851,138**

An overall increase of \$73,461 (GST excl) will occur (0.94%).

Combined Sewerage Scheme Capital Works Rate **\$2,222,392**

This rate funds the capital expenditure and borrowing costs of the combined sewerage scheme and is assessed on the land value of every rating unit in the combined sewerage rating area which includes Blenheim, Picton, Havelock and Seddon (figures 15 – 18). The rate is set on a differential basis (depending on location and ability to benefit).

Overall the rate will decrease by \$132,917.

Rating Group	Levy	Cents in \$
Blenheim	1,767,841	0.048298
Havelock	52,926	0.073895
Picton	369,170	0.052644
Seddon	32,455	0.088384

Combined Sewerage Rating Areas **\$7,628,746**

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 assessed an additional trade waste charge.

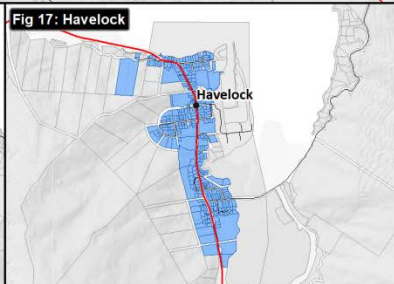
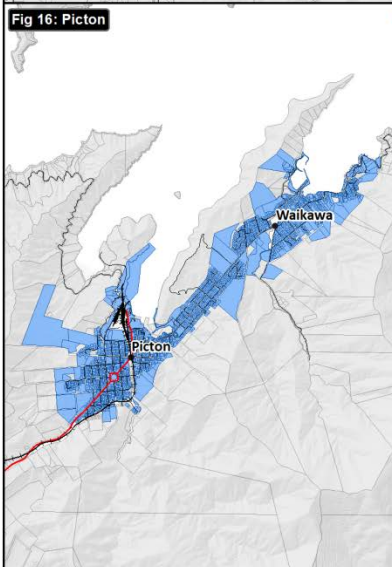
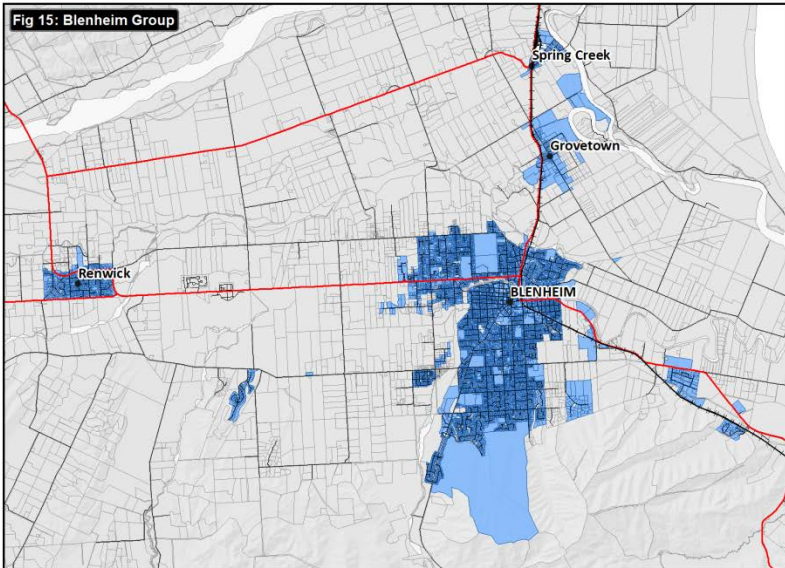
Overall the charge will increase by \$584,018.

Categories	Charge per SUIP
Connected	\$430
Serviceable	\$215

Definitions:

“Connected” refers to any separately used or inhabited part of a rating unit that is connected, either directly or indirectly, through a private drain to a public drain. “Serviced” has the same meaning.

“Serviceable” refers to any separately used or inhabited part of a rating unit situated within 30 metres of a public sewerage or storm water drain to which it is capable of being effectively connected, either directly or through a private drain, but which is not so connected.



Water Supply Rates and Charges \$12,431,444

An overall increase of \$1,393,445 will occur.

Definitions:

“Serviced” or “Connected” refers to any separately used or inhabited part of a rating unit to which water is supplied.

“Serviceable” refers to any separately used or inhabited part of a rating unit to which water can be but is not supplied (being property situated within 100 metres from any part of the waterworks).

Combined Water Scheme Rates and Charges \$8,931,870

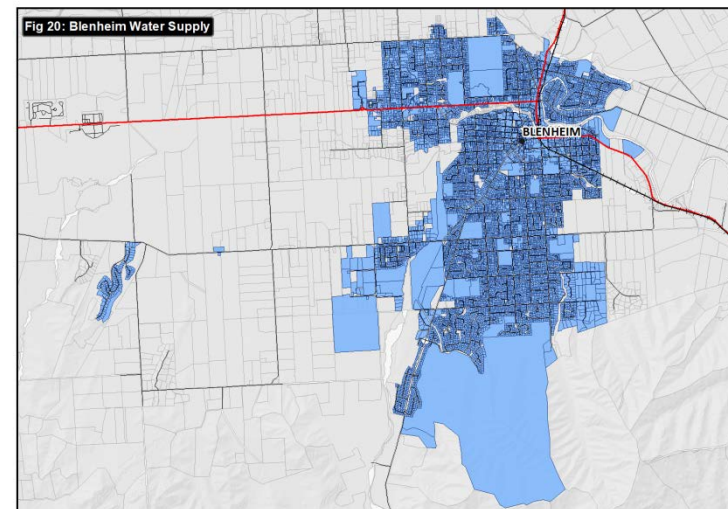
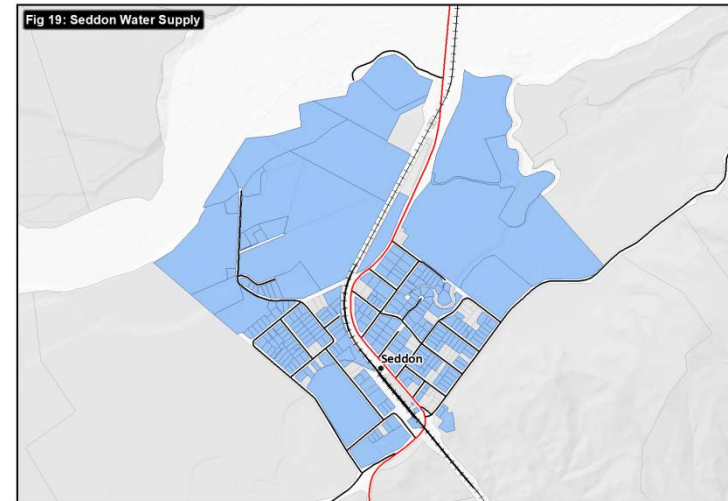
Overall this will increase by \$144,317.

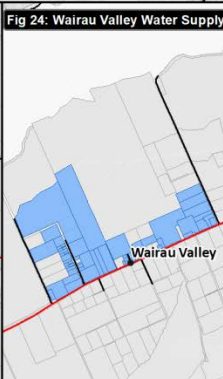
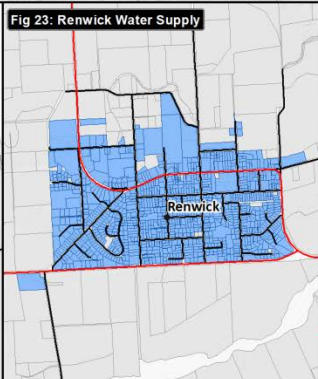
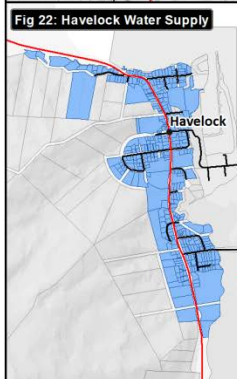
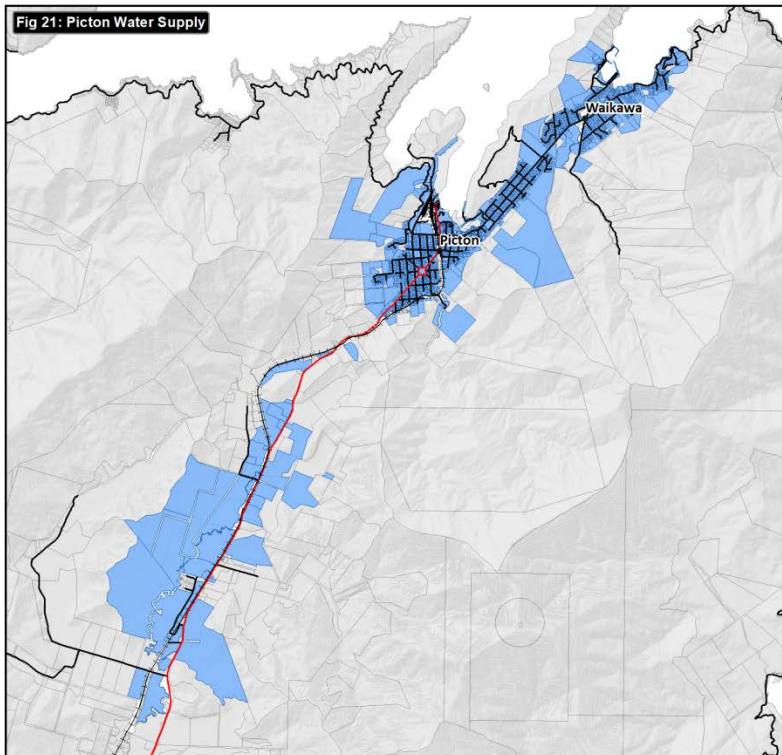
Combined Water Scheme Capital Works Rate \$2,108,040

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

Overall this rate will decrease by \$124,693.

Rating Group	Levy	Cents in \$
Blenheim	1,541,920	0.046754
Havelock	52,544	0.071533
Picton	356,536	0.050962
Koromiko	1,455	0.032260
Renwick	119,789	0.050027
Seddon	\$35,796	\$0.085559





Combined Water Scheme Charges **\$6,295,154**

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.

Overall this charge will increase by \$484,561

Blenheim Water Charges **\$4,279,206**

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) (see figure 20); and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

Categories	Charge per SUIP
Connected	\$346
Serviceable	\$173

Havelock Water Charges **\$71,482**

This charge is for every separately used or inhabited part of a serviced residential rating unit whether connected or not in the Havelock water supply area (see figure 22).

Categories	Rate in the \$
Per SUIP	\$232

The Havelock residential water charges have moved from only a water charge to a water charge and metered water charges in 2021/22. Details of the metered water charges are on page 342.

Picton Water Charges **\$1,557,281**

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 (see figure 21) and half that amount on each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

Categories	Charge per SUIP
Connected	\$588
Serviceable	\$294

Renwick Water Charges **\$218,671**

This charge is for every separately used or inhabited part of a serviced residential rating unit whether connected or not in the Renwick water supply area (see figure 23).

Per calculation	Rate in the \$
Per SUIP	\$232

The Renwick residential water charges have moved from only a water charge to a water charge and metered water charges in 2021/22. Details of the metered water charges are on page 342.

Seddon Water Charge **\$157,659**

The charge will be on every separately used or inhabited part of a rating unit within the Seddon Water Supply Area (see figure 19), (excluding all commercial consumers).

Per calculation	Rate in the \$
Per SUIP	\$540

Wairau Valley Water Charge **\$10,855**

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

The charge will be for each water meter, excluding all commercial water meters, connected to a rating unit within the Wairau Valley Water Supply Area (see figure 24).

Per calculation	Rate in the \$
Per water meter	\$240

Residential Metered Water Charges **\$528,676**

These charges exclude water supplied to commercial metered rating units.

Overall these charges will increase by \$516.

Blenheim Metered Water Charge **\$49,396**

This charge is assessed on the basis of the quantity of water supplied to residential metered rating units (including the Burleigh Extension).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 63m ³	\$82.00
Over 63m ³	\$1.30 per cubic metre

Havelock Metered Water Charge **\$107,223**

This charge is assessed on the basis of the quantity of water supplied to all Havelock residential consumers where consumption exceeds 200 cubic metres per annum.

Per calculation	Rate in the \$
Per m ³	1.86

Picton Metered Water Charge **\$19,487**

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed on the basis of the quantity of water supplied to residential metered rating units.

Volume	Charge
Less than or equal to 39m ³	\$139.50
Over 39m ³	\$3.56 per cubic metre

Koromiko Charge

A Picton Metered Water Koromiko charge is assessed on the basis of the quantity of water supplied to Koromiko Special Pipeline Agreement rating units.

Per calculation	Rate in the \$
Per m ³	2.95

Renwick Metered Water Charge **\$328,006**

This charge is assessed on the basis of the quantity of water supplied to all Renwick residential consumers where consumption exceeds 200 cubic metres per annum.

Per calculation	Rate in the \$
Per m ³	1.04

Seddon Metered Water Charge **\$13,709**

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

Per calculation	Rate in the \$
Per m ³	1.86

Wairau Valley Metered Water Charge **\$10,855**

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

This charge is assessed on the basis of the quantity 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.

Per calculation	Rate in the \$
Per m ³	2.48

Other Water Supply

Commercial Metered Water Charges \$1,238,839

These water charges fund the net cost of operations.

Overall these charges will increase by \$240,568.

Blenheim Commercial Metered Water Charge \$471,700

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections (including the Burleigh Extension).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$44.50
Over 50m ³	\$0.89 per cubic metre

Havelock Commercial Metered Water Charge \$175,450

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$121.00
Over 50m ³	\$2.42 per cubic metre

Picton Commercial Metered Water Charge \$402,205

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections (excluding connections where water is onsold).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$140.50
Over 50m ³	\$2.81 per cubic metre

Onsold Charge

A Picton Metered Water Onsold Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections that is subsequently onsold.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 45m ³	\$140.40
Over 45m ³	\$3.12 per cubic metre

Renwick Commercial Metered Water Charge \$54,300

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$90.50
Over 50m ³	\$1.81 per cubic metre

Seddon Commercial Metered Water Charge \$43,434

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$171.00
Over 50m ³	\$3.42 per cubic metre

Wairau Valley Commercial Metered Water Charge \$1,765

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

This charge for metered rating units is assessed on the basis of the quantity of water supplied to each commercial water meter connected to a rating unit within the Wairau Valley water supply area.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$175.00
Over 50m ³	\$3.50 per cubic metre

Rural Awatere Water Supply \$995,964

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

Overall this will increase by \$30,551

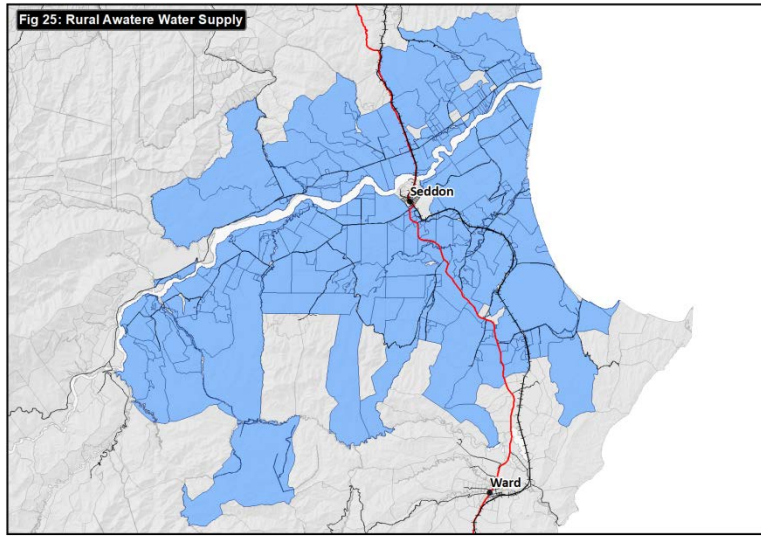
Rural Awatere Water Charge \$333,449

The uniform charge will increase from \$750 to \$900 on every separately used or inhabited part of a rating unit within the Rural Awatere Water Supply Area (see figure 25).

