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**MARLBOROUGH
DISTRICT COUNCIL**



18 February 2022

Record No: 2232444
File Ref: D050-001-02
Ask For: Mike Porter

Notice of Council Meeting – Thursday, 24 February 2022

Notice of the Council Meeting to be held in the Council Chambers 15 Seymour Street, Blenheim on Thursday, 24 February 2022 to commence at 9.00 am.

BUSINESS

As per Order Paper attached.

MARK WHEELER
CHIEF EXECUTIVE



**Order Paper for the
COUNCIL MEETING
to be held in the Council Chambers and via Zoom, 15 Seymour Street, Blenheim
on THURSDAY, 24 FEBRUARY 2022 commencing at 9.00 am**

Open Meeting

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Marlborough District Council

Order Paper for the
COUNCIL MEETING
to be held in the Council Chambers and via Zoom, 15 Seymour Street, Blenheim
on THURSDAY, 24 FEBRUARY 2022 commencing at 9.00 am

1. Karakia

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

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

2. Apologies

3. Declaration of Interests

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

4. Annual Budgets 2022-23

- 4.1. Budget Summary
- 4.2. Water and Sewerage Capital Budgets
- 4.3. Road and Footpaths Budget
- 4.4. Capital Expenditure Schedule
- 4.5. Reserve Balances
- 4.6. Infrastructure Upgrade Reserve
- 4.7. Forecast Financial Statements
- 4.8. Council Activities (also refer to the separate attachment)
- 4.9. Levels of Service Increases Marlborough Events Centre Funding
- 4.10. Levels of Service Increases Marlborough Heritage Trust Funding
- 4.11. Levels of Service Increases Small Townships Programme Funding
- 4.12. Levels of Service Increases Giving effect to the National Policy Statement for Freshwater Management 2020
- 4.13. Levels of Service Increases National Policy Statement for Freshwater Management 2020 – Giving Effect to Te Mana o te Wai
- 4.14. Levels of Service Increases Potential rezoning variations to the PMEP
- 4.15. Levels of Service Increases Community Facilities: Structures and Playground Funding
- 4.16. Levels of Service Increases Community Facilities: Lansdowne Park Sportshub – Request for Operational Budget
- 4.17. Levels of Service Increases Wellbeing Funding
- 4.18. Marlborough Roading Recovery Update

PUBLIC EXCLUDED

- 2. Levels of Service Increases – Community Facilities: Picton Foreshore
- 3. Levels of Service Increases – Marlborough Roads Staffing Budgets
- 4. Levels of Service Increases – Staffing Budgets 2022/23

4.1. Budget Summary

(Report prepared by M Fletcher)

F230-A22-03

Purpose of report

1. To provide Council with an overview of the budgets proposed for inclusion in Council's 2022-23 Annual Plan (AP).

Executive Summary

2. To maintain current levels of service, the proposed rates increase for 2022-23 is 5.45% after removing the increase relating to the Energy Efficiency Voluntary Targeted Rate. This is a 0.98% reduction on the 6.43% rates increase forecast in the Long Term Plan (LTP) for 2022-23.
3. The proposed budgets maintain a continuation of existing levels of service and a capital expenditure programme that mainly focuses on core infrastructure.
4. To reduce the impact on rates extensive use has been made of the Infrastructure Upgrade and Depreciation Reserves and a \$4.3M allocation from the COVID-19 Rates Relief Reserve.
5. The majority of the increase is driven by:
 - the cost pressures facing local government as reflected in the Local Government Cost Index (LGCI);
 - Council's capital expenditure programme and consequential increased maintenance, management, depreciation and cost of increased debt;
 - increasing Government requirements; and
 - additional personnel costs.
6. Net debt levels are forecast to be within the \$230M net debt cap set by Council until 2026-27 onwards where the cap is exceeded by a maximum of \$31M (including Flaxbourne Irrigation) in 2029-30 should the Three Waters reforms not proceed. Should the Three Waters reforms proceed, there will be no exceedances.

RECOMMENDATION

That Council receive the information contained in this Budget Summary Paper and adopt it as supporting information to the 2022-23 Annual Plan.

Background and Environmental Commentary

7. For each of the two years between Long Term Plans Council is required to prepare an Annual Plan.
8. 2022-23 is the first year since Council adopted its 10 year 2021-31 LTP. As part of the preparation of the LTP, Council undertook a significant review of its operations and policies. Council's review included:
 - the levels of service for all its activities;
 - Rating and Revenue Policies including the method of rating, rating areas and its Revenue and Financing Policy;
 - Treasury, debt and investment policies; and
 - key assumptions including legislative impact, inflation, interest rates, NZTA subsidy level, population growth and the economic lives of Council assets. The interest rates assumption

has been further reviewed as part of the preparation of this AP and Council has decided to retain the current 4% interest rate.

9. This year's AP has been prepared in an environment that is similar to that which existed when the LTP was prepared, i.e. the Council and the community are facing:
- the continuing impacts of COVID-19 both on Marlborough and the rest of the world. Much of Marlborough's economy is trade and tourism related and therefore reliant on how the rest of the world deals with the impacts of the COVID-19 epidemic. Except for the tourism sector, the Marlborough economy has withstood the economic impacts of COVID well, certainly much better than some of the pessimistic forecasts being made by many commentators 12 months ago;
 - increasing impacts of Government Regulation and National Policy Statements. The Taumata Arowai – Water Services Regulator Act was passed in July 2020 and the National Policy Statement (NPS) on Freshwater Management 2020 was also issued in the same year;
 - along with further NPSs being in the pipeline, there is also the review of the Resource Management Act 1991 and how the Three Waters will be delivered in the future. As a result of the uncertainty surrounding these developments and reviews, it has been assumed that the status quo will remain for the purposes of preparing this AP. They will be better addressed in the 2024-34 LTP when greater certainty exists. In the interim, Council must keep abreast of any developments and be prepared to provide input/comment;
 - higher levels of population growth are currently being experienced compared to the position of 5-10 years ago. Higher levels of growth increase the demand for additional Council infrastructure. While much of the growth component is paid for via Development Contributions in the long term, Council must fund the costs upfront; and
 - increasing requests from the community for either increased levels of service or increased financial support.

In addition:

- higher than normal levels of inflation are currently experienced, with forecast CPI increases expected to peak at just over 6%, before returning to more normal levels; and
- supply chain, i.e. the availability of certain materials and the availability of skilled personnel is becoming a real issue.

Both of these issues are having flow on impacts on prices/costs if they can be secured at all. To quote from the Treasury 15 December 2021 Half Year Economic and Fiscal Update,

“Supply-side constraints have also become prevalent ...

In addition to demand pressures, COVID-19 disruptions have also led to supply-side constraints both domestically and internationally that have varying degrees of persistence. These include delays associated with shipping and reduced availability of key inputs in areas such as construction of electronic components.

The labour market provides further evidence of capacity constraints. The September quarter Quarterly Survey of Business Opinion (QSBO) reported record-high difficulty finding skilled labour and near-record difficulty finding unskilled labour in the September quarter, and a net 42% of businesses planned to increase their headcount in the next quarter.

With ongoing border restrictions limiting the potential supply of additional labour, employment growth is likely to be more constrained than it has been.

The greater-than-expected strength in activity, together with upwards historical revisions that were incorporated in the June 2021 quarter GDP release, has resulted in growth exceeding what the economy can sustain over the long run. The difference between actual and longrun potential economic activity, a key measure of spare capacity in the economy known as the output gap, has been more positive than previously thought. This lack of capacity is a strong indication of domestic inflationary pressure

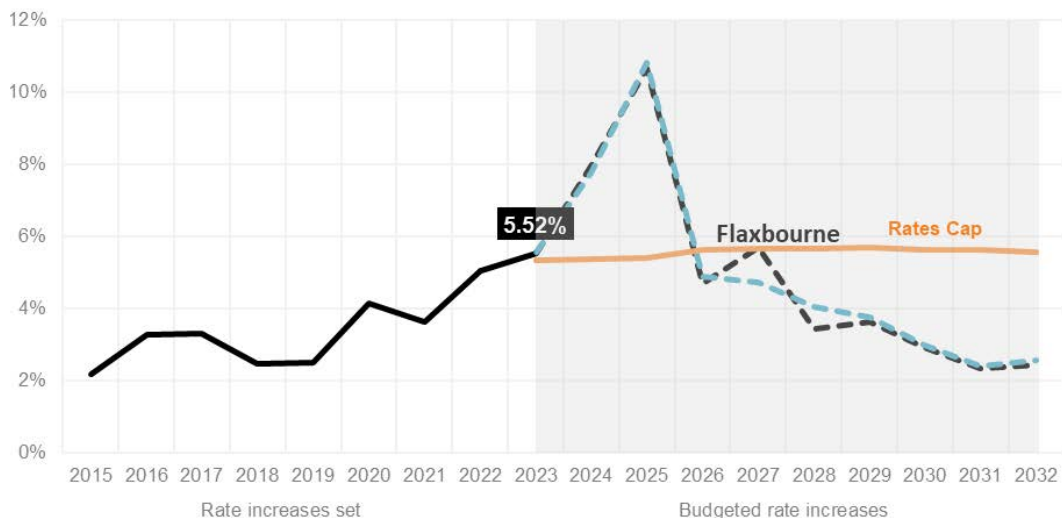
... which, along with strong demand has seen inflation surge ...”

Also from the **Reserve Bank's November Monetary Policy Statement** one of the Bank's key concerns is that higher inflation becomes embedded in wage and price setting.

Budget Approach

10. The budgets contained in each of the Activity Statements (Agenda item 4.8) have been prepared on the basis of maintaining existing LoS and the direction approved in the LTP.
11. Even though this is not an LTP year, Council has still prepared its budgets for each year of the next 10 years. These budgets include adjustments made for:
 - movements in the Local Government Cost Index;
 - known movements in contract prices (e.g. insurance and the retendering of contracts including the Roading Network Operations contract);
 - the impact of previous council investment and funding decisions (e.g. Freshwater NPS and the new/upgraded water and sewerage schemes that have occurred and are continuing to occur through much of the district; and
 - the allocations made from the newly established COVID-19 Rates Relief Reserve which were made on the adoption of the LTP.
12. Where additional or increased LoS are proposed, a separate paper has been prepared as part of this meeting agenda.
13. The forecast percentage increases in total rates and charges for the next 10 years are shown in the graph below.

Percentage of Rates increases, with and without Voluntary targeted rates



NB. The 5.52% includes the movement in Voluntary Targeted Rates e.g., Energy Efficiency

14. As identified in the above graph, the main reason for exceeding the 'Rates Cap' is the significant lift in Capital Expenditure especially in the Three Waters, the forecast rating impact of the Flaxbourne Irrigation Scheme and the removal of the COVID-19 Rates Relief Subsidy. The targeted rate for the \$16M (previously \$30.1M inflated) Flaxbourne Irrigation Scheme is applicable to Scheme members only.

Prime Drivers for Rates Increases

15. Commenting on projected rates increases, traditionally the three biggest drivers are the Local Government Cost Index (LGCI), capital expenditure and personnel costs. This continues to be the case.

16. The **LGCI** is forecast each year by BERL and used by the majority of Local Authorities to forecast likely inflation movements. The forecast for 2022-23 is 2.4 (Table 1.1 below).
17. This index forecasts the increase in Local Authority costs assuming no changes in the level and quantum of service delivered. The index attempts to forecast the price movements for items such as pipes, bitumen, diesel, etc as compared to the CPI which measures increases in household costs such as food, housing and clothing.

Table 1.1

Annual average % change, June Year	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
CPI*	3.3	5.1	3.1	2.7	2.4	2.2
Hourly wages (annual % change)*	4.0	4.1	4.5	4.6	4.4	4.2
LGCI	1.4	2.8	2.4	2.3	2.4	2.6

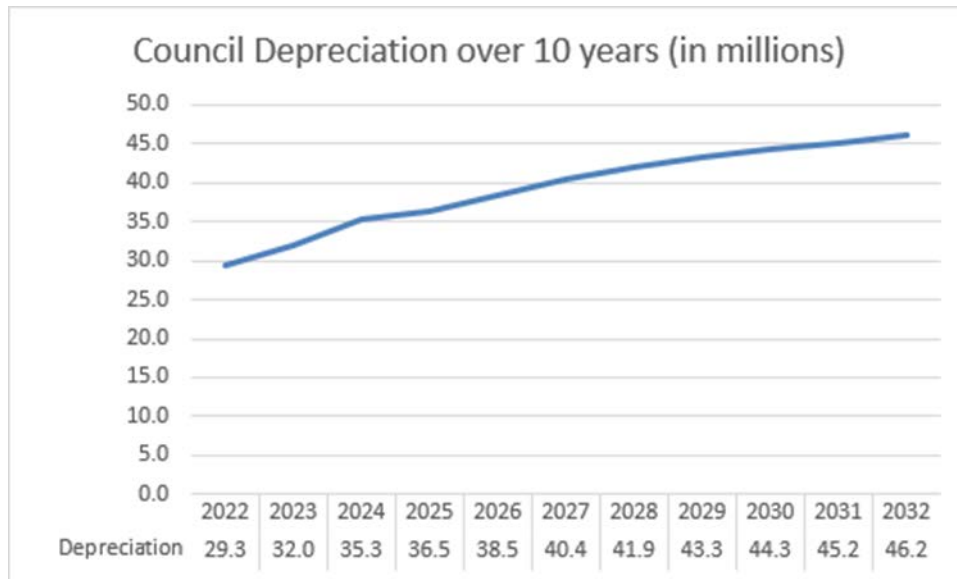
*Source: Treasury 2021 Half Year Economic and Fiscal Update – 15 December 2021

18. While current CPI increases are high, both the RBNZ and Treasury in their Monetary Policy Statement and Economic and Fiscal Update are predicting increases to gradually move towards the mid-point of the Reserve Bank of New Zealand's (Reserve Bank's) inflation target range of 1% to 3%, albeit with significant risks attaching to the forecast.
19. One of the other main drivers is financing **Capital Expenditure**. Over the past five years actual Capital Expenditure has ranged from \$36.2M in 2020 (COVID) to \$68.5M in 2021 with an average of \$51.5M. the projection for 2021-22 is just over \$75M. Please note that individual project budgets actually total a significantly higher figure, being a culmination of the budgets for work not completed in the year ended 30 June 2021 and new projects budgeted for 2021-22. 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; and
 - receiving an acceptable contract price and contractor availability.

Based on these factors, historical experience at Marlborough and other councils adopting a more conservative approach of forecasting just over \$75M for 2022 is reasonable.

20. A similar conservative approach has been adopted for 2022-23, where a total budget of \$83.4M is recommended, including \$5.0M for the Flaxbourne Irrigation Scheme.
21. Over this same 2017 to 2021 inclusive timeframe the value of property, plant and equipment has increased to \$1,804M from \$1,472M, a 22.5% increase. By 30 June 2023, this is forecast to further increase to \$1,959M.

Associated with the above increases in the value of Property Plant and Equipment and other assets, over the same timeframe depreciation has increased to \$28.1M from \$22.2M, a 26.6% increase. By June 2023 depreciation is forecast to further increase to \$32.0M.



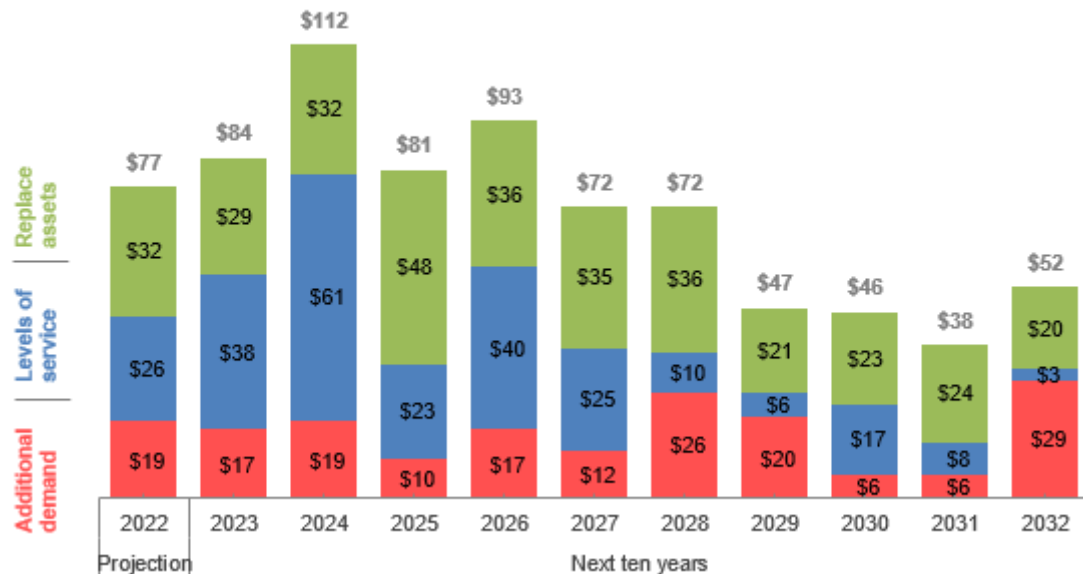
22. The increase for 2023 reflects the increased levels of Capex forecast for 2022 and budgeted for 2023.
23. From a rating perspective, fortunately not all depreciation is funded. As can be seen from the following table, approximately 25% of total depreciation is not funded in 2023 the unfunded portion of depreciation is \$8.1M, with approximately \$6.0M of this relating to Roading which is 50% funded by the subsidy from Waka Kotahi.

	Total Depreciation \$000	Unfunded Depreciation \$000	Funded Depreciation \$000	Increase in Funded Depreciation \$000
2020-21 Actual Depreciation	27,901	7,090	20,811	
2021-22 Budgeted LTP Depreciation	29,342	7,329	22,013	1,202
2022-23 Budgeted AP Depreciation	31,998	8,068	23,930	1,917

24. The table also identifies the contribution made by increased depreciation to the rates increase, being the increase in funded depreciation of \$1.917M (\$23.930M-\$22.013M).
25. To assist in the financing of the increased capital expenditure programme and reduce the need for rates funded debt, maximum use of Depreciation Reserves and the Infrastructure Upgrade Reserve (item 4.6) has been made. The Infrastructure Upgrade Reserve 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 in the AP.
26. 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 that new assets generate ongoing operations and maintenance expenditure; and
 - the Local Government Act requires Council to separately report under the following headings for Capital Expenditure. Capital Expenditure to:
 - improve Level of Service
 - meet additional demand for an activity (Growth); and
 - replace existing assets (Renewal).

27. For the purpose of calculating the amount under each heading, the Act permits the total amount value of a project to be included under the heading that reflects the primary purpose of the expenditure, e.g. if 55% of a project is to address a level of service issue, then the total value is included in the Level of Service category.
28. It is worth noting that one of the tests used by Audit, is whether renewals expenditure is close to the level of depreciation. In 2023 renewals expenditure is \$28.9M and the forecast depreciation for that year is \$32.4M, which is broadly in balance. Audit have been concerned that councils have not been keeping up with their renewals and spending significantly less on renewals than the value of depreciation. This is not the case in Marlborough.

Capital Expenditure by Category (in millions)



29. Please note, as this is only an Annual Plan, the timing of projects in 2023-24 has yet to be reviewed and brought into line with Council's financial strategy. However, it is important that these projects continue to be identified as we approach 1 July 2024.
30. Allowing for the inaccuracy that is inherent in this allocation process, it would be reasonable to expect that in broad terms:
- increases in level of service to be funded by current and future generations, which is typically achieved through the use of debt funding with debt servicing costs being met by rates;
 - increases in demand (growth) to be funded by Development Contributions; and
 - replacement of existing assets (renewal) to be funded from Depreciation Reserves.
31. As approximately \$23M of 2023 Capex relates to improving level of service, applying the assumed 4.0% interest rate assumption and a low 1% depreciation rate generates a funding demand of \$1.15M, i.e., just over a 20% of the total rates increase. In addition, previous councils have decided not to recover the full cost of growth driven Capital Expenditure from Development Contributions to encourage growth, which will have a further impact on rates.
32. Offsetting in part the impact of additional Capital Expenditure on rates has been the Government Grants for the Library/Art Gallery (\$11M), River Protection (\$3M) and the Three Waters Projects (\$12.5M).

Personnel Costs

33. Council relies on having good quality staff to deliver its services. To recruit and retain good staff Council must remain competitive in the broader market. To do otherwise would result in increased staff turnover, with a corresponding drop in productivity and additional cost. Studies have shown

that it costs up to six months' salary in recruitment, training and lost productivity should a staff member resign.

34. A recent limited survey conducted amongst councils identified staff turnovers in the range of 15-33%. The survey also identified that in this current financial year:
- a) staff turnover is increasing;
 - b) councils are often having to go back to the market multiple times to get the right person; and
 - c) recruitment and retention has been made more difficult with central government and related organisations paying metropolitan salaries while allowing people to stay and work where they currently live where more often than not, the cost of living is less.
35. In Marlborough's case our turnover is not overly high, but it is increasing. In the 12 months ending 30 June 2021 it was around 7.5%. In the 12 months ending 31 December 2021 it was 10.6%.
36. Taking the above into account and the inflation driven wage expectations identified earlier, an increased budget provision has been made to permit Council to remain competitive in the market during 2022-23.

Combined Impact of LGCI, Capex and Personnel

37. With the LGCI forecast to increase by 2.4% and the indicative impact on rates from Capex and Personnel being 4.3% and 2.7% respectively these three factors explain a significant portion of the total rates increase.

Government Requirements

38. There is also a fourth significant driver, Government requirements. The exact dollar value of the additional costs resulting from increasing Government requirements are difficult to quantify as collectively they impact the whole of Council, including for example, the NZ Drinking Water Standards, Traffic Management requirements, National Environmental and Policy Statements, even down to specifying the level of training required by Building Control Officers. There is no indication that the pace of Government reforms and resulting additional costs will slow.

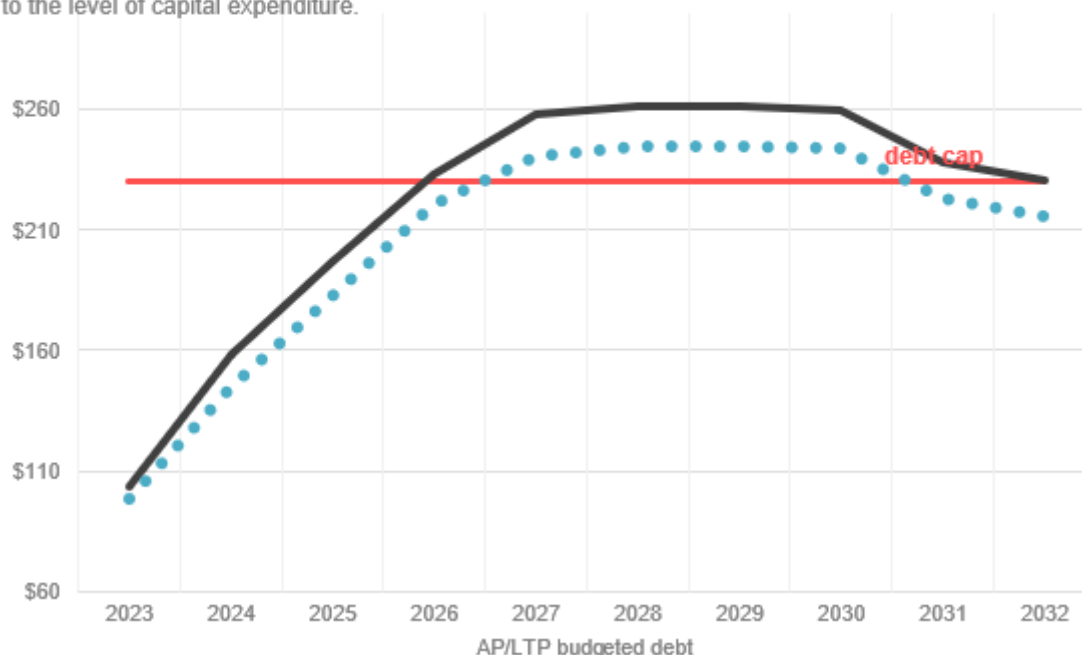
Please see **attached** a schedule (**Attachment 4.1.1**) prepared by the Department of Internal Affairs of central government reforms impacting on local government. Your attention is drawn to the "Other potential reforms" section and that references to National Policy and Environment Standards has been omitted.

Debt

39. The other aspect Council should be aware of is how the proposed budget impacts upon projected debt. The following table identifies Council's:
- a) 2022-23 projection of net debt (ie. Net of cash and investments);
 - b) 2022-23 projection of net debt without Flaxbourne;
 - c) The \$230M Council determined net debt cap.

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

Council's 2021-31 self imposed **debt cap** is exceeded from 2026 onwards, this is mainly due to the level of capital expenditure.



40. As a result of the increased Capital Expenditure budget contained in the 2021-31 LTP and this AP, net debt is projected to increase and peak at \$261M in 2029. This amount is above Council's self-determined \$230M net debt cap that was set as part of the 2021-31 LTP.
41. Despite exceeding the net debt cap, Council's debt still remains well inside the LGFA's debt covenants and it holds a AA+ long term credit rating:

Financial Covenants	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Net debt / total revenue <250%	70%	105%	122%	140%	148%	144%	144%	140%	126%	120%
Net interest / total revenue <20%	2%	2%	3%	3%	3%	4%	4%	4%	3%	3%
Net interest annual rates income <30%	4%	4%	4%	4%	5%	6%	6%	6%	5%	5%
Liquidity > 110%	128%	119%	116%	113%	112%	112%	112%	112%	113%	113%

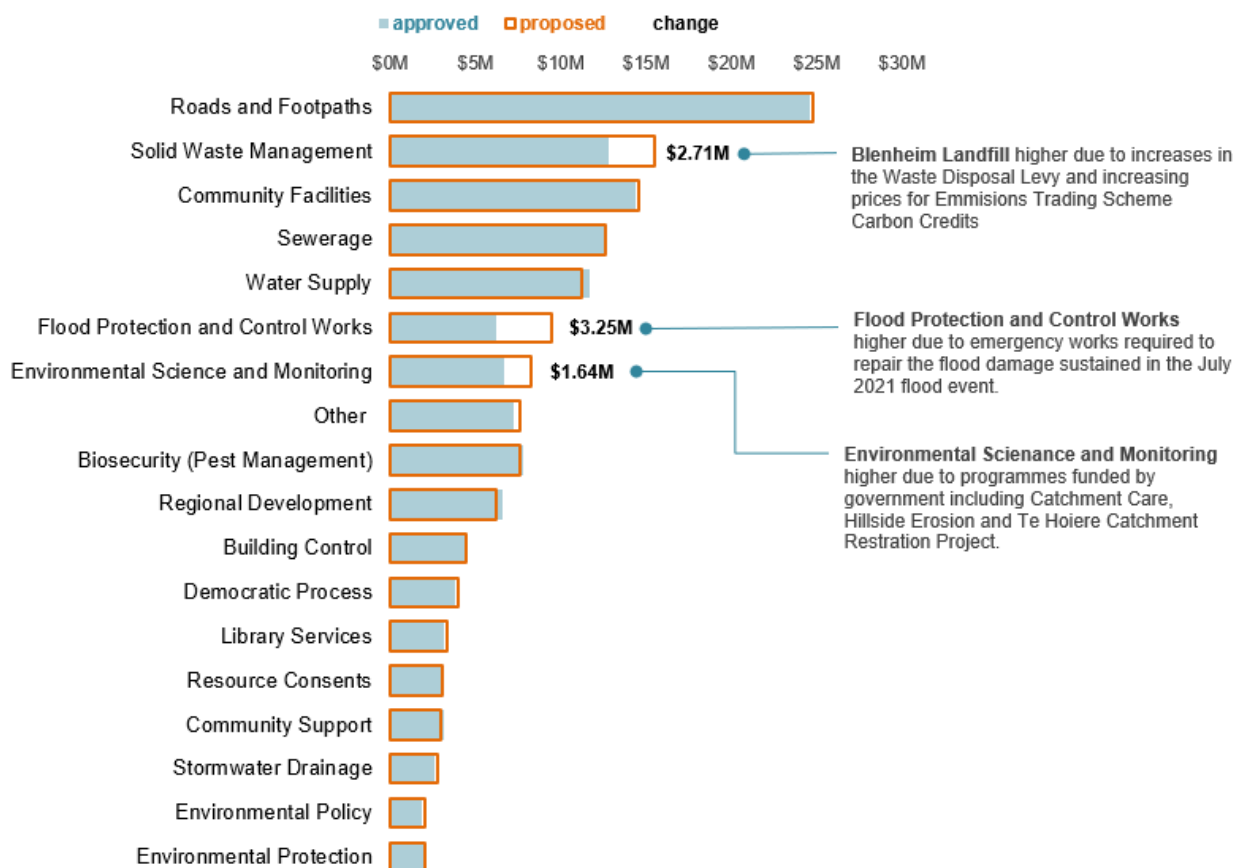
42. However, should the reforms of Three Waters delivery signalled by Government continue, then net debt will remain well within the debt cap as the majority of Council's forecast debt relates to Three Waters assets.

Proposed Council Operating Expenditure

43. The following graph shows the proposed 2022-23 Operating Expenditure levels for each activity and the amounts approved in the 2021-31 LTP.
44. As can be seen the vast majority of expenditure is targeted towards providing good quality infrastructure and local public services.

45. In the 2021-31 Long Term Plan Council approved \$134.7M of operating expenditure for 2022-23. The 2022-23 Annual Plan is now proposing \$142.4M. The 7.7M change is mainly reflected in the Solid Waste, Flood Protection and Control Works and Environmental Science and Monitoring activities. The main variances are explained below.

