

MARLBOROUGH DISTRICT COUNCIL
15 SEYMOUR STREET
PO BOX 443, BLENHEIM 7240
NEW ZEALAND

TELEPHONE (0064) 3 520 7400
FACSIMILE (0064) 3 520 7496
EMAIL mdc@marlborough.govt.nz
WEB www.marlborough.govt.nz



**MARLBOROUGH
DISTRICT COUNCIL**



Only Marlborough

11 February 2022

Record No: 2227821
File Ref: D050-001-C01
Ask For: Nicole Chauval

Notice of Committee Meeting – Thursday, 17 February 2022

A meeting of the Planning, Finance & Community Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Thursday, 17 February 2022 commencing at 9.00 am.**

BUSINESS

As per Agenda attached.

MARK WHEELER
CHIEF EXECUTIVE



**Meeting of the
PLANNING, FINANCE & COMMUNITY COMMITTEE
to be held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY, 17 FEBRUARY 2022, commencing at 9.00 am**

| | |
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| Committee | Clr M A Peters (Chairperson) Clr J D N Croad Clr J L Andrews Clr J A Arbuckle Clr C J Brooks Clr B G Dawson Clr B A Faulls Clr M J Fitzpatrick Clr G A Hope Clr F D Maher Clr D Oddie Clr T P Sowman Clr N P Taylor Mayor J C Leggett Iwi representative (to be advised) |
| Department Heads | Mr M F Fletcher (Chief Financial Officer) and Mr D G Heiford (Manager Economic, Community & Support Services) |
| Staff | N Chauval (Committee Secretary) |

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1. Apologies

No apologies received.

2. Declaration of Interests

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

3. Ngāti Rārua – Poipoia Te Ao Tūroa (Environmental Strategy)

(also refer to separate report available on Council's website)

(The Chair) (Report prepared by Louise Walker)

I400-01

Purpose of Report

1. To advise that an iwi management Plan (IMP) from Ngāti Rārua, Poipoia Te Ao Tūroa (Environmental Strategy), has been lodged with the Marlborough District Council and to recommend the Committee acknowledge lodgement of the Plan.

RECOMMENDATION

That Council acknowledge the lodgement of Ngāti Rārua's iwi management plan, Poipoia Te Ao Tūroa: Environmental Strategy, dated 20 November 2021.

Background/Context

2. The Resource Management Act 1991 (RMA) requires that Council must take into account, and keep and maintain a record of, any relevant planning document recognised by an iwi authority. This is of particular significance when preparing or changing regional policy statements and regional and district plans (sections 61(2A)(a), 66(2A)(a), and 74(2A)). IMPs also provide guidance for councils when considering Part 2 matters, especially the relationship of Māori with their ancestral lands, water, sites, waahi tapu, and other taonga (Section 6), kaitiakitanga (section 7a) and the Treaty of Waitangi (Section 8).
3. The RMA is silent on how IMPs are developed, however there are three criteria that must be met:
 - They must be recognised by an iwi authority;
 - They must be relevant to the resource management issues of the region/district;
 - They must be lodged with the relevant council.
4. Poipoia Te Ao Tūroa is primarily a tool to assist Ngāti Rārua to *effectively and authentically engage in environmental management*.
5. Ngati Rarua have succinctly provided the purpose of the strategy on page 4 of the IMP:

The strategy is an expression of rangatiratanga and kaitiakitanga from ngā uri o Ngāti Rārua. It is informed by customary traditions and practices and responds to contemporary environmental management systems.

To achieve this, Poipoia Te Ao Tūroa sets out to:

- *Highlight Ngāti Rārua values, priorities and aspirations for environmental management,*
- *Develop high level operational policy to guide Te Rūnanga o Ngāti Rārua trustees and staff to ensure their mahi is consistent with iwi priorities, and*
- *Support and build capacity within Ngāti Rārua whanau, hapū and marae to empower them as Kaitiaki*

This strategy is also a tool for councils, central government organisations and the wider community to understand the issues of significance to Ngāti Rārua with respect to environmental management.