Rural Awatere Metered Water Charge \$662,515

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

The metered charge will be \$2.21 per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Rural Awatere water supply.



Southern Valleys' Irrigation Scheme

\$730,165

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered connections. This rate funds the net operating costs of the Southern Valleys' Irrigation Scheme.

Operating costs have decreased by \$48,401.

Per calculation	Rate in the \$
Per m ³	0.25

Riverlands Water Supply

\$534,606

This charge funds the cost of operations, capital expenditure and debt servicing costs.

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered rating units.

Operating costs have increased by \$117,177

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$41.00
Over 50m ³	\$1.02 per cubic metre

Refuse and recycling charges **\$1,655,129**

Overall, refuse and recycling charges will decrease by \$13,656.

Residential refuse and kerbside recycling collection charges **\$1,587,440**

This charge pays for the cost of residential refuse and kerbside recycling collection where Council provides or is prepared to provide the service.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

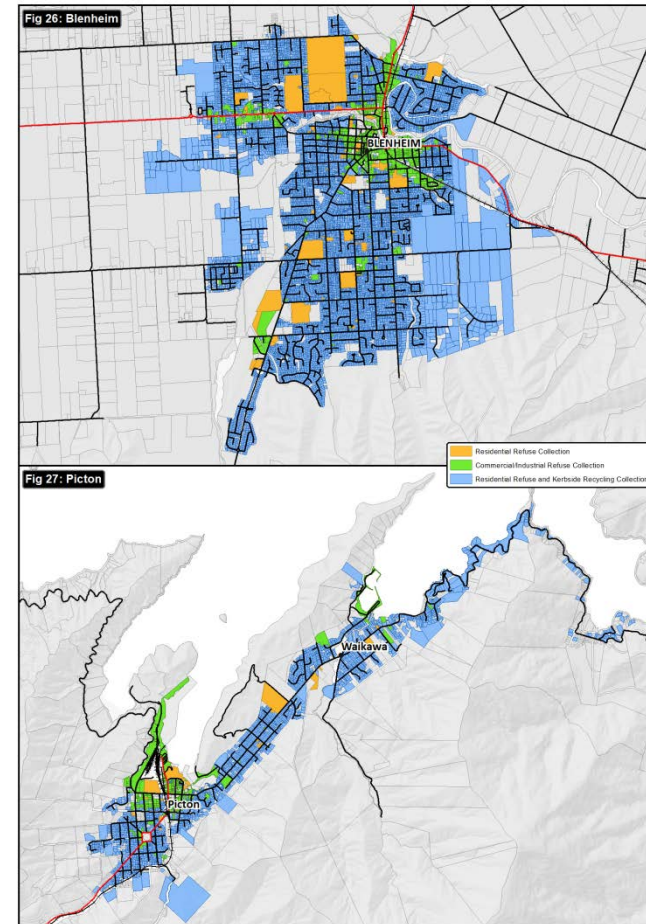
Service	Charge per SUIP
Kerbside recycling	\$46
Refuse collection	\$75
Total	\$121

Refuse collection charges **\$81,345**

This charge pays for the cost of refuse collection where Council provides or is prepared to provide the service.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Service	Category	Charge per SUIP
Refuse collection	Residential	\$75
Refuse collection	Commercial/industrial	\$75



Energy efficiency rates (EER) **\$680,264**

These voluntary targeted rates repay the amount of energy efficiency funding supplied (including interest and fees) for energy efficiency solutions added to residential homes. It is payable by residential ratepayers who have had assistance from Council's energy efficiency funding service.

Funding is offered for:

- Insulation
- Clean home heating (heat pumps, wood or pellet fires)
- Solar water heating
- Solar power

The rate is payable for nine years. The interest rate for the current year is 4.0%.

The rate is calculated as a percentage of the total amount to be repaid as follows:

First year rated	Final rating year	Percentage paid this year
2013-14	2021-22	16.436225
2014-15	2022-23	16.213457
2015-16	2023-24	15.997973
2016-17	2024-25	15.789545
2017-18	2025-26	15.649303
2018-19	2026-27	15.512816
2019-20	2027-28	15.411147
2020-21	2028-29	15.311906
2021-22	2029-30	15.278583

Residential pool inspections charge **\$113,818**

This targeted rate funds the costs of carrying out residential pool inspections under the Building (Pools) Amendment Act 2016. It is charged on every SUIP with a residential pool.

Overall this charge will increase by \$2,232.

Per calculation	Rate in the \$
Per SUIP	92.00

Tourism Charges **\$215,050**

This targeted rate is collected on behalf of Destination Marlborough to promote Marlborough as a tourist destination. It is charged as a fixed amount per SUIP where the ratepayer is engaged in tourism activities as follows:

Activity	Rating category	Charge per rating unit
Short term rental accommodation	Residential/Rural	\$224
Short term rental accommodation <30 people	Commercial	\$224
Short term rental accommodation >30 people	Commercial	\$343
Tourism activities (not included in above)	Commercial	\$250

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

Landscape Charges

\$4,738

A targeted landscape charge on new subdivisions (and existing subdivisions following consultation) is assessed 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	\$42
Properties with Urban level 2 landscaping standards	\$53
Properties with Rural level 1 landscaping standards	\$59
Properties with Rural level 2 landscaping standards	\$179

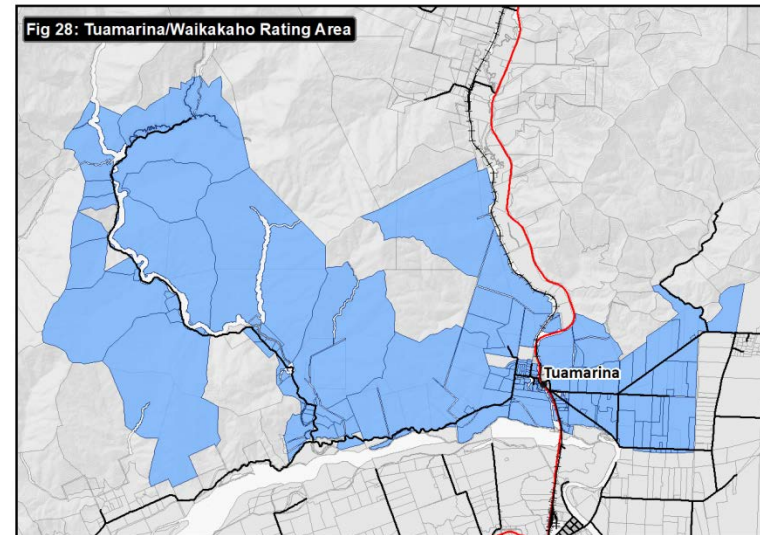
Street berms, trees and plots are included under the Community Facilities Activity.

Tuamarina/Waikakaho hall charge

\$2,842

This charge pays for the upkeep of the Tuamarina/Waikakaho Hall. It is payable by ratepayers in the Tuamarina/Waikakaho special rating area.

Overall this charge will remain the same as last year.



Per calculation

Per rating unit

Rate in the \$

18.45

Residential rates postponement scheme

To cover costs for this scheme, the following fees and charges are set for the 2021-22 rating year. All fees and charges will be added to the approved applicant's rate account.

Initial charges	Fees and charges
Application fee	\$50.00
Contribution to the decision facilitation	\$300.00
Annual charges	
Administration fee	\$50.00
Reserve fund levy	0.25%
Interest rate	
2021-2022	4.0%

Instalments

The above rates and charges are for the period 1 July 2021 to 30 June 2022 and will become due and payable by four instalments as follows:

Instalment	Last date for payment before penalty is added
One	8 September 2021
Two	8 December 2021
Three	8 March 2022
Four	8 June 2022

Each instalment is one quarter of the annual rates for the current year.

Charges for metered water

Meter reading date between	Last date for payment before penalty is added
1 Jul 2021 – 30 Sept 2021	20 Oct 2021
1 Oct 2021 – 31 Dec 2021	20 Jan 2022
1 Jan 2022 - 31 Mar 2022	20 Apr 2022
1 Apr 2022 – 30 Jun 2022	20 Jul 2022

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.

A further penalty of 10% will be added to all rates and charges from previous years that remain unpaid on 30 June 2022.

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.

Geographic Areas

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 areas rezoned Urban Residential 2 Greenfields will be excluded from the Blenheim Area until granting of subdivision title.

Other land rezoned Urban Residential 2 or 3 as a result of the Proposed Marlborough Environment Plan will be similarly 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.

Triennial Revaluation Movements

The Marlborough District was revalued by Quotable Value Ltd on 14 August 2020. The new values apply from the 2021-2022 rating year, as from 1 July 2021.

With the exception of the Wairau Valley River Rates and the Kenepuru Road Rate, all other rates levied on property values are based on Land Value (LV).

Land Value percentage increase (decrease) movements for the six geographic rating areas, the district at large and their differential rating groups for the triennial revaluation on 14 August 2020 were:

(The previous revaluation movements as at 1 July 2017 and 1 July 2014 are shown alongside.)

	14.08.20	1.07.17	1.07.14
Blenheim - Residential/Rural	41.12%	15.06%	9.62%
Blenheim - Commercial/Industrial	13.84%	15.57%	7.73%
Blenheim – Homestay/Farmstay	41.82%	15.25%	9.58%
Blenheim - Total	36.78%	15.14%	9.31%
Blenheim Vicinity - Residential/Rural	9.64%	38.14%	16.45%
Blenheim Vicinity - Commercial/Industrial	25.87%	18.85%	6.12%
Blenheim Vicinity – Homestay/Farmstay	18.18%	16.94%	14.13%
Blenheim Vicinity - Total	10.03%	37.58%	16.15%
Picton - Residential/Rural	50.21%	25.47%	(3.21%)
Picton - Commercial/Industrial	11.03%	7.12%	2.62%
Picton – Homestay/Farmstay	71.65%	28.38%	(3.73%)

	14.08.20	1.07.17	1.07.14
Picton - Total	43.50%	21.88%	(2.13%)
Picton Vicinity - Residential/Rural	32.11%	7.41%	(8.58%)
Picton Vicinity - Commercial/Industrial	11.52%	1.71%	(1.06%)
Picton Vicinity – Homestay/Farmstay	15.22%	-	(0.00%)
Picton Vicinity - Total	31.43%	7.23%	(8.34%)
General Rural - Residential/Rural	28.93%	16.57%	2.63%
General Rural - Commercial/Industrial	10.76%	6.63%	(10.72%)
General Rural – Homestay/Farmstay	22.11%	4.03%	(11.66%)
General Rural - Total	28.68%	16.42%	2.40%
Sounds Admin Rural - Residential/Rural	11.96%	(0.43%)	(16.23%)
Sounds Admin Rural - Commercial/Industrial	14.03%	0.06%	(16.14%)
Sounds Admin Rural – Homestay/Farmstay	14.89%	0.0%	(25.40%)
Sounds Admin Rural - Total	12.01%	(0.41%)	(16.24%)
Utilities Total	0.00%	0.00%	0.00%
District-wide - Residential/Rural	25.61%	22.03%	6.24%
District-wide - Commercial/Industrial	14.65%	13.68%	4.72%
District-wide – Homestay/Farmstay	23.17%	14.44%	4.93%

	14.08.20	1.07.17	1.07.14
Utilities	0.00%	0.00%	0.00%
District-wide - Total	24.98%	21.45%	6.13%

The following is a summary of the 2020 revaluation movements for each of Council's geographic and differential rating areas:

Rating Area	Average Land Value Movement	Average Capital Value Movement
Blenheim Residential/Rural	41.12%	24.63%
Blenheim Commercial/Industrial	13.84%	10.77%
Blenheim – Homestay/Farmstay	41.12%	23.81%
Blenheim Vicinity – Residential/Rural	9.64%	2.38%
Blenheim Vicinity – Commercial/Industrial	25.87%	8.67%
Blenheim Vicinity – Homestay/Farmstay	18.18%	12.05%
Picton Residential/Rural	50.21%	23.35%
Picton Commercial/Industrial	11.03%	2.58%
Picton – Homestay/Farmstay	71.65%	22.38%
Picton Vicinity – Residential/Rural	32.11%	21.19%
Picton Vicinity – Commercial/Industrial	11.52%	8.38%
Picton Vicinity – Homestay/Farmstay	15.22%	14.77%
General Rural Residential/Rural	28.92%	21.97%
General Rural Commercial/Industrial	10.76%	8.04%
General Rural Homestay/Farmstay	22.11%	1.20%
Sounds Admin Rural Residential/Rural	11.96%	16.86%
Sounds Admin Rural Commercial/Industrial	14.03%	7.36%
Sounds Admin Rural –	11.96%	15.12%

Rating Area	Average Land Value Movement	Average Capital Value Movement
Homestay/Farmstay		
Utilities	0.00%	8.14%
District-wide - Total	24.98%	15.21%

The previous Capital Value revaluation movement as at 1 July 2017 was 25.64% and as at 1 July 2014 was 9.61%.

The following is a summary of the Capital Value percentage increase (decrease) movements for each of the Wairau Valley River and Kenepuru Road rating areas:

	14.08.20	1.07.17	1.07.14
Wairau Valley River Class A Rate	6.11%	45.17%	23.28%
Wairau Valley River Class B Rate	2.66%	36.09%	23.37%
Wairau Valley River Class C Rate	6.44%	33.69%	18.76%
Wairau Valley River Class D Rate	8.12%	33.59%	21.69%
Wairau Valley River Rural Urban 1 Rate	20.33%	20.29%	3.07%
Wairau Valley River Rural Urban 2 Rate	22.33%	25.48%	3.36%
Wairau Valley River Blenheim Urban 1 Rate	21.03%	21.30%	4.42%
Wairau Valley River Blenheim Urban 2 Rate	25.19%	25.43%	4.15%
Wairau Valley River Blenheim Urban 3 Rate	25.42%	24.96%	3.99%
Wairau Valley River Blenheim Urban 4 Rate	24.36%	24.48%	3.45%
Kenepuru Road Rate	20.83%	9.10%	(12.02%)

The next revaluation of the District will be released in September 2023.

Valuation changes prior to 2023 will only relate to property subdivisions, new improvements, and any alterations to the 14 August 2020 revaluation which are approved by Quotable Value Ltd or the Land Valuation Tribunal (as a result of revaluation objections lodged prior to 5 February 2021).

With a district-wide revaluation there is no direct relationship between valuation movements and rates movements.

A revaluation of the District does not increase Council's rating income, but it does redistribute the incidence of valuation based rates between individual ratepayers. This means that even if Council were to levy the same amount in total for the year following a revaluation, some ratepayers will have rate increases, while others will have rate decreases.

Rates levied on a uniform charge basis (eg; refuse and recycling charges) are unaffected by a district-wide revaluation. The only factors responsible for increasing rates on an individual property are:

- If an individual's property value increases by more than the average increase for their geographic rating area.
- If an individual's property value decreases by less than the average decrease for their geographic rating area.

- If an individual's property value alters as a result of new improvements being added (only affects rates levied on a capital value basis).
- If the property changes its eligibility for separate service rates/charges (eg; it now qualifies for sewerage, refuse and recycling etc).
- If Council amends its Revenue and Financing Policy. Council amended its Revenue and Financing Policy in accordance with that proposed in its 2021-31 Long Term Plan Consultation Document.

If Council increases its rating income requirement through the Annual Plan process.

Rates Movements 2021-31

Total Rates and Charges for 21-22 are estimated at \$75,892,869 (GST exclusive). This represents an increase of \$3,648,378 (5.1%) on last year's levy.

The rating effect will be different for individual properties because of the varying effects of the recent district-wide revaluation; 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.