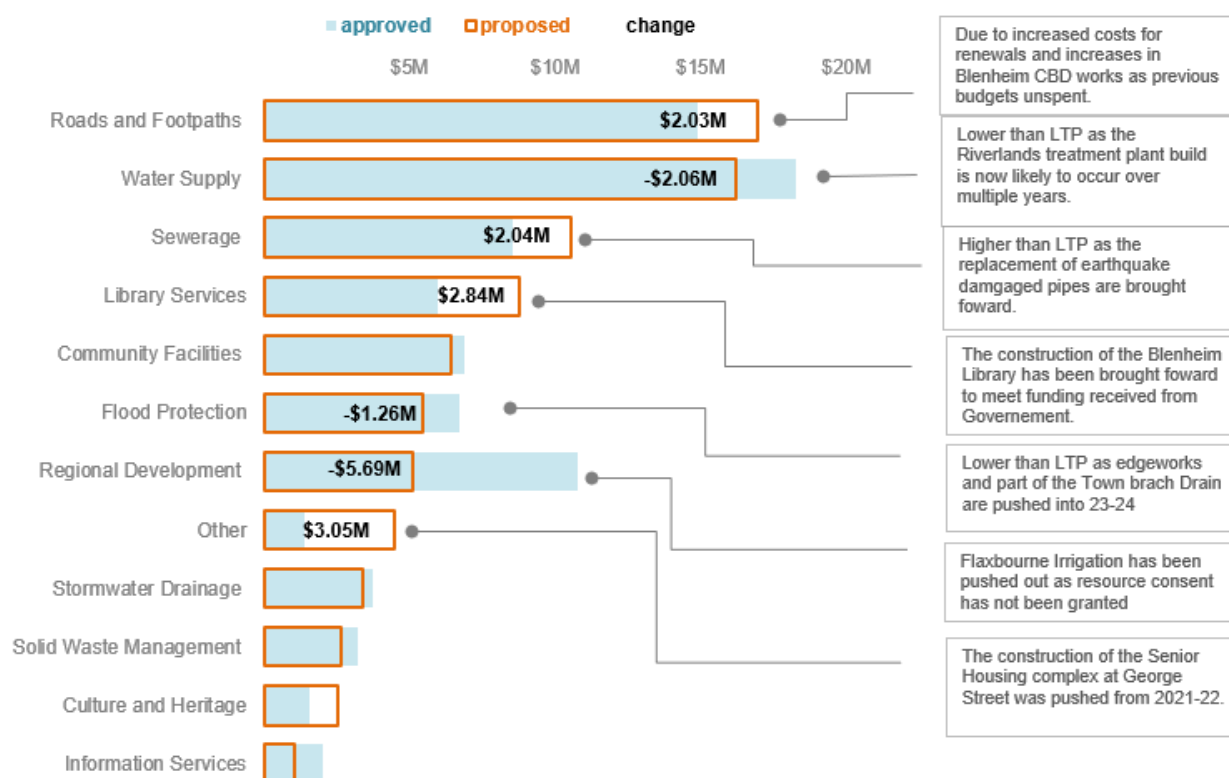
2022-23 proposed operating expenditure



Proposed Council Capital Expenditure

46. The following graph shows the proposed 2022-23 Capital Expenditure levels for each activity and the amounts approved in the 2021-31 LTP for 2022-23.
47. Again, the vast majority of expenditure relates to core infrastructure and public services. Separate agenda items (refer item 4.2 to 4.4) provide more detail on the proposed Capital Expenditure programme.
48. In the 2021-31 Long Term Plan Council approved \$84M of capital expenditure for 2022-23. In this AP we are now proposing \$83.6M of capital for 2022-23. The main changes are in Roads, Water Supply, Sewerage, Library, Flood Protection and Regional Development. The main variances are explained below.

2022-23 proposed capital expenditure against previous LTP budget



Commenting on the Proposed 2022-2023 Increase in Rates and Charges

49. The table below identifies the activities that have the greatest impact on the proposed increase in rates and charges and in summary the reasons why. It should also be noted that some of the increase results from the flow on effects of previous years' decisions, particularly if last year expenditure was funded from reserves for one year and this year are fully rate funded and investment in infrastructure intensive activities such as Sewerage, Water and Community Facilities. These projects are now incurring a full year's charge for depreciation, interest on loans and, for some, increased operating costs. Conversely, if budgeted Capital Expenditure has been deferred or delayed, then the corresponding depreciation and interest will not come to charge.

General Roding and Footpaths	995,120	The main increases are increased depreciation costs due to increase in assets in prior years.
Community Facilities	634,572	The increase is due to the employment of the new Regional sports hub facilitator, a feasibility study for Lansdowne Park and repair of the Seddon pool. There are also additional costs for the District's reserves and public conveniences.
Environmental Management	409,067	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.
Democratic Process	98,810	The main increase is due to additional costs related to the October 2022 local body elections.

Solid Waste Management	398,678	The income from the Green waste dump fees has decreased due to lower actual fees than budgeted. There has also been an increase in the operating costs of the recycling collections.
Library	318,302	The main increase is due to increased depreciation costs and internal interest due to the new library building.* ¹
Regional development	100,000	Government funding was previously provided for the Economic Portfolio Manager role. This funding has ceased, with the position continuing.
General Revenues	(300,000)	Increase in the COVID-19 Rates Relief Reserve.
Targeted Rates and Charges:		
Awatere & Riverlands water supplies	332,419	Additional costs due to the Riverlands new water treatment plant including treatment costs.
Energy Efficiency	84,762	an Increase expected in the energy efficiency loan repayments.

*¹ Since the preparation of this paper, it has been identified that the timing of the library fitout depreciation (\$113k) has been budgeted to start a year earlier than required.

Additional Expenditure Requests

50. A number of new initiatives with supporting papers are contained elsewhere in this Agenda. The table below shows the indicative impact on Rates should Council agree to proceed with the proposed initiatives. Similar to previous years, Chris Lake will have her Rates Forecasting Model at the 24 February meeting to provide Councillors with an indicative rates movement at the conclusion of the meeting. NB, the indicative rates movement at the time will include the financial impact of any related staff positions, depreciation and debt servicing costs.

Levels of Service Increases	Total \$	Indicative Rates Impact 2022-23	Comments
Marlborough Convention Centre	113,500	-	Funded from Forestry and Land Development Reserve as was the initial funding.
Marlborough Heritage Trust	170,000	100,000	\$70,000 in 2021-22 Forestry and Land Development Reserve as it relates to current year \$100,000 in 2022-23 rates funding
Small Townships Programme	250,000	9,139	Rates funded debt – first year impact shown
Picton Foreshore Maintenance	100,000	100,000	
Giving effect to NPS for Freshwater Management – Plan preparation	125,000	125,000	Also \$125,000p.a. for 2023-24 and 2024-25 years
Giving effect to NPS for Freshwater Management – Te Mana o te Wai	50,000	50,000	Also \$50,000p.a. for 2023-24 and 2024-25 years

Potential variations to the PMP to provide for urban growth	150,000	150,000	
Community Facility Structure and Playground funding	831,400	23,396	\$191,400 from the Land Subdivision Reserve and the remainder from Rates funded debt - first year impact shown.
Lansdowne Park Sports hub	70,000	70,000	
Marlborough Roads Staffing	18,000	18,000	
Future Staffing	712,500	712,500	
Three Waters "Greater Good" Funding		(1,358,035)	
Total Rates Impact		0	

Reserve Funds

51. The forecast balances (\$M) of Council's Discretionary Reserves are shown in the table below. Further detail on the allocations already approved from these Reserves are shown in Item 4.4:

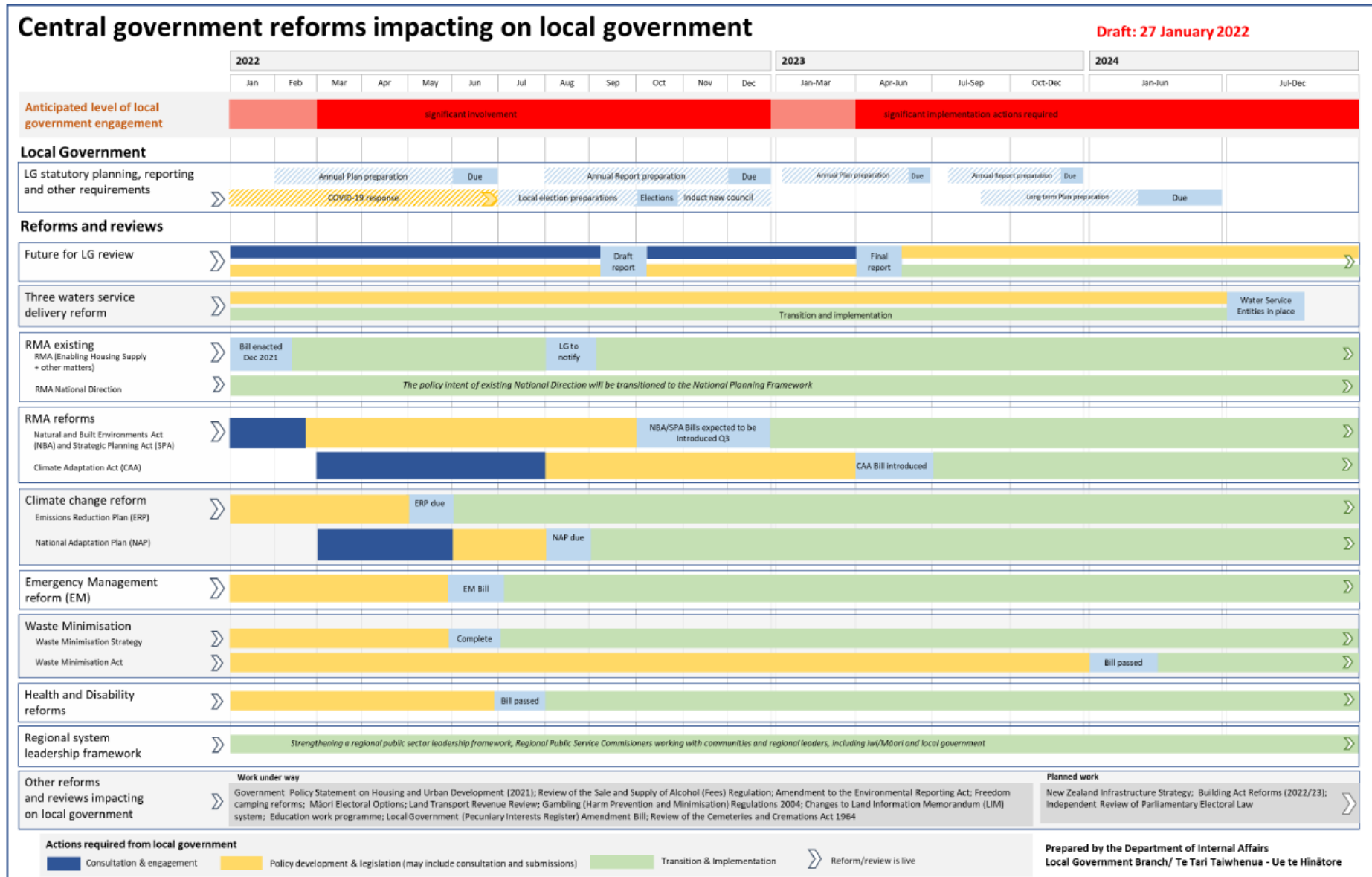
Discretionary Reserves	2022-23 \$M	2023-24 \$M	2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M
Forestry and Land Development	6.03	3.32	2.9	2.55	2.21	1.96	1.72	1.49	2	2.63
Infrastructure Upgrade	14.57	14.65	13.88	11.93	8.64	5.06	1.92	-0.68	-2.83	-5.22
Emergency Events	3.82	0.3	-0.1	0.61	1.95	2.6	3.29	3.85	4.5	5.35
Total	24.42	18.27	16.68	15.09	12.8	9.62	6.93	4.66	3.67	2.76

Attachment

Attachment 4.1.1 – Central Government Reforms Impacting on Local Government

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Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive



4.2. Water and Sewerage Capital Budgets

(Report prepared by R Coningham and S Donaldson)

F230-A22-03

Purpose of report

1. To provide an overview of Water and Sewerage projects and capital budgets¹ over the 2022-32 period.

RECOMMENDATION

That the water and sewerage budget and programme for the 2022-32 period be received and the information be adopted as supporting information.

WATER

Awatere - Rural

2. \$1.5M is budgeted in 2023-24 for point of entry treatment for rural households not served by the Seddon water treatment plant.
3. The Lions Back tanks were going to be replaced by a single steel or stainless steel reservoir, however the price received exceeded the estimate and budget. Staff are currently looking at an alternative arrangement using a group of small tanks. The current 2021-22 budget projection is \$832,000 and \$150,000 is budgeted in the 2022-23 year.
4. Seddon water treatment plant was constructed with a single reservoir with provision of a prepared site and pipework for an additional reservoir of the same capacity. High summer demand has occurred on days when the temperature is high, and it is proposed to construct the second reservoir in 2023-24 with a budget of \$1,270,000.
5. A reservoir is planned for the Dashwood (north side of the Awatere River) and there is budget provision of \$170,000 in 2027-28 and \$455,000 in 2028-29. Winery redevelopments in this area have queried whether additional capacity could be added to the reservoir for their requirements. Any increase reservoir size for this would need to be funded by the winery developments.
6. Computer hydraulic modelling has been used to assess the performance of the reticulation. Pipelines that require upgrading to increase their capacity have been identified. Upgrades are prioritised and programmed.
7. There is a budget of \$582,000 for water mains over the period 2023-30.

Seddon

8. \$328,000 is budgeted in 2022-23 for water pipeline upgrades to service currently undeveloped urban zoned land in Seddon. Also in the same year there is \$190,000 budgeted to reduce backwash volumes and reduce the discharge to the sewage treatment plant.

Blenheim

Reticulation Upgrades

9. Computer hydraulic modelling has been used to assess the reticulation. Pipelines that require upgrading to increase their capacity have been identified and budget has been made for \$2.46M

¹ All capital budgets in this paper exclude overheads and inflation.

over the period 2022-32. The first upgrade, in 2022-23, is replacement of the water main in McLauchlan St.

Pump Stations and Reservoirs

10. \$190,000 is budgeted in 2023-24 for upgrades to reservoirs. Also in 2023-24 is budget of \$440,000 for the supply and installation of standby generators to two sites. There is budget of \$1,780,000 in 2026-28 for replacement of the Wither Road booster station.

Chlorination

11. It is expected that chlorination will be required for all water supplies in NZ unless a significant investment is made to upgrade the reticulation. There is \$5,180,000 budgeted for chlorination and some other treatment improvements of the Blenheim supply over the period 2022-24.

New Wells and Treatment

12. New wells to the north of Blenheim are proposed to increase the resilience and capacity of the supply.
13. \$480,000 is budgeted for new wells in the period 2022-24. Pipelines for the new wells are budgeted in 2023-26 for \$10M. A budget of \$10M is allocated to a distribution pump station and treatment plant in 2026-27.

Universal Metering

14. Budget of \$10,725,000 is provided for universal metering in 2028-30.

Havelock

Water Treatment

15. There is \$351,000 budgeted in the current 2021-22 year and \$8,055,000 in 2022-24 for a water treatment plant with supply pipeline for Havelock which will ensure the supply complies with the Drinking Water Standards for New Zealand (DWSNZ).

Reticulation Upgrades

16. There is budget of \$180,000 in 2023-24, \$120,000 in 2025-26 and \$150,000 in 2031-32 for reticulation upgrades.

Reservoir

17. The forecast for the current (2021-22) year to complete the new stainless steel reservoir is \$575,000. The reservoir was brought into service in February 2022.

New Source

18. Havelock's existing water source is a shallow aquifer near the Kaituna River. The groundwater has been affected by saltwater intrusion in dry summers, in particular in 2015 when restrictions on water use had to be imposed.
19. Reports have been received on the issue of salinity and potential alternative water sources. A new source in the high yielding Pelorus River catchment will be a significant cost, primarily because of the distance from the town to an abstraction point that is reliable and free from the risk of saltwater intrusion.
20. A new well has been drilled further south of the existing wells at Readers Road. This well has been shown to produce a good supply of water with less risk of saline intrusion. Application has been made for resource consent to use this well.
21. Consideration is being given to drilling an additional well further inland near the Kaituna River at Prices Road.

Picton

Speeds Road Additional Wells and Treatment and Pipeline

22. New wells have been drilled to improve resilience and it is proposed to bring these into service with a filtration stage. Drilling and testing additional wells across the valley has highlighted considerable variation in water quality which needs to be planned for. There is budget of \$7,020,000 in 2022-24.
23. There is \$2,755,000 budgeted in 2021-22 and \$600,000 in 2022-23 for the Speeds Road to Elevation Reservoir pipeline.

Universal Metering

24. Only commercial and industrial connections in Picton are currently metered. It is planned to investigate metering all connections and there is budget of \$120,000 in 2023-24 and \$1,915,000 in 2024-25.
25. Metering has been shown to reduce consumption. Picton is at the limit of its existing two sources and a third source would be a substantial cost, in the order of \$19.0M. Demand management using metering, and using reclaimed water for non-potable uses is considered a better option than a third source. Treatment of sewage treatment plant effluent for reuse is discussed in paragraph 78.

Treatment for pH Control

26. Treatment for improved pH control is proposed and there is budget of \$780,000 in 2022-23.

Pressure Management Zones

27. A pressure management zone is proposed for the lower parts of Waikawa. The zone will reduce usage and leakage. Budget is provided of \$503,303 in 2024-25. The Waikawa Pressure Management Zone is subject to resolving some difficulties maintaining sufficient pressure to several elevated properties.

Essons Valley Raw Water Pipeline

28. There are two existing pipelines from Barnes Dam to Essons Valley water treatment plant, one cast iron, the other steel. The steel pipeline was installed for the supply of water to the Picton freezing works and has had to be taken out of service due to the increasing rate of failure. There is budget of \$1,200,000 in 2024-25 to re-line the cast iron pipeline.

Essons Water Treatment Plant Upgrade

29. The Essons Valley water treatment plant complies with the Drinking Water Standards, but there is an aesthetic issue with taste and odour. A significant upgrade would be required to resolve this which is not budgeted for at present. There is budget provision of \$120,000 for replacement of the filter media in 2023-24.

Barnes Dam

30. Consultants are currently assessing the structural integrity of the dam. It is not yet known if any strengthening or other improvements will be required, therefore no budget has been provided.

New Source

31. There is a budget of \$19,300,000 in 2031-32 for a new source including pipelines and treatment. The new source could be put back several years depending on how successful the proposed demand management is (Refer to paragraph 25).
32. The preferred location of a third source is the Wairau Aquifer, however no new takes are allowed for this freshwater management unit. There is a possibility that highly treated effluent from the Blenheim Sewage Treatment Plant could in future be used for irrigation that replaced consented groundwater abstraction and thereby freed up groundwater for Picton. Refer to paragraph 50.

Renwick

Water Treatment and Condors Bend Road Bores

33. There is budget of \$4,777,000 in the current 2021-22 year and \$4,403,000 in 2022-23 for the construction of a new water treatment plant and connection to the bores in Condors Bend Road.

Reticulation Upgrades

34. Groundwater used to supply Renwick is of low alkalinity, and because of that the water corrodes the asbestos cement (AC) reticulation piping. As a result, a replacement programme has been budgeted.
35. Following completion of the current contract, which is due to finish in March 2022, there is a further \$4.2M required to replace the remaining AC watermains. There is currently \$2.1M budgeted in 2023-24 and the same again in the following year.

Riverlands

36. If the current wells supplying water to Riverlands were to be retained, relatively involved treatment would be required to reduce the concentration of manganese and to meet the Drinking Water Standards. The preferred option is an alternative source within the same freshwater management unit that is low in manganese. Low manganese simplifies treatment significantly.
37. New wells have been drilled further inland close to Blenheim. The pump testing of the two new wells shows they are suitable for supplying Riverlands and design of the water treatment is underway.
38. Budget is provided for upgrading of \$1,176,000 in the current 2021-22 year and \$16,750,000 in 2022-24 to bring the new wells in to operation with treatment meeting the drinking water standards.

Wairau Valley

39. Wairau Valley township water supply requires a major treatment upgrade to meet the Drinking Water Standards. An additional well will be brought into service and the infrastructure at the two wells will be upgraded to provide protection from flooding. Government funding of \$660,000 is available for part of this project. There is budget of \$1,846,000 in the current year (2021-22) and \$950,000 in 2022-23.
40. Properties on the south east side of the highway are using groundwater which is elevated in naturally occurring arsenic and allowance has been made in the budget for connecting these properties subject to consultation. The supply would be limited to household usage. Budget is provided in 2025-26 of \$385,000.

SEWERAGE

Blenheim

Sewage Treatment Plant – Industrial Upgrade (Riverlands)

41. There is considerable variation in the industrial loading from one vintage to another depending on the growing season and harvest conditions, however an upward trend has been forecasted as recently planted vines come into production.
42. The industrial treatment plant is operating at close to capacity during vintage and construction is underway to increase the aeration capacity. The budget for the current 2021-22 year is \$3,893,305.
43. There is a budget in 2026-27 of \$3M for sludge management. This will take industrial sludge out of the ponds system and thereby reduce future pond desludging requirements.
44. Capital upgrade costs are recovered from users by tradewaste charges.

Sewage Treatment Plant – Domestic Upgrade

45. Forecasting for Domestic upgrading in the 2021-22 year is as follows:

Domestic	2021-22
Pond 1 aeration upgrade and waveband	\$1,440,000
Septage Receival	\$886,000
Total 2021-22	\$2,326,000

46. There is a budget of \$2,235,000 in 2028-29 for the construction of a large high flow buffer pond as part of the strategy to reduce overflows from the sewer network.
47. \$2,400,000 is budgeted in 2023-25 to desludge Domestic pond 2.

Sewage Treatment Plant – Domestic and Industrial - Resource Consent Upgrading

48. The sewage treatment plant will require upgrading for the next resource consent. The details of the upgrade will not be known until options are reviewed, consultation completed, Council approval is given and a resource consent granted. Assumptions have been made for budgeting, however the range in potential costs is large.

49. Industrial and domestic discharges share the cost. The following budgets are included:

	2021-25 per annum	2025-26	2026-27	2027-30
Domestic	\$350,000	\$21,000,000	\$175,000	\$125,000
Industrial - Riverlands	\$150,000	\$9,000,000	\$150,000	\$150,000

50. The \$30M budgeted for treatment in 2025-26 is an allowance for an upgrade for the next resource consent. It assumes a high standard of treatment so that the effluent can be safely used for irrigation and other non-potable uses.
51. In 2026-28 there is \$10M budgeted for reticulation to distribute the highly treated effluent to end users.

Sewage Treatment Plant Upgrade – Pond 6 Desludging – Domestic and Industrial

52. Pond 6 is the largest of the ponds at 18ha. The pond has accumulated a large volume of sludge which requires removing. The 18ha pond is utilised by both the industrial and domestic waste streams, therefore costs are apportioned.

53. The budget for the desludging of pond 6 is as follows:

Pond 6 Desludge	2021-22	2022-23
Domestic	\$1,715,000	\$571,000
Industrial - Riverlands	\$735,000	\$245,000

Reticulation – Sewer Replacements

54. Growth in housing and current capacity challenges require significant upgrading of sewers and pump stations. A construction contract is currently underway for sewers and pump stations in northern parts of Blenheim. The upgrade project includes the McLauchlan Street and Budge Street (west) catchments and a pump station in Bomford Street to replace the existing Nelson Street pump station on the intersection of Nelson Street and Bomford Street. There is a budget of \$8,840,000 in 2021-22.

55. The upgrades will reduce the occurrence of untreated overflows.

56. There is \$925,000 budgeted in 2022-24 for upgrading of the Purkiss Street north pump station and pipelines.

Reticulation – Sewer Relining

57. The Kaikoura Earthquake on 14 November 2016 caused damage to a significant portion of Blenheim's 12km of earthenware sewer mains. The sewers are being relined where practicable.
58. Earthenware sewer relining is taking place in four stages as follows:
- a) The first stage of this work was awarded to Reline NZ Ltd and involved relining 2.3km of sewer mains in Blenheim.
 - b) The second stage was awarded to Pipeworks NZ Ltd and was for the relining of approx. 3.0km of sewer mains of which 2.8km was in Blenheim and approx. 200 metres in Picton. The contract commenced on 11 February 2020 and was completed in January 2021.
 - c) The third stage is for approx. 3.2km of sewer mains and was awarded to Reline NZ Ltd, with the contract running from April 2021 to the end of March 2022.
 - d) The forecast expenditure for the current 2021-22 year is \$4.2M.
 - e) The fourth stage is relining earthenware sewers in Picton. Refer to paragraph 76.

Main Terminal Pump Station – Alabama Road (MOPS)

59. This station pumps all of the sewage from Blenheim, Woodbourne, Renwick and Marlborough Ridge through a 5.1km long pipeline to the Blenheim sewage treatment plant. The station is built in an area that is susceptible to liquefaction. Consideration was given to ground improvement and strengthening but that proved impractical. A new station will provide improved seismic and hydraulic performance.
60. \$120,000 was budgeted in 2020-21 for investigations and design. \$3,500,000 is budgeted in 2022-23 and \$4,000,000 in 2023-24 for construction.
61. Relining of the original MOPS to treatment plant pipeline is budgeted in 2022-24 for \$3,530,000. This is part of the plan to provide for growth and limit overflows.

Battys Road South Pump Station

62. If the population of Blenheim keeps growing, an additional large pump station will be needed in Battys Road. Council has already purchased the land and an interim small pump station is on the site.
63. There is budget of \$6,690,000 in 2027-28 but the timing is very much dependent on growth.
64. Budget has been provided in 2027-29 for \$6,830,000 for high flow storage as part of the strategy to reduce sewage overflows.

Other Works

65. Muller Road sewer from Redwood Street to Weld Street is being replaced at the same time as the new stormwater is laid and completion is expected by end of February 2022. The current forecast to complete the sewer component is \$1,430,000 which is higher than the 2021-22 budget projection of \$1,220,000 however overall Blenheim sewer capital expenditure is expected to be within budget.
66. \$1.3M is budgeted in 2023-24 for sewage pump station upgrades and reticulation.
67. Provision is made for sewerage in Burleigh in 2025-27 with a budget of \$2,464,000.
68. There are several other smaller pump and pipeline upgrades budgeted in the ten year period.

Havelock

- 69. A new sewage treatment plant is planned for Havelock. The new treatment plant will significantly improve effluent quality.
- 70. A detailed geotechnical study identified significant issues with the land around the existing ponds which means the site is unsuitable for further development. Consideration will be given to retaining the ponds for a wetland to give some additional treatment and act as a buffer between the treated effluent from the new sewage treatment plant and the Kaituna River.
- 71. The project is budgeted over 2021-24 for the consenting, design and building of a new treatment plant at a new site and the construction of a new terminal pump station. The budget over this period is \$13,635,000.
- 72. Budget of \$6,025,000 is provided in 2029-31 for a land treatment system. This system would be an add on to the new sewage treatment plant.

Picton

Stage 4 Trunk Sewer

- 73. Stages 1, 2, 3 and 4A have been completed. Stage 4B in Waikawa Bay is programmed to be completed in March 2022. The budget in 2021-22 is \$1,215,000.
- 74. There is \$2,313,000 budgeted in 2023-24 for Stage 4C Waikawa storage tank.

Reticulation – Sewer Replacements

- 75. \$3,410,000 is budgeted over 2024-26 for replacing sewers in Picton and Waikawa.

Reticulation – Sewer Relining

- 76. Earthenware sewers are in poor condition. There is budget of 5 million for sewer relining in Picton spread over the years 2021-22 to 2023-24. It is proposed to carry out the work beginning June/July 2022. This stage is expected to take 12 months.

Treatment

- 77. New blowers and other upgrading work has a budget of \$982,000 in 2022-23.
- 78. A reclaimed water treatment plant is budgeted in 2023-24 for \$6,100,000 and there is \$2,000,000 in the following year for tanks and pipeline. This system will treat effluent from the Picton Sewage Treatment Plant to a high standard for non-potable uses. This will take pressure off the water supply which is extended during summer.
- 79. In 2026-27 there is \$6,700,000 budgeted for a second aeration basin. The timing of this project will depend on growth.

Renwick

- 80. There is budget of \$150,000 in 2022-23 for a standby generator and in 2026-27 there is \$1,195,000 for a high flow storage tank which will allow Renwick to grow beyond the current boundaries.

Seddon

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

83. Budgets have been provided for the land treatment option as follows:

Year	2021-22	2022-23	2023-24	2024-25
Budget	\$1,347,000	\$2,600,000	\$8,000,000	3,000,000

Spring Creek

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

St Andrews

85. Part of St Andrews is now served by a grinder pump system. There is budget of \$900,000 in 2023-24 and \$152,000 in 2025-26 to complete the scheme.
86. A report by Pattle Delamore Partners in 2008 into the on-site septic tank systems at St Andrews concluded that a community scheme was required to avoid an unacceptable public health risk. The report used the proposed protocol by Auckland Health Care Services which assesses the environmental conditions and management practices to determine whether a community requires sewer reticulation in order to prevent possible risks to public health from existing septic systems.

Author	Stuart Donaldson, Planning & Development Engineer
Authorisers	Richard Coningham, Manager Assets & Services, and Martin Fletcher, Chief Financial Officer

4.3. Road and Footpaths Budget

(Report prepared by S Murrin)

F230-A22-03, R800-006-002-02

Purpose of report

1. Roding is Council's single biggest item of expenditure at 17.2% of total expenditure. This paper will give an overview of that expenditure.