Assessment

6. The Iwi Management Plan prepared and mandated by Te Rūnanga o Ngāti Rārua is required to be formally acknowledged by Council. The Resource Management Act 1991 (RMA) requires that Council must take into account, and keep and maintain a record of, any relevant planning document recognised by an iwi authority.
7. The Te Rūnanga o Ngāti Rārua Iwi Environmental Management Plan is a method through which the Council can build on its relationship with Ngāti Rārua and assist in fulfilling Council's RMA functions and responsibilities. These being to recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga, have particular regard to kaitiakitanga and to take into account the principles of the Treaty of Waitangi.
8. As a very brief overview, the IMP contains huanga (objectives) and tikanga (policies) on the following:
 - Rangatiratanga | Leadership and decision-making
 - Mauri | Protecting the life-supporting capacity of the natural world
 - Wai | Water
 - Ngā Wāhi Taonga Tuku Iho | Sites and areas of significance
 - Mahinga Kai | Protection of customary harvest
 - Mātauranga | Incorporation of customary practices, principles and techniques in environmental management
 - Tangaroa | Coast and marine area
 - Whenua | Land use activities and development
 - Matatiki | Resourcing
9. A copy of Poipoia Te Ao Tūroa is attached for your information and will be made available on the Ngāti Rārua website in due course.

Presentation

A presentation of the report will be given by Ngāti Rārua representatives. (15 minutes).

Attachment

Attachment 1 – Ngāti Rārua – Poipoia Te Ao Tūroa (Environmental Strategy) – available on the Council's website [https://www.marlborough.govt.nz/your-council/meetings/Ngati Rarua Environmental Strategy 2021](https://www.marlborough.govt.nz/your-council/meetings/Ngati-Rarua-Environmental-Strategy-2021)

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|------------|--|
| Author | Louise Walker, Strategic Planner (Resource Management) |
| Authoriser | Pere Hawes, Manager Environmental Policy |

4. Giving effect to the NPS for Freshwater Management 2020 - Te Mana o te Wai

(also refer separate report available on Council's website)

(The Chair) (Report prepared by Pere Hawes)

L225-09-04-01

Purpose of Report

1. To provide the Committee with the Stage One report prepared by Te Taihū iwi on giving effect to Te Mana o te Wai, as part of the process of implementing the NPS for Freshwater Management 2020 (NPSFM).

Executive Summary

2. The NPSFM requires the Council manage freshwater to give effect to Te Mana o te Wai.
3. Te Taihū 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 Taihū. 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 Taihū Case Study Report: Volume One", is provided to the Committee for its consideration. The Stage One report includes conclusions and recommendations for nga iwi, the three councils and central government to consider in progressing to Stage Two.
5. The Stage Two process intends to co-design a planning framework to give effect to Te Mana o te Wai across Te Taihū.

RECOMMENDATIONS

1. That the report "Te Mana o te Wai – Te Taihū Case Study Report: Volume One" be received.
2. That the Committee endorse ongoing involvement in Stage Two of the Te Taihū work.
3. That the Stage One report be provided to all Groups within the Council that have an active role in the management of freshwater.

Background/Context

6. In August 2020, central government released the Essential Freshwater package. The Essential Freshwater package creates additional requirements for the Council in respect of freshwater management and protecting freshwater ecosystem health. This includes substantial changes to the National Policy Statement for Freshwater Management (NPSFM) that the Council is required to give effect to through the PMEP. There are also new regulations for freshwater management that must be implemented in the form of a new National Environmental Standard for Freshwater (NESF) and new Section 360 regulations for stock access to water bodies. Finally, the existing Section 360 regulations for water measurement and reporting have been amended.
7. This is a significant package of national direction and represents a fundamental shift in the management of freshwater. The Essential Freshwater package aims to:
 - Stop further degradation of freshwater;
 - Start making immediate improvements so water quality improves within five years; and
 - Reverse past damage to bring waterways and ecosystems to a healthy state within a generation.

8. More details on the Essential Freshwater Package are available from the Ministry for the Environment website: <https://environment.govt.nz/what-government-is-doing/areas-of-work/freshwater/e/freshwater-reform/>.
9. Te Mana o te Wai is the central concept for freshwater management in the NPSFM and refers to the vital importance of water.
10. An external audit of the Council's current management of freshwater relative to this new national direction, undertaken by Happen Consulting, was previously reported to the Committee on 11 June 2021. The audit report found that the current PMP provides a good platform to give effect to the NPSFM. However, there is substantial body of work to establish a community vision with respect to freshwater and to implement Te Mana o te Wai.