Significant contributors to the overall rates increase are as follows:		
General Rates and Charges		
General Revenues	\$891,569	Decreased funding from the General Revenues Account following the reduction in the interest rate assumption from 4.5% to 4%.
Community Facilities	\$1,364,036	Increase in street trees and street plot costs due to increased transport management plan requirements and additional contract maintenance costs. Additional costs for reserves due to additional facilities or increased use of facilities.
Environmental Management	\$770,302	Additional resources are required for environmental review to keep pace with government (National policy and environmental statements) and the community demand for quality environmental data and monitoring to position Council well for the future.
Environment Policy	\$629,988	Increase in strategic planning resources and legal costs for environment plan appeals.
Flood Protection	\$453,986	Increased operating costs due to the increased river bank length required to be maintained and also the increased cost of a number of contracts.
Library	\$275,470	A decrease in personnel costs was budgeted last year due to COVID-19, which have now been returned to the budget.
Building Control	\$256,043	Last year it was expected that building consents would decrease due to COVID-19 which had a reduction in this budget. The effect of these reductions has now been removed as there has been little reduction in activity levels.
General Roothing and Footpaths	\$250,144	The main increases are additional traffic management costs and increased sealed pavement maintenance costs. Due to a likely decrease in Waka Kotahi subsidy funding, strategies will be implemented to achieve the current level of service with the available funding.

Significant contributors to the overall rates increase are as follows:

General Rates and Charges		
Storm Water	\$232,816	There has been an increase in depreciation costs due to additional assets. Increased costs as laboratory samples are now necessary to meet the new Springlands Stormwater management area resource consent.
Regional Development	\$212,010	An increase in commercial events was previously agreed. Increase support for the technology, food and screen sectors. Small increase in infrastructure costs for the Southern Valley Irrigation scheme.
Harbours	\$197,909	Increased depreciation costs due to the new Harbour incident management system and new boat.
COVID-19 Rates Relief Reserve	(\$4,000,000)	Allocated funds from the newly established COVID-19 Rates Relief Reserve.
Targeted Rates and Charges		
Combined Water	\$1,094,277	The main increase is due to an increase in maintenance costs. Mains, Connection and Toby Maintenance costs have all increased by over 40% due to most jobs being in the road corridor with the associated increase in traffic management compliance costs. Treatment costs have also increased by over 40%. Other infrastructure costs have increased in line with last year's actual costs.
Awatere & Riverlands Water Supplies	\$75,327	Additional costs due to the Riverlands new water treatment plant.

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. For each Benchmark Property the proposed rates for the 2021-22 year are shown below along with the resulting percentage movement.

Benchmark Property	Current Land Value	Revaluation	Land Value % Movement	2020-21 Total Rates and Charges	Valuation Change Impact	2021-22 Cost Impact	2021-22 Total Rates and Charges	Dollar Increase/Decrease on 2020-21	% Change
01-Blenheim Residential	200,000	280,000	40.0%	2,729	84	173	2,985	257	9.4%
02-Blenheim Residential	185,000	270,000	45.9%	2,735	113	175	3,023	288	10.5%
03-Blenheim Residential	225,000	300,000	33.3%	2,876	31	180	3,087	212	7.4%
04-Blenheim Residential	225,000	315,000	40.0%	3,068	85	207	3,360	292	9.5%
05-Blenheim Residential	195,000	295,000	51.3%	2,845	156	182	3,183	338	11.9%
06-Blenheim Vacant Section	200,000	280,000	40.0%	2,266	96	125	2,487	221	9.8%
07-Blenheim Commercial	134,000	134,000	0.0%	3,525	-383	206	3,348	-177	-5.0%
08-Blenheim Commercial	425,000	425,000	0.0%	7,406	-1,155	310	6,560	-845	-11.4%
09-Picton Residential	135,000	220,000	63.0%	2,805	211	114	3,130	325	11.6%
10-Picton Residential	200,000	270,000	35.0%	3,242	33	110	3,385	143	4.4%
11-Picton Vacant Section	129,000	180,000	39.5%	2,194	51	51	2,296	101	4.6%
12-Picton Commercial	290,000	305,000	5.2%	4,789	-535	95	4,349	-440	-9.2%
13-Picton Motels (19 units)	485,000	730,000	50.5%	7,032	1,077	132	8,241	1,208	17.2%
14-Blenheim Vicinity	1,540,000	1,460,000	-5.2%	7,732	-1,376	516	6,872	-860	-11.1%
15-Blenheim Vicinity	1,000,000	950,000	-5.0%	5,171	-885	120	4,405	-766	-14.8%
16-Blenheim Vicinity	7,530,000	9,540,000	26.7%	30,625	-5	2,440	33,059	2,434	7.9%

Benchmark Property	Current Land Value	Revaluation	Land Value % Movement	2020-21 Total Rates and Charges	Valuation Change Impact	2021-22 Cost Impact	2021-22 Total Rates and Charges	Dollar Increase/Decrease on 2020-21	% Change
17-Blenheim Vicinity	2,050,000	2,010,000	-2.0%	9,143	-842	582	8,883	-260	-2.8%
18-Blenheim Vicinity	7,440,000	9,100,000	22.3%	30,262	1,118	1,464	32,844	2,582	8.5%
19-Renwick Residential	175,000	240,000	37.1%	2,525	48	-186	2,387	-138	-5.5%
20-Renwick Residential	170,000	235,000	38.2%	2,557	62	-190	2,429	-127	-5.0%
21-Spring Creek Residential	170,000	230,000	35.3%	1,935	30	88	2,053	118	6.1%
22-Grovetown Residential	225,000	370,000	64.4%	3,041	276	49	3,366	325	10.7%
23-Grovetown Residential	180,000	320,000	77.8%	2,617	363	45	3,025	408	15.6%
24-Rarangi Residential	290,000	365,000	25.9%	1,646	13	64	1,723	77	4.7%
25-Picton Vicinity	1,570,000	1,790,000	14.0%	5,347	-370	380	5,356	9	0.2%
26-Ngakuta Bay - bach	155,000	235,000	51.6%	1,156	87	21	1,264	108	9.3%
27-General Rural - French Pass	1,820,000	2,010,000	10.4%	6,169	-687	261	5,743	-426	-6.9%
28-General Rural - Manaroa	4,070,000	4,360,000	7.1%	14,370	-2,032	584	12,921	-1,449	-10.1%
29-General Rural - Opouri Valley	2,930,000	2,780,000	-5.1%	9,435	-2,258	416	7,593	-1,843	-19.5%
30-General Rural - on Awatere Water	1,750,000	2,130,000	21.7%	6,608	-161	401	6,848	240	3.6%
31-Havelock Residential	178,000	205,000	15.2%	2,278	-108	-133	2,037	-241	-10.6%
32-Seddon Residential	99,000	134,000	35.4%	3,277	13	108	3,398	121	3.7%
33-Wairau Valley Township Residential	150,000	260,000	73.3%	2,381	177	44	2,602	221	9.3%
34-Sounds Admin Rural - farm	4,900,000	5,350,000	9.2%	8,467	-1,011	673	8,129	-338	-4.0%
35-Sounds Admin Rural - bach	165,000	190,000	15.2%	695	-23	25	697	2	0.3%
36-Sounds Admin Rural - bach	270,000	320,000	18.5%	852	-24	40	867	15	1.8%

Rate and Charges by Rate type (\$000's)

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by Rate type: (inflation adjusted using Business and Economic Research Ltd's indices)

	2021.22 - Yr1	2022.23 - Yr2	2023.24 - Yr3	2024.25 - Yr4	2025.26 - Yr5	2026.27 - Yr6	2027.28 - Yr7	2028.29 - Yr8	2029.30 - Yr9	2030.31 - Yr10
Gen Type Rates & Charges										
Blenheim Res/Rural	7,810	8,241	8,597	9,637	9,978	10,327	10,812	11,380	11,918	12,201
Blenheim Com/Ind	3,589	3,893	4,083	4,659	4,885	5,123	5,375	5,669	5,927	6,097
Blenheim UAC	9,753	10,164	10,705	11,920	12,369	12,669	12,959	13,376	13,765	14,028
Blenheim Geo Area	21,153	22,297	23,385	26,217	27,232	28,119	29,146	30,425	31,610	32,325
Blenheim Vicinity Res/Rural	6,824	7,208	7,595	8,447	8,738	9,033	9,347	9,619	9,949	10,189
Blenheim Vicinity Com/Ind	358	390	404	452	466	480	494	508	523	531
Blenheim Vicinity UAC	2,748	2,874	3,032	3,372	3,500	3,582	3,660	3,759	3,839	3,890
Blenheim Vicinity Geo Area	9,931	10,472	11,031	12,271	12,704	13,095	13,501	13,885	14,310	14,610
Picton Res/Rural	2,112	2,230	2,318	2,617	2,690	2,788	2,884	2,974	3,071	3,149
Picton Com/Ind	630	675	697	783	806	831	857	881	907	925
Picton UAC	2,184	2,271	2,406	2,675	2,796	2,837	2,910	2,997	3,072	3,141
Picton Geo Area	4,926	5,176	5,420	6,075	6,292	6,456	6,651	6,851	7,050	7,215
Picton Vicinity Res/Rural	420	443	461	517	534	552	570	586	605	618
Picton Vicinity Com/Ind	23	25	25	28	29	30	31	32	33	33
Picton Vicinity UAC	326	339	360	397	414	422	433	446	457	465
Picton Vicinity Geo Area	769	807	846	943	978	1,003	1,034	1,063	1,095	1,116
General Rural Res/Rural	7,752	8,153	8,500	9,530	9,851	10,170	10,506	10,809	11,184	11,428
General Rural Com/Ind	153	165	170	191	197	203	209	215	221	225
General Rural UAC	2,714	2,898	3,094	3,434	3,566	3,648	3,715	3,823	3,922	3,974
General Rural Geo Area	10,618	11,216	11,764	13,155	13,614	14,021	14,430	14,848	15,328	15,626
Sounds Admin Rural Res/Rural	459	485	503	563	579	596	615	629	649	659
Sounds Admin Rural Com/Ind	21	23	23	26	27	28	28	29	30	30
Sounds Admin Rural UAC	568	600	629	697	724	740	752	774	795	803
Sounds Admin Rural Geo Area	1,048	1,107	1,156	1,286	1,330	1,363	1,395	1,433	1,474	1,493
Gen Type Rates & Charges	48,445	51,075	53,603	59,947	62,150	64,057	66,157	68,504	70,867	72,385

	2021.22 - Yr1	2022.23 - Yr2	2023.24 - Yr3	2024.25 - Yr4	2025.26 - Yr5	2026.27 - Yr6	2027.28 - Yr7	2028.29 - Yr8	2029.30 - Yr9	2030.31 - Yr10
Roading Rates & Charges										
French Pass	28	28	28	28	28	28	28	28	28	28
Keneperu	35	35	35	35	35	35	35	35	35	35
Roading Rates & Charges	63	63	63	63	63	63	63	63	63	63
Wairau Valley River Works Rates										
Wairau Valley River Works Rates	4,627	5,012	5,412	5,677	5,991	6,325	6,617	6,929	7,251	7,557
Sewerage Rates / Charges										
Combined Sewerage Scheme Rates & Charges	8,566	9,104	9,750	10,698	11,722	12,967	14,091	15,040	15,831	16,364
Groveton Sewerage	80	80	80	80	80	80	80	80	80	80
Renwick Sewerage	30	30	30	30	9	-	-	-	-	-
St Andrews Sewerage	-	-	65	66	67	67	68	64	64	64
Sewerage Rates / Charges	8,677	9,215	9,925	10,875	11,878	13,114	14,239	15,184	15,976	16,509
Water Supply Rates & Charges										
Combined Water Scheme	8,844	9,273	9,467	9,813	10,465	11,366	12,230	12,658	13,623	14,880
Awatere Water	866	906	964	1,089	1,074	915	937	972	1,009	1,045
Flaxbourne Irrigation	1	179	275	281	1,407	1,560	1,569	1,580	1,590	1,600
Riverlands Water	465	971	1,433	1,517	1,514	1,511	1,508	1,505	1,503	1,498
Southern Valleys' Irrigation	1,569	1,592	1,620	1,638	1,658	1,419	767	792	819	843
Water Supply Rates & Charges	11,745	12,920	13,758	14,338	16,118	16,771	17,012	17,507	18,544	19,866
Refuse & Kerb Recycling Collection										
Refuse & Kerb Recycling Collection	1,451	1,504	1,564	1,624	1,668	1,714	1,765	1,802	1,842	1,897
Miscellaneous rates										
Tourism Charge	187	190	193	196	200	204	208	213	218	223
Energy Efficiency Rate	592	686	753	837	872	936	978	994	1,021	1,020
Landscape	4	4	5	5	5	5	5	5	6	6
Pool Inspection	99	101	102	104	106	108	110	113	115	118
Miscellaneous rates	882	981	1,054	1,142	1,183	1,253	1,301	1,325	1,360	1,366
Agency										
Tua Marina Hall/Waikakaho Charge	2	2	2	2	2	2	2	2	2	2
Agency	2	2	2	2	2	2	2	2	2	2
TOTAL RATES & CHARGES	75,893	80,772	85,381	93,668	99,054	103,300	107,156	111,318	115,906	119,645

Rates and Charges – By Activity

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by Activity: (inflation adjusted using Business and Economic Research Ltd's indices).

Rates and Charges by Activity Group (\$000's)												
Group		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
People	Democratic Process	3,069	3,284	3,422	3,687	3,871	3,993	3,972	4,174	4,317	4,293	
	Arts	704	756	836	915	923	930	937	943	950	956	
	Heritage	473	475	481	526	530	534	537	541	544	545	
	Community Safety	125	132	147	165	171	176	183	187	191	196	
	Community Support	742	745	757	831	840	849	857	866	875	883	
	Events Management	198	204	210	235	241	247	254	260	267	274	
	Smart + Connected Communities	145	151	156	174	179	185	190	195	201	206	
	Energy Efficiency	592	686	753	837	872	936	978	994	1,021	1,020	
	Recreation	-	-	-	-	-	-	-	-	-	-	-
	Passenger Transport	171	186	184	206	214	220	224	233	239	242	
	Library Services	2,426	2,439	2,679	2,936	3,066	3,146	3,199	3,292	3,431	3,533	
	Emergency Management	625	645	667	743	762	785	805	829	853	875	
Community Facilities	Cemeteries	327	335	333	387	396	404	412	422	432	435	
	Memorials	142	144	140	179	162	163	155	177	197	214	
	Street berms, trees and plots	767	801	837	926	961	978	1,013	1,032	1,070	1,097	
	Halls	423	434	515	492	502	512	521	532	556	552	
	Public Conveniences	1,157	1,287	1,382	1,569	1,616	1,642	1,665	1,694	1,723	1,748	
	Reserves	6,433	6,630	7,037	7,956	8,371	8,473	8,800	9,081	9,288	9,571	
	Swimming Pools	1,441	1,524	1,610	1,794	1,844	1,893	1,940	1,994	2,051	2,105	
Roads and footpaths	10,650	11,304	11,938	13,573	14,182	14,869	15,451	16,090	16,711	17,325		