RECOMMENDATION

That the report be received.

Background

2. Roding expenditure is broken down into three categories, Maintenance, Renewals and Capital expenditure (improvements).
3. Expenditure is split into subsidised and unsubsidised. Subsidised expenditure attracts a subsidy from Waka Kotahi. Currently subsidy for Council's standard roading programme is set at 51%.

Maintenance

4. The Waka Kotahi subsidised Roding Programme is funded in a 3-year block and is known as the 2021-24 National Land Transport Programme (NLTP). The 2022-23 year is the second year of the current NLTP.
5. Councillors may recall that early in 2021 following Levels of Service workshops MDC submitted a bid to the NLTP for a sum of \$53.6M for the 3-year Council subsidised Roding Programme. However, Council was advised by Waka Kotahi back in May 2021 that their NLTP was only likely to be funded at \$43.6M. Therefore a \$10M cut to the programme.
6. At the time Marlborough Roads made adjustments to the programme to fit the reduced budget. The effect of the reduced programme was that over time the Network would deteriorate further, and Levels of Service would decline.
7. Waka Kotahi received a considerable amount of feedback from Councils that the reduced budgets were not sufficient to maintain the Countries Roding network. In October 2021 Waka Kotahi confirmed that MDC's Subsidised Roding Programme would be increased and, funded to a level of \$51.6M. It was confirmed by the committee at the November meeting that the Roding programme be increased from \$43.6M to \$51.6M as Council had already budgeted for a programme of \$53.6M.
8. Council budgets have been adjusted to align with Waka Kotahi funding. This means the entire programme will receive Funding Assistance Rate (FAR) of 51%.
9. Below shows the significant items of budgeted maintenance expenditure for the 2022-23 financial year. Expenditure for subsequent years is similar with only inflation adjustments budgeted.

Subsidised Maintenance:

(a) Sealed pavement maintenance	\$1,287,596
(b) Unsealed pavement maintenance	\$660,629
(c) Environmental maintenance	\$1,005,879
(d) Network services maintenance	\$1,137,179
(e) Footpath maintenance	\$177,447

- (f) Network and Asset Management \$1,023,220
 - (g) Emergency Reinstatement \$2,000,000
10. The total subsidised maintenance programme is \$9,041,134 for this year.

Major items of unsubsidised maintenance are:

- (a) Street cleaning \$611,578
- (b) Jetties \$60,000

Renewals

11. The significant subsidised renewals budgeted for 2022-23 are listed below. Again, only inflation adjustments are budgeted for subsequent years:

- (a) Unsealed road metalling \$1,570,002
- (b) Sealed road resurfacing \$4,558,356
- (c) Sealed pavement rehabilitation \$1,624,560
- (d) Structural Component Replacements \$400,080
- (e) Drainage renewals \$790,236
- (f) Footpath renewals \$517,680

12. The total subsidised renewal programme for the year is \$10,294,688.

The main unsubsidised renewals are:

- (a) Jetty replacements \$107,000
- (b) Seal extensions \$100,000

Capital improvements

13. The only major capital improvements proposed in the long term plan are bridge replacements. There is a total of \$7.64M budgeted over 2 years 2025-27 for the High Street Bridge and a further \$7.4M is budgeted in 2027-28 for the Wither Road West Bridge, across the Taylor River. The Blenheim Integrated Transport Study referred to in paragraph 24 will evaluate whether Wither Road West is the most suitable place for an additional crossing of the Taylor river or somewhere else.
14. Subsidised capital improvements are generally funded under the 'Low Cost, Low Risk' (LCLR) work category. This work category permits the funding of projects up to a total of \$2M without the need to go through the Waka Kotahi Business Case process.
15. In the past this work category was known as Minor Safety projects and the focus was on road safety improvements.
16. Now with the re-defining of the work category a range of projects are funded from this activity, which includes Walking and Cycling projects. Unfortunately, none of Council's proposed Walking and Cycling Projects received Waka Kotahi subsidy.
17. The LCLR budget is also a three-year programme to align with the 2021-24 NLTP.
18. The proposed budget for the current three-year programme is \$1,669,525.

Significant project budgets over the period are:

- (a) Road to Zero – Speed Management \$480,000
- (b) Alfred St – Raised Pedestrian Crossing and Safety Improvements \$100,000
- (c) Collector Route delineation improvements \$180,000
- (d) Various Seal Widening Projects \$600,000

- (e) Alfred/Seymour Intersection Improvements \$310,000
19. Also funded within the roading budgets are small townships at \$375,000 per year and the 2022-23 Blenheim CBD (\$2M) and Picton CBD (\$960,250) budgets, as well as the Blenheim Northwest zone at \$352,900.

Risks not Currently Budgeted

20. The Blenheim Integrated Transport Study is currently underway. It is very likely this process will identify improvements required across the network. These improvements would need to be budgeted in future years.
21. The Elmslie Bay (French Pass) jetty is coming to the end of its life. The recommendation from WSP is that the current land span is in reasonable condition and only requires moderate maintenance, however the Hammer head needs to be replaced. Marlborough Roads are still considering options for this and will need to be budgeted in the future.
22. Peoples' expectations for improved Levels of Service, particularly on our Low Volume Access Roads are increasing. Pressure is coming from some communities to review these Levels of Service.

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

4.4. Capital Expenditure Schedule

(Report prepared by Martin Fletcher/Rainbow Zhao)

F230-A22-03

Purpose of report

1. To present a summary of the proposed Capital Expenditure Programme for 2022-23 Annual Plan (as **attached**).

Executive Summary

2. The majority of the larger items are either commented on in item 4.2 and 4.3 of this agenda or relate to the Blenheim Library and Art Gallery, Flaxbourne Irrigation, Solid Waste Management. The figures in this schedule will differ from those contained in the above items, due to the budget adjustments made to broadly align with the funding envelope agreed in the Long Term Plan.

RECOMMENDATION

That the information be received and adopted as supporting information.

Author	Rainbow Zhao, Systems Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

Inflated Capital Expenditure (\$000's)

	2021-22		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	10 year total
	Budget	Projection											
Arts	2,833	1,833	2,531	-	-	-	-	-	-	-	-	-	2,531
Heritage	-	10	-	-	-	-	-	-	-	-	-	-	-
Culture and Heritage	2,833	1,843	2,531	-	-	-	-	-	-	-	-	-	2,531
Housing for Seniors	3,640	640	3,180	-	189	-	200	-	211	-	222	-	4,002
Housing for Seniors	3,640	640	3,180	-	189	-	200	-	211	-	222	-	4,002
Community Safety	30	30	-	-	-	-	-	-	-	-	-	-	-
Passenger Transport	23	23	23	23	24	24	25	26	26	27	28	28	253
Community Support	53	53	23	23	24	24	25	26	26	27	28	28	253
Library Services	8,916	5,055	8,787	1,512	377	394	412	432	482	474	495	517	13,880
Library Services	8,916	5,055	8,787	1,512	377	394	412	432	482	474	495	517	13,880
Emergency Management	9	9	9	9	36	55	10	10	11	11	11	11	173
Emergency Management	9	9	9	9	36	55	10	10	11	11	11	11	173
People Total	15,450	7,599	14,530	1,544	625	473	647	467	730	511	755	556	20,839
Cemeteries	247	195	265	509	68	65	92	68	88	82	93	77	1,408
Memorials	228	115	18	44	8	9	356	9	9	10	10	10	483
Street berms, trees and plots	38	76	38	39	40	41	42	44	45	46	47	49	433
Halls	20	225	20	20	21	21	22	23	23	24	25	25	225
Public Toilets	2,315	2,341	1,591	558	397	48	75	64	47	39	44	77	2,940
Reserves	4,115	5,045	3,519	3,688	3,711	2,846	3,293	4,205	4,008	2,266	2,018	2,093	31,648
Swimming Pools	130	200	1,000	-	-	-	-	-	-	-	-	-	1,000
Community Facilities Total	7,093	8,198	6,452	4,859	4,246	3,030	3,880	4,412	4,220	2,467	2,237	2,332	38,136
Roading	17,003	17,641	16,927	16,886	15,454	19,292	19,822	23,210	16,342	16,770	17,184	17,612	179,499
The Provision of Roads and Footpaths Total	17,003	17,641	16,927	16,886	15,454	19,292	19,822	23,210	16,342	16,770	17,184	17,612	179,499
Rivers Outside Wairau Floodplain	20	33	20	20	21	21	22	22	23	24	24	25	223
Wairau Floodplain Drainage	1,790	1,189	1,906	2,718	780	1,147	439	1,057	35	320	36	337	8,774
Wairau Floodplain Rivers	3,550	3,594	3,550	2,708	3,013	3,580	2,151	1,395	2,214	1,728	1,907	1,198	23,442
Flood Protection and Control Works Total	5,360	4,816	5,476	5,446	3,814	4,748	2,612	2,474	2,272	2,071	1,968	1,560	32,440
Combined Sewerage	7,312	12,395	10,165	38,211	27,789	31,223	19,149	23,182	12,156	2,753	7,093	450	172,171
Riverlands Sewerage	2,267	4,885	407	157	178	9,981	3,607	184	195	193	-	-	14,901
Sewerage Total	9,579	17,281	10,572	38,367	27,967	41,204	22,756	23,366	12,351	2,946	7,093	450	187,072
Blenheim Stormwater	2,814	2,297	2,540	3,415	2,765	793	1,964	7,693	6,677	876	899	923	28,545
Other Stormwater Schemes	400	450	880	82	84	59	55	56	58	59	61	62	1,456

Stormwater Drainage Total	3,214	2,747	3,420	3,497	2,849	853	2,019	7,750	6,734	935	959	986	30,001
Awatere Water	1,104	1,912	1,320	2,918	1,037	512	773	8	8	272	9	9	6,866
Combined Water	5,380	8,866	6,244	12,701	19,335	17,430	17,081	8,109	1,122	14,094	1,143	26,539	123,800
Riverlands Water	4,137	1,208	8,630	8,750	1	1	1	1	1	1	1	1	17,391
Water Supply Total	10,621	11,986	16,194	24,369	20,373	17,943	17,856	8,118	1,132	14,368	1,154	26,549	148,056
Landfills	1,530	1,000	2,656	3,709	1,654	499	114	122	469	3,104	3,442	240	16,010
Refuse Collections	-	-	-	188	-	-	-	-	-	-	-	-	188
Transfer Stations	300	300	-	-	-	-	-	-	-	-	-	-	-
Waste Minimisation	300	300	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Management Total	2,130	1,600	2,656	3,897	1,654	499	114	122	469	3,104	3,442	240	16,198
Environmental Science & Monitoring	355	355	334	409	419	651	439	169	173	178	182	187	3,140
Environmental Protection	-	-	-	-	-	46	-	-	-	-	-	-	46
Resource Consents	3	3	3	-	-	44	-	-	-	-	-	-	47
Environmental Management Total	358	358	337	409	419	741	439	169	173	178	182	187	3,234
Building Control	-	-	-	-	25	265	-	-	-	-	-	-	291
Environmental Health	3	3	3	4	30	4	4	4	4	4	4	4	66
Biosecurity	-	-	-	-	-	182	-	-	-	-	-	-	182
Harbours	380	350	262	256	228	824	246	687	260	267	187	192	3,410
Regulatory Total	383	353	265	260	283	1,275	250	691	264	271	192	196	3,948
Economic Development	10	10	-	-	-	-	11	-	-	-	-	-	11
Irrigation Schemes	4,000	787	4,991	9,587	17	17	17	18	20	19	21	20	14,727
Parking	86	522	98	88	101	127	117	120	138	141	145	148	1,223
Regional Development Total	4,096	1,319	5,089	9,675	117	144	146	139	157	161	166	168	15,961
Corporate Management	50	50	50	51	53	54	55	57	59	60	62	63	564
Information Services	1,860	2,010	1,075	2,838	1,759	1,807	1,193	1,227	1,260	1,293	1,325	1,356	15,134
Office Services	270	472	324	61	242	65	111	68	70	72	333	76	1,422
Regional Development	300	300	-	-	-	-	-	-	-	-	-	-	-
Assets + Services Management	-	60	-	-	-	927	-	-	-	-	-	-	927
Plant Operations	110	127	272	193	295	133	257	499	477	460	150	148	2,884
Grand Total	77,879	76,917	83,639	112,353	80,149	93,188	72,157	72,770	46,711	45,666	37,201	52,480	696,315

4.5. Reserve Balances

(Report prepared by Chris Lake)

F230-A22-03

Purpose of report

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

RECOMMENDATION

That Council receive and adopt this paper as supporting information.

2. Emergency Events Reserve

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
3.82	0.30	(0.10)	0.61	1.95	2.60	3.29	3.85	4.50	5.35

By way of comparison for the 2021-31 LTP the 2030-31 balance was forecast to be (\$0.702M).

This Reserve has been built up and set aside, as part of the damage repair funding plan following a major disaster event. It is also commonly used to fund damage repairs for lesser, but still significant events such as expensive roading, flood damage and earthquake damage repairs. This fund was used for additional expenditure due to COVID-19.

The two funding sources for this Reserve are primarily General Revenues, and river leases.

The results of consultation of the 2018/28 LTP indicated a preferred balance of between \$10-15M in 2028.

At the 6 August 2020 LTP Working Group it was agreed to increase the emergency events reserve in out years where the increase does not breach the rates cap.

The budget provides for:

- **Projection for 2021-22**
 - \$0.90M annually for Council's share (net of NZTA subsidy) of roading flood damage
 - \$0.17M Regional development TEAM funding – balance from prior years
 - \$0.10M Regional development TEAM funding – additional funding
 - \$1.84M Flood damage to rivers in July 2021 – balance of costs after insurance claim income
 - \$0.27M River edge protection damage balance
- **Budget for individual years**
 - \$2.70M for Combined Sewer being \$1.13M in the year 2022-23 and \$1.57M in the year 2023-24
 - \$2.68M for Flood damage to rivers in July 2021 – balance of costs after insurance claim income being \$1.32M in 2022-23 and \$1.36M in 2023-24
 - \$0.14M for the Renwick Museum earthquake strengthening in year 2025-26
- **Annually over ten years**
 - \$0.98M annually (plus LGCI) for Council's share (net of NZTA subsidy) of roading flood damage
 - \$0.32M annually (plus LGCI) for rivers flood damage

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

3. Forestry and Land Development Reserve

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
6.03	3.32	2.90	2.55	2.21	1.96	1.72	1.49	2.00	2.63

The significant revenue sources are:

- Distribution from Marlborough Regional Forestry which is dependent on harvesting targets being achieved and current log prices being maintained. Harvesting has ceased in 2020-21 with budgeted income starting again in 2030-31
- Settlement proceeds from the final stage of Boulevard on Taylor developments were received in projection (2021-22) of \$7.5M. This revenue source will now cease.

The budget provides for:

Projection 2021-22

- \$0.77M for Lansdowne Park sports pavilion
- \$1.40M for The Whale Trail
- \$0.17M Completion of the Link pathway
- \$0.19M for the new Blenheim Library/Art gallery
- \$0.55M Marlborough Events Centre fitout and fixed costs
- \$0.29M Marlborough Heritage Trust Fire protection plan
- \$0.15M for the remaining year for New Zealand Research Institute of Viticulture and Oenology (NZRIVO)
- \$0.30M Equestrian Park, balance of stage 2
- \$1.14M for various projects previously approved by Council

2022-23

- \$3.34M for the new Library/Art gallery
- \$0.50M for The Whale Trail
- \$0.31M Wither Hills woolshed
- \$0.25M Marlborough Events Centre fixed costs
- \$0.96M Picton Innovative streets
- \$0.27M for various projects previously approved by Council

Future years

- \$0.11M for the new Library/Art gallery
- \$1.12M Maritime smart monitoring in 2023-24
- \$0.25M Marlborough Events Centre fixed costs in 2023-24
- \$0.77M funding for Awatere rural water supply budgeted to be completed in 2023-24
- \$0.37M Stoat eradication. Balance of the \$500k was in prior years
- \$0.49M for various projects previously approved by Council

Annually over ten years

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

4. Infrastructure Upgrade Reserve

See item 4.6 for further information on this Reserve.

5. Wairau Rivers Operating Reserve

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
(1.87)	(2.40)	(2.72)	(2.70)	(2.31)	(1.94)	(1.28)	(0.74)	(0.01)	0.53

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

The significant revenue sources are:

- River Leases
- Gravel Extraction

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

This Reserve went into deficit in 2020-21 and will remain so until returning to a surplus in 2031-32. This is to continue to ensure the activity has sufficient Reserves to meet the development of river control assets and to meet any unplanned expenditure. This Reserve is credited/debited with interest.

6. Land Sub Reserve

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
4.29	6.16	7.16	7.08	6.60	7.43	6.83	7.61	8.44	9.27

The funding source for this Reserve is Development Contributions – \$2.40M in 2022-23 with an average of \$2.70M over the next nine years.

The budget provides for:

- **Allocations**
 - Minor allocations for various parks and reserves
 - \$0.11M Endeavour Park gravel banding
 - \$0.29M Resurface netball courts – Horton Park
 - Unspecified allocation averaging \$2.02M over the 10 years.

7. Depreciation Reserves

2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
9.99	(8.44)	(12.42)	(3.37)	6.25	8.65	17.41	29.20	38.43	54.45

These amounts represent the depreciation funded to Reserves from each activity of Council net of any transfers funded from the Reserve (*eg; funding of capital or debt repayment*). Depreciation Reserves have built up as a result of activities funding their Depreciation Reserves without major capital expenditure being planned within the 10 year Plan. This occurs when assets are new and won't have to be upgraded or renewed for some time. The Infrastructure Strategy identifies that renewals will become an increasingly important issue over time. The Depreciation Reserves for water and sewerage have been used as part of funding the current capital expenditure in those activities with significant funding required in the 2023-24, 2024-25 and 2025-26 years resulting in Depreciation Reserves going into deficit, but they are built up over the following years.

A previous Audit New Zealand Long Term Plan Management Report included the following comment: "The key for the District Council is that in fully funding its operating costs including

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

8. COVID-19 Rates Relief Reserve

2022-23 \$M	2023-24 \$M	2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M
(8.30)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)	(12.80)

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

The funding source will be surpluses of the Infrastructure Upgrade Reserve. The initiatives that could be used for this are:

- The Ferry Terminal Redevelopment which should generate additional dividend income; and
- The Government led Three Water delivery reforms.

Author	Chris Lake, Financial Services Manager
Authoriser	Martin Fletcher, Chief Financial Officer

4.6. Infrastructure Upgrade Reserve

(Report prepared by Chris Lake)

F230-A22-03

Purpose of report

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

RECOMMENDATION

That Council receive and adopt this paper as supporting information.

Background/Context

2022-23 \$M	2023-24 \$M	2024-25 \$M	2025-26 \$M	2026-27 \$M	2027-28 \$M	2028-29 \$M	2029-30 \$M	2030-31 \$M	2031-32 \$M
14.57	14.65	13.88	11.93	8.64	5.06	1.92	(0.68)	(2.83)	(5.22)

2. By way of comparison for the 2021-31 LTP the 2030-31 balance was forecast to be \$8.50M.
3. This Reserve was originally established to assist funding (up to 50%) of essential infrastructural assets (e.g. Combined Sewerage schemes (including Grovetown), Picton water, now part of Combined Water schemes, and the Aquatic Centre). Infrastructural assets are defined in the Long Term Plan as fixed assets that are not generally regarded as tradable and which provide a continuing service to the community – such as Reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
4. The Reserve has the following income streams:
 - MDC Holdings Limited dividend (full value) – \$2.76M for the first year then an average of \$4.27M for the next 9 years.
 - Property lease income – \$2.10M to \$2.49M per annum based on projections supplied by APL.
5. The property lease income is derived from three leases at Condors Bend with varying review frequencies (five or six years) and differing bases for calculation, consistent with the Long Term Plan.
6. This Reserve and its associated income streams have been set up to service debt.
7. Further allocations may not be possible from this Reserve as after 10 years we are budgeting this reserve to be in deficit. This would not change to a positive figure for a number of years.
8. For Council's information, previous Council decisions have provided the following guidance as to the use of Infrastructure Upgrade Reserve:
 - (a) that it is applied to essential infrastructure;
 - (b) that it assists funding new assets (to a maximum of 50%) after taking account of subsidies provided by Central Government; and
 - (c) that it assists significant capital upgrades required to increase the targeted level of service supplied to the community (to a maximum of 50%) after taking account of other subsidies supplied by Central Government.

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

Project	Allocated	Approved but not yet Allocated
Lansdowne Park	\$1.83M	\$0.68M
Blenheim Library	\$0.50M	\$5.64M
Picton Library	\$1.82M	-
Aquatic Centre	\$4.00M	-
Combined Water: Blenheim	\$0.20M	\$22.69M
Combined Water: Havelock	\$0.34M	\$1.55M
Combined Water: Picton	\$3.35M	\$18.98M
Combined Water: Renwick	\$2.57M	\$4.62M
Combined Water: Wairau Valley	-	\$0.80M
Awatere Water	-	\$1.11M
Combined Sewer: Blenheim	\$12.80M	\$39.61M
Combined Sewer: Havelock	\$0.04M	\$8.76M
Combined Sewer: Picton	\$12.84M	\$13.65M
Combined Sewer: Renwick	-	\$0.74M
Combined Sewer: Seddon	\$0.18M	\$7.72M
Combined Sewer: Spring Creek	\$0.63M	\$0.04M
Grovetown Sewer	\$0.51M	-
St Andrews Sewer	\$0.11M	\$0.47M

Author	Chris Lake, Financial Services Manager
Authoriser	Martin Fletcher, Chief Financial Officer

4.7. Forecast Financial Statements

(Report prepared by Tessa Dever)

F230-A22-03

Purpose of report

1. To present to Council forecast Financial Statements reflecting the income, expenditure and funding decisions in the 2022-2023 Draft Annual Plan.

Executive Summary

2. This report includes the following forecasts:
 - Statement of Comprehensive Revenue and Expense;
 - Statement of Changes in Net Assets / Equity;
 - Statement of Financial Position;
 - Statement of Cash Flows; and
 - the accompanying Financial Statement Notes.
3. The data presented covers the annual plan year plus nine further years and is for Marlborough District Council including the Marlborough Regional Forestry (MRF) Joint Operation.
4. All budgets are adjusted for projected price increases using the recommended indices supplied by BERL.

RECOMMENDATION

That the information presented be received as supporting documentation.

Forecast Statement of Comprehensive Revenue and Expense

5. This Statement is commonly called an Income Statement or Statement of Financial Performance. It shows all of Council's revenue and operating expenditure and the resulting surplus. Capital expenditure, loan repayments or transfers to/from reserves are not included in calculating the surplus.
6. The surplus, while correct in accounting terms, considers all inflows as revenue. However, some of this revenue is either non-cash or specifically targeted and cannot be used to fund operating expenditure. Specifically this revenue can be:
 - non-cash eg; vested assets and Forestry revaluation gains;
 - tied to a Reserve eg; rivers lease revenue and subsidiary's dividend revenue is used to fund the Infrastructure Upgrade Reserve which in turn is used to fund infrastructure capital expenditure;
 - dedicated to funding capital expenditure eg; Waka Kotahi, Government grants and Development Contributions; and
 - levied specifically for the repayment of debt, eg; water and sewerage loan rates.
7. "Other revenue" includes fees and charges, rental revenues, vested assets, MDC Holdings Ltd dividends, amongst others.

Statement of Financial Position

8. This statement is commonly called a Balance Sheet. It summarises all Council's assets and liabilities, including external debt. The total amount of external debt is shown as "Borrowings".
9. Council's net debt can be determined by deducting from this cash and cash equivalents, the advance to MDC Holdings Ltd and the \$12M investments Council has determined to carry for emergency events.
10. Council's net debt is provided below this Statement. For more information on the components that make up Council's net debt refer to the "Budget Summary" item.
11. The emergency events investments are included in the current portion of "Other financial asset".
12. The amounts forecast to be on-lent to MDC Holdings Limited are included under the non-current portion of "Other financial assets – Other" and also under non-current "Borrowings".

Statement of Cash Flows

13. The forecast Statement of Cash Flows shows the forecast cash generated and used for each year.

Author	Tessa Dever, Financial Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

Marlborough District Council

Forecast Statement of Comprehensive Revenue and Expense

for the year ending 30 June:

for the year ending 30 June:		Notes	2022 (LTP) \$000s	2023 (LTP) \$000s	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s
Revenue:														
Rates, excluding targeted water rates	2		72,783	77,042	76,407	82,172	91,154	95,561	100,771	104,500	108,364	111,533	114,122	116,903
Targeted rates for metered water supply	2		3,110	3,730	3,789	4,398	4,653	4,725	5,212	5,114	5,235	5,367	5,522	5,665
Subsidies and grants	4		23,968	12,331	15,245	12,997	13,247	14,658	14,845	16,965	13,498	13,844	14,160	14,487
Interest revenue	3		2,467	4,122	4,520	6,198	6,951	6,763	6,587	6,390	6,232	6,051	5,848	5,530
Development and financial contributions	4		7,176	7,326	7,321	7,472	7,627	7,785	7,947	8,112	8,281	8,453	8,628	8,716
Other revenue	4		39,279	41,967	46,751	44,942	44,455	45,655	46,816	48,524	49,141	50,274	50,288	51,292
Gains	4		1,263	1,693	1,020	1,402	1,140	1,235	1,273	1,372	980	776	187	16
Total revenue	1		150,046	148,211	155,053	159,581	169,227	176,382	183,451	190,977	191,731	196,298	198,755	202,609
Expenditure by function:														
People														
Democratic Process			3,503	3,809	3,974	4,053	4,070	4,370	4,443	4,442	4,768	4,833	4,831	5,155
Culture and Heritage			1,362	1,352	1,361	1,446	1,451	1,596	1,461	1,466	1,471	1,476	1,481	1,485
Housing for Seniors			1,606	1,639	1,902	1,902	1,984	1,875	2,042	2,012	1,995	1,990	2,086	2,334
Community Support			3,104	3,123	2,971	2,828	2,869	2,893	2,940	3,002	3,021	3,057	3,130	3,145
Library Services			3,004	3,147	3,362	3,812	3,789	3,863	3,965	4,024	4,120	4,242	4,349	4,466
Emergency Management			732	753	749	772	797	810	839	861	889	915	942	966
Community Facilities			14,294	14,341	14,566	14,726	15,033	15,526	15,784	16,214	16,586	16,997	17,461	17,750
Roads and Footpaths			23,370	24,599	24,759	26,137	27,126	28,048	29,163	30,086	31,074	32,025	32,941	33,863
Flood Protection and Control Works			5,844	6,173	9,426	9,801	6,942	7,217	7,520	7,741	7,972	8,207	8,479	8,701
Sewerage			12,033	12,731	12,575	14,350	16,115	18,405	20,808	22,030	22,926	23,290	23,549	23,740
Stormwater Drainage			2,469	2,623	2,746	2,903	3,057	3,091	3,198	3,377	3,669	3,872	3,957	4,035
Water Supply			10,483	11,698	11,235	12,588	13,552	14,473	15,748	16,457	16,786	17,083	17,616	18,513
Solid Waste Management			10,852	12,809	15,522	17,845	18,744	19,523	19,877	20,435	20,859	21,284	21,736	22,222
Environmental Management														
Environmental Policy			1,900	1,869	2,068	2,043	2,094	2,157	2,222	2,286	2,356	2,425	2,499	2,570
Environmental Science and Monitoring			6,175	6,646	8,290	8,075	7,540	6,781	6,770	6,951	6,970	7,150	7,073	7,205
Resource Consents			2,993	3,092	3,071	3,217	3,345	3,452	3,601	3,703	3,733	3,831	3,875	3,896
Environmental Protection			1,807	1,948	2,014	2,085	2,157	2,223	2,300	2,369	2,446	2,519	2,598	2,671
Regulatory														
Biosecurity			6,499	7,737	7,632	2,760	2,047	2,096	2,165	2,131	2,190	2,251	2,312	2,374
Building Control			4,377	4,506	4,417	4,660	4,835	5,025	5,203	5,396	5,529	5,727	5,867	6,089
Environmental Health			697	722	749	778	804	832	858	883	909	937	964	989
Animal Control			828	851	867	882	905	931	958	985	1,013	1,037	1,063	1,089
Harbours			1,888	1,934	2,010	2,083	2,134	2,122	2,144	2,244	2,335	2,406	2,479	2,502
Regional Development			6,311	6,557	6,175	6,716	7,088	7,126	7,562	7,613	7,759	7,875	7,987	8,136
less internal interest eliminated	3		126,131	134,659	142,441	146,462	148,478	154,435	161,571	166,708	171,376	175,429	179,275	183,896
Total expenditure by function			126,357	136,853	143,751	148,702	151,031	155,563	162,163	167,596	172,120	176,133	179,752	183,912
Non-activity expenditure:														
Other expenditure	5		5,156	5,248	3,613	3,907	4,031	4,135	4,193	4,288	4,341	4,415	4,436	4,542
Marlborough Regional Forestry	5		1,009	1,212	738	767	767	768	770	769	769	768	766	981
Total non-activity expenditure			6,165	6,460	4,351	4,674	4,798	4,903	4,963	5,057	5,110	5,183	5,202	5,523
Total expenditure	5		132,522	143,313	148,102	153,376	155,829	160,466	167,126	172,653	177,230	181,316	184,954	189,435
Surplus														
			17,524	4,898	6,951	6,205	13,398	15,916	16,325	18,324	14,501	14,982	13,801	13,174

Forecast Statement of Other Comprehensive Revenue and Expense

for the year ending 30 June:

Forecast capital expenditure, Other Comprehensive Income and Finance Costs													
for the year ending 30 June:													
	Note	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Surplus for the year		17,524	4,898	6,951	6,205	13,398	15,916	16,325	18,324	14,501	14,982	13,801	13,174
Other comprehensive revenue:													
Gain on property revaluations	8	61,551	56,206	38,676	42,457	47,699	54,148	57,483	62,564	64,915	65,711	66,858	68,499
Total other comprehensive revenue and expense		61,551	56,206	38,676	42,457	47,699	54,148	57,483	62,564	64,915	65,711	66,858	68,499
		79,075	61,104	45,627	48,662	61,097	70,064	73,808	80,888	79,416	80,693	80,659	81,673
Total comprehensive revenue and expense													

Forecast Statement of Changes in Net Assets / Equity

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Balance at 1 July	1,707,700	1,786,775	1,844,563	1,890,190	1,938,852	1,999,949	2,070,013	2,143,821	2,224,709	2,304,125	2,384,818	2,465,477
Total comprehensive revenue and expense for the year	79,075	61,104	45,627	48,662	61,097	70,064	73,808	80,888	79,416	80,693	80,659	81,673
Balance at 30 June	1,786,775	1,847,879	1,890,190	1,938,852	1,999,949	2,070,013	2,143,821	2,224,709	2,304,125	2,384,818	2,465,477	2,547,150

Marlborough District Council

Forecast Statement of Financial Position

as at 30 June:

	Notes	2022 (LTP) \$000s	2023 (LTP) \$000s	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s
Assets:													
Non-current assets:													
Property, plant and equipment	8	1,824,360	1,923,620	1,959,454	2,061,359	2,158,155	2,263,701	2,360,991	2,444,024	2,522,950	2,602,115	2,661,364	2,736,492
Intangible assets	8	10,758	11,371	15,017	15,896	16,205	16,526	16,182	15,545	15,139	14,736	14,339	13,956
Forestry assets		23,342	24,678	19,063	20,141	21,281	22,486	23,759	25,106	26,071	26,847	26,996	26,781
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	6,000
- Other		88,050	143,574	133,242	183,095	203,940	194,287	184,222	174,246	163,739	152,734	141,734	131,734
Investment property	11	10,750	10,750	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950
Total non-current assets		1,963,260	2,119,993	2,143,726	2,297,441	2,416,531	2,513,950	2,602,104	2,675,871	2,744,849	2,813,382	2,861,383	2,925,913
Current assets:													
Cash and cash equivalents		140	108	161	147	195	118	152	158	167	153	201	143
Debtors and other receivables	6	12,953	13,330	14,957	15,312	15,682	16,094	16,521	16,962	17,417	17,872	18,341	18,810
Other financial assets	7	14,299	14,299	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492
Inventory		312	321	344	352	360	369	379	389	399	409	420	431
Total current assets		27,704	28,058	27,954	28,303	28,729	29,073	29,544	30,001	30,475	30,926	31,454	31,876
Total assets		1,990,964	2,148,051	2,171,680	2,325,744	2,445,260	2,543,023	2,631,648	2,705,872	2,775,324	2,844,308	2,892,837	2,957,789
Liabilities:													
Non-current liabilities:													
Borrowings	10	173,936	269,265	246,716	351,374	409,021	435,867	449,802	442,225	431,319	418,664	385,563	367,861
Provisions		9,616	9,670	7,877	7,982	8,090	8,202	8,318	8,438	8,562	8,690	8,818	8,956
Employee entitlements		287	295	256	262	268	275	282	290	298	306	314	322
Total non-current liabilities		183,839	279,230	254,849	359,618	417,379	444,344	458,402	450,953	440,179	427,660	394,695	377,139
Current liabilities:													
Creditors and other payables	9	18,239	18,770	24,243	24,819	25,418	26,086	26,777	27,491	28,228	28,965	29,725	30,485
Employee entitlements		2,111	2,172	2,398	2,455	2,514	2,580	2,648	2,719	2,792	2,865	2,940	3,015
Total current liabilities		20,350	20,942	26,641	27,274	27,932	28,666	29,425	30,210	31,020	31,830	32,665	33,500
Total liabilities		204,189	300,172	281,490	386,892	445,311	473,010	487,827	481,163	471,199	459,490	427,360	410,639
Net assets		1,786,775	1,847,879	1,890,190	1,938,852	1,999,949	2,070,013	2,143,821	2,224,709	2,304,125	2,384,818	2,465,477	2,547,150
Equity													
Accumulated funds		682,345	701,641	708,673	746,385	760,954	767,706	768,973	784,671	788,703	788,609	787,858	778,087
Asset revaluation reserves		1,050,461	1,106,667	1,144,682	1,187,139	1,234,838	1,288,986	1,346,469	1,409,033	1,473,948	1,539,659	1,606,517	1,675,016
Other reserves	13	53,969	39,571	36,835	5,328	4,157	13,321	28,379	31,005	41,474	56,550	71,102	94,047
Total equity		1,786,775	1,847,879	1,890,190	1,938,852	1,999,949	2,070,013	2,143,821	2,224,709	2,304,125	2,384,818	2,465,477	2,547,150

Forecast Statement of Cash Flows

as at 30 June:

		2022 (LTP) \$000s	2023 (LTP) \$000s	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s
Cash flows from operating activities:													
Receipts from rates revenue		75,893	80,773	80,196	86,570	95,807	100,286	105,983	109,614	113,599	116,900	119,644	122,568
Receipts from other revenue		66,218	57,623	63,084	58,871	60,183	62,679	64,373	68,002	64,668	65,635	65,642	67,029
Interest received		2,467	4,122	4,520	6,198	6,951	6,763	6,587	6,390	6,232	6,051	5,848	5,530
Payments to suppliers and employees		(96,803)	(101,372)	(108,039)	(107,843)	(107,565)	(110,072)	(113,833)	(116,690)	(119,868)	(123,101)	(126,405)	(130,169)
Interest paid		(5,594)	(8,307)	(7,344)	(9,476)	(11,027)	(11,067)	(12,006)	(13,133)	(13,169)	(12,987)	(12,414)	(11,851)
Net cash flow from operating activities		42,082	32,736	32,296	34,196	44,222	48,458	50,969	54,045	51,320	52,352	52,166	52,954
Cash flows from investing activities:													
Receipts from sale of property, plant and equipment		-	3,540	-	3,571	74	483	-	31	16	-	70	16
Movement in investments		(19,920)	(55,523)	(54,177)	(49,850)	(20,845)	9,654	10,065	9,975	10,505	11,009	10,998	10,002
Dividends received		2,599	2,447	2,772	2,989	3,584	3,785	3,556	3,870	4,473	5,125	5,572	5,572
Purchase of property, plant and equipment		(72,845)	(78,663)	(72,154)	(95,700)	(84,761)	(89,434)	(78,626)	(60,477)	(55,539)	(55,991)	(35,807)	(51,055)
Net cash flow from investing activities		(90,067)	(128,096)	(123,438)	(138,866)	(101,821)	(75,381)	(64,870)	(46,463)	(40,403)	(39,711)	(19,018)	(35,312)
Cash flows from financing activities:													
Movement in borrowings		47,924	95,329	91,180	104,656	57,647	26,846	13,935	(7,576)	(10,908)	(12,655)	(33,100)	(17,700)
Net cash flow from financing activities		47,924	95,329	91,180	104,656	57,647	26,846	13,935	(7,576)	(10,908)	(12,655)	(33,100)	(17,700)
Net increase / (decrease)		(61)	(31)	38	(14)	48	(77)	34	6	9	(14)	48	(58)
Cash, cash equivalents and bank overdrafts:													
At the beginning of the year		201	140	123	161	147	195	118	152	158	167	153	201
At the end of the year		140	109	161	147	195	118	152	158	167	153	201	143

Marlborough District Council

Financial Statement Notes

1. Summary cost of services

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Revenue:												
People	20,511	14,860	14,945	14,822	14,725	15,320	15,716	15,987	16,568	16,934	17,272	17,918
Community Facilities	14,874	15,456	15,595	16,388	16,871	17,469	17,806	18,345	18,838	19,291	19,816	20,201
The Provision of Roads and Footpaths	23,695	24,364	25,516	26,222	27,703	30,529	31,649	34,354	31,554	32,511	33,427	34,353
Flood Protection and Control Works	10,620	10,075	11,939	11,776	10,339	10,759	11,424	11,884	12,241	12,583	12,881	13,158
Sewerage	16,252	14,985	14,513	16,431	17,842	19,367	20,748	21,913	22,989	23,559	24,032	24,396
Stormwater Drainage	3,596	3,776	3,896	4,083	4,261	4,321	4,453	4,718	5,198	5,536	5,662	5,764
Water Supply	12,777	12,461	12,192	13,475	14,250	14,947	15,998	16,576	16,932	17,195	17,695	18,422
Solid Waste Management	12,136	12,575	15,820	18,083	19,571	20,027	20,386	21,010	21,515	22,052	22,631	23,241
Environmental Management	12,725	13,405	15,294	15,271	14,986	14,536	14,813	15,230	15,426	15,847	15,965	16,264
Regulatory	14,177	15,634	15,540	11,045	10,615	10,918	11,240	11,648	11,982	12,363	12,668	13,000
Regional Development	6,343	6,664	6,461	6,821	7,056	7,066	8,274	8,026	8,176	8,325	8,534	8,542
Total activity revenue	147,706	144,255	151,709	154,418	158,221	165,260	172,508	179,691	181,419	186,196	190,582	195,258
Plus other income (including Forestry)	6,489	8,777	8,402	11,367	18,383	19,901	21,130	22,230	21,819	21,656	20,009	19,234
Internal Interest - Loans	(5,412)	(6,157)	(6,078)	(7,282)	(8,518)	(9,984)	(11,459)	(12,291)	(12,472)	(12,330)	(11,985)	(11,883)
Forestry revaluation gains	1,263	1,336	1,020	1,078	1,140	1,205	1,273	1,347	965	776	149	-
Total revenue	150,046	148,211	155,053	159,581	169,227	176,382	183,451	190,977	191,731	196,298	198,755	202,609
Expenditure:												
People	13,311	13,823	14,318	14,814	14,959	15,407	15,688	15,807	16,264	16,512	16,820	17,550
Community Facilities	14,294	14,341	14,566	14,726	15,033	15,526	15,784	16,214	16,586	16,997	17,461	17,750
The Provision of Roads and Footpaths	23,370	24,599	24,759	26,137	27,126	28,048	29,163	30,086	31,074	32,025	32,941	33,863
Flood Protection and Control Works	5,844	6,173	9,426	9,801	6,942	7,217	7,520	7,741	7,972	8,207	8,479	8,701
Sewerage	12,033	12,731	12,575	14,350	16,115	18,405	20,808	22,030	22,926	23,290	23,549	23,740
Stormwater Drainage	2,469	2,623	2,746	2,903	3,057	3,091	3,198	3,377	3,669	3,872	3,957	4,035
Water Supply	10,483	11,698	11,235	12,588	13,552	14,473	15,748	16,457	16,786	17,083	17,616	18,513
Solid Waste Management	10,852	12,809	15,522	17,845	18,744	19,523	19,877	20,435	20,859	21,284	21,736	22,222
Environmental Management	12,875	13,554	15,444	15,420	15,135	14,613	14,893	15,310	15,505	15,926	16,044	16,342
Regulatory	14,289	15,751	15,675	11,163	10,726	11,006	11,328	11,639	11,976	12,358	12,686	13,044
Regional Development	6,311	6,557	6,175	6,716	7,088	7,126	7,562	7,613	7,759	7,875	7,987	8,136
Total activity expenditure	126,131	134,659	142,441	146,462	148,478	154,435	161,571	166,708	171,376	175,429	179,275	183,896
Plus other expenditure (including Forestry)	11,803	14,810	11,739	14,196	15,868	16,014	17,015	18,236	18,326	18,217	17,664	17,421
Interest - Internal Loans	(5,412)	(6,156)	(6,078)	(7,282)	(8,518)	(9,984)	(11,459)	(12,291)	(12,472)	(12,330)	(11,985)	(11,883)
Total operating expenditure	132,522	143,313	148,102	153,376	155,829	160,466	167,126	172,653	177,230	181,316	184,954	189,435

2. Rates revenue

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
People	9,272	9,702	9,952	10,574	11,497	11,917	12,271	12,397	12,797	13,111	13,294	13,782
Community Facilities	10,690	11,155	11,088	11,739	13,126	13,659	13,943	14,420	14,850	15,241	15,692	16,012
The Provision of Roads and Footpaths	10,650	11,304	11,389	12,300	13,960	14,535	15,216	15,775	16,381	16,949	17,514	18,065
Flood Protection and Control Works	4,915	5,309	5,199	5,565	6,131	6,516	6,790	7,034	7,344	7,625	7,861	7,819
Sewerage	8,677	9,215	8,822	10,207	11,480	12,862	14,094	15,101	16,059	16,507	16,853	17,136
Stormwater Drainage	2,164	2,306	2,378	2,530	2,888	2,926	3,033	3,264	3,699	4,000	4,098	4,191
Water Supply	10,175	11,149	10,894	12,150	12,898	13,567	14,589	15,137	15,463	15,694	16,161	16,875
Solid Waste Management	2,929	3,052	3,273	3,330	3,599	3,703	3,705	3,931	4,033	4,122	4,246	4,385
Environmental Management	8,615	9,205	9,118	9,480	10,581	10,840	11,246	11,606	11,736	12,080	12,134	12,360
Regulatory	3,920	4,049	3,962	4,246	4,769	4,906	5,069	5,310	5,483	5,706	5,857	6,036
Regional Development	3,903	4,324	4,118	4,448	4,876	4,853	6,024	5,638	5,752	5,863	5,931	5,904
Total activity rates	75,911	80,770	80,193	86,568	95,804	100,284	105,980	109,611	113,597	116,898	119,641	122,565
Non-activity rates	2	2	3	3	3	3	3	3	3	3	3	3
Total gross rates revenue	75,913	80,773	80,196	86,570	95,807	100,286	105,983	109,614	113,599	116,900	119,644	122,568
less rates remissions	(667)	(681)	(514)	(515)	(517)	(518)	(520)	(521)	(523)	(525)	(527)	(529)
Rates revenue net of remissions	75,246	80,092	79,682	86,055	95,290	99,768	105,463	109,092	113,076	116,375	119,117	122,039

3. Finance revenue and finance costs

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Finance revenue - interest revenue:												
Term deposits and investments	2,467	4,122	4,520	6,198	6,951	6,763	6,587	6,390	6,232	6,051	5,848	5,530
Total finance revenue	2,467	4,122	4,520	6,198	6,951	6,763	6,587	6,390	6,232	6,051	5,848	5,530
Finance costs - interest expense:												
Total activity related interest expense	5,412	6,157	6,078	7,282	8,518	9,984	11,459	12,291	12,472	12,330	11,985	11,883
Less internal interest eliminated	226	2,194	1,310	2,240	2,553	1,128	592	888	744	704	477	16
Total finance costs	5,638	8,351	7,388	9,522	11,071	11,112	12,051	13,179	13,217	13,034	12,463	11,899
Bank charges on borrowings	44	44	44	44	45	45	46	46	46	47	47	48
Net finance costs	3,127	4,185	2,825	3,280	4,075	4,304	5,419	6,743	6,939	6,936	6,568	6,321

4. Other revenue including gains

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Other revenue:												
User charges	21,547	22,894	25,417	28,088	29,970	30,622	31,767	32,808	33,594	34,436	35,404	36,572
Regulatory revenues	5,393	5,523	5,638	5,794	5,584	5,732	5,894	6,053	6,206	6,356	6,503	6,649
Infringements and fines	970	1,001	970	993	914	937	963	989	1,015	1,042	1,068	1,094
Vested assets	1,139	1,177	1,139	1,165	1,194	1,224	1,255	1,288	1,321	1,356	1,391	1,427
Rental income from investment properties	731	761	734	757	776	797	820	843	866	889	910	932
Other revenue	9,499	10,612	12,853	8,145	6,017	6,342	6,117	6,542	6,138	6,195	5,012	4,619
Total other revenue	39,279	41,967	46,751	44,942	44,455	45,655	46,816	48,524	49,141	50,274	50,288	51,292
Subsidies and grants:												
NZTA roading subsidy	9,960	9,878	10,762	10,430	11,240	13,432	13,819	15,939	12,472	12,817	13,133	13,460
Other donations and grants	14,008	2,452	4,483	2,567	2,007	1,226	1,026	1,026	1,027	1,027	1,027	1,028
Total subsidies and grants	23,968	12,331	15,245	12,997	13,247	14,658	14,845	16,965	13,498	13,844	14,160	14,487
Development and financial contributions:												
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-
Development contributions	5,255	5,364	5,364	5,476	5,590	5,706	5,825	5,947	6,071	6,197	6,327	6,368
Development impact levies	100	103	100	102	105	108	111	114	117	120	123	126
Other contributions	50	52	50	51	52	54	55	57	58	60	61	63
Land subdivision revenues	1,771	1,807	1,807	1,843	1,880	1,918	1,956	1,995	2,035	2,076	2,117	2,159
Total development and financial contribution	7,176	7,326	7,321	7,472	7,627	7,785	7,947	8,112	8,281	8,453	8,628	8,716
Gains												
Gain on sale of fixed assets	-	357	-	324	-	30	-	25	15	-	38	16
Forestry revaluation gain	1,263	1,336	1,020	1,078	1,140	1,205	1,273	1,347	965	776	149	-
Total gains	1,263	1,693	1,020	1,402	1,140	1,235	1,273	1,372	980	776	187	16

5. Expenditure

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'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	1,784	1,809	1,068	1,094	1,122	1,152	1,185	1,218	1,252	1,284	1,315	1,347
Property costs	1,736	1,716	1,791	1,820	1,736	1,751	1,768	1,781	1,795	1,807	1,815	1,822
Rate remissions as note 2	667	681	514	515	517	518	520	521	523	525	527	529
Total expenses per P&L	11,803	14,810	11,738	14,195	15,869	16,015	17,015	18,236	18,325	18,216	17,663	17,206
Other (including Forestry)	1,978	2,254	978	1,244	1,423	1,482	1,491	1,536	1,540	1,568	1,544	1,825
Total non-activity expenditure	6,165	6,460	4,351	4,674	4,798	4,903	4,963	5,057	5,110	5,183	5,202	5,523
Expenditure disclosures:												
Expense includes the following amounts which are required to be disclosed separately:												
Fees to principal Auditor:												
Audit fees for the Annual Report	149	162	160	164	168	173	178	183	188	192	197	202
Audit fees for the LTP	-	-	-	123	-	-	133	-	-	144	-	-
Finance costs as note 3	5,638	8,351	7,388	9,522	11,071	11,112	12,051	13,179	13,216	13,034	12,462	11,899
Depreciation	28,906	32,503	31,517	34,772	35,840	37,836	39,743	41,232	42,792	43,829	44,716	45,788
Amortisation	437	485	482	550	635	648	674	694	465	463	459	446
Personnel costs	27,897	29,172	29,951	31,219	32,414	33,308	34,566	35,695	36,881	38,098	39,336	40,570
Grants and donations	4,493	4,028	4,072	3,617	3,658	3,680	3,724	3,783	3,790	3,820	3,877	3,884
Insurance premiums	3,126	3,191	3,520	3,645	3,735	3,825	3,925	4,032	4,136	4,245	4,358	4,468
Councillors remuneration	714	732	760	779	798	820	844	867	891	914	936	959
Operating leases payments	165	169	183	179	182	176	180	184	188	192	196	200
Loss on disposal of fixed assets	-	18	-	70	17	4	-	-	-	-	-	-
Investment properties direct operating expenses	45	47	70	71	73	75	77	80	82	84	86	88
Other operating expenses	59,940	63,243	69,261	67,898	66,471	68,042	70,261	71,955	73,833	75,532	77,565	79,950
Marlborough Regional Forestry	1,009	1,212	738	767	767	768	770	769	769	768	766	981
Total expenditure disclosures	132,521	143,313	148,102	153,376	155,829	160,466	167,126	172,653	177,230	181,316	184,954	189,435

6. Debtors and other receivables

as at 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Non-exchange receivables:												
Rates receivables	1,245	1,281	1,206	1,235	1,264	1,298	1,332	1,368	1,404	1,441	1,479	1,517
Other	629	647	318	326	334	342	351	361	370	380	390	400
GST (net)	1,212	1,247	1,663	1,703	1,744	1,790	1,837	1,886	1,937	1,988	2,040	2,092
Total non-exchange receivables	3,085	3,176	3,188	3,263	3,342	3,430	3,521	3,615	3,712	3,809	3,909	4,009
Exchange receivables:												
Trade receivables	4,566	4,699	6,163	6,309	6,462	6,632	6,807	6,989	7,176	7,364	7,557	7,751
Other	2,872	2,957	4,284	4,385	4,492	4,609	4,732	4,858	4,988	5,119	5,253	5,388
Prepayments	2,440	2,511	1,348	1,380	1,413	1,451	1,489	1,529	1,570	1,611	1,653	1,695
Total exchange receivables	9,878	10,167	11,795	12,074	12,367	12,691	13,028	13,376	13,735	14,093	14,463	14,833
Less provision for impairment	(11)	(12)	(25)	(26)	(26)	(27)	(28)	(29)	(29)	(30)	(31)	(32)
Total debtors and other receivables	12,953	13,330	14,957	15,312	15,682	16,094	16,521	16,962	17,417	17,872	18,341	18,810

7. Other financial assets

as at 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Current portion:												
Term deposits and bonds with maturities of 4-12 months	14,299	14,299	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492
Total current portion	14,299	14,299	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492	12,492
Non-current portion:												
Term deposits and bonds and community loans with maturities 12 months plus	266	266	250	250	251	252	252	252	253	253	253	253
Community loans	10	6	6	2	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Loan to joint venture Marlborough Regional Forestry	3,540	4,868	956	1,752	2,549	3,345	4,230	5,204	5,646	5,646	5,646	5,646
Loan to subsidiary MDC Holdings Ltd	82,780	136,980	130,432	179,492	199,542	189,092	178,142	167,192	156,242	145,237	134,237	124,237
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	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,453	1,453	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
Other shares	1	1	1	1	1	1	1	1	1	1	1	1
Total non-current portion	94,050	149,574	139,242	189,095	209,940	200,287	190,222	180,246	169,739	158,734	147,734	137,734
Total other financial assets	108,349	163,873	151,734	201,587	222,432	212,780	202,715	192,738	182,232	171,227	160,227	150,227

8. Property, plant and equipment and Intangible assets

as at 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2,032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital additions by activity:												
Opening value	1,728,925	1,835,118	1,892,518	1,974,470	2,077,254	2,174,359	2,280,226	2,377,172	2,459,569	2,538,089	2,616,851	2,675,704
Culture and Heritage	2,833	1,573	2,531	-	-	-	-	-	-	-	-	-
Housing for Seniors	3,640	185	3,180	-	189	-	200	-	211	-	222	-
Community Support	53	23	23	23	24	24	25	26	26	27	28	28
Library Services	8,916	5,945	8,787	1,512	377	394	412	432	482	474	495	517
Emergency Management	9	9	9	9	36	55	10	10	11	11	11	11
People	15,451	7,735	14,530	1,544	625	473	647	467	730	511	755	556
Community Facilities	7,093	6,906	6,452	4,859	4,246	3,030	3,880	4,412	4,220	2,467	2,237	2,332
Roads and Footpaths	17,003	14,895	16,928	16,888	15,454	19,293	19,823	23,210	16,342	16,770	17,183	17,610
Flood protection and control works	5,360	6,731	5,476	5,446	3,814	4,748	2,612	2,474	2,272	2,071	1,968	1,560
Sewerage	9,579	8,533	10,572	38,367	27,967	41,204	22,756	23,366	12,351	2,946	7,093	450
Stormwater Drainage	3,214	3,748	3,420	3,497	2,849	853	2,019	7,750	6,734	935	959	986
Water Supply	10,621	18,258	16,194	24,369	20,373	17,943	17,856	8,118	1,132	14,368	1,154	26,549
Solid Waste Management	2,130	3,235	2,656	3,897	1,654	499	114	122	469	3,104	3,442	240
Environmental Science and Monitoring	355	345	334	409	419	651	439	169	173	178	182	187
Environmental Policy and Protection	-	-	-	-	-	46	-	-	-	-	-	-
Resource Consents	3	3	3	-	-	44	-	-	-	-	-	-
Environmental Management	358	348	337	409	419	741	439	169	173	178	182	187
Building Control	-	-	-	-	25	265	-	-	-	-	-	-
Environmental Health	3	4	3	4	30	4	4	4	4	4	4	4
Biosecurity	-	-	-	-	-	182	-	-	-	-	-	-
Harbours	380	269	262	256	228	824	246	687	260	267	187	192
Regulatory	383	273	265	260	283	1,275	250	691	264	271	192	196
Regional Development	4,096	10,778	5,089	9,675	117	144	146	139	157	161	166	168
Commercial Property	300	-	-	-	-	-	-	-	-	-	-	-
Information Services	1,860	2,020	1,075	2,838	1,759	1,807	1,193	1,227	1,260	1,293	1,325	1,356
Corporate services and asset management	50	51	50	51	53	981	55	57	59	60	62	63
Plant Operations	110	266	272	193	295	133	257	499	477	460	150	148
Office Services	270	251	324	61	242	65	111	68	70	72	333	76
Total capital expenditure	77,878	84,028	83,640	112,355	80,149	93,189	72,158	72,770	46,711	45,666	37,200	52,478
Disposal	-	(3,183)	-	(3,247)	(74)	(453)	-	(6)	(1)	-	(32)	(0)
(Less)/plus carryovers movement	(3,894)	(4,191)	(8,364)	(13,457)	5,806	(2,532)	7,723	(11,006)	10,152	11,677	-	-
Depreciation	(28,906)	(32,503)	(31,517)	(34,772)	(35,840)	(37,836)	(39,743)	(41,232)	(42,792)	(43,829)	(44,716)	(45,788)
Amortisation	(437)	(3,145)	(482)	(550)	(635)	(648)	(674)	(694)	(465)	(463)	(459)	(446)
Revaluation	61,551	56,206	38,676	42,457	47,699	54,148	57,483	62,564	64,915	65,711	66,858	68,499
Closing value	1,835,118	1,932,330	1,974,471	2,077,256	2,174,359	2,280,227	2,377,173	2,459,569	2,538,089	2,616,851	2,675,703	2,750,448

9. Creditors and other payables

as at 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade payables	8,601	8,853	9,931	10,167	10,411	10,685	10,968	11,261	11,562	11,864	12,174	12,486
Accrued expenses	1,821	1,874	6,224	6,372	6,526	6,698	6,875	7,059	7,248	7,437	7,632	7,828
Income in advance	3,029	3,117	3,223	3,299	3,379	3,468	3,560	3,655	3,753	3,851	3,952	4,053
Deposit	991	1,019	943	966	989	1,015	1,042	1,069	1,098	1,127	1,156	1,186
Agency account	123	126	157	161	165	169	174	179	183	188	193	198
Trust funds	245	252	88	90	93	95	98	100	103	106	108	111
Related party payables	3,429	3,529	3,677	3,764	3,855	3,956	4,061	4,169	4,281	4,393	4,508	4,624
Total creditors and other payables	18,239	18,770	24,243	24,819	25,418	26,086	26,777	27,491	28,228	28,965	29,725	30,485

10. Borrowings

as at 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2,032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
People	6,355	6,696	9,765	6,445	6,152	5,847	5,529	5,199	4,856	4,498	4,126	3,739
Community Facilities	21,002	24,378	23,878	26,571	27,624	26,207	25,108	25,690	24,498	22,841	20,975	19,219
The Provision of Roads and Footpaths	12,669	14,938	16,064	17,804	19,398	20,616	21,779	22,322	22,800	23,208	23,548	23,824
Flood Protection and Control Works	5,063	8,924	6,672	10,139	12,408	15,842	16,969	17,616	18,788	19,491	20,166	20,139
Sewerage	39,767	39,356	47,309	58,933	80,012	111,888	124,326	132,119	129,163	121,633	115,334	107,292
Stormwater Drainage	136	101	445	397	348	312	293	3,800	9,390	9,050	8,695	8,326
Water Supply	23,369	32,619	31,121	42,207	46,219	59,319	71,156	73,492	68,801	76,877	72,752	93,218
Solid Waste Management	5,908	5,342	5,189	4,617	4,069	3,554	3,038	2,537	2,159	1,890	1,634	1,383
Environmental Management	332	313	314	294	274	253	231	209	185	160	135	108
Regulatory	736	797	687	701	755	1,004	997	908	815	802	724	669
Regional Development	14,096	22,110	13,513	21,361	19,508	17,608	21,653	20,459	19,237	17,986	16,881	16,143
Commercial Property	9,835	9,234	9,231	8,603	7,951	7,272	6,566	5,832	5,067	4,272	3,445	2,584
Plant Operations	554	515	515	475	433	389	344	296	247	196	143	87
Marlborough Regional Forestry	3,540	4,868	956	1,752	2,549	3,345	4,230	5,204	5,646	5,646	5,646	5,646
MDC Holdings Ltd financing	83,340	137,540	131,100	180,160	200,210	189,760	178,810	167,860	156,910	145,905	134,905	124,905
Total loans	226,702	307,732	296,758	380,459	427,909	463,216	481,030	483,542	468,562	454,454	429,109	427,282
less internal loans	(52,766)	(38,467)	(50,042)	(29,085)	(18,888)	(27,349)	(31,228)	(41,317)	(37,243)	(35,790)	(43,546)	(59,421)
Total borrowings (external loans)	173,936	269,265	246,716	351,374	409,021	435,867	449,802	442,225	431,319	418,664	385,563	367,861