NPSFM and Te Mana o te Wai

11. 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.
12. 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.”
13. 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

14. 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.
15. 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.
16. 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 Taihū initiative

17. During 2021, Council planning staff participated in hui with taiao representatives of Te Taihū iwi (with the exception of Ngati 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.
18. Te Taihū 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.
19. 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 Taihū Case Study Report: Volume One” is attached for the Committee’s information.
20. 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.
21. 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 challenges and opportunities are set out in Chapter 5.
22. In Chapter 6, the report makes conclusions and recommendations. These are structured as follows:
- Te Ao Māori values;
 - Manaakitanga, customary uses and mahinga kai;
 - Mātauranga Māori;

- Protection and limit setting;
 - Integrated catchment management;
 - Monitoring;
 - Participation and decision making;
 - Co-management and iwi management of wai and waterways; and
 - Resources and capacity building.
23. Eleven of the recommendations are for the iwi authorities, nine are for the three councils and two are for central government. Their key recommendations from the perspective of nga 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.
24. The external audit report notes 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 Taihū 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 Taihū iwi on giving effect to Te Mana o te Wai.
25. The audit also identified that although the PMEP provides a good platform to give effect to the NPSFM, there is substantial body of work to establish a community vision with respect to freshwater and to implement Te Mana o te Wai. This includes documenting cultural values with respect to fresh water bodies. Outcomes must be established for both these values, but also the freshwater values already identified in the PMEP. It was recommended that this work be prioritised as a first stage of any work programme. The audit then recommended a second stage of policy work be undertaken to establish the extent to which the management in the PMEP achieves the community vision and outcomes.
26. Te Mana o te Wai applies to all freshwater management and not just management required under the RMA and NPSFM (See 1.3(2) of the NPSFM). The Stage One report provides a valuable resource on iwi aspirations and priorities with respect to wai. It is therefore recommended that the Stage One report is circulated to all Groups within Council that have an active involvement in freshwater management.
27. The audit report identifies that there will be an increasing need to involve Marlborough's tangata whenua in freshwater management (and potentially other natural resources) and this may require co-ordination across the Council functions. The Council is attempting to appoint a kaihatu to advise the Council on liaison with Marlborough's tangata whenua and this co-ordination role is part of that role.
28. Note that additional funding has already been allocated in the Environmental Science and Monitoring budget to support matauranga monitoring from 2021/22 onwards.

Next steps

29. Stage Two of the work programme will commence in 2022. Nga 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 Taihū;
 - Identify the tools, interventions, resources, capacity and capability needed to achieve outcomes; and
 - Oversee the implementation of the framework.
30. This report seeks the endorsement of the Committee for staff to continue to participate in the Te Taihū 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 PMP (see paras 20 and 21 above).
31. It is also necessary to consider the need to align this work with work already underway as part of the Te Hoiere/Pelorus Catchment Restoration Project. That project similarly involves the setting of a vision and identification of values, including tangata whenua values.
32. It is probable that the Council will be expected to contribute funding to the case study in order to advance Stage Two. 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 audit report, which recommended the Council consider the provision of funding to increase this capacity. Any funding request will go through the Annual Planning process as it represents an increase in current Levels of Service.
33. The Ministry for the Environment granted the Te Taihū Iwi funding for Stage Two and this funding will complement any Council funding contribution for Stage Two.
34. Note that Ngai Tahu/Ngati Kuri did not participate in the case study. Discussions with Ngai Tahu to date indicate that a separate process may be appropriate with respect to giving effect to Te Mana o te Wai in the Ngai Tahu takiwa.

Presentation

A presentation of the report will be given by Te Taihū Pou Taiao. (15 minutes).

Attachment

Attachment 1 – “Te mana o te Wai: Te Taihū Case Study Report – Volume 1.” The report is available on Council’s website [https://www.marlborough.govt.nz/your-council/Te mana o te Wai: Te Taihū Case Study Report – Volume 1](https://www.marlborough.govt.nz/your-council/Te%20mana%20o%20te%20Wai%20Te%20Taihū%20Case%20Study%20Report%20-%20Volume%201)

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

5. Appeals on the PMEP Decision

(The Chair) (Report prepared by Pere Hawes/Kaye McElveney)