Rates and Charges by Activity Group (\$000's)											
Group		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Flood protection	River Leases	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)
	Rivers Outside Wairau Floodplain	288	296	305	338	347	355	364	374	381	377
	Wairau Floodplain Drainage	1,352	1,561	1,771	1,877	1,943	2,009	2,081	2,152	2,210	2,266
	Wairau Floodplain Rivers	3,422	3,598	3,788	3,947	4,195	4,463	4,682	4,925	5,188	5,437
Sewerage - Combined		8,677	9,215	9,925	10,875	11,878	13,114	14,239	15,184	15,976	16,509
Stormwater	Blenheim	1,546	1,657	1,752	1,984	2,074	2,173	2,416	2,876	3,191	3,283
	Other	618	649	677	775	787	821	854	888	923	958
Water	Combined	8,844	9,273	9,467	9,813	10,465	11,366	12,230	12,658	13,623	14,880
	Awatere Rural (POE)	866	906	964	1,089	1,074	915	937	972	1,009	1,045
	Riverlands	465	971	1,433	1,517	1,514	1,511	1,508	1,505	1,503	1,498
Waste	Landfills	98	102	106	118	122	125	129	134	138	142
	Refuse Collections	1,451	1,504	1,564	1,624	1,668	1,714	1,765	1,802	1,842	1,897
	Transfer Stations	447	479	495	551	568	583	600	618	637	653
	Waste Minimisation	933	967	994	1,106	1,127	1,156	1,188	1,224	1,243	1,256
Environmental Management	Environmental Policy	1,666	1,643	1,689	1,891	1,951	2,011	2,071	2,136	2,202	2,268
	Environmental Science and Monitoring	4,786	5,305	5,479	6,137	6,341	6,541	6,736	6,771	6,968	6,920
	Environmental Protection	948	987	957	1,050	1,084	1,122	1,158	1,200	1,240	1,281
	Resource Consents	1,215	1,269	1,323	1,475	1,506	1,577	1,646	1,626	1,672	1,663

Rates and Charges by Activity Group (\$000's)											
Group		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Regulatory	Building Control	792	828	906	982	1,040	1,054	1,131	1,156	1,210	1,260
	LIMs	46	50	54	61	62	65	68	71	75	78
	Environmental Health	195	203	214	239	249	258	268	278	289	299
	Biosecurity	1,544	1,602	1,659	1,843	1,912	1,967	2,028	2,090	2,157	2,217
	Dog Control	129	133	138	153	157	162	166	170	173	177
	Other Animal Control	16	17	17	19	20	20	21	21	22	22
	Harbours	1,179	1,216	1,270	1,408	1,382	1,409	1,474	1,541	1,590	1,598
Regional Development	Economic Development	964	1,158	1,171	1,308	1,347	1,384	1,421	1,460	1,500	1,540
	Marketing and Tourism	1,065	1,087	1,113	1,230	1,257	1,284	1,310	1,339	1,366	1,345
	Research Centre	268	274	280	310	317	324	331	338	346	353
	Irrigation Schemes	1,570	1,771	1,895	1,920	3,065	2,980	2,337	2,372	2,409	2,443
	Parking	36	36	36	43	44	44	49	49	49	54
Agency rates	2	2	2	2	2	2	2	2	2	2	
Total Rates and Charges		75,893	80,773	85,381	93,668	99,054	103,300	107,156	111,318	115,906	119,645

Part 5:

Policies





Revenue and Financing Policy

Revenue and Financing Policy

1. The Revenue and Financing Policy provides a summary of Council's funding policies in respect of both operating expenses and capital expenditures. Council reviews its funding policy at least every three years. The last review was completed prior to the initiation of the 2021-31 Long Term Plan (LTP), and changes adopted are detailed in paragraph 14.
2. Sources of funds available to Council are as follows:
 - General rates.
 - Targeted rates.
 - Lump sum contributions.
 - Fees and charges.
 - Interest and dividends from investments.
 - Borrowing.
 - Proceeds from asset sales.
 - Development contributions.
 - Financial contributions.
 - Grants and subsidies.
 - Regional Fuel Taxes
 - Other sources permitted by statute.
3. Council's Revenue and Expenditure Policy deals with the revenue and financing mechanisms at a "Sub-Activity" level. Sub-Activities are a sub-set of "Activities", which in turn are a sub-set of "Activity Groups" using two examples:

1. *One of Council's Activity Groups is "People".
One of People's Activities is "Community Support".
One of Community Support's Sub-Activities is "Grants and Donations".*
2. *One of Council's Activity Groups is "Community Facilities".
One of Community Facilities' Activities is "Reserves".*
4. In determining which funding sources were appropriate, Council gave consideration to the following matters in relation to each activity to be funded:
 - How Activities contribute Current/Future Social, Economic, Environmental and Cultural Well- Being of the Community (8.1);
 - The community outcomes to which the Activity primarily contributes (8.2);
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (8.3);
 - The period in or over which those benefits are expected to occur (8.4);
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (8.5);
 - The costs and benefits, including consequences, for transparency and accountability, of funding the activity distinctly from other activities (8.6); and
 - The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
5. Prior to determining the "Residual amount to be funded by General-type Rates", Council identified all other funding sources appropriate to each activity. These other sources, and the

approach taken by Council are listed in Tables 9.1 Operating Expenditure and 9.2 Capital Expenditure, which highlight the funding sources for every Council activity and any sub-activity which may exist.

The table in paragraph 10 illustrates how the residual rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made for the revenue sources identified Tables 9.1 and 9.2 and having given consideration to the matters in paragraph 8.

Council believes that its use of these rating tools will fair and equitable funding result for each Activity.

Fees and Charges

These have been set at a level to recover private benefits where it is practical and economic to do so, unless there have been determinations arising from previous funding reviews to fund all or part of such benefits from rates as is the case for Libraries.

Grants and Subsidies

These are sought and applied for whenever they are available.

General Revenues

These are allocated to Geographic Rating Areas in proportion to the gross general-type rates and charges applicable to those Areas .

General-Type Targeted Rates and Charges

The proportion of each activity's costs to be met from general-type targeted rates and charges is detailed in Table 9. The allocations in that table reflect Council's assessment of the benefits which should be funded by land value rates, and the benefits which should be funded by uniform annual charge. In these instances Council believes separate general targeted rates and charges are the most equitable funding mechanism based on the benefits assessed for each targeted geographic area.

Separate differential categories are utilised for general-type rates and charges, and these are specified in each year's Funding Impact Statement. Council currently has six geographic areas and three categories of land use for each of these areas.

Separate Targeted Rates and Charges

Targeted rates and charges are levied to meet the full cost of water and sewerage schemes, refuse and recycling collections, defined roading improvements, Wairau River catchment flood protection works, defined marketing and tourism activities and for other services where Council has been requested to levy such rates. In these instances Council believe separate targeted rates are the most equitable funding mechanism based on the benefits assessed for the targeted area.

Council has adopted differential land value rates to fund the debt servicing requirement of the Combined sewerage and water schemes, which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge for the Combined sewerage scheme and a differential uniform annual charge for the Combined Water Scheme. The most significant benefits derived from these combined single sewerage and water funding schemes are a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

Council has adopted differential capital value rates to fund Wairau River catchment flood protection works.

Note:

The combined sewerage and water rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

6. The following explanations will give readers an understanding of terminology used in this policy statement. Unless otherwise specified, the term:

- 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 are rates that are targeted to a particular area of benefit. e.g. 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, or 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.
- Separate targeted Charges are charges that are targeted to a particular area of benefit e.g. Water, Sewerage.
- Land values, capital values or rating units refers to rateable land values, rateable capital values or rateable rating units as the case may be.
- Residual Rate Funding Percentages refer to the residual amount to be funded, after allowance for sources of funds other than rates.
- Funding relationship weightings refer to a methodology for allocating the various general-type rates and charges where the highest weighting is always expressed as 100.

- Where a weighting shows as zero, there is no contribution from that area. Where a weighting shows as a number between zero and 100 (e.g. 85), that area will pay a rate or uniform charge (as the case may be) of 85% of any area that has a weighting of 100.
- If all areas have a weighting of 100, the rate in the dollar or uniform charge (as the case may be) will be the same for all areas.

Separately used or inhabited part of a rating unit (SUIP)

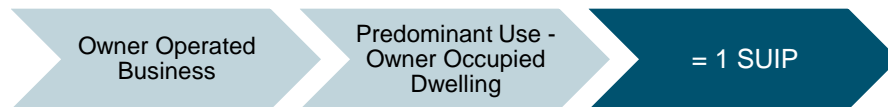
A SUIP includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. It includes separately used parts, whether or not actually occupied at any particular time, which are 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'.

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.

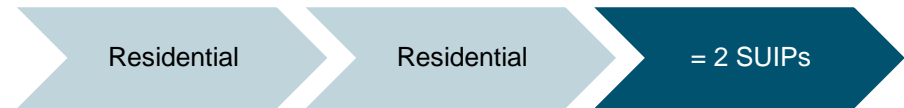


- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

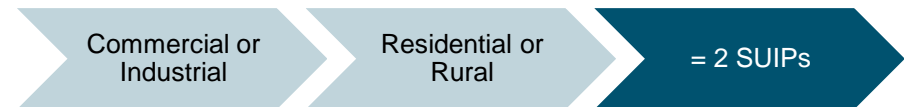


Examples of the application of the definition

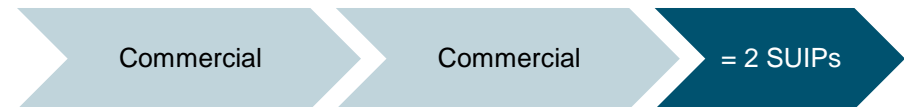
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



- 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.



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



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 irrespective of whether a profit is actually made, 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, i.e. 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.

Property Valuation System

7. Independent property valuations are provided to Council, under contract, by Quotable Value Ltd. The Marlborough District was last revalued on 15 August 2020 and the new values apply from the 2021-22 rating year.

Compliance with Financial Management Requirements

8. The "Activities" that comprise the eleven "Activity Groups" of People, Community Facilities, Roads and Footpaths, Flood Protection and Control, Sewerage, Stormwater Drainage, Water Supply, Solid Waste Management, Environmental Management, Regulatory and Regional Development are listed in the following tables together with a summary of Council's consideration of whether activities contribute to the four well beings contained in the Local Government Act 2002 and Council's outcomes in the table below.

8.1 Overall Impact on Current/Future Social, Economic, Environmental and Cultural Well- Being of the Community:

Democratic Process	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective decision making and leadership for the community, and through effective public information.
Culture and Heritage	The overall impact is significant in terms of promoting cultural enrichment, and giving residents the opportunity to gain valuable knowledge of their heritage.
Housing for Seniors	Significant impact on the social well-being of the community through the provision of Senior Housing.
Community Support	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of promoting cultural enrichment and opportunities for residents to participate in community life. The health and wellbeing of the community benefits from energy efficiency initiatives.
Library Services	The provision of libraries contributes to the economic, social and cultural well-being of the community by providing individuals with the opportunity to enhance learning and contributes to the wellbeing of the community.
Emergency Management	Significant impact on the social, economic, cultural and environmental well-being of the community through maintaining readiness to respond to adverse events, and assisting with the health, safety and well-being of the community.
Community Facilities	Significant impact on the social, economic and cultural well-being of the community, in terms of promoting recreation and cultural enrichment and opportunities for residents to be involved in community life.
Roads and Footpaths	An efficient road transport network has a significant impact on the social, economic and environmental well-being of the community by enabling the efficient movement of people and goods.
Flood Protection and Control	Adequate river protection has a significant impact on the social, economic and environmental wellbeing of the community by minimising the likelihood and potential damage from significant flood events.
Sewerage	Significant positive impact on the social, economic and environmental wellbeing of the community. Treatment and disposal will protect the health of the community and the environment from adverse effects of untreated or uncontrolled effluent disposal.
Stormwater Drainage	An adequate drainage system has a significant impact on the social, economic and environmental well-being of the community by minimising the likelihood and potential damage of significant rainfall events.
Water Supply	Water is a necessity of life and the supply of water has a significant impact on the social, economic and environmental well-being of the community.
Solid Waste Management	An adequate refuse collection and disposal system has a significant impact on the social, economic and environmental well-being of the community by protecting the health of the community and the environment through the effective collection and treatment of Solid Waste, including recycling.

Environmental Policy	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community through the development and maintenance of the Marlborough Environment Plan.
Environmental Science and Monitoring	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community by providing robust science to inform the development of Environmental Policy.
Resource Consents	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing in accordance with the provisions of the Marlborough Environment Plan.
Environmental Protection	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance with the conditions contained in Resource Consents.
Biosecurity	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community as pests have the potential to severely impact Marlborough's largely land and water based industries.
Building Control	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance with building industry codes of practise.
Environmental Health	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance with food and alcohol legislative requirements in particular.
Animal Control	The diligent policing of this activity has a significant impact on the social and economic, well-being of the community.
Harbours	Significant impact on the social, economic and environmental well-being of users by promoting the safe use and passage of people and goods in Marlborough's extensive waterways.
Regional Development	Significant impact on the social, economic, cultural and environmental well-being of the community through the promotion of the Marlborough economy and the provision of irrigation and CBD parking.

8.2 Community Outcomes to which Activities Contribute:

Council Activities Community Outcomes	Governance	Environment	People	Economy	Connectivity	Living
Democratic Process	✓	✓	✓	✓	✓	✓
Culture and Heritage	✓		✓	✓		✓
Housing for Seniors	✓		✓		✓	✓
Community Support	✓	✓	✓		✓	✓
Library Services	✓		✓	✓	✓	✓
Emergency Management	✓	✓	✓	✓		✓
Community Facilities	✓	✓	✓	✓	✓	✓
The Provision of Roads and Footpaths		✓	✓	✓	✓	✓
Flood Protection and Control Works		✓	✓	✓	✓	✓
Sewerage Including Treatment and Disposal		✓	✓	✓		✓
Stormwater Drainage		✓	✓	✓		✓
Water Supply		✓	✓	✓		✓
Solid Waste Management		✓	✓	✓	✓	✓
Environmental Policy	✓	✓	✓	✓	✓	✓
Environmental Science and Monitoring	✓	✓	✓	✓		✓
Resource Consents	✓	✓		✓		✓
Environmental Protection	✓	✓	✓	✓		✓
Biosecurity		✓	✓	✓		✓
Building Control		✓		✓		✓
Environmental Health	✓		✓	✓		✓
Animal Control	✓	✓	✓		✓	✓
Harbours	✓	✓	✓	✓	✓	✓
Regional Development	✓	✓	✓	✓	✓	✓

8.3 Distribution of Benefits

Group	Activity	District-wide	Targeted area	Individuals
People	Democratic Process	100%		
	Culture and Heritage	100%		
	Housing for Seniors			100%
	Community Support			
	<ul style="list-style-type: none"> • Community Support and Development • Events Management • Energy Efficiency • Passenger Transport • Smart and Connected Communities 	100%		
		100%		100%
		10%	50%	50%
		90%		
	Library Services	20%		80%
	Emergency Management	100%		
	Community Facilities	50%	50%	
	Roads and Footpaths	100%		
	Flood Protection and Control	20%	80%	
	Sewerage		100%	
	Stormwater Drainage		100%	
	Water Supply		100%	
	Solid Waste Management	15%	15%	70%

Environmental Management	Environmental Policy	100%		
	Environmental Science and Monitoring	100%		
	Resource Consents	40%		60%
	Environmental Protection	40%		60%
Regulatory	Biosecurity	80%	20%	
	Building Control	20%		80%
	Environmental Health	40%		60%
	Animal Control	20%		80%
	Harbours	10%	50%	40%
Regional Development	Regional Development			
	• Economic Development	80%	20%	
	• Marketing and Tourism	70%		30%
	• Research Centre	100%		
	• Commercial Events	100%		
	• Irrigation			100%
	• CBD Parking*			100%
• Business Improvement District		100%		

*Previously funded 80% individual and 20% rates. Council decision of 18 November 2014 decided that the parking account would be self-funding and that no rate payer subsidy would apply

8.4 The period in or over which those benefits are expected to occur

Benefits are expected to occur for at least the duration of the 10 year Plan. However, many benefits, particularly in the infrastructure intensive Activities such as Roads and Footpaths, Flood Protection and Control, Sewerage, Stormwater Drainage, Water Supply and Solid Waste Management will last for generations. To better match the time over which benefits are generated with who pays, Council may use debt as one means of achieving this.