11. Investment property

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2,032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July	10,750	10,750	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950
Balance at 30 June	10,750	10,750	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950	10,950

12. Exchange and non-exchange revenue

for the year ending 30 June:

	2022 (LTP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Non-exchange revenue:												
General rates and charges	72,782	77,042	77,525	83,333	92,359	96,812	102,069	105,847	109,764	112,986	115,629	118,467
Donations, subsidies and grants	23,968	12,331	15,245	12,997	13,247	14,658	14,845	16,965	13,498	13,844	14,160	14,487
Fees and charges	18,841	19,517	22,137	24,339	25,821	26,480	27,156	27,925	28,626	29,350	30,187	30,950
Other revenue	19,911	22,221	23,341	19,470	16,772	17,282	17,630	18,157	18,245	18,375	18,217	18,382
Total non-exchange revenue	135,502	131,111	138,248	140,139	148,199	155,232	161,700	168,894	170,133	174,554	178,193	182,286
Exchange revenue:												
Metered water	3,110	3,730	2,671	3,237	3,448	3,474	3,914	3,767	3,836	3,915	4,015	4,101
Rentals and leases	6,365	6,800	6,843	7,018	7,049	7,128	7,696	8,057	8,266	8,503	8,744	9,255
Marlborough Regional Forestry distribution	-	-	-	-	-	-	-	-	(1,210)	(1,850)	(3,619)	(4,133)
Interest and dividends	5,066	6,568	7,292	9,187	10,535	10,548	10,143	10,260	10,705	11,176	11,420	11,102
Total exchange revenue	14,541	17,098	16,806	19,442	21,031	21,150	21,753	22,083	21,596	21,742	20,559	20,324
Total revenue	150,042	148,209	155,054	159,580	169,230	176,382	183,452	190,977	191,729	196,297	198,752	202,611

13. Other reserves

as at 30 June:

	2022 (AP)	2023 (LTP)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$'000s	\$'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	9,823	4,521	7,664	3,815	298	(101)	606	1,947	2,601	3,286	3,854	4,501
Transfer to reserve	336	350	350	749	1,044	2,332	2,871	2,230	2,306	2,234	2,358	2,601
Transfer from reserve	(3,159)	(3,230)	(3,072)	(2,693)	(1,443)	(1,625)	(1,530)	(1,576)	(1,621)	(1,666)	(1,711)	(1,757)
Capex transfer from reserve	(2,478)	(292)	(1,126)	(1,574)	-	-	-	-	-	-	-	-
Closing balance	4,521	1,349	3,815	298	(101)	606	1,947	2,601	3,286	3,854	4,501	5,345

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)	(4,000)	(8,300)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(4,000)	(4,300)	(4,300)	(4,500)	-	-	-	-	-	-	-	-
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	(4,000)	(8,300)	(8,300)	(12,800)	(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	13,845	9,388	11,881	6,026	3,319	2,895	2,552	2,210	1,958	1,721	1,490	2,003
Transfer to reserve	-	-	-	-	-	3	6	9	13	19	775	881
Transfer from reserve	(1,838)	(1,033)	(1,020)	(487)	(203)	(126)	(128)	(40)	(30)	(31)	(42)	(32)
Capex transfer from reserve	(2,619)	(4,074)	(4,835)	(2,221)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
Closing balance	9,388	4,281	6,026	3,319	2,895	2,552	2,210	1,958	1,721	1,490	2,003	2,631

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	11,724	13,268	13,572	14,569	14,645	13,880	11,929	8,642	5,056	1,918	(683)	(2,833)
Transfer to reserve	4,646	4,552	4,877	5,094	5,689	5,890	5,907	6,345	6,948	7,600	8,047	8,047
Transfer from reserve	(3,102)	(3,487)	(3,880)	(5,018)	(6,454)	(7,840)	(9,194)	(9,931)	(10,086)	(10,202)	(10,198)	(10,432)
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	13,268	14,333	14,569	14,645	13,880	11,929	8,642	5,056	1,918	(683)	(2,833)	(5,218)

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	2,545	1,664	3,045	4,286	6,164	7,162	7,078	6,605	7,431	6,832	7,614	8,444
Transfer to reserve	2,366	2,414	2,414	2,462	2,511	2,562	2,613	2,665	2,718	2,773	2,828	2,885
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(3,248)	(2,000)	(1,173)	(584)	(1,513)	(2,646)	(3,087)	(1,839)	(3,317)	(1,991)	(1,999)	(2,058)
Closing balance	1,664	2,077	4,286	6,164	7,162	7,078	6,605	7,431	6,832	7,614	8,444	9,271

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	4,132	3,932	3,732	3,532	3,532	3,532	3,532	3,532	3,532	3,532	3,532
Transfer to reserve	173	173	141	141	141	141	141	141	141	141	141	141
Transfer from reserve	(173)	(173)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)
Capex transfer from reserve	(181)	-	(200)	(200)	-	-	-	-	-	-	-	-
Closing balance	4,132	4,132	3,732	3,532	3,532	3,532	3,532	3,532	3,532	3,532	3,532	3,532

Wairau Rivers Reserve

Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.

Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.

Opening balance	(1,529)	(2,206)	(1,157)	(1,867)	(2,405)	(2,715)	(2,698)	(2,310)	(1,943)	(1,281)	(740)	(10)
Transfer to reserve	1,124	1,169	1,157	1,187	1,212	1,247	1,262	1,307	1,356	1,382	1,389	1,397
Transfer from reserve	(551)	(562)	(494)	(527)	(555)	(573)	(577)	(566)	(556)	(533)	(513)	(487)
Capex transfer from reserve	(1,250)	(1,767)	(1,373)	(1,198)	(968)	(657)	(296)	(374)	(138)	(308)	(146)	(374)
Closing balance	(2,206)	(3,366)	(1,867)	(2,405)	(2,715)	(2,698)	(2,310)	(1,943)	(1,281)	(740)	(10)	526

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	577	629	2,222	2,333	2,438	2,546	2,658	2,773	2,893	3,017	3,145	3,278
Transfer to reserve	53	54	111	105	108	112	116	120	124	128	133	138
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	629	684	2,333	2,438	2,546	2,658	2,773	2,893	3,017	3,145	3,278	3,416

Development Contribution reserves

Opening balance	(2,966)	(1,610)	(5,806)	(4,517)	(5,221)	(3,396)	(1,531)	315	167	2,056	3,917	5,892
Transfer to reserve	3,002	3,096	1,837	1,878	1,921	1,965	2,010	2,056	2,104	2,156	2,201	4,598
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(1,646)	(202)	(548)	(2,582)	(97)	(100)	(164)	(2,205)	(214)	(295)	(226)	(231)
Closing balance	(1,610)	1,284	(4,517)	(5,221)	(3,396)	(1,531)	315	167	2,056	3,917	5,892	10,259

Operational (General and Depreciation) reserves

Opening balance	13,958	8,603	7,844	2,739	(19,435)	(22,777)	(15,142)	(945)	2,353	12,470	25,722	37,448
Transfer to reserve	25,621	28,743	29,015	31,830	33,264	33,540	40,778	38,030	39,352	40,197	41,639	42,046
Transfer from reserve	(7,936)	(9,174)	(9,109)	(9,855)	(10,583)	(11,942)	(12,546)	(13,022)	(13,338)	(13,472)	(13,110)	(13,218)
Capex transfer from reserve	(23,039)	(27,442)	(25,011)	(44,150)	(26,023)	(13,963)	(14,035)	(21,709)	(15,897)	(13,472)	(16,803)	(10,624)
Closing balance	8,603	731	2,739	(19,435)	(22,777)	(15,142)	(945)	2,353	12,470	25,722	37,448	55,652

Road Funding reserves

Opening balance	-	1,586	606	303	-	-	-	-	-	-	-	-
Transfer to reserve	1,798	1,671	139	142	145	149	153	157	161	166	170	175
Transfer from reserve	(74)	(77)	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(138)	(143)	(441)	(444)	(145)	(149)	(153)	(157)	(161)	(166)	(170)	(175)
Closing balance	1,586	3,037	303	-	-	-	-	-	-	-	-	-

MRF biological assets reserve

Opening Balance	16,731	17,994	12,695	13,715	14,793	15,933	17,138	18,411	19,758	20,723	21,499	21,648
Transfer to reserve	1,263	1,336	1,020	1,078	1,140	1,205	1,273	1,347	965	776	149	(215)
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	17,994	19,330	13,715	14,793	15,933	17,138	18,411	19,758	20,723	21,499	21,648	21,433

Total movements

Opening balance	69,021	53,969	52,499	36,835	5,328	4,157	13,321	28,379	31,005	41,474	56,550	71,102
Transfer to reserve	40,381	43,557	41,060	44,667	47,175	49,145	57,129	54,408	56,189	57,572	59,830	62,695
Transfer from reserve	(20,833)	(22,035)	(22,016)	(23,221)	(19,380)	(22,247)	(24,116)	(25,277)	(25,772)	(26,045)	(25,715)	(26,068)
Capex transfer from reserve	(34,599)	(35,919)	(34,708)	(52,952)	(28,967)	(17,734)	(17,955)	(26,505)	(19,949)	(16,451)	(19,563)	(13,682)
Other reserves closing balance as shown in Equity	53,969	39,571	36,835	5,328	4,157	13,321	28,379	31,005	41,474	56,550	71,102	94,047

4.8. Council Activities

(also refer to the separate attachment)

(Report prepared by Martin Fletcher/Rainbow Zhao)

F230-A22-03

Purpose of report

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

RECOMMENDATIONS

That Council:

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

Attachment

Attachment 4.8 – Council Activities (attached separately to the Agenda paper)

Author	All Departmental Managers
Authoriser	Martin Fletcher, Chief Financial Officer

4.9. Levels of Service Increases Marlborough Events Centre Funding

(Report prepared by Dean Heiford)

C600-005-C03-01

Purpose of report

1. To approve funding for the Marlborough Events Centre Audio Visual System upgrade.

Executive Summary

2. The Marlborough Events Centre (MEC) has been operated by the Marlborough Civic Theatre Trust (MCTT) since February 2021.
3. Council staff have been working closely with the MCTT staff to transition the MEC to the new management structure while still maintaining existing bookings and pursuing new bookings in the ever-changing COVID-19 / events environment.
4. Council staff have been assisting the Marlborough Civic Theatre Trust (MCTT) to review the operation of and systems at the MEC.
5. Council provided funding in the 2021/31 Long Term Plan for one-off costs of refurbishment of the MEC and ongoing operating costs (Minute No. Cncl-0221-249 refers):

Cllrs Hope/Peters:

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

Carried

6. There are two key operating systems in the MEC that are under review:
 - a. The Air Conditioning System (shared plant with the Clubs of Marlborough); and
 - b. The Audio Visual systems.
7. The Air Conditioning system is under review and a short / medium term solution may be an update to the operating systems. This update can be completed from the current maintenance funding allocation. Any capital replacements will need to be brought back to Council for funding consideration.
8. The Audio Visual systems are at end of life and are old technology. The MEC management team have sought designs and quotes for the upgrade of the systems. The preferred supplier is NZ Audio and Video with a price of \$113,500 + GST.
9. The kitchen fit out has been delayed as there have been limited functions due to COVID-19 and there is a selection process for a preferred caterer to be appointed for the MEC. Any kitchen fitout will be done in conjunction with the successful caterer and considering the facilities at the ASB Theatre.

RECOMMENDATIONS

That Council:

1. **Approve a budget increase in 2022-23 of \$113,500 + GST to cover the upgrade of the MEC Audio Visual System which is required in 2021-22.**

2. **Note that the upgrade will be funded in 2021-22 from the current capital allocation for the MEC Kitchen fitout.**
-

Background/Context

10. Scenic Group had been managing and operating the Marlborough Convention Centre for 13 years under a lease from Council.
11. Scenic Group relinquished their lease and operating agreement effective 31 January 2021.
12. Council and the MCTT agreed to an interim management transition of the MCC under the MCTT to ensure continuity for existing and future bookings. Until a management agreement is signed Council is paying the MCTT for hours spent in setting up the MCC and underwriting existing events as necessary to a break-even point.
13. There were maintenance issues that will need to be addressed.
14. The MEC kitchen refit has been delayed due to Covid and the selection process underway for a preferred cater for the MEC. The kitchen will be refitted with input from the successful caterer and noting the facilities available at the ASB Theatre.
15. Due to cost fluctuations and supply chain risks the AV System supplier needs to order the equipment as soon as possible to guarantee pricing, component supply and installation dates.
16. The AV system can be funded from existing capital allocations for the kitchen refit on the 2021-22 financial year but will need to be topped up for the 2022-23 financial year to ensure the kitchen project can be completed.
17. The current systems are at end of life and are no longer reliable or able to operate modern conferencing and events systems.
18. The system needs to be purchased prior to 31 March 2022 to ensure a fixed price and guarantee supply of the components due to supply chain issues.
19. This purchase can be covered in the interim by the capital allocation for the delayed MEC kitchen refit.

Advantages

20. Brings the Audio Visual systems in the Marlborough Events Centre up to an acceptable standard.
21. Reduces work arounds and reliance on third party systems to operate conferences and events.
22. Guarantees price, component supply and installation timing for the new system.

Disadvantages

23. Reduces the balance of a Council reserve.

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

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

4.10. Levels of Service Increases Marlborough Heritage Trust Funding

(Report prepared by Dean Heiford)

A200-002-10

Purpose of report

1. To review and approve top up funding for the Marlborough Heritage Trust for the 2021-22 and 2022-23 financial years.

Executive Summary

2. The Marlborough Heritage Trust (MHT) manages and operates the Marlborough Museum and Archives and other assets at Brayshaw Heritage Park and the Edwin Fox. The MHT is funded via operating grants from Council, contracts with Government, entry fees (to the Edwin Fox), donations and the proceeds of fundraising events. It is also heavily reliant on volunteers and donations of heritage items to operate.
3. Council staff have been working closely with the MHT to review and update the operating costs associated with the MHT in relation to major increases in the cost of insurance and the decrease in visitors to the Edwin Fox complex (due to the impacts of COVID-19).
4. Council have initiated a review of the MHT to ensure it is fit for purpose and to understand the future requirements due to the organisation's submissions to the LTP in 2021.
5. The outcome of the review was presented to Council in February 2022. There were several options that were put forward. All options would require at least a year to implement hence the recommendation of funding for the shortfall in 2021-22 and an increase for 2022-23 to give the MHT certainty while any changes were implemented.
6. Any funding changes required for 2023-24 would be introduced into the Annual Plan process for the year.

RECOMMENDATION

That Council approve the increase to the operating costs grant up to \$70,000 per annum for 2021-22 and \$100,000 for 2022-23.

Background/Context

7. The MHT rely on Council grants, Government contracts, donations, fundraisers, and the income from entry fees to the Edwin Fox to finance their multiple sites and operations.
8. The MHT income has been severely reduced due to the impacts of COVID-19, especially the loss of paying visitors to the Edwin Fox.
9. The Trustees have reviewed the operation of the MHT and reduced cost where possible. The key increase for 2021 was insurance premiums for the buildings and their contents.
10. COVID-19 has also reduced the ability of the MHT to raise extra funds due to the limits on the ability to hold functions plus many of their volunteers are older adults and therefore at risk.
11. The result is a forecast deficit of \$70,000 for 2021-22 which is likely to increase to \$100,000 in 2022-23.
12. The proposal is to increase the operating grant for the MHT for two years to allow them to operate solvently while any recommendations from the Council review are negotiated and implemented. It

is proposed that up to \$70,000 for 2021-22 and \$100,000 for 2022-23 as this includes the current insurance increase.

Option One – Approve the increased annual operating costs for the MHT

13. The MHT requires increased funding for operating costs due to increases in insurance and the reduction of other income sources due to COVID-19.

Advantages

14. MHT is already operating.
15. There are economies of scale with both facilities sharing services.
16. The budget can be reviewed in future years once any changes have been implemented.

Disadvantages

17. The operating costs are only in place until the review is completed and any changes implemented.
18. This will require a rates increase or funding from a reserve.

Option Two – Decline the increased annual operating costs for the MHT

19. Council could decline the funding request.

Advantages

20. No increase in costs to Council.
21. No rates increase or funding from a reserve required.

Disadvantages

22. The MHT would be operating in deficit.
23. The MHT could cease operating in which case all assets would revert to Council.

Attachment

Attachment 4.10.1 – Marlborough Heritage Trust – Statement of Financial Position as at 31 December 2021

Page 51

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

Statement of Financial Position

Marlborough Heritage Trust

As at 31 December 2021

	31 DEC 2021	30 NOV 2021	31 DEC 2020
Assets			
Current Assets			
Cash and Bank			
Edwin Fox 370-01	5,017	662	6,448
MHT Operating Account 370-02	22,385	5,153	5,145
MHT Call Acct 370-15	8,723	37,723	1,581
MHT Heritage Education 370-00	89,526	99,526	37,774
MHT - Reserved Funds 370-16	37,416	37,418	28,772
Edwin Fox Cash Float	100	100	100
Edwin Fox Petty Cash	181	191	393
Marlb Museum Cash Float	100	100	100
Marlb Museum Petty Cash	75	75	122
MHT - MDCC - EFTPOS Account	435	497	1,782
Undeposited Funds	(3,248)	372	1,112
Total Cash and Bank	160,710	181,817	83,331
Trade and Other Receivables	28,843	46,085	18,954
GST Receivable	-	-	2,787
Inventories & Work in Progress			
Stock on hand	19,548	19,548	24,729
Total Inventories & Work in Progress	19,548	19,548	24,729
Total Current Assets	209,102	247,450	129,800
Non-Current Assets			
Property, Plant and Equipment			
Buildings at cost	1,278,299	1,278,299	1,278,299
Accumulated depreciation - buildings	(100,439)	(100,439)	(90,933)
Owned fixed assets	1,925,457	1,925,457	1,925,457
Accumulated depreciation - fixed assets owned	(404,083)	(404,083)	(375,253)
Plant and machinery owned	127,068	127,068	123,156
Accumulated depreciation - plant and machinery owned	(57,368)	(57,368)	(51,417)
Vehicles owned	7,826	7,826	7,826
Accumulated depreciation - vehicles owned	(6,370)	(6,370)	(6,058)
Total Property, Plant and Equipment	2,770,390	2,770,390	2,811,076
Other Non-Current Assets			
Assets			
Term Investment 16 - Apr 2021	-	-	75,284
Term Investment 18 - Jan 2021	-	-	75,000
Total Assets	-	-	150,284
Total Non-Current Assets	2,770,390	2,770,390	2,961,360
Total Assets	2,979,491	3,017,840	3,091,160

Statement of Financial Position



BusinessBase

	31 DEC 2021	30 NOV 2021	31 DEC 2020
Liabilities			
Current Liabilities			
Trade and Other Payables	20,596	23,403	33,627
GST Payable	997	1,484	-
Employee Entitlements	40,698	39,232	29,811
Unused Donations and Grants with Conditions	25,677	27,416	21,753
Other Current Liabilities	224	-	280
EFTPOS discrepancies	-	-	(15)
Total Current Liabilities	88,192	91,535	85,455
Non-Current Liabilities			
Loan from MHS for Lissaman Book Project	13,704	13,928	14,358
Total Non-Current Liabilities	13,704	13,928	14,358
Total Liabilities	101,895	105,463	99,813
Net Assets	2,877,596	2,912,377	2,991,347
Equity			
Retained Earnings	(374,619)	(339,838)	(260,486)
Other	3,252,215	3,252,215	3,251,833
Total Equity	2,877,596	2,912,377	2,991,347

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables consideration to be given to providing funding to a major community facility in partnership with the Marlborough Heritage Trust.			
Fit with Council policies and strategies			
X	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	X
Arts & Culture	X	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
This proposal contributes to the Annual Plan, Economic Development and Social well-being and Arts & Culture relating to the provision and operation of a heritage facility.			
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
This review would need sign off from Council as part of the annual plan process.			
There are substantial one off costs to Council.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
The Marlborough Community is supportive of the heritage sector.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications for Council.			

4.11. Levels of Service Increases Small Townships Programme Funding

(Report prepared by Jamie Lyall)

E105-002-01

Purpose of report

1. The purpose of this paper is to enable Council to consider options for a funding increase in the existing Small Townships Programme (STP).

Executive Summary

2. In 2015 Council agreed to funding \$500,000 annually for the Small Township Programme. Operating costs made up personnel, interest and overhead costs were funded from the annual amount. As projects have progressed the operational costs are now consuming approximately half of the annual amount each year.
3. The reduction in the amount of capital available along with the reduction in purchasing power due to inflation over the last 6 years is now starting to impact on the programme momentum. It is suggested that increasing the annual grant by \$250,000 will provide sufficient funding to ensure the programme momentum continues.
4. The cost of funding an additional \$250,000 will cost the Blenheim Vicinity and General Rural areas a total of \$18,275 per annum if debt funded. This equates to a rate increase of 0.09%.
5. It is also suggested that the Small Townships Programme annual funding should be increased in line with the Local Government Cost Index to maintain the purchasing power of the programme.

RECOMMENDATIONS

That Council:

1. **Increase funding to the Small Township Programme by \$250,000 per annum by debt funding rated across the Blenheim Vicinity and General Rural areas.**
 2. **Agree to increase the value of the Small Townships Programme annually by the Local Government Cost Index movement to maintain the purchasing power of the programme.**
-

Background/Context

6. In the 2015-25 Long Term Plan Council consulted with the community on providing funding for upgrading amenities in Marlborough's smaller towns.
7. This proposal had come about from the "Growing Marlborough Strategy" which was based on responding to the growth challenges facing these smaller communities.
8. Debt funding of \$5 million was approved across the 2015-25 LTP period and subsequently approved through to 2028 at \$500,000 per annum. Funding of the debt is rated from the Blenheim Vicinity and General Rural areas.
9. Staff were employed to administer the new STP role and the salary and overheads were funded from within the budget. As projects progress and capital is spent, interest costs continue to increase reducing the remaining capital funding available to carry out new work.
10. As at 2021-22 approximately \$240,000 (48%) of the \$500,000 annual funding is now absorbed by interest costs, personnel costs and overheads. The interest amount will continue to increase as more capital is spent on projects and the level of debt servicing increases.

11. Another challenge for the Small Township model is that over time the purchasing power of the funding erodes due to inflation driven by increases in construction materials and contractor costs. CPI has increased 13% since 2015 and construction costs are estimated to have increased by 25% over the last 6 years. Reinstating the purchasing power is important to keep momentum of the programme going.

Comments – Options

12. A number of options have been considered but the most cost-effective option would be to increase the annual STP funding amount. If funding was increased to \$750,000 per annum then this would provide approximately \$500,000 to spend on projects.
13. To provide additional funding of \$250,000 would cost an extra \$18,275 per annum at Councils internal borrowing cost of 7.311%, including an allowance for principal repayments. The impact on rates across the Blenheim Vicinity and General Rural areas would be approximately 0.09%. The advantage of this option is that it has minimal impact on Rates. The disadvantage is that unless an annual inflation adjustment is made, then overtime this amount would need to be reset.
14. A less cost-effective option would be to fund the proposed \$250,000 increase directly from rates. This would result in a 1.21% across the Blenheim Vicinity and General Rural areas. This scale of rating increase is likely to meet some community resistance. This approach would also require some form of annual inflation adjustment.
15. Other funding mechanisms such as Council's Forestry and Land Development Reserve could be considered but are usually used for one-off projects and not deemed suitable for continuous funding solutions.
16. The use of Council's Land Subdivision Reserve as a funding tool has legislative requirements associated with growth and is therefore not deemed appropriate for the majority of projects initiated through the small townships programme.

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

4.12. Levels of Service Increases

Giving effect to the National Policy Statement for Freshwater Management 2020

(Report prepared by Hans Versteegh)

L225-09-04-01, E360-002-002-02

Purpose of report

1. To provide a report on the implications of the National Policy Statement for Freshwater Management 2020 (NPSFM) and to seek additional budget approval to enable the statutory planning work required under the NPSFM.

Executive Summary

2. The Essential Freshwater package, introduced by central government in 2020, creates additional requirements for the Council in respect of freshwater management and protecting ecosystem health. This includes substantial changes to the NPSFM that the Council is required to give effect through the PMEPP.
3. An external audit has found that the PMEPP provides a good platform to give effect to the NPSFM. However, the audit also found that there is substantial body of work to establish and implement a community vision with respect to freshwater and to give effect to Te Mana o te Wai.
4. As such, it is anticipated that the existing resourcing of the Environmental Policy Group will not be sufficient to fully give effect to the NPSFM within the timeframe required. Specialist planning skills are also required in terms plan evaluation and development, and community engagement.
5. Additional funding of \$125,000 is therefore sought for the Environmental Policy Group Budget in the 2022-23, 2023-24 and 2024-25 years to implement the statutory planning requirements under the NPSFM.

RECOMMENDATIONS

1. **That the information be received.**
 2. **That Council make provision for additional funding of \$125,000 for the Environmental Policy Group Budget in the 2022-23, 2023-24 and 2024-25 years to implement the statutory planning requirements under the NPSFM.**
-

Background/Context

6. In August 2020, central government released the Essential Freshwater package. The Essential Freshwater package aims 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.
7. The package includes a number of new pieces of law including:
 - The National Policy Statement for Freshwater Management 2020 (NPSFM), which replaces the National Policy Statement for Freshwater Management 2017
 - New National Environmental Standards for Freshwater
 - New stock exclusion regulations

- Amendments to the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010
8. There were also two sets of amendments to the RMA, as follows:
- Amendments to the RMA to provide for a faster freshwater planning process
 - Amendments to the RMA to enable mandatory and enforceable freshwater farm plans, and the creation of regulations for reporting nitrogen fertiliser sales.
9. This a significant package of national direction and the Council, like the remainder of the local government sector, is working through the implications of the package.
10. This paper focusses on the implications of the NPSFM only.

NPSFM

11. The Ministry for the Environment identifies the following as some of the key components and requirements of the NPSFM that the Council will have to act on:
- a) Manage freshwater in a way that 'gives effect' to Te Mana o te Wai (see specific budget paper on Te Mana o te Wai):
 - i) through involving tangata whenua
 - ii) working with tangata whenua and communities to set out long-term visions in the regional policy statement
 - iii) prioritising the health and wellbeing of water bodies, then the essential needs of people, followed by other uses.
 - b) Improve degraded water bodies, and maintain or improve all others using bottom lines defined in the NPSFM.
 - c) An expanded national objectives framework:
 - i) two additional values - threatened species and mahinga kai - join ecosystem health and human health for recreation, as compulsory values
 - ii) councils must develop plan objectives that describe the environmental outcome sought for all values (including an objective for each of the five individual components of ecosystem health)
 - iii) new attributes, aimed specifically at providing for ecosystem health, include fish index of biotic integrity (IBI), sediment, macroinvertebrates (MCI and ASPM), dissolved oxygen, ecosystem metabolism and submerged plants in lakes; councils will have to develop action plans and/or set limits on resource use to achieve these attributes.
 - iv) tougher national bottom lines for the ammonia and nitrate toxicity attributes to protect 95% of species from toxic effects (up from 80%)
 - d) Avoid any further loss or degradation of wetlands and streams, map existing wetlands and encourage their restoration.
 - e) Identify and work towards target outcomes for fish abundance, diversity and passage and address in-stream barriers to fish passage over time.
 - f) Set an aquatic life objective for fish and address in-stream barriers to fish passage over time.
 - g) Monitor and report annually on freshwater (including the data used); publish a synthesis report every five years containing a single ecosystem health score and respond to any deterioration.
12. The NPSFM **requires** new or updated regional policy statements and regional plans that set out how councils will implement the above. The timeframe requires the Council to notify a variation to

the PMEP by **31 December 2024**. The timeframe for action to achieve attribute target states is a long-term process set by councils in consultation with their communities.

13. The PMEP was notified in 2016 and gave effect to the NPSFM 2014. There were amendments made to the NPSFM 2014 in 2017. The Hearings Panel took the opportunity provided by submissions to update the notified provisions where considered necessary.

External Review

14. Given the significance of change represented by the NPSFM, the Council sought external advice on giving effect to the requirements of the NPSFM and implementing the remainder of the Essential Freshwater Package. Happen Consulting was contracted to provide this advice and the findings and recommendations were reported to the Planning, Finance and Community Committee on 11 June 2021.
15. The audit report found that the current PMEP provides a good platform to give effect to the NPSFM. However, it also identified that there is substantial body of work to establish and implement a community vision with respect to freshwater and to give effect to Te Mana o te Wai.
16. Happen Consulting recommended that the work required be staged, with priority given to working with Te Tau Ihu iwi in respect of Te Mana o te Wai, identifying and confirming freshwater values and establishing outcomes for the identified values. The second stage would then involve evaluation of the extent to which the provisions of the PMEP achieve the community vision and outcomes. The evaluation would then inform changes required to be made to the provisions of the PMEP.
17. The Committee adopted this staged approach to the NPSFM work programme.

Resourcing

18. Currently there is one FTE staff member committed to the development and implementation of the work programme identified in para 11 (above).
19. The volume of work required to give effect to the NPSFM and implement the recommendations of the external audit is considered to exceed the resources available internally to deliver the work programme. There is no budget provision for additional staff resourcing.
20. This resourcing issue was raised in both the external audit and the report to the Planning, Finance and Community Committee. The latter report highlighted that the resources of the Environmental Policy Group were not likely to be sufficient to fully give effect to the NPSFM within the required timeframe.
21. The nature of the work is complex and requires significant community engagement, including engagement with Marlborough's tangata whenua iwi. The complexity of the task also necessitates securing relevant planning skills to accurately identify "gaps" in the current planning framework and address those gaps in an efficient and effective manner, but also in a manner that is consistent with Te Mana o te Wai.
22. An additional \$125,000 per annum is sought for the Environmental Planning Group budget. This funding would allow the engagement of a contractor to assist staff with the development and delivery of the work programme. The funding would allow for a contract that provides for approximately 80 days per annum, depending on the hourly rate of the contractor.
23. The funding sought is a modest sum, especially in comparison to the budgets of most regional councils. Those budgets are typically in excess of \$1 million to give effect to the NPSFM.
24. The funding sought is also a short term allocation in order to meet the requirement of the NPSFM to publicly notify a variation/change to the PMEP by December 2024. The funding is therefore sought for the 2022-23, 2023-24 and 2024-25 years only.