8.5 Extent to which the Actions or Inaction of Particular Individuals or a Group Contribute to the Need to Undertake the Activity.

Democratic Process	Ratepayers and residents are becoming increasingly interested in Council's activities and wanting to become better informed and involved in Council decision making.
Culture and Heritage	All residents benefit from these activities as arts and culture are essential to the health and well-being of society. Also, a strong community needs to be knowledgeable of its heritage and past achievements to help guide its future.
Housing for Seniors	The social and economic position of some seniors creates the need for Senior Housing.
Community Support	This Activity is very diverse in that it enables the community demand to access a broad range of recreational, arts, cultural, social opportunities, passenger transport (including Total Mobility) and energy efficiency financial assistance.
Library Services	The library is often view as one of the cornerstones of society. As such the demand to have a well-resourced functioning library comes from right across the community, because of the opportunity it creates to develop a lifestyle that enhances learning and creates recreational, cultural and social opportunities.
Emergency Management	Regional and national communities need an emergency response capability; knowledge of hazards; and measures to mitigate and contain harmful effects to minimise the damage to the community and speed recovery. Also, individual users need hazard information to provide knowledge of hazards that directly affect them and learn how to mitigate the effects.
Community Facilities	As leisure time availability and the diversity of sport and other recreational activities increases there is demand on Council to provide facilities to enable residents to participate and enjoy those activities.
Roads and Footpaths	Users of the roading network create the need for further development and maintenance of the networks from the number of trips that are made and which type of vehicle is used. Light vehicles typically create the need for network capacity, while heavy vehicles create the need for road strength and much of the network's maintenance. There are also requests to further extend Marlborough's sealed road network. In this case the area of benefit will typically make a contribution to those works.
Flood Protection and Control	Ratepayers have invested heavily in the land, buildings and other developments they own. They want the value in those assets, human life and community access to be protected from flood events. As rain falls across Marlborough and ultimately finishes in the river systems, all property owners are contributing to varying degrees the water volumes in rivers and potential to flood. There is also a desire from residents to preserve or enhance the environment and amenity values of river corridors.
Sewerage	People who are connected to sewer schemes are creating the need for the Council to collect and treat sewerage to protect public health and minimise the environmental damage to the District's waterways. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.
Stormwater Drainage	Owners of developed properties require that there are systems for the collection and disposal of stormwater. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.

Water Supply	People connected to water schemes are creating the need for the Council to undertake work relating to the availability of potable water. It is considered appropriate for these people to fund the work through targeted rates. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.
Solid Waste Management	Council provides waste management services for public health reasons and to protect the environment. Benefits apply directly to those who are in an area which has kerbside refuse or kerbside refuse and recycling collection services. The Council considers that properties that receive, or will receive, a waste collection service should be responsible for funding expenditure relating to collection and those that dispose of refuse at the transfer stations should pay a disposal fee.
Environmental Policy	The whole Community needs sound policy development, reviews and planning to enable the sustainable management of the District's resources.
Environmental Science and Monitoring	The Community is the primary beneficiary of this activity as the information collected provides the basis for monitoring and reporting, sound policy development, reviews and planning. It should be noted that an increasing proportion of this activity is driven by national requirements.
Resource Consents	Persons or organisations applying for Resource Consents are wanting a fair, transparent approach to the allocation of regional resources in accordance with the Marlborough Environment Plan. Also, other residents want protection of their current rights and ability to peacefully enjoy their property..
Environmental Protection	The whole community needs this Activity to ensure the conditions attached to Resource Consents are in fact met.
Biosecurity	Because of Marlborough's land and water industry, this Activity is needed by the whole community as the management of pests is essential for the District's continued prosperity, environmental sustainability and health.
Building Control	Property owners require assurance that the building that they're looking to purchase has been constructed in a manner that meets building code requirements and earthquake resilience rating requirements
Environmental Health	As this Activity has a significant food and alcohol focus, all members of the community need to be assured of their health and safety. In addition, with Marlborough having a significant hospitality industry the Activity is needed to protect the district's reputation as visitor destination
Animal Control	With Marlborough having over 10,000 dogs, this Activity is needed to ensure the safe interaction between dogs, their owners and the remainder of the Community.
Harbours	Marlborough has the largest coastline of any district in NZ. This Activity is needed to ensure the safe use of its waterways by a wide diversity of users including commercial shipping, commercial fishing owners, marine farmers and recreational harbour users. Safe use includes avoiding natural and other hazards e.g. collisions, maintaining a clean marine environment and shorter duration of pollution.
Regional Development	Regional Development is needed by significant portions of the Marlborough community to assist the District to achieve its economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, irrigation, CBD parking and in turn adding value to Marlborough enterprises and enriching the quality of life for Marlborough residents.

8.6 Costs and Benefits of Funding the Activity Distinctly from Other Activities:

Council has reviewed its Activity and sub activity structure plus its underlying highly detailed Rates Funding Allocation Model and believes that the costs associated with further disaggregation would outweigh the benefits.

9.0 Funding of Operating and Capital Expenditure Requirements

9.1 Operating Expenses Funding Policy

The following table summarises Council's possible Operating Expenses Funding Policy at an Activity level:

Group	Activities	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	No	Yes	No	No	No	Yes	Yes
	Culture and Heritage	Yes	No	Yes	No	No	No	Yes	Yes
	Housing for Seniors	No	Yes	No	No	No	No	Yes	Yes
	Community Support	Yes	Yes	Yes	No	No	No	Yes	Yes
	Library Services	Yes	Yes	Yes	No	No	No	Yes	Yes
	Emergency Management	Yes	No	Yes	No	No	No	Yes	Yes
	Community Facilities	Yes	Yes	Yes	No	No	No	Yes	Yes
	Roads and Footpaths	Yes	Yes	Yes	No	No	No	Yes	Yes
	Flood Protection and Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Sewerage	Yes	Yes	No	No	No	No	Yes	Yes
	Stormwater Drainage	Yes	Yes	Yes	No	No	No	Yes	Yes
	Water Supply	Yes	Yes	No	No	No	No	Yes	Yes
	Solid Waste Management	Yes	Yes	Yes	No	No	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Science and Monitoring	Yes	Yes	Yes	No	No	No	Yes	Yes
	Resource Consents	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Protection	Yes	Yes	Yes	No	No	No	No	Yes
Regulatory	Biosecurity (Pest Management)	Yes	Yes	Yes	No	No	No	Yes	Yes
	Building Control	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Health	Yes	Yes	Yes	No	No	No	No	Yes

Group	Activities	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
	Animal Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Harbours	Yes	Yes	Yes	No	No	No	No	Yes
	Regional Development	Yes	Yes	Yes	No	No	No	Yes	Yes

9.2 Capital Expenditure Funding Policy

The following table summarises Council's possible Capital Expenditure Funding Policy at an Activity level: The utilisation order of the various funding sources is detailed in paragraph 10, Funding of Capital Requirements.

Group	Activity	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Culture and Heritage	Yes	No	Yes	Yes	No	No	Yes	Yes
	Housing for Seniors	No	Yes	No	Yes	Yes	No	Yes	Yes
	Community Support	Yes	No	Yes	Yes	No	No	Yes	Yes
	Library Services	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Emergency Management	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Community Facilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Roads and Footpaths	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	Flood Protection and Control	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	Sewerage	Yes	Yes	No	Yes	No	Yes	Yes	Yes
	Stormwater Drainage	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	Water Supply	Yes	Yes	No	Yes	No	Yes	Yes	Yes
	Solid Waste Management	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	No	Yes	Yes	No	No	No	Yes
	Environmental Science and Monitoring	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	Resource Consents	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	Environmental Protection	Yes	Yes	Yes	Yes	No	No	Yes	Yes

Group	Activity	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Regulatory	Biosecurity (Pest Management)	Yes	No	Yes	No	No	No	Yes	Yes
	Building Control	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Health	Yes	No	Yes	No	No	No	No	Yes
	Animal Control	Yes	Yes	Yes	Yes	No	No	No	Yes
	Harbours	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Regional Development		Yes	No	Yes	Yes	No	No	No	Yes

10. Funding of Capital Requirements In general, the sources of funds for capital expenditure will be utilised in the following order:

- Capital grants and subsidies (where available).
- Development and financial contributions.
- User charges.
- General revenue sources [see below].
- Council financial reserves, including Depreciation Reserves, Infrastructure Upgrade Reserve and the Forestry and Land Development Reserve.
- Loan raising [which will impact on rates in the form of loan servicing charges].
- Targeted rates [directly charged].

11. Funding of Depreciation and Debt Servicing Costs

In this Plan Council has funded Depreciation and Debt Servicing Costs on the following basis:

- (i) Depreciation has been fully funded for all assets with the following exceptions:
- Roads, where funding has been adjusted to take account of NZ Transport Agency financial contributions.

- Halls, Convention Centre, reserves, drains, river channels, retards and Taylor Dam as it is planned that these assets are either maintained in perpetuity, or their replacement is not certain because of changing community needs.
- Southern Valleys' Irrigation Scheme, where funding is capped at current levels in accordance with practice established following community consultation.
- Activities with loans as well as a high value of non-depreciable assets, as below.

(ii) Debt Servicing Costs have been funded from depreciation reserves with the following exceptions:

- In activities with loans as well as a high value of non-depreciable assets debt servicing costs are fully funded from revenues and/or reserves and depreciation is not funded.

Where there is a specific rate or dedicated part of any rate to meet debt servicing costs.

12. 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

- 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

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

Asset Sale Proceeds

- Proceeds from the sale of non- activity assets are used to fund the Forestry and Land Development Reserve.

Development and Financial Contributions

- Contributions received from developments and subdivisions are applied towards the cost of infrastructure to mitigate the effects of growth. (Where capital expenditure can be funded from these contributions, Council will generally use these sources of funding to meet the cost of growth of the District in preference to other sources).

Forestry Income

- Currently used to fund the Forestry and Land Development Reserve which is used to fund projects as determined by Council.

13. *Funding of Expenditure by Activity*

The following table illustrates how the Residual Rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made for any applicable Fees, Charges, Grants, and Subsidies; or other Direct Revenue that relates to the activity/sub-activity; and having given consideration to the matters in paragraph 8.

A separate supplementary Rate Funding Allocations report outlining “Relationship determinations, Area Funding %’s, and Geo-type Rates in \$, (or) Uniform Charge Amounts” is available on request, which provides a detailed analysis of the Geographic Rating Areas contribution to the General-type Targeted Rates and Charges; as well as the Relationship between the general-type rates and charges in those areas.

Table 9 Residual Rate Funding Basis

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
People	Democratic Process	Democratic Process		*	0	100	0	0
	Culture and Heritage	Arts: Marlborough Art Gallery Grants		*	40	60	0	0
		Arts: Other Grants		*	40	60	0	0
		Heritage: Marlborough Historical		*	40	60	0	0
		Heritage: Other Grants		*	40	60	0	0
		Museums – Picton				100	0	0

Group	Activities/ Sub- activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
		Museums: Renwick			100	0	0	0
		Museums – Rural			100	0	0	0
	Housing for Seniors		*	*	0	0	0	0
	Community Support	Community: Grants and Donations			40	60	0	0
		Community: Recreation			0	100	0	0
		Community: Security Cameras			100	0	0	0
		Energy Efficiency Initiatives			0	0	100	0
		Smart and Connected Communities			40	60		
		Events Management			0	100	0	0
		Passenger Transport			*	100	0	0
	Library Services		*		0	100	0	0
	Emergency Management			*	40	60	0	0

Group	Activities/ Sub- activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Community Facilities	Cemeteries		*	*	0	100	0	0	
	Halls	Group 1 - Awarua Park			100	0	0	0	
		Group 2 – Waitaria			100	0	0	0	
		Group 3 - Gen Rural Halls			100	0	0	0	
		Group 4 – Blenheim			100	0	0	0	
		Group 5 - Fairhall Hall			100	0	0	0	
		Group 7 - Wairau Road C/Centre			100	0	0	0	
		Group 8 – Queen Charlotte College			100	0	0	0	
		Group 9 - B/Vic. Halls			100	0	0	0	
	Memorials	Cleghorn Rotunda			100	0	0	0	
		Picton			100	0	0	0	
		Seymour Square			100	0	0	0	
		Town Centre Clock			100	0	0	0	
		Other			100	0	0	0	
	Public Conveniences				0	100	0	0	
	Reserves	Group 1a - Bln Neighbourhood		*	*	1	99	0	0
		Group 1b - B/V Neighbourhood		*	*	1	99	0	0
		Group 2a - Ptn Neighbourhood		*		1	99	0	0
		Group 2b - P/V Neighbourhood			*	1	99	0	0
		Group 3 - WV Domain				1	99	0	0
		Group 4 - Bln Vicinity Domains		*	*	4	96	0	0
		Group 5 - Endeavour Park/Waitohi		*		4	96	0	0
		Group 6 - A&P/Horton Park		*		10	90	0	0
		Group 7 - Athletic Park/Oliver Park		*		10	90	0	0
		Group 8 - Bobs Bay/Picton Foreshore		*		40	60	0	0
		Group 9 - Churchward Park				28	72	0	0
		Group 10 - Rural Domains		*		4	96	0	0
		Group 11 - Nelson Square				28	72	0	0
		Group 12 - Pollard/Seymour/Riverside		*		40	60	0	0
	Group 13 - Wither Walkway etc				40	60	0	0	

Group	Activities/ Sub- activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
		Group 14 - Rural Reserves		*	100	0	0	0
		Group 15 - Misc Leased Reserves	*		100	0	0	0
	Street Trees, Berms and Plots	Berms and Plots			100	0	0	0
	Street Trees, Berms and Plots (Separate Targeted Rates)	Landscaping (Urban 1)			0	0	0	100
		Landscaping (Urban 2)			0	0	0	100
		Landscaping (Rural 1)			0	0	0	100
		Landscaping (Rural 2)			0	0	0	100
	Swimming Pools	Aquatic Centre	*		3	97	0	0
		Awatere	*		3	97	0	0
		Picton	*		3	97	0	0

Group	Activities/ Sub- activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Roads And Footpaths	Subdivisional Works		*		100	0	0	0	
	Roothing Network		*	*	100	0	0	0	
	Roothing Related Works		*		100	0	0	0	
	Roads: Small Township Upgrades (Blenheim Vicinity)				100	0	0	0	
	Roads: Small Township Upgrades (General Rural)				100	0	0	0	
	CBD Works	Blenheim		*	100	0	0	0	
		Picton		*	100	0	0	0	
	Targeted	French Pass Road			*	0	0	0	100
		Kenepuru Road			*	0	0	100	0
		Other Roads (as approved)			*	0	0	0	100
Other Roads (as approved)			*	0	0	100	0		
Flood Protection and Control	Rivers in Wairau Valley District - (Separate Targeted Rate)		*	*	0	0	100	0	
	Rivers outside WV Rating District		*		100	0	0	0	
Sewerage (Targeted Rates)	Combined Sewerage Scheme	Capital (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)	*	*	0	0	100	0	
		Operating (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)			0	0	0	100	
	Loans – No Lump Sum	Grovetown Sewerage				0	0	100	0
		Renwick Sewerage				0	0	100	0
		St Andrews Sewerage				0	0	100	0
	Riverlands	Riverlands Industrial (Tradewaste)		*		0	0	0	0

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Water Supply: Combined Water Scheme (Separate Targeted Rates)	Blenheim, Havelock, Picton, Koromiko and Renwick	Capital	*	*	0	0	100	0	
		Metered			0	0	100	0	
		UAC			0	0	0	100	
	Seddon Water	Metered		*	*	0	0	100	0
		UAC				0	0	0	100
	Wairau Valley	Metered		*	*	0	0	100	0
		UAC				0	0	0	100
	Commercial Metered Water	Blenheim, Havelock, Picton, Picton Onsold, Renwick, Seddon and Wairau Valley				0	0	100	0
	Rural Awatere Water	Metered		*	*	0	0	100	0
		UAC				0	0	0	100
Riverlands Water	Metered		*				100		
Solid Waste Management	Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection (Separate targeted rates) and any additional areas for which the service is offered.				0	0	0	100	
	Blenheim/Picton (Residential) and Commercial/Industrial) Refuse Collection (Separate targeted rates) and any additional areas for which the service is offered.				0	0	0	100	
	Sounds Area Waste Projects				0	100	0	0	
	Landfills, Transfer Stations, Waste Minimisation			*	*	0	100	0	0
Environmental Management	Environment Policy				80	20	0	0	
	Environment Science and Monitoring			*	80	20	0	0	
	Resource Consents	Resource Consents		*		100	0	0	0
		Hearings		*		0	100	0	0
		Advocacy and Practice Integration				100	0	0	0
Environmental Protection			*		100	0	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Regulatory	Biosecurity	Biosecurity: Regional Pest Control	*	*	100	0	0	0	
		Bovine TB Control	*	*	100	0	0	0	
	Building Control	Building Control	*		100	0	0	0	
		LIM Section	*		100	0	0	0	
		Pool Inspection			0	0	0	100	
	Environmental Health		*		0	100	0	0	
	Animal Control	Dog Control	*		100	0	0	0	
		Other Animal Control	*		100	0	0	0	
	Harbours		*		100	0	0	0	
	Regional Development	Parking	Blenheim	*		100	0	0	0
Picton			*		0	100	0	0	
Economic Development					100	0	0	0	
Events					100	0	0	0	
Business Improvement District					0	0	100*	100**	
Marketing and Tourism					100	0	0	0	
Tourism (separate targeted rates)					0	0	0	100	
Research Centre					100	0	0	0	
Flaxbourne Irrigation		Capital – No Lump Sum			*	0	0	100	0
		Metered		*		0	0	100	0
Southern Valleys' Irrigation		Capital – No Lump Sum			*	0	0	100	0
		Metered		*		0	0	100	0
Other Developments					*	100	0	0	0

** Final % between separate targeted rate and separate targeted Uniform Annual Charge (UAC) will be determined following the approval of each Business Improvement District (BID) under Council's BID Policy and the subsequent referendum by affected ratepayers in each possible BID area. The sum percentage of targeted rate plus UAC will not exceed 100%.

Allocation of costs to geographic areas, land use categories and other targeted rates Non-Group Activities	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Forestry	*		100	0	0	0
Land Development	*		100	0	0	0
Rental Housing	*		100	0	0	0
Commercial Leases	*		100	0	0	0
River Leases	*		100	0	0	0
MDC Holdings			100	0	0	0
Land Subdivision Reserve Grants	*		0	0	0	0
Agencies			0	0	0	100
Special Revenues			100	0	0	0
General Revenues (allocated on the basis of gross general-type rates and charges)	*		variable	variable	0	0

14. *Changes to Existing Funding Policy*

14.1 Following an in-depth review of its Revenue and Financing Policy, Council initiated a very few funding changes that will take effect from 1 July 2021.

The review included the following issues:

- Consideration of the background to the existing funding policies.
- A review of user charges.
- An examination of the provisions of the Local Government (Rating) Act 2002.
- The appropriateness of the existing geographic areas for levying general-type rates and charges.
- The advantages and disadvantages of using either Land Value or Capital Value for levying general-type rates. (The current system is based on property land values).

- Review of the “funding relationship weightings system” (see explanation of this in Terminology), to ensure that appropriate funding allocations are made to take account of the Financial Management considerations outlined in section 101 of the Local Government Act 2002.

14.2 The review of the “funding relationship weighting system” identified that only minor modification was identified in the following Activities:

- Heritage
- Community Safety
- Memorials.



Rates Remission and Postponement Policies

Rates Remission Policy

This policy was prepared pursuant to sections 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure detailed in the same Act for the 2021-2031 Long Term Plan.

While the majority of the policy remains largely unchanged since the last consultation in 2018, there are two new sections. These are rates remissions for:

- Separately used or inhabited parts (SUIPs) of a commercial rating unit where the SUIP area is less than 20m²
- Rural or residential land connected to the combined water scheme and/or combined sewer scheme where the water and/or sewerage capital works rates would be calculated on a land value that is disproportionate to the land value of an urban section and the benefit received.

Community, Sporting and Other Organisations

Objective of the policy

To facilitate the ongoing provision of community services or recreational opportunities for the residents of Marlborough where there is no statutory provision in Schedule 1 Part 2 of the Local Government (Rating) Act 2002.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Organisations making application should include the following documents in support of their application:

- Statement of Objectives.
- Most recent financial accounts (preferably audited).
- Details of any leases (where applicable).
- Information on activities and programmes.
- Details of membership or clients.

Application

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only. The policy does not apply to areas of the rating unit covered by a club licence under the Sale and Supply of Alcohol Act 2012.

The Policy shall apply to such organisations as approved by the Council (or Council Officers with delegated authority) as meeting the relevant criteria.

Remissions to any qualifying organisation shall be on the basis of a 50% reduction in rates and charges except that no remission will be granted

on targeted rates/charges for water supply, sewerage disposal or refuse collection.

Land Protected for Natural, Historic or Cultural Conservation Purposes

Objective of the policy

To preserve and promote natural resources and heritage: to encourage the protection of land for natural, historic or cultural purposes.

Conditions and criteria

Ratepayers with rating units which have some feature of cultural, natural or historic heritage on the land which is voluntarily protected, may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewerage disposal or refuse collection will not qualify for remission under this part of the Policy.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Applications should be supported by documentary evidence of the protected status of the land on the rating unit eg; a copy of the Covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.

- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

Application

The extent of any remission shall be determined by the Council or its delegated officer[s] on a case by case basis.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Residential Land in Commercial or Industrial Areas

Objective

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and the former authorities.

Conditions and criteria

To qualify for remission under this part of the Policy, the rating unit must:

- Be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine how their property has been zoned by inspecting the Marlborough Environment Plan (MEP), copies of which are available from either the Council offices, , or on Council’s website www.marlborough.govt.nz).
- Be listed as a “residential” property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council’s rating information database at the Council offices, or obtain that information from the rate records on Council’s website www.marlborough.govt.nz.

Application

Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a

comparable rating unit elsewhere in the District. Ratepayers should note that the valuation service provider’s decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

Land Affected by Natural Disaster

Residential Land Affected by Natural Disaster

Objective of the policy

To enable rate relief to be provided where the use that may be made of any land used for a private residence has been detrimentally affected by natural disaster.

Conditions and criteria

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

All applications must be on the prescribed form.

Application

The extent of any remission shall be determined by the Council or its delegated officer[s].

General -Type Uniform Annual Charges and Targeted Charges on Non-Contiguous Pastoral Rating Units

Objective of the policy

To provide relief from General-type Uniform Charges and Targeted Charges on rural pastoral land which is non-contiguous, provided it is farmed as a single entity with the ratepayer(s) in common.

Conditions and criteria

Non-contiguous pastoral units may qualify for a remission of uniform annual general charges and targeted rates calculated as a fixed amount per rating unit where Council agrees that the economics of each farm property are inter-dependent on the other.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Only one residential unit can exist on the qualifying rating units except where the farm contains accommodation on a rent free basis for the owner or staff associated with the farm.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Application

Council or its delegated officer[s] shall determine whether the criteria are met.

General -Type Uniform Annual Charges and Targeted Charges on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

Objective of the policy

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

Conditions and criteria

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge-type and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Application

The extent of any remission shall be determined by the Council or its delegated officer[s].

Limitation of General-Type Uniform Annual Charges and Targeted Charges in Certain Circumstances

Objective of the policy

To limit the incidence of General-Type Uniform Annual Charges and targeted rates calculated as a fixed amount per rating unit in certain circumstances.

Conditions and criteria

Council will assess the General-Type Uniform Annual Charges and targeted rates [calculated as a fixed amount per rating unit] on the basis of every separately used or inhabited part of a rating unit (SUIP) but, the following situations will be deemed not to create a separately used or inhabited part of a rating unit:

in the case of a farm, orchard, other horticultural type property, or business:

- where the farm, orchard, horticultural operation, or business contains additional accommodation on a rent free basis for the owner, or staff associated with the farm, orchard, horticultural operation or business.

in the case of a rating unit that contains one additional separately inhabited unit or dwelling, occupied by family members:

- where members of the owner's family inhabit the separate part of the property on a rent free basis.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Application

Council will remit any rates in excess of those payable under this policy. Ratepayers in receipt of this remission will be periodically required to declare that the SUIP has not been rented out on either a short term or long term basis.

Where the second SUIP is inhabited by the owner's family on a rent free basis the rating unit will retain its second water allowance where water metering is applicable.

Urban Residential 2 Land in Rural Areas

Objective of the policy

To ensure that owners of residential rating units situated in rural areas are not unduly penalised by the zoning decisions of Council.

Conditions and criteria

To qualify for remission under this part of the Policy, the rating unit must:

- be situated within an area of land that has been zoned 'Urban Residential 2 Greenfield Zone' in the Marlborough Environment Plan (Ratepayers can determine how their property has been zoned by inspecting the MEP, copies of which are available from either the Council offices or on Council's website www.marlborough.govt.nz).
- remain unsubdivided ie; subdivision title has not been granted.
- continue, for any remaining unsubdivided area, to have a land use that's consistent with the rural character that existed on approval of the zone.

Application

All rating units located within the 'Urban Residential 2 Greenfield Zone' will be rated on the basis of the underlying land being zoned Rural 3.

Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit in zoned Rural 3. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

Subdivisions That Create Four or More but Less than Ten Rating Units

Objective of the policy

To provide a positive development incentive to commercial developers by remitting general-type uniform charges on unsold subdivided land without an occupied dwelling or commercial building, for a maximum period of three years.

Conditions and criteria

To qualify for remission under this part of the Policy, the rating unit must remain in the developer's name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after three years of the lots being created.

The ratepayer will remain liable for at least one uniform annual general-type charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Application

Council or its delegated officer[s] shall determine whether the criteria are met.

Subdivisions That Create Ten or More Rating Units

Objective of the policy

To provide a positive development incentive to commercial developers by remitting general-type rates and uniform charges on all unsold subdivided land without an occupied dwelling or commercial building (*other than any balance of land*) for a maximum period of five years. This policy only applies to subdivisions that are deposited after 1 July 2009.

Conditions and criteria

To qualify for remission under this part of the Policy, the rating unit must remain in the developer's name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after five years of the lots being created.

The ratepayer will remain liable for all rates and charges on the un-subdivided lot (balance of land).

Application

Council or its delegated officer[s] shall determine whether the criteria are met.

Rate Penalties

Objective of the policy

To enable Council to remit penalties where:

- payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- it is deemed equitable to remit the penalty for other reasons.

Conditions and criteria

Each application will be considered on its merits and remission may be granted where it is considered just and equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident of a family member]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

Application

The extent of any remission will be determined by the Council or its delegated officer[s].

Water Losses

Objective of the policy

To provide ratepayers with a measure of relief, by way of partial rates remission where, as a result of the existence of a water leak on the property which they occupy, the payment of full water rates is inequitable.

Conditions and criteria

This Remission Policy does not apply to Council's irrigation water supplies (Southern Valleys' Irrigation Scheme and Riverlands Irrigation Scheme). There will be no refunds for water losses for irrigation supplies.

The existence of a significant leak on the occupied property has been established and there is evidence that steps have been taken to repair the leak as soon as possible after its detection.

Application

Council will calculate the volume of water lost based on average water consumptions during similar periods of previous years.

When an application for water rates remission is approved pursuant to this policy, the amount of the remission will depend on when the leak is repaired.

If the leak is repaired before the following scheduled reading interval, the remission will be equivalent to the assessed volume of water that has been lost through the leak, since the scheduled reading interval prior to the leak being discovered; or

If the leak is not repaired before the following scheduled reading interval, the remission calculation will be assessed on the next scheduled reading interval; or

Where there are extenuating circumstances, Council or its delegated officer[s] may extend the period for a re-assessment of the water rate.

A property displaying ongoing leakage showing likely system failure of the pipe network within the property will be provided with no more than three remissions for water loss.

The maximum remission for any one water loss will be \$3,000 unless there are extenuating circumstances verified by the Operations and Maintenance Engineer.

Council or its delegated officer[s] shall determine whether the criteria are met.

Extreme Financial Hardship

Objective of the policy

To enable Council to grant remission, for cases of extreme financial hardship, on a case by case basis, of all or part of the rates.

Conditions and criteria

Council may remit rates in accordance with the policy where the application meets all of the following criteria:

- The ratepayer(s) must be the current occupier(s) of the rating unit which must be solely used for their personal residential purposes.
- The Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.
- The ratepayer[s] must provide any evidence that Council deems appropriate to support the claim of extreme financial hardship.
- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Application

Applications for remissions shall be considered by the Council or its delegated officer[s].

Sundry Remissions

Objective of the policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where

the amount levied is unable to be recovered pursuant to sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover; or where Council considers it equitable in the particular circumstances to remit rates.

Conditions and criteria

The extent of any remission shall be determined by the Council or its delegated officer[s].

General -Type Uniform Annual Charges and Targeted Charges on Commercial SUIPs less than 20m²

Objective of the policy

To provide relief from General-type Uniform Charges and Targeted Charges on separately used or inhabited parts (SUIPs) of a commercial rating unit where the SUIPs have less than 20m² floor area and where the extra charges assessed would economically disadvantage the ratepayers and where Council deems it equitable to do so.

Conditions and criteria

Council may remit rates in accordance with the policy where the application meets all of the following criteria:

- The separately used or inhabited part (SUIP) of the commercial rating unit must have a floor area of less than 20m²
- The Council must be satisfied that financial hardship exists or would be caused by requiring payment of the uniform or targeted charges.
- The ratepayer must inform Council if a commercial business expands and occupies a total area greater than 20m²

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Application

Applications for remissions shall be considered by the Council or its delegated officer[s].

Residential Rural Rating Units with an Out of District Connection to the Combined Water or Sewerage Scheme

Objective of the policy

To provide relief to Residential Rural rating units with an out of district connection to the combined water scheme and/or combined sewer scheme where the water and/or sewerage capital works rates would be calculated on a land value that is disproportionate to the land value of an urban section and the benefit received.

Conditions and criteria

To qualify for remission under this part of the Policy, the rating unit must be identified by Council staff as paying higher combined water scheme capital works rates and/or combined sewerage capital works rates because of its disproportionately higher land value.

Remission will only apply to the combined water scheme capital works rate and combined sewerage scheme capital works rate on the affected properties.

Remission will cease on those rating units which are sub-divided and where the land value subsequently ceases to be disproportionately higher than the value of an urban section.

Application

Council or its delegated officer[s] shall determine whether the criteria are met.

Rates Postponement Policies

Extreme Financial Hardship

Objective of the policy

To assist ratepayers experiencing extreme financial hardship.

Conditions and criteria

All applications must be on the prescribed form.

When considering whether extreme financial circumstances exist, all of the ratepayer[s] personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

The ratepayer[s] must be the current occupier[s] of the rating unit which must be solely used for their personal residential purposes.

The Council must be satisfied that the ratepayer[s] is/are unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expenses.

The ratepayer[s] must not own any other rating units or investment properties or other realisable assets.

The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are postponed, as a general rule the ratepayer[s] will be required to pay the first \$645 of the annual rate levy.

The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of the ratepayer[s]; or
- The ratepayer[s] ceases to be the owner or occupier of the rating unit; or
- The ratepayer[s] ceases to use the property as his/her residence; or
- A date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy by paying the postponed rates or any part thereof.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications for rate postponements shall be considered by the Council or its delegated officer[s].