25. Resourcing of the remainder of the First Schedule process is dependent on the number and extent of submissions received.
26. Note that additional funding has already been allocated to the Environmental Science and Monitoring budget via the Long Term Plan to commence monitoring the additional freshwater attributes required under the National Objectives Framework.

Author	Pere Hawes, Manager Environmental Policy
Authoriser	Hans Versteegh, Manager of Environmental Policy, Science and Monitoring

4.13. Levels of Service Increases

National Policy Statement for Freshwater Management 2020 – Giving Effect to Te Mana o te Wai

(Report prepared by Hans Versteegh)

N100-001-04-01, E360-002-002-02

Purpose of report

1. To provide a report on the implications of the National Policy Statement for Freshwater Management 2020 (NPSFM) with respect to giving effect to Te Mana o te Wai and to seek budget approval to assist Marlborough's tangata whenua iwi to work collaboratively with the Council on this important task.

Executive Summary

2. The NPSFM requires the Council manage freshwater to give effect to Te Mana o te Wai.
3. Te Tau Ihu iwi, with support of the National Science Challenge, have initiated a process for determining how Te Mana o te Wai applies to wai in Te Tau Ihu. The first stage in the process, to gather information and develop an iwi "current state" report, has been completed.
4. The Stage One report, "Te Mana o te Wai – Te Tau Ihu Case Study Report: Volume One", was received by the Planning, Finance and Community Committee on 17 February 2022. The Stage One report includes conclusions and recommendations for ngā Iwi, the three councils and central government to consider in progressing to Stage Two. The resulting report
5. The Stage Two process intends to co-design a planning framework to give effect to Te Mana o te Wai across Te Tau Ihu. Additional funding is sought to assist with Stage Two. There is an expectation that each of the three Top of the South Councils will contribute \$30,000 to Stage Two.
6. Council also has obligations to engage with Ngāi Tahu/Ngāti Kuri and iwi that are currently not participating in the Te Tau Ihu initiative. Additional funding is sought to facilitate this engagement and to provide the Council the ability to engage additional technical support, if required.
7. Additional funding of \$50,000 for the Environmental Policy Group budget is sought for the 2022-23, 2023-24 and 2024-25 years to assist the Council give effect to Te Mana o te Wai as part of the statutory planning requirements under the NPSFM.

RECOMMENDATIONS

1. That the information be received.
 2. That Council make provision for additional funding of \$50,000 for the Environmental Policy Group Budget in the 2022-23, 2023-24 and 2024-25 years to give effect to Te Mana o te Wai as part of the statutory planning requirements under the NPSFM.
-

Background/Context

8. Te Mana o te Wai is the central concept for freshwater management in the NPSFM and refers to the vital importance of water. The concept has been part of the NPSFM since 2014. However, the NPSFM 2020 strengthens and clarifies Te Mana o te Wai by providing stronger direction on how Te Mana o te Wai should be applied when managing freshwater.
9. Section 1.3 of the NPSFM sets out the concept of Te Mana o te Wai, as follows:
"Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and well-being of the wider environment."

It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.”

10. There are six principles of Te Mana o te Wai, as set out below:

The six principles

Mana whakahaere: the power, authority, and obligations of tangata whenua to make decisions that maintain, protect, and sustain the health and well-being of, and their relationship with, freshwater

Kaitiakitanga: the obligation of tangata whenua to preserve, restore, enhance, and sustainably use freshwater for the benefit of present and future generations

Manaakitanga: the process by which tangata whenua show respect, generosity, and care for freshwater and for others

Governance: the responsibility of those with authority for making decisions about freshwater to do so in a way that prioritises the health and well-being of freshwater now and into the future

Stewardship: the obligation of all New Zealanders to manage freshwater in a way that ensures it sustains present and future generations

Care and respect: the responsibility of all New Zealanders to care for freshwater in providing for the health of the nation

11. There is also a hierarchy of obligations in Te Mana o te Wai that prioritises :
- first, the health and well-being of water bodies and freshwater ecosystems;
 - second, the health needs of people (such as drinking water); and then
 - third, the ability of people and communities to provide for their social, economic, and cultural well-being, now and in the future.
12. Section 3.2 of the NPSFM sets out the approach to be taken to give effect to Te Mana o te Wai. Every regional council must engage with communities and tangata whenua to determine how Te Mana o te Wai applies to water bodies and freshwater ecosystems in the region. This must include the following actions:
- Actively involve tangata whenua in freshwater management (including decision making processes);
 - Engage with communities and tangata whenua to identify long-term visions, environmental outcomes, and other elements of the National Objectives Framework;
 - Apply the hierarchy of obligations when undertaking planning and other functions;
 - Enable the application of a diversity of systems of values and knowledge, such as mātauranga Māori, to the management of freshwater; and
 - Adopt an integrated approach, ki uta ki tai, to the management of freshwater.

A Ministry for the Environment factsheet with further information on Te Mana o te Wai can be accessed here: <https://environment.govt.nz/assets/Publications/Files/essential-freshwater-te-mana-o-te-wai-factsheet.pdf>

Te Mana o te Wai and Te Tau Ihu Initiative

13. During 2021, Council planning staff participated in hui with taiao representatives of Te Tau Ihu iwi (with the exception of Ngāti Toa), and planning staff from Tasman District Council and Nelson City

Council to commence discussing what giving effect to Te Mana o te Wai means in a local context. The purpose of the work programme was, and is, to assist ngā Iwi and the three councils to co-design a Te Mana o te Wai planning framework.

14. Te Tau Ihu iwi secured funding through a project commissioned by Our Land and Water - The National Science Challenge to support giving effect to Te Mana o te Wai through mātauranga Māori. The resulting report is one of four case studies that have contributed to the development of tools for giving effect to Te Mana o te Wai nationally.
15. Stage One of the project funded by the National Science Challenge was to gather information and develop an iwi “current state” report. The Stage One report, “Te Mana o te Wai – Te Tau Ihu Case Study Report: Volume One”. The report was received by the Planning, Finance and Community Committee on 17 February 2022.
16. The report provides a te ao Māori worldview, records the findings of the Waitangi Tribunal with respect to the northern South Island claims as they are relevant to wai, and provides the current thinking of ngā Iwi in terms of what they consider to be working well and not working well in freshwater management.
17. Drawing from this collated information, the report then summarises the challenges of management for wai and outlines the opportunities provided by the NPSFM and Te Mana o te Wai from a ngā Iwi perspective. The report sets out the challenges and opportunities presented by Te Mana o te Wai and provides conclusions and recommendations for future water management.
18. Eleven of the recommendations are for the iwi authorities, nine are for the three councils and two are for central government. The key recommendations from the perspective of ngā Iwi are:
 - That the three councils establish a fund to resource the capacity and capability of ngā Iwi to support councils to implement Te Mana o te Wai;
 - That ngā Iwi are provided the time and resources to apply mātauranga to freshwater management in the rohe;
 - That iwi and councils review, develop and implement decision making models which are collaborative and reflective of te ao Māori.
19. External advice received from Happen Consulting has previously identified that there is a degree of uncertainty as to the implications of giving effect to Te Mana o te Wai nationally. The Council and Te Tau Ihu iwi are well placed to address this uncertainty through the current initiative. It is considered that the report and the recommendations it contains will provide a good basis to continue discussions with Te Tau Ihu iwi on giving effect to Te Mana o te Wai.
20. Stage Two of the Te Tau Ihu iwi work programme will commence in 2022. Ngā Iwi seek to work in partnership with the three councils to:
 - Conduct catchment-focused kōrero with whānau and hapū to gain a better understanding of perceptions and expectations around the implementation of Te Mana o te Wai, including reflections on the tool kit to be prepared by the National Our Land and Water research programme;
 - Co-design a planning framework to give effect to Te Mana o te Wai across Te Tau Ihu;
 - Identify the tools, interventions, resources, capacity and capability needed to achieve outcomes; and
 - Oversee the implementation of the framework.
21. At its meeting on 17 February 2022, the Committee endorsed ongoing Council involvement in the Te Tau Ihu work programme for Te Mana o te Wai. That involvement will be guided by both the Stage One report, but also the Happen Consulting report with respect to recommendations for giving effect to the NPSFM in the PMEP.

Resourcing

22. In the spirit of Te Mana o te Wai, there is an expectation that the three Top of the South councils will each contribute funding to the case study in order to advance Stage Two.
23. The Ministry for the Environment granted the Te Tau Ihu Iwi funding for Stage Two and this funding will complement any Council funding contribution for Stage Two.
24. No provision is currently made in the Long Term Plan to assist Te Tau Ihu iwi with Stage 2 of the project. The capacity of iwi to participate in the process of establishing a community vision, identifying cultural values and establishing outcomes for these values was raised in the external audit undertaken by Happen Consulting, which recommended the Council consider the provision of funding to increase this capacity.
25. Reflecting the above, a request for additional funding for the Environmental Policy Group budget is made. The expectation from Te Tau Ihu iwi is that each of the three councils will make a contribution of \$30,000 towards the Stage 2 project (i.e., \$90,000 in total).
26. Note that Ngāi Tahu/Ngāti Kuri did not participate in the case study. Discussions with Ngāi Tahu to date indicate that a separate process may be appropriate with respect to giving effect to Te Mana o te Wai in the Ngāi Tahu takiwa. An additional process may also be required with Ngāti Toa.
27. A total of \$50,000 per annum is sought for the for the Environmental Policy Group Budget to cover the Stage 2 project as set out above, but also to enable engagement with Ngāi Tahu/Ngāti Kuri and potentially Ngāti Toa. The funding also allows the Council to secure additional support if this is required to facilitate or implement any of the above processes.
28. Provisions to give effect to Te Mana o te Wai would then form part of the variation/change to the provisions of the PMEP required to be publicly notified by December 2024. For this reason, the funding is sought the 2022-23, 2023-24 and 2024-25 years only.
29. Note that additional funding has already been allocated in the Environmental Science and Monitoring budget to support mātauranga monitoring from 2021-22 onwards.

Author	Pere Hawes, Manager Environmental Policy
Authoriser	Hans Versteegh, Manager of Environmental Policy, Science and Monitoring

4.14. Levels of Service Increases

Potential rezoning variations to the PMEP

(Report prepared by Pere Hawes)

M100-01-01, E360-002-002-02

Purpose of report

1. To seek budget approval for additional funding for the Environmental Policy Group as a contingency to enable consideration of potential variations to the PMEP to rezone land for residential purposes.

Executive Summary

2. In the 2022-23 year Council may receive requests to rezone land currently zoned Rural Environment in the PMEP for residential purposes.
3. There are risks that the short-term demand for new housing may not be met despite there being sufficient land zoned and serviced for residential purposes in the next 0-3 years. The Housing and Business Capacity Assessment 2021 recommended that the Council therefore be prepared to consider proposals to rezone land not currently zoned for residential purposes as a means of managing the short-term risk of demand exceeding supply. Rezoning would occur through notification of variations to the PMEP.
4. Council has been approached informally by multiple landowners of land currently zoned Rural Environment to discuss the potential to rezone their property for residential purposes.
5. The resources of the Environmental Policy Group for the 2022-23 year are already heavily committed to resolving appeals to the PMEP, completing the First Schedule process for Variation 1 and 1A and giving effect to the National Policy Statement 2020. To undertake an assessment and, should the proposal be adopted by Council, processing of any rezoning proposal will require external support.
6. Contingency funding of \$150,000 is sought for the Environmental Policy Group budget to enable the engagement of professional services to assess and process any formal requests received.
7. Longer term supply will be informed by a review of the Growing Marlborough Strategy. A budget for this will be developed for 2023-24.

RECOMMENDATIONS

1. That the information be received.
 2. That Council make provision for additional funding of \$150,000 for the Environmental Policy Group Budget to enable consideration of potential variations to the PMEP to rezone land for residential purposes.
-

Background/Context

7. The provisions of the PMEP provide for residential growth through the zoning of land. The predominant zones used for this purpose are Urban Residential 2 and Urban Residential 3. There is currently 172 hectares of land zoned Urban Residential 2 and 27 hectares of land zoned Urban Residential 3 in the PMEP that has yet to be developed for residential purposes.
8. On 17 February 2022, the Planning, Finance and Community Committee received the Housing and Business Capacity Assessment 2021, prepared under the National Policy Statement for Urban Development. This report contained an assessment of the demand for residential land and the supply of plan enabled and infrastructure ready residential land. The report concluded that there is sufficient zoned and serviced land to meet short term (0-3 years) and medium term (4-10 years)

demand. However, there was a long term (11-30 years) shortfall of land of approximately 82 hectares. This additional land would be required to provide for a demand for 906 dwellings.

9. In reaching a conclusion with respect to the short-term supply, the assessment also noted that there is a risk that short term demand may not be provided for. This was due to the multiple ownership of the land zoned Urban Residential 2 – Greenfields in the north-west of Blenheim and the reality that current landowners may not develop their land to meet the short-term demand.
10. Council considered this risk and the regulatory and non-regulatory options to address the identified risk as part of the Long Term Plan process in 2021.

Approaches from landowners

11. Council has been approached informally by multiple landowners of land currently zoned Rural Environment to discuss the potential to rezone their property for residential purposes.
12. As the PMEP is currently a proposed plan, Council cannot accept requests for private plan changes. However, the Council can notify variations to the PMEP itself.
13. The Housing and Business Capacity Assessment 2021 recommended that the Council, in noting potential short-term constraints on residential development, be prepared to consider proposals to rezone land not currently zoned for residential purposes as a means of managing the short-term risk of demand exceeding supply.
14. If it received any such proposal, Council would have to assess the proposal against the RMA and the planning framework of the PMEP as part of the process of making a decision whether to formally adopt the proposal and prepare a variation. Upon notification of a variation, the rezoning proposal would follow the standard First Schedule process of the RMA.

Resourcing

15. The work programme, and therefore the current 2022-23 budget, of the Environmental Policy Group did not contemplate variations to the PMEP for rezoning purposes. This is partly because Council was awaiting the results of the Housing and Business Capacity Assessment 2021 but also reflects the existing commitments of the Group.
16. The resources of the Environmental Policy Group for the 2022-23 are already heavily committed to resolving appeals to the PMEP, completing the First Schedule process for Variation 1 and 1A and giving effect to the National Policy Statement 2020.
17. To undertake an assessment and processing of any rezoning proposal will require external support.
18. It is difficult to quantify the level of external support required as this will be influenced by the number of proposals received, and the nature and location of those proposals (in terms of potential for effects that may need to be assessed and managed).
19. In discussion with the Chief Executive Officer, it is anticipated that the Council will receive requests in the short term.
20. It is proposed to allocate an additional \$150,000 to the Environmental Policy Budget to provide a contingency that enables the engagement of professional services to assist with processing any rezoning request received. The professional services would involve liaison with the landowner/agent, assessment of the request and any further information required, provision of a recommendation to Council on adoption, preparation of a variation, public notification, processing of submissions and further submissions and Section 42A report writing.

Author	Pere Hawes, Manager Environmental Policy
Authoriser	Hans Versteegh, Environmental Science & Policy Group Manager

4.15. Levels of Service Increases

Community Facilities: Structures and Playground Funding

(Report prepared by Jane Tito)

R510-021-01

Purpose of report

1. To request funding for upgrades to Council's structures to maintain current levels of service and meet safety requirements.
2. To request funding for improvements and upgrades to Council's regional playgrounds.

Executive Summary

3. An independent engineering report has identified remedial works required to a number of Councils bridges, boardwalks, platforms and structures over the next four years. The structures form a critical part of Council's recreational walking and cycling tracks network.
4. The estimated cost for the works is \$363,000 and it is suggested that it could be funded over a 4-year period.
5. Staff have identified improvements to 6 playgrounds around the region that include asset replacement and improvements due to aged seating and tables, play equipment, safety matting and landscaping.
6. The estimated cost for the works is \$469,000.
7. It is proposed that funding for these projects come from a mix of the Land Subdivision Reserve and rate funded, depending on the size of the growth component of each project.

RECOMMENDATIONS

That Council:

1. **Allocate \$191,400 from the Land Subdivision Reserve over the 2023-2027 financial years as per Tables 1 and 2 to fund the growth component of the works required to upgrade the structures, bridges and Reserves to meet level of service safety and demand requirements.**
2. **Note that if Council agrees to recommendation 1, the closing balance of the Land Subdivision Reserve will be \$634,652.**
3. **Approves the use of \$640,600 of rate funded debt to fund the non-growth component of the works required to upgrade the structures, bridges and Reserves to meet level of service safety and demand requirements.**

Background - Structures

8. A paper was presented to the Assets and Services Committee on 11 November 2021 on the condition of Council's structures (bridges, platforms, boardwalks and other structures) following a Council-commissioned engineering report, *Structures Engineers Report* (September 2021). The independent reports are carried out every three years along with Council's maintenance contractors' inspection programme.
9. The report identified that 15 of the 94 structures (managed by the Parks and Open Spaces Section) require substantial upgrades or replacements over the next four years.
10. The Committee approved the immediate replacement of two bridges along the Humphries Dam Track, Picton and were advised that a request for funding would be presented in the next budget process for the remaining 13 structures to be upgraded as recommended in the engineering report.

Health and Safety

11. The structures form a linkage and connection between Council's tracks, trails and open space areas. Parks and Open Spaces manage 150 kilometres of tracks and paths in the network and the engineering report provides Council with inspection-based data on the condition of the Council structures.
12. This allows Council to prioritize replacements and upgrades using the risk matrix identified in the *Structures Engineers Report*. All necessary design, building code and consenting processes will be undertaken along with engineering inspection and monitoring.

Proposed Structures Upgrades and Replacements

13. Funding of \$363,000 is sought for those works, spread over a four-year period. Table 1 shows the structures and timeline for the improvements to take place against the funding identified in the report.

Table 1

Structure	2023/24	2024/25	2025/26	2026/27	% Growth Driven	Land Sub Account Funding	Debt Funding
Tractor Bridge, Pollard Park, Blenheim			\$35,000		10	3,500	31,500
Summerhouse Footbridge No. 1 Pollard Park, Blenheim			\$14,000		10	1,400	12,600
Summerhouse Footbridge No. 2 Pollard Park, Blenheim			\$9,000		10	900	8,100
Rhododendron Area Footbridge Pollard Park, Blenheim			\$20,000		10	2,000	18,000
Pollard Golf Course Footbridge No. 1, Blenheim			\$25,000		15	3,750	21,250
Humphries Track Footbridge No. 3, Essons Valley, Picton				\$65,000	15	9,750	55,250
Barnes Track Footbridge No. 2, Essons Valley, Picton	\$65,000				15	9,750	55,250
Barnes Track Boardwalk No. 1, Essons Valley, Picton				\$11,000	15	1,650	9,350
Barnes Track Boardwalk No. 2, Essons Valley, Picton				\$9,000	15	1,350	7,650
Barnes Track Footbridge No. 5, Essons Valley, Picton		\$65,000			15	9,750	55,250
Duck Footbridge (over model railway) Foreshore, Picton		\$15,000			10	1,500	13,500
Whitehead Park Bridge, Brooklyn Dr, Blenheim		\$15,000			10	1,500	13,500
Camborne Green Footbridge, Tremorne Ave, Blenheim		\$15,000			10	1,500	13,500
	\$65,000	\$110,000	\$103,000	\$85,000		48,300	314,700
	2023/24	2024/25	2025/26	2026/27			
Debt Funded Component	55,250.00	95,750.00	91,450.00	72,250.00			
Rates Impact	2,019.66	7,539.47	14,382.56	20,366.62			

Background - Regional Playgrounds

14. The following improvements and upgrades to regional playgrounds have been identified, many include new equipment pieces and replacement of aging seats and tables. While several of the playgrounds will have shade sails installed at the same time, these works have separately approved budgets (Land Subdivision Reserve).
15. The list below details the proposed work and location of the playground.

Table 2

<i>Auckland Street Reserve (Skate Park) - Picton</i>	Cost	% Growth Driven	Land Sub Account Funding	Debt Funding
Basketball area (3 on 3) surface and line marking	20,000	100	20,000	0
Tiered spectator seating	25,000	100	25,000	0
Skateboard/bike concrete spine jump	70,000	100	70,000	0
Total:	115,000		115,000	
<i>Scotland Street Reserve - Picton</i>				
Renew play equipment	80,000	0	0	80,000
New seats/tables	6,000	100	6,000	0
Landscaping upgrade	3,000	0	0	3,000
Total:	89,000		6,000	83,000
<i>Kowhai Reserve - Renwick</i>	Cost	% Growth Driven	Land Sub Account Funding	Debt Funding
Renew play equipment	35,000	0	0	35,000
Replaces seats/tables	11,000	0	0	11,000
Landscaping upgrade	12,000	0	0	12,000
Total:	58,000		0	58,000
<i>Vorbach Reserve - Renwick</i>				
Renew play equipment and surfacing	90,000	0	0	90,000
Replaces seats/New tables	11,000	60	6,600	4,400
Landscaping upgrade	11,000	0	0	11,000
Total:	112,000		6,600	105,400
<i>Lions Reserve - Renwick</i>				
Improve parking area and entrance	23,000	0	0	23,000
Replace seats/tables	11,000	50	5,500	5,500
Landscaping upgrade	11,000	0	0	11,000
Total:	45,000		5,500	39,500
<i>Havelock Memorial Reserve</i>				
Install new matting (replacing bark)	50,000	20	10,000	40,000
Total:	50,000	20	10,000	40,000
Total All Reserves	469,000		143,100	325,900
2022-23 Rates Impact				11,913

Funding

16. One of the challenges for Council is not having depreciation as a funding source when it comes to replacing existing assets in the open spaces and recreational areas. Reviewing this policy is on the LTP Working Group's work programme for the 2024-34 LTP.
17. As a result, an alternative source of funding is required. Council has a development contributions policy that provides funding to the Land Subdivision Reserve, but use of these funds is restricted to servicing the demands of growth.
18. While the need for these projects is not fully growth driven, on their completion they should be able to better meet the increasing demands for leisure facilities from our growing population. As a result, it is proposed that the growth element of these projects (\$191,400) is funded from the Land Subdivision Reserve funding as the improvements are primarily levels of service increases and a limited number are growth related.

19. It is further proposed that the remaining project costs (\$640,600) are funded by debt as the benefits of the renewals etc will be enjoyed for many years to come. The impact on rates would be \$13,933 in 2022-23, with an ongoing impact of \$27,865 The alternatives would be:
- to fund the amounts required by rate, meaning current ratepayers are paying for benefits to be enjoyed in the future; and
 - to use the Forestry and Land Development Reserve.

These two alternatives are not recommended because they are:

- firstly, contrary to the intergenerational equity principle contained in the Local Government Act 2002; and
- secondly, the balance of the Reserve is forecast to reduce substantially over the next 10 years with no revenue to the Reserve being anticipated for many years.

Next Steps

20. If this funding request is approved, staff will prepare the necessary design, consents and tenders required for these works to be installed.

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

4.16. Levels of Service Increases

Community Facilities: Lansdowne Park Sportshub – Request for Operational Budget

(Report prepared by R Russell)

R510-021-01

Purpose of report

1. To request that a budget be approved to operate the new Lansdowne Park Sportshub building.

Executive Summary

2. The Lansdowne Park Sportshub was recently completed as an administration centre for a number of sports codes and clubs to operate from.
3. Staff request a budget of \$70,000 be provided for operating the facility.
4. It is suggested that funding be provided by way of Rates.

RECOMMENDATION

That a budget of \$70,000 be established to cover the operational costs of managing the Lansdowne Park Sportshub from 1 July 2022 and that funding be provided from Rates.

Background

5. A paper was presented to the Assets and Services Committee on 11 November 2021 detailing the management structure for the new Sportshub at Lansdowne Park, Blenheim. Council appointed a facilitator to manage the Sportshub and oversee the user groups for a 12-month period starting in January 2022.
6. It was signalled at the time that as there is no budget in place for meeting the operational costs of the new facility that a budget paper would be prepared for Annual Plan consideration.

Comments

7. Staff have reviewed the operational costs of Endeavour Pavilion and other sports-hubs in the Marlborough community and request that Council approve a sum of \$70,000 for the first year of operation. A review of costs will be carried out after 12 months of operation.
8. Costs that have been allowed for include power for water heating (showers, bathrooms and other), security systems, rates, cleaning (internally and externally), equipment servicing (fresh air intakes, air conditioning units), building warrant of fitness compliance, rubbish disposal and other general costs. Funding provision has also been included for cleaning post events such as Netball Championships, Sports Prizegiving's, Masters Games and Tasman Mako games.
9. The users of the facility which include Tasman Rugby, Marlborough Netball, Marlborough Softball, Sport Tasman, Marlborough Touch Rugby and Harlequins RFC have been provided lease agreements with an associated occupancy fee. The annual income from the user groups will be approximately \$15,000 which has been factored into the proposed budget.

Funding

10. It is suggested that this budget be funded by way of a Rates. The impact on ratepayers equates to less than a 0.1% increase.

Next Steps

11. Subject to funding approval staff will update Council on costs after a full year of operation.

Author	Regan Russell, Community and Recreation Facilitator
Authoriser	Jane Tito, Manager, Parks and Open Spaces

4.17. Levels of Service Increases Wellbeing Funding

(Report prepared by Martin Fletcher)

D050-007-001-01

Purpose of report

1. To inform Councillors of the availability of government funding, its use by another Council and how it could be used to partially fund the 2022-23 Annual Plan

Executive Summary

2. Council is due to receive \$23M of "Better Off" funding from the announcements made by Government as part of the Three Waters Reform package.
3. Up to \$5.75M of that package is available for the period 1 July 2022 to 30 June 2024.
4. The criteria for using this funding appear relatively broad especially if the approach undertaken by Mayor Goff proves correct.
5. To avoid exacerbating the longer-term issues that arise when utilising Reserves to reduce rates, it is proposed that the "Better Off" funding should be applied to improved Levels of Service at this stage.
6. It is further proposed that a strategic review of the long-term use of this funding be undertaken post 30 June 2022.

RECOMMENDATIONS

That Council:

1. **agree to funding \$1.36M from the Government Three Waters Better Off package; and**
2. **agree to undertaking a strategic review of how the balance of Three Waters Better funding be spent.**

Background/Context

7. As part of the Three Waters Reform Government announced a \$2.5B support package for councils. This was in addition to the \$761M provided in 2020 and the \$296M allocated for the costs associated with the establishment of, and transition to, the new entities.
8. The support package included two key components:
 - a \$2B "Better Off" component. This was to enable investment into the future for local government and community wellbeing to support the priorities of both central and local government; and
 - \$500M to ensure that no council is financially worse off in the short-term following their transfer of their Three Waters services to the new entities.
9. Of the \$2.0B Council's share is \$23.04M which was calculated using a formula based on:
 - a 75% allocation based on population size;
 - a 20% allocation based on the NZ deprivation index;
 - a 5% allocation based on land area (excluding national parks).
10. Government has indicated up to \$500M of "Better Off" funding will be available for use by Councils from 1 July 2022, with the remainder from 1 July 2024. Unfortunately, the process for the release of money is still being worked through. However, Government did say that:

“Territorial authorities will be required to demonstrate that the use of this funding supports the Three Waters service delivery reform objectives and other local wellbeing outcomes and aligns with the priorities of central and local government through meeting some or all of the following criteria:

- *Supporting communities to transition to a sustainable and low emissions economy, including by building resilience to climate change and natural hazards;*
- *Delivery of infrastructure and/or services that:*
 - *enable housing development and growth, with a focus on brownfield and infill development opportunities where these are available;*
 - *support local place-making and improvements in community Wellbeing.”*

11. It is hoped that more specific guidance will be available before the end of February, but criteria as outlined above is fairly broad as it covers both service (operating) and infrastructure (capital) expenditure and community wellbeing. NB operating expenditure funding has a direct impact on Rates, where as Capital expenditure has more of an impact on Debt and debt servicing costs.
12. The Council that is perhaps the most advanced in determining how it can use this funding is Auckland City Council (ACC). Under Auckland’s legislation the Mayor is required to produce a “Mayoral Proposal” for the 2022/2023 Annual Budget. Mayor Goff did that on 1 December 2021.
13. The 2022-23 Proposal contains the following statements:
“The Government recently announced the Three Waters Reform support package for Councils, consisting of \$2B “Better Off” funding and \$500M “No Worse Off” funding. Auckland’s allocation from the Better Off funding is around \$509M, approximately 25 percent of the total \$2.0B. The first tranche of \$500M from the Better Off funding will be available from 1 July 2022. Auckland can expect to receive approximately 25 percent of that, around \$127M. The funding is intended to support a wide range of objectives and local wellbeing outcomes and can be used to meet operating and/or capital expenditure. Using the funding to mitigate the impact of COVID-19 on local community outcomes, especially on transition to a low-emission economy, housing and growth, local placemaking and community wellbeing, is consistent with this purpose.
The temporary and ongoing operating impacts are estimated to be \$85M for 2022/2023 and can be accommodated by the \$127M government funding. Of this, the ongoing operating cost pressure (estimated to be between \$30M to \$40M per annum beyond 2022/2023 remains and will need to be responded to in a sustainable way. This shortfall projection is principally driven by the inflation and interest rate trends. Council staff have also advised the need for contingency funding of \$40M given the current risks of further inflation and interest rates.”
14. While not specific on what activities will be funded and by how much, Mayor Goff appears to have taken a permissive view on what the “Better Off” component can be used for.
15. The above is the Auckland approach, Marlborough faces its own set of unique challenges and opportunities and as such needs to develop its own plan on how to spend these funds. As a result, a separate strategic review is recommended post 30 June 2022 on how these funds could be spent. By way of background, one quarter of Council’s \$23M would be available from 1 July 2022, i.e., \$5.75M for the two-year period ending 30 June 2024, i.e., approximately \$2.85M per annum. The remainder of the funds are available post 1 July 2024.
16. Until the strategic review is completed, it is recommended that for 2022 - 2023 this additional funding be used to fund increased Levels of Service at both the budget round and following submissions. It is not recommended that the funding be used to further reduce rates for existing Levels of Service above the \$4.3M allocation from the COVID Rates Relief Reserve as this would further exacerbate the issues that arise when this funding runs out. Councillors may recall, the 9.7% rates increase forecast in the LTP for 2025 when allocations from the COVID Rates Relief Reserve cease.