Residential Ratepayers aged 65 and over

Objective of the policy

To offer ratepayers aged 65 years and over a facility to unlock the equity in their residential property by postponing all or part of their rates to a future date, at no cost or risk to Council.

Conditions and criteria

All applications must be on the prescribed form.

Rates postponement is available on properties that are occupied by the ratepayer applicant(s) as their principal place of residence. Holiday homes are not eligible.

Property that is Maori freehold land is not eligible for postponement as councils do not have adequate rights to recover postponed or overdue rates on Maori freehold land.

Postponement is available to applicant(s) who are the legal owners of their property or who live in a property owned by a family trust. Units in retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner are only eligible for postponement if the amount of the rates for the unit/dwelling that is lived in is clearly identified for rating purposes (i.e. separately rated), and that the full benefit of the postponement is passed on to the resident.

Postponement is available only for ratepayers age 65 or over. In the case of the couple, at least one applicant must be of that age.

Applicants must have at least one “decision facilitation” interview with a decision facilitator engaged by Council, to ensure that independent advice has been provided on the implications of the postponement offer.

The application will require any mortgagee’s consents and a decision facilitator completion certificate before a formal postponement offer is made by Council.

Rates may be postponed until:

- The death of the ratepayer(s) (the Council will allow up to 12 months for any resolution of estate or trust affairs required to enable repayment); or
- The ratepayer(s) ceases to be the owner of the rating unit; or
- The rating unit ceases to be the principal place of residence of the ratepayer(s) – this means that if the ratepayer(s) moves out of the home into residential care, technically the postponed rates become

due and payable. In practice, if the council is satisfied that the principal reason for moving out is to go into care, the postponement will remain in place.

The Council will offer full postponement unless testing the expected outcome through the council’s actuarial model suggests that equity on expected repayment (the death of the applicant or the survivor of joint applicants) would be less than 20%. If that is the case, then postponement entitlement will be based on the maximum proportion projected to leave a minimum of 20% equity available at the end of the postponement period.

The property must be kept insured to its full value and evidence of this produced annually.

Postponed rates and any part thereof may be paid at any time. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the council’s policy.

If accrued rates and charges reach 80% of the value of the property, the Council will not postpone any further rates but instead require that all further rates are paid as they fall due. Accrued rates and charges will remain payable only on an event of repayment (eg; death, sale) and will continue to accrue interest and other annual charges.

One-off costs to the ratepayer will relate to the initial postponement application fee, a contribution to the facilitation process, and any other incidental fees and charges relevant to the particular application.

Other costs to the ratepayer (or their estate) will be the amount of the postponed rates and charges, interest on the accumulated postponement amount, an annual administration fee to cover management and the scheme’s operating costs, and a reserve fund levy to meet unsecured postponements.

All of the above fees and charges will be added to the postponed rates.

Legal Fees – if an applicant wishes to consult a lawyer, the applicant will need to meet the costs of doing so.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications will be considered by delegated officers in accordance with the scheme's criteria.

Maori Freehold Land

Remission and Postponement of Rates on Maori Freehold Land

Objectives of the Policy

Section 102(2)(e) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

Conditions and criteria

Council has reviewed the matters set out in section 108 and Schedule 11 and has decided that the appropriate policy is to consider applications for remission or postponement of rates on Maori freehold land in terms of the policies adopted by Council regarding remissions and postponements of rates on other land.

This policy will remain in force until such time as the Local Government (Rating of Whenua Maori) Amendment Bill is enacted and Council subsequently consults on amendments to this policy to comply with the new Act.



Engagement and Significance Policy

Purpose

The decisions Council make affect its communities on a daily basis. The purpose of this policy is to let the community know how and when they can expect to be engaged informed/consulted in Council's decision-making processes. This policy will tell you:

- When the community can expect to be engaged (consulted) with;
- What decisions Council and the community think are particularly significant (important);
- How Council will assess the significance (importance) of the decisions.
- How the community can expect to be engaged (consulted) with;

Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Community	<p>A group of people—</p> <ul style="list-style-type: none"> • living in the same place; or • having a particular interest or characteristic in common; or • owning property in the same place. <p>It includes interested parties, affected people and key stakeholders.</p>
Decision	<ul style="list-style-type: none"> • Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the

Term	Definition
	implementation of council decisions will not be considered significant).
Engagement	<ul style="list-style-type: none"> The process of involving the community in decision-making (see engagement levels and methods matrix)
Proposal	<ul style="list-style-type: none"> Decision to be made by Council on a specific issue, asset or activity.
Significance	<ul style="list-style-type: none"> In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: <ul style="list-style-type: none"> the district or region; any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; the capacity of the local authority to perform its role, and the financial and other costs of doing so.
Strategic Asset	<p>The assets and groups of assets in terms of s.90(2) that Marlborough District Council considers to be strategic are:</p> <ul style="list-style-type: none"> The local roading network as a whole. District storm water networks. District water supply networks. District sewerage networks. River control assets. Shares in MDC Holdings Ltd. Commercial forestry known as Marlborough Regional Forestry.

Statements

- Community engagement helps to strengthen the legitimacy of decisions. It enables communities to influence decisions and it increases the accountability of Council. It ensures the community are aware and can respond to Council proposals based on a range of knowledge, views and values.
- When Council has a proposal, it needs to decide whether and how to engage (consult) with the community, individuals or particular interest groups. Council has to apply the principles of engagement set out in the Local Government Act 2002 when deciding what process to follow when consulting on a particular proposal. Council will use this policy when deciding how to consult or engage.
- This policy is in four parts:
 - Engagement - describes when Council will engage with the community;
 - Significance - describes how Council decides if a proposal is significant (important). The level of significance (together with other factors set out in this policy) then determines what level of engagement is required;
 - Details on community preferences about engagement and the Engagement Levels and Methods Matrix; and
 - A brief description of the Special Consultative Procedure.

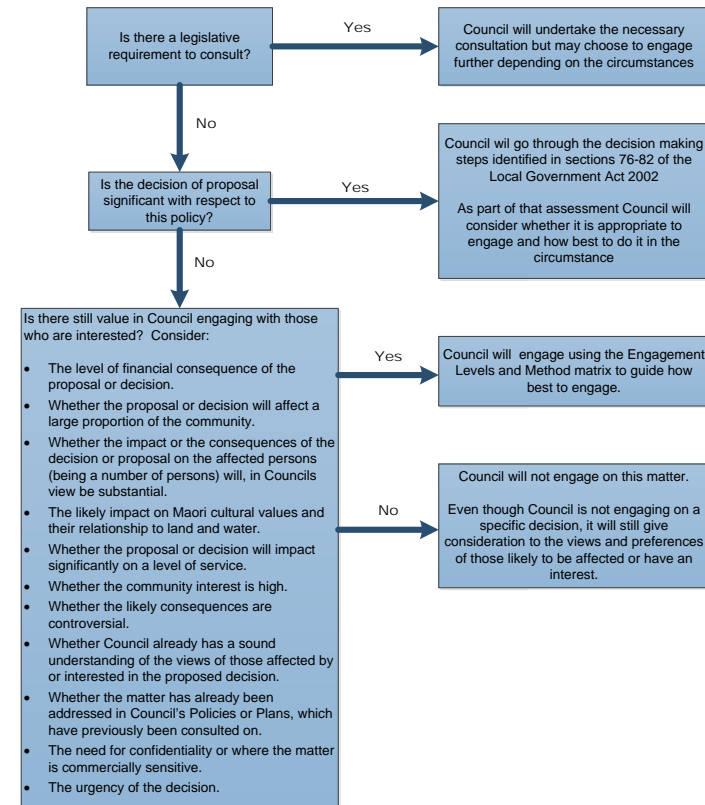
Engagement with Māori

- Council has a current policy on engagement with Māori, the Māori Capacity Development Policy, made under section 81 of the Local Government Act 2002. Council will continue to engage with Māori under that Policy. Council and Marlborough's tangata whenua iwi are reviewing the basis on which they interact. This review is likely to result in a dedicated Maori engagement policy.

Engagement

5. Council is committed to effective engagement with Marlborough's communities on what matters to them. In return people expect to have the opportunity to be involved and have their say.
6. This part of the policy describes:
 - (a) The process to determine whether Council will engage with the community?
 - (b) When Council will not engage with the community.
 - (c) Feedback on decisions made.
7. Unless engagement is required by statute, it is open to Council to decide whether engagement is required in order to determine community views, and if so, the nature and extent of consultation
8. If the proposal or decision is affected by a number of the considerations below it is more likely to have a higher need of engagement.

Process to determine whether Council will engage with the community



When Council will not engage with the community

9. There are times when it is not necessary, appropriate or possible to engage with the community on a proposal or decision. These include:

- (d) On decisions to take (or not take) enforcement action in a particular case (even where the matter may be highly significant under this Policy (for example, where the matter has high public interest)).
- (e) In emergency situations where an immediate response is necessary.
- (f) On administrative matters (for example, tendering and contracting, delegations, appointments (staff, commissioners, directors, and trustees), insurance and risk management).

Feedback on decisions made

- 10. Council will make sure that the public is told what choices and decisions were made and why. Council will endeavour to directly contact everyone who had input or made a submission. Council may use the media or the Council website to let people know.

Significant proposals and decisions

- 11. This part of the Policy describes:
 - (g) The criteria or procedures Council will use to assess significance
 - (h) The approach Council will take to determining the significance of proposals and decisions. How significant a proposal or decision is has a direct impact on the level of consultation required.
- 12. Marlborough District Council will consider any decisions concerning the following as significant:
 - (i) Expenditure on issues, assets, or other matters (not including strategic assets) that represent more than 10% of Council's total budgeted annual income.
 - (j) Any transfer of ownership or control to or from the Council, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy.

- (k) Reducing Council's shareholding in any Council Controlled Organisation and Joint Operating Committee below 100% of the shareholding held as at 30 June 2012.
 - (l) Entry into any partnership with the private sector to carry out a significant activity.
 - (m) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
- 13. Degrees of significance will be determined after consideration of the following criteria:
 - (n) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
 - (o) The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
 - (p) The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

Engagement levels and methods matrix

- 14. This part of the Policy details community preferences for engagement and the engagement levels and methods matrix.

Community preferences for engagement

- 15. Many interest groups and communities already effectively engage with Council on an on-going basis. Council will continue to support existing community and interest groups in engaging with Council.
- 16. Council has established the "Smart and Connected" programme which brings together industries and interest groups to better manage their futures. The Smart and Connected economic strategy aims to create a partnership between Council and the community to promote the vision for Marlborough.

17. Council will look for other opportunities for communities and interest groups to engage with Council in this way. These opportunities may be single-issue or ongoing. They may involve establishing forums for communities and new Smart and Connected Cluster groups. These forums and groups allow people to express their views to Council on matters affecting them, allows Council to provide information of interest to them, and Council can assist them to make decisions for their future development.
18. When engaging with the community, Council will apply the following principles:
 - (a) Undertake the engagement with an open mind. (Council expects other people involved in the engagement to also have an open mind)
 - (b) Be fair, informal and not too bureaucratic.
 - (c) Seek the views of interested and affected people.
 - (d) Seek the views of the people who it does not normally hear from.
 - (e) Give people relevant and easily understood information in a way that suits them.
 - (f) Use plain language.
 - (g) Make it easy for people to give their views to the Council.
 - (h) Engage in the community by going to where people are and not always expecting them to come to the Council.
 - (i) Involve people right through the decision making process.
 - (j) Give people time to think about the issues and respond to them.
 - (k) Be clear about the process being used and the levels of influence that people have.
 - (l) Be receptive to new ideas.
 - (m) Give people involved in the engagement a response to the issues they raise.
 - (n) Undertake the engagement in a cost effective way.
19. Council will look for other ways to engage with the community over the term of this Policy.
20. Council will use a variety of methods of engagement. The methods will vary greatly in accordance with the significance of the decision to be made in accordance with this policy and more than one method may be used over time on one project.

Engagement levels and methods matrix

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision making	Working in partnership to develop an understanding of all issues and interests to work out alternatives and identify preferred solutions. Sharing of resources (e.g. people) for a common purpose.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents
Types of issues that we might use this for	Water restrictions	Rates review	Smart & Connected Leadership Groups	Resource Management Plan Review	Election voting systems (MMP, STV or first past the post)
Tools Council might use	Websites Social media Information flyer Public notices Public meetings Community papers	Formal submissions and hearings, focus groups, surveys (for example, phone and web—based polling surveys)	Workshops Focus groups	External or joint working groups (involving community experts or stakeholders)	Binding referendum Local body elections
When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a proposal is determined by Council and would generally provide the community with at least 4 weeks to participate and respond	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered	Council would generally provide the community with a greater lead in time to allow them time to be fully involved in the process

Note: the tools described in each column may also include tools described to the left of that column

Brief description of the special consultative procedure

21. The special consultative procedure is an open invitation to the public to be involved in decision making. It is used when the issue to be decided on affects the whole of Marlborough or all ratepayers and residents in Marlborough are likely to be interested in the decision to be made. It is a formal process that is set out in the Local Government Act 2002. The main steps in the process are:
- (o) Council issues a statement of proposal which is open for the community to provide views. It remains open for at least a month. The community can make a submission on the proposal.
 - (p) Council will hold a hearing if the community want to present their views in person.
 - (q) Council makes a decision on the proposal taking into account the views expressed.
 - (r) The process can take four to six months (or even longer) to complete.
 - (s) Council will provide an opportunity for people to present their views in a manner that enables spoken (or NZ sign language) interaction between the person and Council, if requested.
 - (t) Council may allow a person to present their views by audio or audio-visual link, if requested.

Council will ensure that the consultation documents are accessible to the public and that the fact the proposal is open for consultation widely known (for example, on Council's website).



Statement on Contributions to Decision-making Processes by Māori

Introduction

Council provides a wide range of services which make important contributions to the many communities in Marlborough. People should have the opportunity to participate in decisions about those services that affect them.

Context

Council recognises the uniqueness accorded to Māori as tangata whenua.

There are a wide range of Māori, iwi, hapū, business and community organisations in the Marlborough District as well as social and cultural organisations.

Māori make up more than 10% of the population of the Marlborough region (2013 Census), of which a significant number are mana whenua. Iwi authorities are an increasingly significant component of the Marlborough economy, following Te Tau Ihu Tiriti settlements.

There are nine iwi groups within Marlborough, who have completed Te Tiriti settlements. Most of these iwi have interests across Te Tau Ihu o Waka a Māui—

- Ngāti Kuaia, Rangitāne o Wairau, and Ngāti Apa ki te Rā Tō (from the *Kurahaupō waka*)
- Ngāti Koata, Ngāti Rārua and Ngāti Toarangatira (from the *Tainui waka*)
- Te Ātiawa o Te Waka-a-Māui

- Ngāi Tahu (Ngāti Kuri hapū)
- Ngāti Tama (Tainui/Taranaki)

Marlborough's tangata whenua iwi have all signed Deeds of Settlement with the Crown to address breaches of Te Tiriti o Waitangi. The historic claims of each of Marlborough's tangata whenua iwi have now been settled.

Council recognises and respects the Crown's responsibility to take appropriate account of the principles of Te Tiriti, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

Contributions to decision-making

Council is charged with the responsibility to promote opportunities for Māori and tauiwi (other members of the public) to contribute to its decision-making processes.

These obligations apply to all Māori in the district. Council acknowledges that Māori other than tangata whenua may be resident in the area.

In the normal course of things, Council engages with the iwi authorities that have settled.