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

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

4.18. Marlborough Roding Recovery Update

(Report prepared by R Coningham)

R800-007-02

Purpose of report

1. To provide an update on the Roding Recovery Project and to approve funding for the next Recovery Stage.

Executive Summary

2. This report provides the latest information relating to the roading recovery following the 17 July 2021 storm event, including current roading status, recovery costs and timeline, resourcing, challenges and risks.

RECOMMENDATIONS

That Council:

1. **Approve the roading reinstatement standard in accordance with the Waka Kotahi emergency works rules (work category 141, effectively replacing to pre-event status).**
2. **Approve expenditure of \$17m for the initial response and recovery up to end June 2022.**
3. **Approve an investigation to consider asset optimisation options for the regions costliest roading corridors.**

Background/Context

3. Significant heavy rainfall on 17 July 2021 caused widespread flooding across the West Coast, Tasman and Marlborough transport networks resulting in widespread slips, washouts and treefall. Pavements, retaining structures and bridge damage was evident along several local roads across the district.
4. Early in the recovery it was recognised that the scale of the works would necessitate additional resources to those available within Marlborough Roads and the Marlborough Roads NOC. A Marlborough Roads Recovery Team (MRRT) was established as a variation to the NOC, responsible for commissioning and managing the overall recovery, including communications, procurement, project designs, construction and associated management support.
5. To ensure the MRRT delivers in an efficient and cost-effective manner, an assurance and governance structure was established. This structure utilises current Marlborough Roads staff (where possible), but also relies on the direct appointment to Marlborough Roads of:
 - a Programme Director, responsible for the recovery works;
 - consultants to provide process, procedure, scope and specification assurance;
 - specialist consultants to provide financial, commercial, procurement and estimating advice and assurance; and
 - overarching site supervision, by 2-3 clerks of works.
6. The scale of the event was significant with over 1,600 defects identified, including 430 overslips, 204 underslips and 23 structures damaged. The initial event closed more than 350km of road. All of these roads have now reopened, although there will be ongoing restrictions and journey disruptions in some places possibly until the middle of 2023 when it is expected the recovery works will be completed (subject to risks outlined below).
7. The MRRT is providing regular status updates to the affected communities impacted by the damaged roads.

8. In summary the current status is as follows:

- Kenepuru Road, Moetapu Bay Road and side roads:
 - Along these roads there are several major underslips (dropouts) that are undermining the road foundations, the environment is still very fragile in places and there is potential for further road damage.
 - Controlled access along the full length of Kenepuru Rd became available from 30 November, with public access to the Mistletoe Bay turn off available over the Xmas holidays
 - Journey disruptions should be expected to mid-2023.
- Queen Charlotte Drive
 - There are two major slips, and seven other sites requiring significant works.
 - The road is open with nine sets of traffic lights to ensure public safety where only one lane is available. Temporary speed and vehicle length restrictions apply.
 - Journey disruptions should be expected to early 2023.
- Waihopai Valley:
 - A temporary Bailey bridge has been completed to enable access.
 - A section of road above the dam was lost during the storm event, Options are being considered for its reinstatement.
 - There will be traffic disruptions while the section of road is reinstated, however the Bailey Bridge will be in place until a new bridge is commissioned. This is likely to be mid 2023
- Awatere Valley:
 - Following the reactivation of a slip near the Limestone bridge there is currently no public access for non-residents through the Awatere Valley to Molesworth Recreation Reserve.
 - Controlled Access is available for residents and essential services.
 - Journey disruptions should be expected to mid-2022
- Northbank Road
 - Public access is available while drainage, pavement and structural work is ongoing
 - Replacement of Noels bridge is programmed for mid-2022
 - Journey disruptions should be expected to the end of 2022
- Pelorus / Kaiuma Bay Road
 - Public access is available while structural work is ongoing
 - Journey disruptions should be expected to early 2022.

9. Broader risk management and welfare is being coordinated by the Marlborough District Council's Recovery Team. Immediate risks to the roading recovery are focussed on contractors and public health and safety. The following risks require management where possible, and have the potential to impact recovery timeframes:

- Unforeseen ground conditions and geotechnical / scope risks;
- Potential for further damage and reduced network resilience from rainfall/earthquake events while the network is in a fragile condition;
- Material and labour supplies;
- Covid-19 impacts to the delivery programme;
- Community frustration over time to complete the roading recovery and ongoing disruptions from road works, particularly on Kenepuru Rd;
- Waka Kotahi & Marlborough District Councils' funding contribution to the recovery.

Roading recovery standards, cost estimates and Waka Kotahi financial assistance

10. The recovery of roading assets is eligible for a Funding Assistance Rate (FAR) from Waka Kotahi under Work Category 141 (Emergency Works) of 71% (noting that the normal 51% FAR is applicable for the first 10% of Marlborough's annual maintenance, operations and renewal budget). In rare events resulting in significant damage, at the Waka Kotahi Board's discretion, a bespoke FAR of up to 100% may be available. Work Category 141 provides for reinstatement to pre-event standards, commensurate to the corridor pre-event level of service, which excludes any major improvements associated with the permanent reinstatement. Improvements are not to be funded from Emergency Works.
11. Recovery works to date, and cost estimates for the overall recovery have been based on emergency works reinstatement standards (as defined under Waka Kotahi work category 141), namely to pre-existing levels of service, commensurate to the corridor pre-event level of service.
12. Recovery costs were indicatively split into two phases, a response phase and a recovery phase, to enable Waka Kotahi to provide an early indication of the FAR for the initial response phase.
13. The Waka Kotahi Board has approved an enhanced FAR of 95% for the initial response phase, to the value of \$21.7m (noting that the normal 51% FAR is applicable for the first 10% of Marlborough's annual maintenance, operations and renewal budget). In approving the initial response phase, the Board advised consideration of the recovery FAR is contingent on available funds. The Board is expected to consider the recovery phase FAR in the coming months.
14. The overall recovery cost is currently estimated at around \$70 to \$80m including overheads and some allowance for risk, although this is dependent on ground conditions, further site investigations, detailed design, and the additional risks as identified in 6 above. A breakdown of the costs by roading corridor is provided below:

Corridor	Cost summary
Awatere Valley	2,362,933
Kenepuru Road	26,372,604
Bridges	2,808,000
Northbank	1,776,593
Pelorus / Kaiuma	1,077,812
Queen Charlotte	16,930,234
Waihopai excluding Maori Ford Bridge	1,023,008
Management	13,051,703
Other	2,273,354
Response	2,845,000
Total	\$70,521,241

Engineering estimates include a small number of the repairs (13 out of a total of 1,453) that are likely to cost more than \$1,000,000 each to complete. These repairs make up some 20% to 25% of the total programme cost. The majority of these high-cost repairs are underslips along Kenepuru Road and Queen Charlotte Drive.

15. Marlborough District Council's local share component of the recovery is determined by the recovery FAR, the availability of Waka Kotahi's contribution and the overall recovery cost. As these are uncertain at this stage it is proposed that budget be considered to the end of this financial year and a further update will be presented once further direction is provided by Waka Kotahi. This will enable the emergency recovery works to progress unhindered:

	FY 2021/22		FAR	Approximate MDC local share
	to March 2022	Mar 22 -Jun 22		
2022 1st 10%	\$1.28m		51%	\$1.34m
Phase 1 (response)	\$20.4m		95%	\$1.02m
Phase 2 (recovery)		\$17.0m	95% to 71%	\$0.85m to \$4.93m
Total	\$21.7m	\$17m		\$3.21m to \$7.47m

16. Council may need to fund upfront all recovery costs for the first couple of months of the recovery phase while Waka Kotahi considers and approves this phase's FAR, and then reimburses Council accordingly.
17. Council's share to fund the \$17m to get through until the end of June will be between \$850,000 and \$4.93m, dependant on what FAR is agreed by the Waka Kotahi Board. It is proposed Council's share be funded from reserves.
18. The Waka Kothi Board is considering a staff recommendation to continue the 95% FAR at the Board meeting on 17 April 2022 meeting. If this was unfavourable Council could reconsider its decision at this time.

Future management of the region's high-cost corridors

19. A recent Waka Kotahi technical audit (Sept 2020) of Marlborough District Council's investment performance recommended a review of the Queen Charlotte Drive, Kenepuru Road and Waihopai Valley Road corridors to address and manage:
 - Pavement condition, increasing road maintenance and renewal costs;
 - Potential physical and strategic improvements to proactively address current and future HCV and High Productivity Motor Vehicles use;
 - Futureproofing to improve resilience to climate change events and earthquakes;
 - Practicable safety considerations such as improved sightlines, speed limits and specific treatments at high-risk sections; and
 - Future maintenance costs such that they are more aligned with the network average while providing a consistent level of service.
20. It is proposed that an investigation be considered to review asset optimisation options for the Region's costliest roading corridors including Queen Charlotte Drive and the Kenepuru Road. It is expected the investigation would consider options for each corridor which could include investment measures to enhance and improve these corridors, improve resilience, and lower long term maintenance costs. The investigation could consider the safety benefits and economics impacts of reducing levels of services and access for certain types of vehicles.

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

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
Fit with Council policies and strategies			
X	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	X	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport	X	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
This proposal contributes to the Regional Land Transport Plan relating to Emergency Works.			
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
Financial authority is sort with this paper to progress the next phase of the roading recovery works from the 17 July 2021 storm event.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
In assessing the preferred option, staff have considered the effects of climate change. The proposed review to asset optimisation options for the regions costliest roading corridors will take into account the effects of climate change moving forward.			

5. Minutes

- 5.1 Confirmation of the Minutes of the Council Meeting held on 9 December 2021
(Minute Nos. Cncl-1221-178 to Cncl-1221-190)



**Minutes of a Meeting of the
Marlborough District Council
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 9 DECEMBER 2021 commencing at 9.00 am**

Present

The Mayor J C Leggett (in the Chair), Cllrs J L Andrews, J A Arbuckle, J D N Croad, B G Dawson, B A Faulls, M J Fitzpatrick, G A Hope, F D Maher, M A Peters, T P Sowman and N P Taylor.

In Attendance

Mr M S Wheeler (Chief Executive), Mr M F Fletcher (Chief Financial Officer), Ms N J Chauval (Support Services Administrator) and Mr M J Porter (Democratic Services Manager).

Karakia

The meeting opened with a karakia.

The Mayor welcomed all to the meeting, whether present in the Council Chambers or via Audio Visual link (Zoom) as per Standing Orders and the *COVID-19 Response (Urgent Management Measures) Legislation Act 2020*. The Mayor also advised the meeting was being recorded and that a link to the recording would be loaded to Council's website as soon as practicable following the meeting in accordance with the *COVID-19 Response (Urgent Management Measures) Legislation Act 2020*.

Apologies

Cllrs Arbuckle/Peters:

That the apologies for absence from Cllrs C J Brooks and D D Oddie be received and sustained.

Carried

Cncl-1221-178 Declaration of Interests -

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

A number of declarations were noted in the agenda:

- The various interests as declared under Minute Nos. Cncl-1021-119 and Cncl-1121-148;
- The interest as declared under Minute No. A&S-1121-129 (Minute No. A&S-1121-135); and
- The interests as declared under Minute No. PF&C-1121-164 (Minute Nos. PF&C-1121-171, PF&C-1121-174 and PF&C-1121-e-29).

Cncl-1221-179 Confirmation of Minutes -

The Mayor/Cllr Taylor:

That the Minutes of the Council Meeting held on 28 October 2021 (Minute Nos. Cncl-1021-119 to Cncl-1021-126) be taken as read and confirmed.

Carried

Cncl-1221-180 Confirmation of Minutes -

The Mayor/Cllr Hope:

That the Minutes of the Extraordinary Council Meeting held on 3 November 2021 (Minute Nos. Cncl-1121-127 to Cncl-1121-128) be taken as read and confirmed.

Carried

Cncl-1221-181 Confirmation of Minutes -

The Mayor/Clr Hope:

That the Minutes of the Extraordinary Council Meeting held on 15 November 2021 (Minute Nos. Cncl-1121-148 to Cncl-1121-150) be taken as read and confirmed.

Carried

Committee Reports

Cncl-1221-182 Assets & Services Committee -

Members discussed the recommendations under Minute No. A&S-1121-141 (Notable Tree Removal Request – Road Reserve Adjacent to 35 South Terrace, Picton).

Cls Taylor/Fauls:

That Minute No. A&S-1121-141 be amended to read:

1. That Council decline the request to remove the notable oak tree located on road reserve beside 35 South Terrace, Picton.
2. That height and breadth of the tree continue to be managed in accordance with page 79 of the agenda item as per below:
Future management of the oak should focus on reduction pruning to check the lateral development of the tree. The reduction of the canopy will ensure that it remains compact and symmetrical in this windy environment. The David James report suggested a 20% reduction of the top although the Tree Consultant recommended that this is carried out over the entire tree. The consultant also concurred with the Nelmac comments that if the tree is reduced then this would achieve the same risk reduction as the installation of braces. Excerpt from Memorandum 13 May 2020 to Robin Dunn from Brad Cadwallader from Cadwallader Tree Consultancy
3. That Council seek supplementary reports regarding the notable oak tree located on road reserve beside 35 South Terrace, Picton on private property damage (including any potential property damage), pedestrian safety and its age and potential life; with the reports to be presented to the Assets & Services Committee within six (6) months.

Carried

Cls Taylor/Andrews:

That the Committee report contained within Minute Nos. A&S-1121-129 to A&S-1121-147 be received and the recommendations, as amended above, adopted.

Carried

Cncl-1221-183 Environment Committee -

The Mayor/Clr Hope:

That the Committee report contained within Minute Nos. Env-1121-154 to Env-1121-163 be received and the recommendations adopted.

Carried

Cncl-1221-184 Planning, Finance & Community Committee -

Cls Peters/Sowman:

That the Committee report contained within Minute Nos. PF&C-1121-164 to PF&C-1121-177 be received and the recommendations adopted.

Carried

Cncl-1221-185 Grants Sub-committee

-

Cllrs Sowman/Andrews:

That the Sub-committee report contained within Minute Nos. Grnt-1121-151 to Grnt-1121-153 be received and the recommendations adopted.

Carried

Cncl-1221-186 Fabians Valley Cemetery Resignation and Appointment of Trustee

L150-001-F44C

Members noted that the purpose of the report was to action a resignation and appointment of a replacement Trustee for the Fabians Valley Cemetery Trust.

Staff reported that Eric Warmouth has tendered his resignation as a Trustee after many decades of service both as a Trustee and as Chair of the Cemetery Trust. A letter of appreciation has been sent to Eric for his lengthy service as Trustee. The current Chair, Scott Adams, put forward the name of Geoffrey Alexander Warmouth as a replacement Trustee.

Cllrs Maher/Andrews:

1. That Council in accordance with section 23 of the Burial and Cremations Act 1964 revoke the appointment of Eric Warmouth following his resignation and approve the appointment of Geoffrey Alexander Warmouth as Trustee of the Fabians Valley Cemetery Trust with such appointment to take effect following public notification as required by the Burial and Cremations Act 1964.
2. That appreciation is extended to Eric Warmouth for his services to the Fabians Valley Cemetery over many decades.

Carried

ATTENDANCE: Heli Wade, Council's Catchment Care Coordinator - Te Hoiere, was present for the following item.

Cncl-1221-187 Te Hoiere Kaitiaki Charitable Trust

E355-021-01

Members noted that the purpose of the report was to explain the background to establishing the Te Hoiere Kaitiaki Charitable Trust and to approve the trust deed and to ratify Council's representation on the Board and Councillor Faulls as Council's representative on the Trust Board.

Ms Wade reported that the Trust is being formed for the purpose of providing leadership and encouraging the restoration and enhancement of the Te Hoiere Project area and the receiving waters including the Pelorus Sound/Te Hoiere out to Te Kakaho Island (part of the Chetwode Islands).

Further background was included in the report on the agenda.

Cllrs Peters/Taylor:

1. That Council approve the Te Hoiere Kaitiaki Charitable Trust Deed and ratifies Council's representation on the board of trustees
2. That Council approve Councillor Faulls to represent Council on the board of Te Hoiere Kaitiaki Charitable Trust.

Carried

Cncl-1221-188 Decision to Conduct Business with the Public Excluded

The Mayor/Clr Croad:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Minutes
- Committee Reports (Public Excluded Sections)
- Renwick Cycle Trail
- Financing Consideration
- Statement of Proposal Document
- Contract Considerations

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes and Committee Reports	As set out in the Minutes	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Renwick Cycle Trail Financing Consideration Statement of Proposal Document	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) provided for under Section 7(2)(i)	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Contract Considerations	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

Carried

The meeting then resumed in open session.

Cncl-1221-189 Summer Events

C500-005-010-09

Cllrs Peters/Hope:

That Council approve an allocation of \$30,000 from the Emergency Events Reserve to the Economic Development Team to support events through the summer of 2021/22.

Carried on a show of hands 9 to 3

The following resolution is to be made public.

Cncl-1221-190 Statement of Proposal Document: iReX Project
S400-005-006-01

The Council report on the Statement of Proposal Document (SoP) for the iReX Project having been discussed and approved in Public Excluded was moved out of public excluded following the release of the SoP to the community.

Cllrs Croad/Sowman:

- 1. That Council adopt the draft Statement of Proposal (SoP) for the Picton Ferry Precinct Development, subject to legal review by Simpson Grierson;**
- 2. That Council note the intention to engage directly with the community as part of the consultation process;**
- 3. That Council agree to establish a sub-committee of the Mayor, Deputy Mayor and Councillor Peters to finalise the document post legal review; and**
- 4. That Council agree to move this agenda item out of public excluded when the SoP is issued to the community.**

Carried

The meeting closed at 11.50 am.

Confirmed this 24th day of February 2022

J C LEGGETT
MAYOR

Record No. 21269321

6. Committee Reports

6.1 Assets & Services Committee

Assets & Services Committee Meeting held on 3 February 2022
(Minute Nos. A&S-0222-191 to A&S-0222-203)



**Report and Minutes of a Meeting of the
ASSETS & SERVICES COMMITTEE**
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 3 FEBRUARY 2022 commencing at 9.00 am

Present

Cls N P Taylor (Chairperson), M J Fitzpatrick (Deputy), J L Andrews, C J Brooks, B G Dawson, F D Maher, M A Peters, Mayor J C Leggett, Mr R Hunter (iwi representative)

Also Present

Cls J A Arbuckle, G A Hope, J D N Croad, B A Faulls and T P Sowman

Also Present via Zoom

Clr D D Oddie

In Attendance

Richard Coningham (Manager – Assets & Services Department) Jamie Lyall (Manager – Property and Community Facilities), Nicole Chauval (Committee Secretary) and Mike Porter (Zoom Management)

Apologies

No apologies were received.

A&S-0222-191 Declaration of Interests

-

No interests with items on the agenda were declared.

A&S-0222-192 Confirmation of Sub-Committee Business

R800-007-06-03

Clr Arbuckle noted that only decisions from this Sub-Committee are included in the agenda and requested that the meeting minutes for this Sub-Committee be attached to future agendas thereby providing information on how the decisions were reached.

Following discussion it was agreed that the minutes of the two meetings, noted in the agenda, be attached to these minutes and future meeting minutes be included on the Assets & Services Committee agendas.

Cls Taylor/Brooks:

That the following approvals granted by the Road Naming Sub-Committee under delegated authority (Council Minute Cncl-0221-279) be confirmed:

1. **Kāinga Ora – Homes and Communities (U200168) - That the road name Pahūahi Street, with a tohutō/macron, be given for the right of way being created to take effect upon the vesting of the road in Council ownership.**
2. **Matt and Olivia Gale (U201074) – That the road name Laxton Lane be given for the right of way being created to take effect upon the vesting of the road in Council ownership.**
3. **Picton Marina, Port Marlborough (R800-007-06-03) - That the road name Te Ara Arapaoa, be given for the road within the Picton Marina.**
4. **Waikawa Marina, Port Marlborough (R800-007-06-03) – That the road name Te Ara Kaimoana be given for the road within the Waikawa Marina.**

Carried



Report from the ROAD NAMING SUB-COMMITTEE held in the Committee Room, District Council Administration Building, Seymour Street, Blenheim on Tuesday 14 December 2021 at 9.00 am

Present

Clr Nadine Taylor (Chair) Clr Jenny Andrews and Clr Francis Maher

Present via Zoom

Richard Hunter (Iwi Representative)

In Attendance

Stephen Rooney (Operations & Maintenance Engineer)

Apologies

Clrs Taylor/Andrews:

Clr Cynthia Brooks and Richard Coningham (Manager, Assets and Services)

Carried

The following road name requests were received and discussed with the following approvals granted by the Road Naming Sub-Committee under delegated authority (Council Minute Cncl-0221-279) be confirmed:

1. Road Name Request – Picton Marina, Port Marlborough

The purpose of the report is to allocate a road name within the Picton Marina, Port Marlborough to ensure addresses are available to various tenants in the area and to assist emergency services.

Arapaoa links back to the time Kupe chased the wheke (Octopus) to the coastal waters of the North Island finally slaying the wheke at the entrance of Tory channel (Kura Te Au). Kura Te Au is translated as "the channel red with the blood of the octopus". Arapaoa is the sacred Island where Te Ātiawa have lived since our arrival in the early 1800s. The Perano Whaling Station operated from 1911 with the last whale being killed four days before Christmas 1964 with the whaling station closing the following year. For Waitohi and the surrounding sounds area the Perano Whaling Station served as employment for many whānau of the area, both Māori and non-Māori. With intermarriages, over time a huge chunk of the population within Waitohi and the greater sounds area are blood relations.

The application has been provided to Council after consultation by the applicant with the affected residents. The proposed road names were circulated by MDC to Iwi, local historians and Marlborough Roads, no objections were received from this notification. Te Runanga O Ngāti Kuia replied in support of the first choice name (Te Ara Arapaoa) and Ngāti Tamā wrote to support the Manawhenua iwi in Marlborough and any response they were to provide. In addition to this, Port Marlborough consulted directly with Te Ātiawa.

There does not appear to be any significant issues with the option meeting the evaluation criteria of the policy.

The name that is most suitable is Te Ara Arapaoa. It is Port Marlborough's first choice and it meets the requirements of the policy.

Clr Maher/Mr R Hunter:

Picton Marina, Port Marlborough (R800-007-06-03) - That the road name Te Ara Arapaoa, be given for the road as shown on Attachment 1.

Carried

2. Road Name Request – Waikawa Marina Picton Marina

The purpose of the report is to allocate a road name within the Waikawa Marina to ensure addresses are available to various tenants in the area and to assist emergency services.

The Waikawa Marina was another of our Pataka (food pantry) that nurtured the Iwi throughout the Waikawa and Waitohi area. Whānau would gather and converse, catching up on what was going on within the area with whānau, hapū, Iwi matters while they were collecting pipi, kopakopa, kūtai and tio.

It was and still is respected for its beauty and sustenance feeding the people. There were parts of the Marina whānau would go to for certain kaimoana however the tīkanga of kohikohi mataitai (gathering seafood) has diminished due to human induced change of the area.

The application has been provided to Council after consultation by the applicant with the affected residents. The proposed road names were circulated by MDC to Iwi, local historians, and Marlborough Roads, no objections were received from this notification. Te Runanga O Ngati Kuia replied in support of the first choice name (Te Ara Kaimoana) and Ngati Tama wrote to support the Manawhenua iwi in Marlborough and any response they were to provide. In addition to this Port Marlborough consulted directly with Te Ātiawa.

There does not appear to be any significant issues with the option meeting the evaluation criteria of the policy.

The name that is most suitable is Te Ara Kaimoana. It is Port Marlborough's first choice, and it meets the requirements of the policy.

Mr R Hunter/Cllr Andrews:

Waikawa Marina, Port Marlborough (R800-007-06-03) – That the road name Te Ara Kaimoana be given for the road as shown on Attachment 2.

Carried

The meeting concluded at 9.12 am

Record No: 21266243

Attachment 2



Waikawa Marina New Road Name Application



**MARLBOROUGH
DISTRICT COUNCIL**



**Report from the ROAD NAMING SUB-COMMITTEE held in the
Committee Room, Seymour Street on Monday 22 November 2021
at 9.00 am**

Present

Clr Nadine Taylor (Chair), Clr Francis Maher, Clr Cynthia Brooks, Clr Jenny Andrews and Mr R Hunter (Iwi Representative)

In Attendance via Zoom

Richard Coningham (Manager, Assets and Services)

In Attendance

Nicole Chauval (Committee Secretary)

Apologies

No apologies were received.

The following road name requests were received and discussed with the following approvals granted by the Road Naming Sub-Committee under delegated authority (Council Minute Cncl-0221-279) be confirmed:

1. Rangitane – Māori Street Names and Catchments - 2021 LTP Submission

Members discussed the Rangitane – Māori Street Names and Catchments - 2021 LTP Submission report. The submission from Te Rūnanga a Rangitane o Wairau was attached to the agenda item along with a copy of the Road Naming and Property Addressing Policy.

The following was noted:

7. There are a number of challenges with renaming road names once they have been implemented where a new spelling is required. These include:
 - 7.1 Changing the official road name with LINZ
 - 7.2 Informing utilities/NZ Post etc of a change in road name to ensure their records are updated
 - 7.3 Consultation with those residents/businesses who live/operate on the road to be renamed so they can instigate change of address procedures with utilities/NZ Post/couriers/suppliers etc
 - 7.4 Trying to get road names updated in maps and tracking apps such as Google Maps etc. Staff experience on this is that companies such as Google Maps will update their records for a new road but will not action any respelling of a road name.

Members discussed staffing resources for a working group.

Richard Coningham and Clr Taylor to draft a letter to iwi regarding their LTP submission and future work arising from the submission.

Clr Maher/Mr Hunter:

That Council implement the following:

- a) **Road sign ribbon changes from existing road maintenance budget for the 11 roads listed in paragraph 10.3.i where only a macron is required to be added to the name**

- b) **A sign change with new spelling for the reserve listed in paragraph 10.2.i**
- c) **A review of Council staffing resources required for a Working Group with Iwi to review all catchment names and all Maori named roads in the region, with a staff submission if resourcing is required to the February 2022 Council Levels of Service Budget Meeting.**

Carried

2. Road Name Request – Kāinga Ora - Homes and Communities

The report to the Committee sought consideration of an application to name a new right of way proposed as part of the subdivision of 27, 29, 31, 33 & 35 Brewer Street, Blenheim, held on the Marlborough District Council electronic file U200168.

It was noted that Kāinga Ora - Homes and Communities (the applicant) has been granted resource consent to subdivide 27, 29, 31, 33 & 35 Brewer Street, (Lots 1 to 5 DP 2021) into fourteen residential allotments. Twelve of these allotments are to be accessed via a right of way off Brewer Street. A concept plan of the new lots and right of way was attached to the agenda item.

Members were advised that the strongly preferred name, Pahūahi, was chosen by a group of Whitney Primary School Year 5 and 6 students and their teacher and is intended to acknowledge the importance of Te Reo and Maori culture.

The second choice, Tiripapā, was put forward by Rangitāne.

Both of the proposed names translate to mean "fireworks". The names have been chosen to recognise the long running community fundraising event, Lights Over Marlborough, an event which is considered to create community cohesion.

Dr Lorraine Eade of Ngāti Rārua, Ngāti Toa Rangatira, Rangitāne, Ngāti Tama, Te Atiawa, Ngai Tahu, Ngāti Koata, Ngāti Raukawa descent assisted with the road naming process.

Proposed names were circulated to all iwi, Marlborough Museum, Marlborough Historical Society Marlborough Roads and the Council's Assets and Services Department on 1 October 2021.

Te Runanga O Toa Rangatira Inc. and Ngāti Rārua Settlement Trust provided written acknowledgement of their support for these names and emphasise that the macrons must be used. No other comment was received.

Cllrs Brooks/Maher:

Kāinga Ora – Homes and Communities (U200168) - That the road name Pahūahi Street, with a tohutō/macron, be given for the right of way as shown on Attachment 1. This to take effect upon the vesting of the road in Council ownership.

Carried

3. Road Name Request – Matt Gale and Olivia Gale

The report to the Committee sought consideration of an application to name a new right of way as part of the subdivision of 50 SH63, Renwick, and held on the Marlborough District Council electronic file U201074.

It was noted that there is no established pattern of road names, nor a road name theme in the immediate area though the applicant reports that there are several names in the area that reflect English army battles. Surrounding road names within approximately 200 metres of the new right of way are SH63, Temple Mews, Chante Crescent, Kowhai Drive, and Inkerman Street.

Road Naming Sub-Committee

There are no significant sites or features in the vicinity that prompt a road name, nor do the most recent previous owners of the properties indicate a road name.

The applicants have proposed a number of names over a period of months. The first proposals were Anzac Lane and Laxton Lane. The Marlborough Museum preferred that the name "Anzac" be retained for a public road closer to areas with an association to this name such as *Woodbourne Airforce base, Omaka Airfield, Delta Army and Airforce Camps, Marshlands Army Training Camp, or close to the Fairhall Cemetery which has a WWI - WWII Soldiers Memorial*. Laxton Lane and an alternative, Gale Lane, were provided without any supporting information and therefore did not meet the criteria of the Council's *Road Naming and Property Addressing Policy*.

The second names proposed were Edward Lane and Willow Grove. Edward Lane was provided without a supporting letter for its use from the subject family.

The third round of names proposed as the first choice of Laxton Lane. It was noted that "Laxton" is a family name within the applicant's family. The Smiths settled in Marlborough and William spent many years fencing on Richmond Brook Station, south of the Awatere River.

William John Smith arrived in New Zealand in 1852. William married Ester Martha from Marlborough. In 1883 the couple had a son, whom they called Laxton Samuel. Since then the name has been used at least once in each generation for at least five generations, that is, since at least 1883.

The second choice Ensor Lane with the name of Ensor also being associated with an old Marlborough family. Harold Ensor purchased Tyntesfield in the Waihopai Valley in 1957 and the family continue to farm this property to this day.

The proposed names, Laxton Lane and Ensor Lane were externally circulated to all iwi, the Marlborough Museum, Marlborough Historical Society, Marlborough Roads, the Council's Assets and Services and to Councillor Brooks, on 27 September 2021. No comments were received.

Cllrs Taylor/Andrews

Matt and Olivia Gale (U201074) – That the road name Laxton Lane be given for the right of way as shown on Attachment 2. This to take effect upon the vesting of the road in Council ownership.

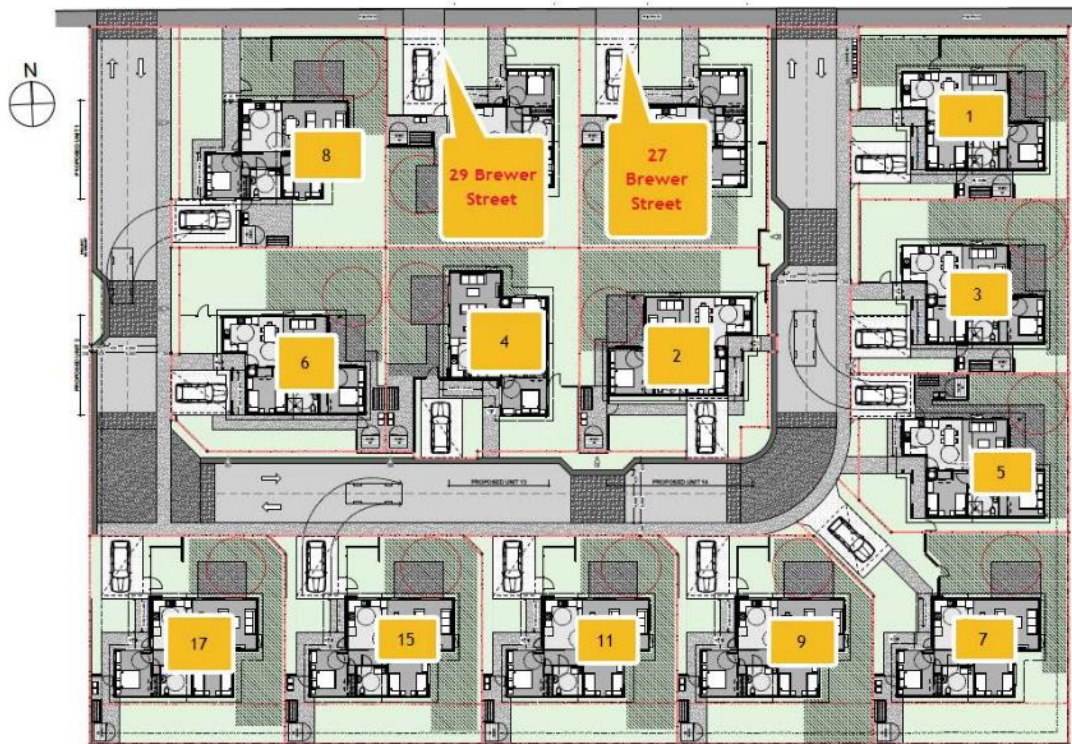
Carried

Arising from the last agenda item committee members discussed having a paper prepared outlining the Council Road Naming process and how that intersects with LINZ issuing of title process.

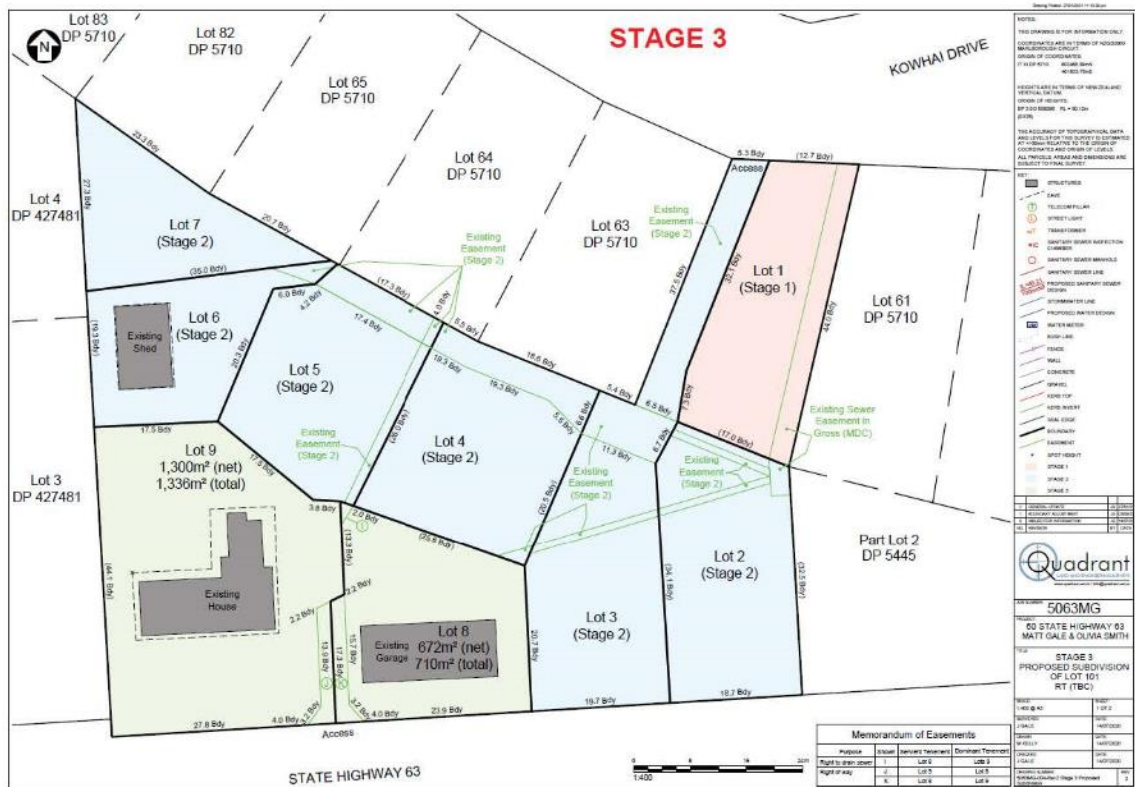
The meeting concluded at 9.50 am

Record No: 21257661

Attachment 1



Attachment 2



ATTENDANCE: Jane Tito, Council's Manager, Parks and Open Spaces, was present for the following two items.

A&S-0222-193 Use of Glyphosate in Parks and Open Spaces

R510-009-000-01

The report to the Committee provided members with an update on the use of glyphosate in Seymour Square and other areas within Council's parks and open spaces.

It was noted that up until 5 March 2020 there was less than 1 litre of Glyphosate used at Seymour Square. The Glyphosate use was primarily to control weeds on the paving at the front of the Clock Tower. The team have since moved to an organic weed spray for regular use to manage the hardier weeds in front of the Clock Tower. Staff have eliminated the use of Glyphosate at Seymour Square and no Glyphosate has been sprayed at the Square in the past 18 months.

It was reported that the organic-based spray product used for the majority of spray needs is at a similar cost to the glyphosate however there is now a requirement for more frequent applications to maintain the level of service expected at this park.

Members were advised that as part of managing the premier parks staff continuously review the use of chemicals and monitor trends in new products that may be introduced to bring a more eco-friendly system. The team's next goal is to reduce the use of glyphosate use at Pollard Park.

It was noted that while staff are looking at introducing changes to the spray use at Pollard Park it may require a more labour intensive management to ensure levels of service are met. Future reports will be provided updating the Committee on progress.

Members suggested regular media releases be provided highlighting the ongoing positive environmental work being undertaken by the Parks and Open Spaces Team.

Cirs Fitzpatrick/Andrews:
That the report be received.

Carried

A&S-0222-194 Land Subdivision Reserve (2021/22)

R510-021-02

The report sought Council approval to fund projects that have been identified by Council's Parks and Open Spaces Team and meet the Land Subdivision Reserve funding criteria. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2230497).

Members were advised that Council had received a number of submissions through the 2021-31 Long Term Plan (LTP) seeking funding support for recreational and growth-related projects, these projects were included for funding in the 11 November 2021 report. Parks and Open Spaces staff have also identified a number of growth-related projects for consideration by the Assets and Services Committee.

A funding request of \$1,000,000 from the Land Subdivision Reserve for the development of the former Taylor Pass landfill site was proposed. It was noted that funding would be allocated at \$250,000 pa over the next four years.

An assessment of the proposed recreational development at the former Taylor Pass landfill site was provided in the agenda item. A landscape design concept plan has been developed for recreation open space along with a dog off leash area with access from George Conroy Drive. The plan was included in the agenda item.

It was reported that funding from the Dog Control General Reserve is necessary to develop the dog park. There is presently no funding allocation for the carpark or toilet facility.

Clr Arbuckle noted the dog park has been in the management plan for some time and the Animal Control Sub-Committee, at its recent meeting, agreed to circulate the proposal to interested groups, place it on the

Renwick Dog Park Facebook page and the Council Page seeking comment/feedback. The Sub-Committee is meeting on 10 March to specifically discuss the dog park.

Members were advised that there has been ongoing discussion and dialogue on an establishment of Dog Remembrance Park. Consideration has now been given to a Remembrance Area located beside the proposed dog park. This will also be discussed at the 10 March meeting. Cllr Taylor indicated that she would attend this meeting.

It was noted the area is a hail site and Council would need to maintain the cap so only suitable species of plants would be planted.

Cllr Arbuckle noted that the Landscape Group would like the opportunity to provide feedback on the plantings for the area.

It was noted that a more detailed analysis of the area will be undertaken and there will be an opportunity to provide feedback as consultation will be undertaken with interest groups, and the Manager of Parks and Open Spaces will present to the Landscape Group at the appropriate time.

The potential of a Levels of Service increase was discussed. It was noted that the proposal is to keep the area fairly rustic and it would be unlikely that a Level of Service increase would be required for at least three years.

Members were advised that a third paper on potential projects funded from the Land Subdivision Reserve will be presented in this financial year.

Cllrs Peters/Andrews:

That Council approve funding of \$1,000,000 from the Land Subdivision Reserve for the development of the former Taylor Pass landfill site as a community recreation area.

Carried

ATTENDANCE: David Craig, Council's Management Accountant – Operations, was present for the following item.

A&S-0222-195 Financial Report for the year to 31 December 2021

F275-001-02

The Financial Report for the Assets and Services and Property and Community Facilities (including parking) Departments for the year to 31 December 2021 was presented to members.

The following two amendments to the Financial Report table in agenda were noted:

Expenditure Forecast \$87.8M amend to \$108.3M and Total amend from \$-2.1M to -\$22.6M.

Mr Craig noted for the reporting period that there is a surplus of \$1.7M. Income is favourable to budget by \$15.5M, expenditure is unfavourable to budget by \$13.8M and Capex is unfavourable to budget by \$25.8M.

The major variances between year to date actual and budget were noted as: Roothing emergency reinstatement costs following the July 2021 storm event are above budget by \$14.1M and are offset by increased rooding subsidies of \$13.6M. Other flood damage repair costs of \$1.6M have been incurred to date, predominantly within the Flood Protection Activity, and will be subject to an insurance claim. Any resulting shortfall will be funded from Emergency Reserves.

Development contributions (\$1.7M) and Reserve fund contributions (\$0.9M) are both favourable to budget as a result of levies charged for the latest stages of the Rose Manor and Wai Iti subdivisions. Trade waste revenue is unfavourable to budget by \$525,000. It was noted that charges are based on the volume of water used through the metered connections of commercial and industrial properties that have a sewer flow greater than the average domestic property.

Capital grant income (Three Waters Stimulus Funding) is behind budget by \$670,000 due to the timing of authorised capital projects. Grant expenditure is favourable to budget by \$693,000. Members were advised that consideration is to be given later in the meeting to amending the process for release of Whale Trail funding.

Network and Asset Management costs are unfavourable to budget by \$828,000. Council budgets for 60% of this cost under its roading renewal activities.

Members were advised that capital expenditure is behind budget in most activities due to timing of projects which have been impacted for a number of reasons which were noted and detailed in the agenda item. Other projects have been deferred with resources being diverted to flood damage repairs.

Cllrs Peters/Dawson:

That the financial report for the period ended 31 December 2021 be received.

Carried

A&S-0222-196 Climate Change – Emissions Inventory Report **E320-003-001**

The Climate Change – Emission Inventory Report was presented to members. Copies of the report were included with the agenda item for members' information.

It was noted that the report was presented to this Committee as it covers Council operations which are this Committee's responsibility.

During discussion it was noted that Council is planning on including two hybrid vehicles in its fleet and these are likely to be here within 12 months. The timeline is attributed to delays in the supply chain.

Members were advised that the time frame for reducing land fill emissions is potentially one to two years. Council can continue to gain a lot more efficiencies from emissions and opportunities are continually being considered.

Cllrs Brooks/Maher:

That the report be received.

Carried

ATTENDANCE: Stephen Rooney, Council's Operations & Maintenance Engineer, was present for the following two items.

A&S-0222-197 Mount Riley Wines, Riverlands – Out of District Water Application **PN540077#04, W450-004-008-03, W450-004-008-03, U220008WP**

Members considered the request for an Out of District Water and Wastewater connection application.

It was noted that the request was to increase the processing capacity from 3,000 tonnes to 5,000 tonnes per annum and are seeking resource consent to do so (resource consent number U220008).

Out of District water and sewer connection approvals were granted in September 2001 and a subsequent increase in November 2010.

Members were advised that Council infrastructure has the capacity to provide the additional water and allow for the increased wastewater discharge. It has been allowed for in network modelling and future upgrades.

This property is included in the area where water can be used under the resource consent for water use in the Riverlands area.

It was noted that at present no changes are required to existing service connections.

There was discussion on including a provision in the motion in case the resource consent application was not successful. Members agreed that the additional recommendation of 'the approval be given on the basis that the resource consent application is approved' be added to the motion. The substantive motion with amendment was then put.

Cllrs Taylor/Dawson:

1. That the out of district request for additional water up to 11,000 m³ per year be approved.
2. That the property continues to pay water rates as per Council's Out of District connections rating policy.
3. That the out of district request for additional sewer discharge be approved.
4. That the property continues to pay sewer rates as per Council's Out of District connections rating policy.
5. That the site continues to pay sewer tradewaste charges as per Council's tradewaste policy including capital charges toward treatment upgrades.
6. That the approval be given on the basis that the resource consent application is approved.

Carried

A&S-0222-198 Havelock Wastewater Ponds & Kaituna Riverbank - Erosion Control W440-002-002-01

The report to the Committee outlined the damage to the Kaituna River and Havelock wastewater treatment plant embankment.

Members were advised that the flooding in the Kaituna River during the July floods has exacerbated riverbank erosion adjacent to the Havelock wastewater treatment ponds. The embankment serves two purposes: flood control and as one side of the oxidation pond embankment.

There is now a high risk that further floods will cause the collapse of the bank which in turn may cause the contents of the ponds to empty into the Kaituna River.

It was noted that the repairs proposed will prevent the future failure and collapse of the riverbank, and the risk of untreated sewage entering the Kaituna River. It was reported that insurance and the Emergency Events Reserve will fund these works.

Cllrs Maher/Brooks:

1. That the repairs, as outlined, be completed as soon as contractors are able to.
2. That the repair costs, estimated at \$162,500 GST exclusive, be met from an insurance claim with the balance from Emergency Events Reserve.

Carried

A&S-0222-199 Turners Drain – Waikawa R750-15-001

Richard Coningham spoke to the report which sought a decision on whether Council should undertake or contribute to works along Turner St Drain (Turners Drain) that will provide an increased level of service to residents who live along Turners Drain in Waikawa upstream of Waikawa Road.

In summary Mr Coningham reported that Turners Drain takes both natural hill runoff and residential stormwater flows from the hill catchment above through to Waikawa Stream. The residents who have the drain running through their properties between Moana View Road and Waikawa Road have requested that the drain be upgraded due to its proximity to their houses.

It was noted that for circa 24 months, staff and Picton Councillors have been in frequent correspondence with the residents of 2 to 22 Turners Road about their concerns with the stream running through these properties, including a piped stormwater outfall and the risks to their properties. As a result of these discussions Davidson Group were engaged to investigate the flows in Turners Drain and a report was produced and a number of conclusions were noted. An aerial view of the location of the drain and the report were attached to the agenda item for members' information.

Members were advised that due to the requirements of the National Policy Statement (NPS) on Freshwater Management (and the accompanying National Environmental Standards), it is believed that obtaining a resource consent to pipe the drain through the properties will be very difficult to achieve.

A number of options to address the concerns of the residents were discussed and further detailed in the agenda item. Members noted that their preferred option was for Rivers staff to work with landowners, as current funding allows and to undertake further minor improvements to stream capacity and bank stability. This option partially addresses the concerns of the landowners and can be undertaken within existing budgets.

Members also noted that option three presented was still open to the residents should they want to contribute to costs for an accelerated timeframe.

Following further discussion it was proposed that rivers staff prepare a recommended level of service and upgrade policy guidance for Picton/Waikawa/Ngakuta Bay, Council maintained watercourses so that similar future resident requests can be more readily and appropriately considered. Once this is adopted the current annual upgrade budget should also be reviewed in light of known flood or erosion risk issues. Any future subdivision requests will need to ensure downstream flood and erosion risks are appropriately addressed.

Cllrs Maher/Brooks:

That Council confirm that Rivers staff work with landowners, as current funding allows, to undertake further minor improvements to stream capacity and bank stability.

Carried

A&S-0222-200 Ōpaoa Bridge – Land Status Beneath Bridges

L150-017-44

Mr Coningham advised that the purpose of this paper was to seek a decision from the Committee on changing the status of land beneath the two bridges which cross the Ōpaoa River so the land is registered as Government Road as opposed to Local Road.

It was noted that with the completion of the new SH1 bridge across the Ōpaoa River, the status of the land underneath both bridges needs to be changed to a classification of Government Road from Local Road status thereby reflecting the fact that there is a state highway above.

To enable matters to progress members proposed that delegated authority be given to the Manager Assets and Services to finalise land status matters for the Ōpaoa Bridge project with Waka Kotahi. It was noted that by doing this it will allow staff to finalise any land matter relating to the Ōpaoa Bridge without having to return to Council for authority. If any further land matters in relation to the Ōpaoa Bridge project arise, staff will be able to execute them quickly.

Cllr Maher/The Mayor:

That Council delegate authority to the Manager Assets and Services to finalise land status matters for the Ōpaoa Bridge project with Waka Kotahi.

Carried

A&S-0222-201 Whale Trail – Appointment of Marlborough District Council Nominated Trustee C230-001-C02

Mr Coningham advised that the purpose of the paper was to seek a decision from the Committee on the appointment of the Council nominated trustee to the Marlborough Kaikoura Trail Trust.

It was reported that the Marlborough Kaikoura Trail Trust (the Trust) which is leading the construction of the Whale Trail has provision in its trust deed for the appointment of a Marlborough District Council nominated trustee. This position was previously held by Ian McNabb who sadly passed away in May 2021. Since then, this position has been vacant within the Trust. The Trust is now seeking confirmation of John Forrest to this position.

Members were advised that Mr Forrest is a current member of the Trust so has existing knowledge of the Whale Trail and experience in raising its profile both locally and nationally. The appointment will also provide the opportunity for the Trust to appoint another Trustee with suitable experience as the Whale Trail Project accelerates its construction phase of work.

Clr Fitzpatrick/The Mayor:

That Council confirm John Forrest as the Marlborough District Council nominated trustee to the Marlborough Kaikoura Trail Trust.

Carried

A&S-0222-202 Whale Trail – Council Funding requirements L150-017-52

The purpose of the report was to seek a decision from the Committee on a proposed change to how Council's funding portion of the Whale Trail is released to the Marlborough Kaikoura Trail Trust.

Members were advised that the Provincial Development Unit in MBIE has expectations that its projects (which includes the Whale Trail) comply with the Construction Sector Accord. The Accord recommends that organisations seek to achieve the government target of paying 95% of domestic invoices within 10 working days. This requirement will prove difficult for the Trust to meet with Council's requirement for payment in arrears of claims by the Trust.

It was noted that a reconciliation will be provided at the completion of the quarter to provide proof of how the funds have been spent, prior to any further invoice being raised to maintain a working capital amount of \$300,000 for the Trust.

Clr Peters proposed that the following additional sentence be added to the motion 'that the Trust provide appropriate reconciliation of accounts at the end of each quarter'.

Clr Taylor noted that the motion is an alteration to Minute No. Cncl-0920-95 (adopted at the 17 September 2020 Council meeting) and that this needs to be included in the motion.

Members agreed to the amendments and the amended substantive motion was then put.

Clrs Peters/The Mayor:

That Council alters resolution 4 of Minute No. Cncl-0920-95 (17 September 2020) by deleting the wording as follows:

~~"4. That each payment made by Council will be based on a tax invoice for completed works certified by the construction project manager."~~

and replacing with:

- 4. That further funding be paid in advance, on a quarterly basis, of up to \$300,000 to allow construction of the Whale Trail to proceed quickly, provided appropriate reconciliation is carried out at the end of each quarter by Council staff before further funds are advanced.**

Carried

A&S-0222-203 Information Package

-

A request was made that a further update from the Whale Trail be provided in regards to where they are now, including a map.

Cirs Brooks/Andrews:

That the Assets and Services Information Package dated be received and noted.

Carried

The meeting closed at 10.45 am.

Record No. 2231157

6. Committee Reports

6.2 Environment Committee

Environment Committee Meeting held on 10 February 2022
(Minute Nos. Env-0222-xxx to Env-0222-xxx)



**Minutes of a Meeting of the
ENVIRONMENT COMMITTEE**
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 4 FEBRUARY 2022 commencing at 9.00 am

These minutes will be circulated prior to the meeting

Record No: xxxxxxxx

6. Committee Reports

6.3 Planning, Finance & Community Committee

Planning, Finance & Community Committee Meeting held on 17 February 2022
(Minute Nos. PF&C-0222-xxx to PF&C-0222-xxx)



**Report and Minutes of a Meeting of the
PLANNING, FINANCE & COMMUNITY COMMITTEE**
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 11 FEBRUARY 2022 commencing at 9.00 am

These minutes will be circulated prior to the meeting

Record No: xxxxxxxxxx

7. Fit and Proper Certification under CCCFA

(Report prepared by Martin Fletcher and Robert Foitzik)

L150-016-12

Purpose of report

1. To seek Council approval that the Mayor, all Councillors and potentially all members of the Executive Leadership Group apply to the Commerce Commission for a 'fit and proper' certification under the Credit Contracts and Consumer Finance Act 2003 ("**CCCFA**").
2. The application costs are \$1055 per application/ person. The total number of persons remaining to be certified is 26 (13 elected members, up to 12 executive leadership members plus one Senior Accounting Officer; the Mayor and the CFO have received certification already). The total application costs therefore come to \$27,430.

Executive Summary

3. Council provides energy efficiency funding services to ratepayers for approved works on rating units. This Energy Efficiency Scheme ("**Scheme**") includes funding options for solar power, solar water heating, home heating and home insulation. The Scheme falls within the definition of 'credit contract' and Council is therefore a financial services provider ("**Lender**") under the CCCFA.
4. The CCCFA was amended in April 2021 and a new Part 5A added ("**the Amendment**"). From 1 October 2021, all directors and senior managers of lenders providing consumer credit contracts or acting as mobile traders must be certified as a 'fit and proper person'.
5. The Amendment mean that local authorities are required to secure certification for any person in a governance role equivalent to a director in a limited liability company and any senior manager. That would include the elected council leader (either a Mayor or Regional Council chair), other elected members, the Chief Executive and their direct reports.
6. The Commerce Commission rejected Council's application to only have the Mayor and its CFO certified and cancelled the Council's registration as a Financial Services Provider.
7. The Commerce Commission advised that, for Council's application to be assessed further, "applications must be submitted from additional persons occupying roles with the Council that are equivalent to a "director", or that are senior management roles."

RECOMMENDATIONS

1. That Council approves that the Mayor and all Councillors, potentially all members of the Executive Leadership Group and one senior financial services account manager apply for certification as a 'fit and proper' person to the Commerce Commission.
 2. That Council approves the allocation of up to \$27,430 from the Forestry and Land Development Reserve.
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Background/Context

8. Council provides energy efficiency funding services to ratepayers for approved works on rating units. This Energy Efficiency Scheme ("**Scheme**") includes funding options for solar power, solar water heating, home heating and home insulation.
9. Under the Scheme, Council recovers approved costs for home energy efficiency improvements over a nine-year period by levying a targeted rate against the rating unit. Interest and admin fees are also added to the total costs. The Scheme is similar to other 'voluntary targeted rate' schemes offered by many local authorities across the country (and which were originally promoted by the EECA).

10. Legal advice from Simpson Grierson confirms that the CCCFA applies to the Scheme (at least from 2014). The Scheme falls within the definition of 'credit contract' and Council is therefore a financial services provider under the CCCFA.
11. The CCCFA was amended in April 2021 and a new Part 5A added. From 1 October 2021, all directors and senior managers of lenders providing consumer credit contracts or acting as mobile traders must be certified as a 'fit and proper person' unless exempt. To gain such certification, the Commerce Commission must be satisfied that (in the case of a company) all directors and senior managers are fit and proper persons, i.e., are financially sound, honest, reputable, reliable, and competent to perform their role.
12. The Amendment means that local authorities are required to secure certification for any person in a governance role equivalent to a director in a limited liability company and any senior manager (defined as any person whose position allows them to exercise significant influence over the way that a business is administered or managed). Broadly speaking, that would include the elected council leader (either a Mayor or Regional Council chair), other elected members, the Chief Executive and their direct reports. Additionally other employees may meet the definition of 'senior manager'. Non-compliance with the certification requirements could result in the respective organisation being disqualified from providing consumer credits and a possible fine of up to \$600,000.
13. We have been in contact with the Commerce Commission and Taituara (previously SOLGM) since mid-2021 to explore 'opt-out' options for local authorities from these new requirements. The CEO of Taituara subsequently met with the Commerce Commission in July 2021 and with MBIE, which has policy responsibilities for the CCCFA, raising concerns about the application of the 'fit and proper person' test to local authorities. However, these meetings did not result in any changes to the Part 5A requirements.
14. Taituara, together with the Bay of Plenty Regional Council, are currently seeking to coordinate an application to MBIE for an exemption for local authorities from obligations under the CCCF Act (including certification under Part 5A).
15. In the meantime, and despite an upcoming election in October, the Commerce Commission rejected Council's application to only have the Mayor and its CFO certified and cancelled the Council's registration as a Financial Services Provider. They advised that, for Council's application to be assessed further, "applications must be submitted from additional persons occupying roles with the Council that are equivalent to a "director", or that are senior management roles."
16. We have requested an interim re-instatement of Council's financial provider status and advised that Council will undertake providing the Commerce Commission with the requested applications as soon as possible (after 24 February, being the first full Council meeting to consider such applications).
17. We recommend that Council applies for certification of all elected members and all members of the Executive Leadership Group because
 - a) Council will continue to provide credit services under the Scheme and must be registered to do so;
 - b) Even if Council were to stop the Scheme immediately and no longer provides financial services / consumer credits, the existing loans will continue for several years; and
 - c) The Commerce Commission, as the regulator under the CCCFA, may commence enforcement action (fines), if Council doesn't apply for certification as requested.
18. Please also note that Auckland Council stopped its energy efficiency (retrofit) scheme as compliance with the CFFFA had become too complex (costs and resourcing) for the scheme to continue.

Author	Robert Foitzik, General Counsel, and Martin Fletcher, CFO
Authoriser	Mark Wheeler, CEO

8. Decision to Conduct Business with the Public Excluded

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Minutes
- Levels of Service Increases – Community Facilities: Picton Foreshore
- Levels of Service Increases – Marlborough Roads Staffing Budgets
- Levels of Service Increases – Staffing Budgets 2022/23

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes	As set out in the Minutes	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Levels of Service Increases – Community Facilities: Picton Foreshore	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information, as provided for under Section 7(2)(b)(ii).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Levels of Service Increases – Marlborough Roads Staffing Budgets Levels of Service Increases – Staffing Budgets 2022/23	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.