A number of key themes emerge from the various pieces of legislation including:

- (a) in Council decision-making processes:
 - i. to consider Te Tiriti o Waitangi principles;
 - ii. facilitating iwi participation;
 - iii. recognising and understanding Māori cultural values and perspectives including mātauranga Māori (Māori knowledge), tikanga Māori (Māori principles and protocols); and kaitiakitanga (Māori guardianship);

- (b) Council's duty to contribute to Māori capacity and to enable and promote Māori well-being as part of a comprehensive and effective long-term strategy of the Council; and
- (c) the Māori contribution to the social, economic, environmental, and cultural well-being of Marlborough.

Council has identified three main areas on which it needs to focus:

- (a) Assist Māori to build capacity to engage with Council:
- (b) Developing contributions to decision-making processes by iwi:
- (c) Building Council capacity.

Assist Iwi to build capacity

Council needs to find out how it can help with resourcing so that iwi can better engage in Council processes and decision-making.

To do this, Council needs to understand from iwi:

- What are their aspirations?
- What are their expectations of Council?

Council has historically provided assistance to iwi through their Tiriti settlement negotiation processes. Council provides information to iwi on infrastructure provision and various economic development opportunities. However, post-settlement there may be more that Council can do.

Together we can assess what iwi need to be able to fully participate in Council decision-making processes.

Council decision-making

Iwi are entitled to be involved in Council decision-making across Council. This requires us to develop relationships of mutual respect, co-operation and goodwill.

Council will engage with iwi to ensure that its decision-making processes provide opportunities for iwi to take part.

Strong on-going personal relationships and structural arrangements can assist with this.

Regular relationship meetings with key iwi stakeholders allow Council and iwi at governance and management levels to focus on long-term strategic engagement, understanding each other's goals and aspirations.

Council will also review how iwi can have influence at the governance level.

In particular, Council continues to:

- (a) invite iwi authorities to take part in its annual and three-yearly strategic planning to develop the Annual Plan and the Long-Term Plan;
- (b) a Māori Ward has been established from the 2022 Local Government elections;
- (c) Have positions available for iwi on Council's main standing committees;
- (d) Consult on new and revised bylaws and other regulatory or planning instruments;
- (e) Attend and assist to organise the Cook Strait Forum; and
- (f) Engage with iwi over Policy statements and Plans under the RMA.

Build Council capacity

Council needs to have a good understanding of Māori in our community, their aspirations and expectations. Knowing about and respecting tikanga, kawa, tē reo, tē Ao Māori will aid in developing relationships for effective engagement.

Council can do some basic things that will make staff and Councillors more at ease in moving in a Māori world.

Council will -

- train staff and Councillors in Council's obligations, basic te reo, tikanga, and an understanding of tē Ao Māori;
- develop resources for Councillors and staff when engaging in the Māori world;
- promote appreciation and understanding of tē Ao Māori.

Part 6:

Audit Report



Audit Report



Appendices



Council Committees and Members

For this term of Council, the following Committee structure (and membership) was put into place on 31 October 2019. It has three standing committees, a joint committee with Kaikoura District Council, three statutory committees and eleven 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 Nadine Taylor (Chairperson) (Deputy)	Clr Michael Fitzpatrick
Clr Jenny Andrews	Clr Cynthia Brooks
Clr Brian Dawson	Clr Francis Maher
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 Nadine Taylor (Chairperson) (Deputy)	Clr Michael Fitzpatrick
Clr Jenny Andrews	Clr Cynthia Brooks
Clr Brian Dawson	Clr Francis Maher

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	Clr Francis Maher

Regional Transport Committee (Statutory 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 Francis Maher (Chairperson) (Deputy)	Clr Michael Fitzpatrick
Clr Brian Dawson	Clr Nadine Taylor
New Zealand Transport Agency representative (Jim Harland)	

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.

Independent Chairperson – to be advised

Clr Jenny Andrews
Clr Mark Peters

Clr David Oddie
Mayor John Leggett

District Licensing Committee (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 Nadine Taylor (Deputy)

Members from the community (Christine McNeil, Graeme Barsanti, Hamish Beard, Liz Hawthorne, Lynette Rayner, Margaret McHugh)

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.

Mayor John Leggett (Chairperson)

Clr Gerald Hope (Deputy)

Clr Jamie Arbuckle

Clr Barbara Faulls

Iwi representative (to be advised)

Clr David Oddie (Deputy)

Clr David Croad

Clr Thelma Sowman

Rural representative (to be advised)

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 Barbara Faulls

Clr Thelma Sowman

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 David Oddie (Chairperson)

Clr Jamie Arbuckle

Clr Barbara Faulls

Clr David Croad

Mayor John Leggett

Marlborough Regional Forestry (Joint Committee)

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.

Clr Gerald Hope (Chairperson)

Clr Francis Maher

Kaikoura District Council representative

Forestry representative (Leo Jelinek)

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; Long Term Plan; 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, local alcohol and psychoactive substances policies); grants and donations; sister cities; libraries; customer services; democratic process; general administration; health and safety; and property management.

Clr Mark Peters (Chairperson)

Clr Jenny Andrews

Clr Cynthia Brooks

Clr Barbara Fauls

Clr Gerald Hope

Clr David Oddie

Clr Nadine Taylor

Iwi representative (to be advised)

Clr David Croad (Deputy)

Clr Jamie Arbuckle

Clr Brian Dawson

Clr Michael Fitzpatrick

Clr Francis Maher

Clr Thelma Sowman

Mayor John Leggett

Audit and Risk Sub-Committee

The focus of this Sub-Committee is to oversee the audit of Council's Annual Report and Annual/Long Term Plan and consider and report as necessary on the findings of any audit management report.

Ian Marshall CA (Independent External Member) (Chairperson)

Clr David Croad

Clr Mark Peters

Mayor John Leggett

Clr David Oddie

Clr Nadine Taylor

Commercial Events Fund Sub-Committee

This Sub-Committee evaluates and approve the funding applications for the Commercial Events Fund.

Clr Michael Fitzpatrick (Chairperson)

Clr Jamie Arbuckle

Clr Thelma Sowman

Clr Barbara Fauls

Destination Marlborough
Representative

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 Cynthia Brooks

Sports Trust appointee

(Karen Hartshorne)

Community representatives (Deborah Dalliessi, Graham Haymes,
Sally Wadworth)

Two iwi representatives (to be advised)

Clr Thelma Sowman

Arts Sector appointee

(Kate Parker)

Housing for Seniors Sub-Committee

The focus of this Sub-Committee is Council's Housing for Seniors portfolio.

Clr Cynthia Brooks (Chairperson)

Clr Jenny Andrews

Clr Mark Peters

Grey Power Marlborough representative (Mr Philip Hunnisett)

Clr Gerald Hope

Clr Michael Fitzpatrick

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 Barbara Faulls

Community representatives (Bill Floyd, Cathie Bell, Fiona Fenwick, Lily Stuart, Margaret Western, Peter Watt, Zoe Gray)

Clr Thelma Sowman

Council has two sister cities, Tendo and Otari in Japan, and a sister region with Ningxia in China.

Small Townships Programme Sub-Committee

This Sub-Committee has delegated authority to develop criteria to assess project prioritisation using the Smart and Connected framework; approve all Small Township Fund projects; and monitor implementation of all Small Township Fund projects.

Clr Cynthia Brooks (Chairperson)

Clr Jamie Arbuckle

Clr Barbara Faulls

Te Ao Māori Sub-Committee

The aim of this Sub-Committee is to improve Council's access to cultural advice and long-term partnerships with Māori, with its focus on:

- Increasing access to knowledge and education for Councillors and staff in Te Ao Māori and tikanga, iwi across Te Tau Ihu and Te Tiriti o Waitangi;
- Creating a visible Māori presence in Council buildings through artwork and bi-lingual signage;
- Developing opportunities to increase Council engagement with Te Tau Ihu iwi; and
- Development of a structure within Council to plan and manage this work.

Mayor John Leggett (Chairperson)

Clr Cynthia Brooks

Clr Mark Peters

Iwi representatives (to be advised)

Clr David Croad

Clr Nadine Taylor

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 Thelma Sowman

Appointment of Councillors and Staff to Subsidiaries

MDC Holdings Limited and Marlborough Airport Limited

Mayor John Leggett (Director)

Chair of Planning, Finance and Community Committee (Clr Mark Peters) (Director)

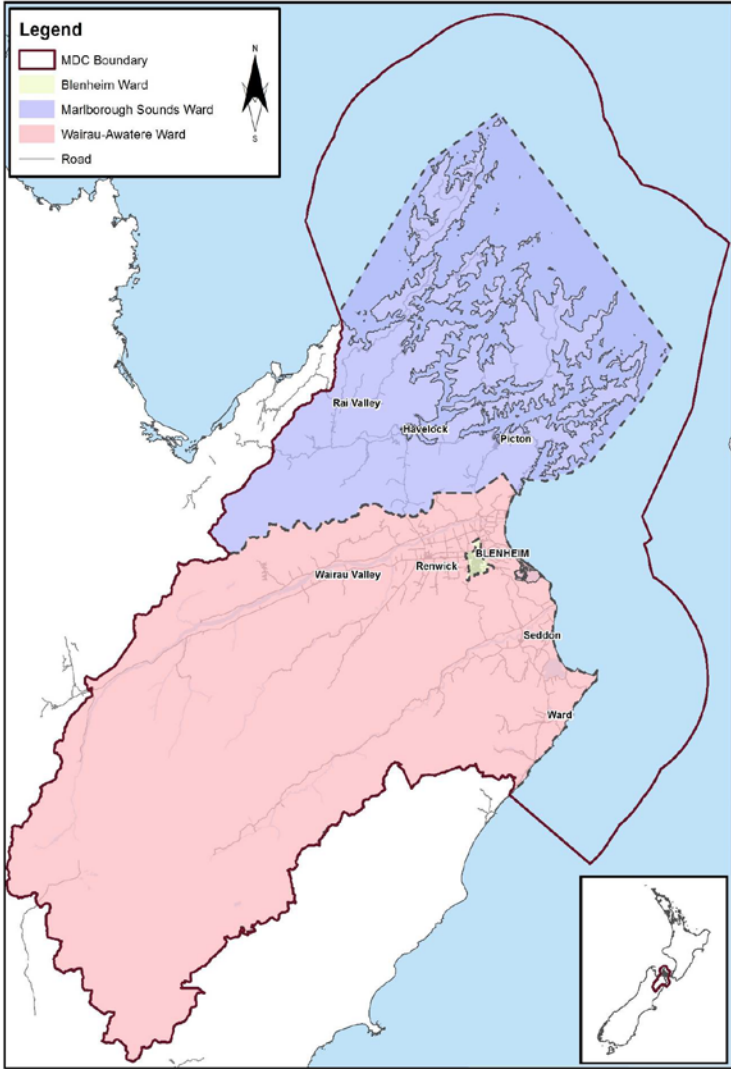
Clr David Oddie (Director)

Chief Executive (Mark Wheeler) (Director)

Port Marlborough NZ Limited

Chief Financial Officer (Martin Fletcher) (Director)

Ward Boundaries



Council Staff Structure

Mark Wheeler
CHIEF EXECUTIVE

Martin Fletcher
CHIEF FINANCIAL OFFICER
Finance & Accounting
Financial Performance (overall)
Functional Reviews
Funding Policy
Policy Issues
Strategic Planning
Subsidiaries
Treasury Management

Robert Foitzik
GENERAL COUNSEL
Coordination of corporate legal services
Management of external legal providers
Legal budget
Legislative compliance
Contracts Management
Risk and Insurance
Employment relations advice
Privacy and LGOIMA requests

Stacey Young
CHIEF INFORMATION OFFICER AND MANAGER IT DEPARTMENT
Information and Data Governance and Management
Web and Digital Services
Information Technology
Land Information Memorandums
Corporate Systems
Cybersecurity and Infrastructure
Digital Service Deliver

Glyn Walters
COMMUNICATIONS MANAGER
Communications and Engagement
Council News Publishing
Media Relations
Internal Communications
Social Media, Photography and Videography
Emergency Public Information

Jamie Lyall
MANAGER PROPERTY & COMMUNITY FACILITIES DEPARTMENT
Cemeteries
Central Business District
Civic Projects
Commercial Development
Halls & Museums
Public Conveniences
Property
Parking
Reserves
Residential Subdivisions
Senior Housing
Sports Parks
Strategic Acquisitions
Swimming Pool

Dean Heiford
MANAGER ECONOMIC, COMMUNITY & SUPPORT SERVICES DEPARTMENT
Arts & Cultural Matters
Community Development
Corporate Issues
Customer Service Centres
Democratic Process
Economic Development
General Administration
Grants & Donations
Human Resources
Libraries
Marlborough Award
Marlborough Airport Ltd
Office Services
Regional Events
Regional Tourism
Sister Cities

Richard Coningham
MANAGER ASSETS & SERVICES EPARTMENT
Civil Defence & Emergency Management
Land Transport
Recycling
Rivers & Drainage
Sewerage
Stormwater
Waste Management
Water

Hans Versteegh
ENVIRONMENTAL SCIENCE & POLICY GROUP MANAGER
Biosecurity (Animal & Plant Pests)
Environmental Monitoring
Environmental Policy
Flood Forecasting
Harbours

Gina Ferguson
CONSENTS & COMPLIANCE GROUP MANAGER
Animal Control
Alcohol Licensing
Building Control
Compliance, Monitoring and Enforcement
Environmental Health
Hazardous Substances and New Organisms
Noise Control
Pollution Response
Resource Consents

KAIHATU
To be appointed

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)
2 Dublin Street, Picton 7220

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

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Rehan Badar, Audit New Zealand, Wellington on behalf of the Auditor General

General Statistics

Population (Census count June 2018)	48,700
Inter-Census Population Movement	(+) 5.2%
District Area	17,517 square kilometres
	as at 30 June 2020
Rateable Land Value	\$9,230,536,400
Rateable Capital Value	\$19,866,979,500
Number of Rate Assessments	26,913

Glossary of Terms

Accruals	Expenses incurred during the current year for which invoices have not been processed.
Activity	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.
Applicant	Is the person/persons that apply for resource consent, building consent or service connection.
Asset Management Plan	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	The cost of capital works for network infrastructure, reserves and community infrastructure.
Catchment	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	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	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	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	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	(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	A contribution: (a) Provided for in a development contributions policy included in the Long Term Plan 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 Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or (iii) both.
Development Contributions Policy	The policy on development contributions adopted under section 102(1).
District	The District of a territorial authority.
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 Strategy	Council's Financial Strategy included in the Long Term Plan.
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)	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)	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: <ul style="list-style-type: none"> • 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)	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: <ul style="list-style-type: none"> • 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: <ol style="list-style-type: none"> (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

	<p>trade process.</p> <p>(d) any activity where people use materials and physical effort to:</p> <ul style="list-style-type: none"> • 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	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	Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.
LGA	The Local Government Act 2002.
Loans/Debt	The raising of internal loans for capital items, such as a sewerage or water scheme.
Local Authority	A regional Council or territorial authority.
LTP	2021-2031 Long Term Plan.
LTP 2021-31	These are the \$ values budgeted for 2021-31 in the LTP.
LV	Land Value.
MEP	Marlborough Environment Plan.
Network Infrastructure	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	Any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
Operational Assets	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.

PMEP	Proposed Marlborough Environment Plan.
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	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	Any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
RMA	The Resource Management Act 1991.
Resource Management Plan	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	The same as catchment.
Service Connection	A physical connection to a service provided by, or on behalf of, a territorial authority.
Statement of Cashflows	Describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
Statement of Comprehensive Revenue and Expense	Can also be referred to as the Income Statement, Profit and Loss, 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 Performance	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	Shows the assets, liability and equity at the end of each period. It can also be referred to as the Balance

Position	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	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	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.

A stylized illustration of a plant stem with several green leaves of varying sizes and orientations, set against a light blue background with a subtle gradient. The leaves are rendered with soft shading to give them a three-dimensional appearance.

 **Only Marlborough**

www.marlborough.govt.nz