M100-09-01

Purpose of Report

1. To inform the Committee of progress with resolving appeals made to the Environment Court on the PMEP.

Executive Summary

2. 51 notices of appeal on the PMEP were lodged with the Environment Court.
3. In response to multiple Environment Court directions, a structure, process and timeline for managing the appeals proposed by the Council was confirmed by the Court in December 2020. The focus in 2021 was on Section 6 matters (matters of national importance) including natural character, landscape, indigenous biodiversity, open space and public access, cultural, and heritage. These matters are collectively referred to as "Group 1" topics.
4. Mediation on Group 1 topics commenced in March 2021 and concluded in December 2021. To date, almost a third of all appeal points to the PMEP have been considered through formal mediation on Group 1.
5. Good progress has been made in resolving appeals in Group 1. A consent order has been issued by the Environment Court for the Open Space and Public Access topic. Consent memoranda are currently being considered by the Court for the Landscape, Cultural and heritage topics.
6. Formal mediation on Group 1 topics has concluded and mediation on Group 2 and 3 will commence mid-February 2022.

RECOMMENDATION

That the report be received.

Background/Context

7. The PMEP Hearings Panel publicly notified their decision on the PMEP on 22 February 2020.
8. The Environment Court received 51 notices of appeal. The list of appellants is attached as Attachment 1. The full notices of appeal are available on the Council website:
<https://www.marlborough.govt.nz/your-council/resource-management-policy-and-plans/proposed-marlborough-environment-plan/decisions-on-the-pmep/appeal-process/appeals-received>.
9. A significant number of Section 274 notices have been lodged with the Environment Court. This allows parties that have an interest in an appeal that is greater than the general public interest, or parties that originally submitted on the same provision subject to the appeal, to join the proceedings. The large number of Section 274 parties will make the process of reaching mediated agreements more complex.
10. The Environment Court manages all appeal processes in accordance with their Practice Note 2014. There are typically three options. The matters subject to appeal can be resolved between the parties (informal mediation), they may be resolved through Court assisted mediation (formal mediation), or they may proceed to Court hearing (in which case the Court determines the outcome). Appellants may also withdraw their notice of appeal.
11. Given the number of appeal points (approximately 1200), it is expected that resolution of appeals will be a focus for the work programme of the Environmental Policy Group for some time.

12. A structure, process and timeline for managing the mediation of appeals was proposed by the Council and confirmed by the Court in December 2020. Appeals have been structured according to topic and topics have then been grouped for scheduling reasons. Until recently, only Group 1 topics (matters of national importance) had been scheduled by the Court.
13. Mediation on Group 1 topics commenced in March 2021 and concluded in December 2021. This has been the main focus of effort in the past nine months. See below for more details.

MEP Appeals Version

14. An appeals version of the PMEPA has been produced, identifying provisions that are subject to appeal. This is available on the Council website: <https://www.marlborough.govt.nz/your-council/resource-management-policy-and-plans/proposed-marlborough-environment-plan/decisions-on-the-pmep/appeal-process/appeals-version-of-the-pmep>. The PMEPA Appeals Version is being updated on an ongoing basis as appeals are resolved.

Progress with resolution of appeals

15. In accordance with Council's Instrument of Delegation, any agreed settlement between the parties must be approved by either the Manager of Environmental Policy or the Manager of Environmental Policy, Science and Monitoring, or otherwise deferred back to the Committee. The Managers are required to consult with the Chair as part of the process of reaching agreement.
16. Since the last update to the Committee on 25 November 2021, a consent memorandum has been approved by the Court resolving all but one of the appeal points in Topic 6: Public Access and Open Space. This was as a result of informal mediation between the parties.
17. Timberlink New Zealand Ltd has withdrawn their notice of appeal.
18. To date, six appeals have been resolved in full and two appeals have been withdrawn. The status of appeals is recorded in Attachment 1. There are a total of 43 notices of appeal remaining.
19. Specific appeal points of other appellants have also been resolved. The attachment does not record these simply because they are part of wider notice of appeal. Some appeals are broad in nature and span multiple topics. The resolution is also not necessarily subject to a consent memorandum as, although there is mediation agreement between the parties, the appeal points fall into topics that are not completely resolved (see Court Mediation below).
20. Consent orders have been lodged with the Court resolving appeals on the following topics: Landscape (majority of appeals), Cultural (all appeals), and Heritage (majority of appeals).
21. All consent orders issued by the Environment Court will be reported to the Committee through future updates.
22. Discussions during mediation were positive and outcome focussed, and substantial progress has been made on resolving appeals. A total of 358 appeal points have been considered through mediation to date. That represents good progress in the context of 1200 appeal points (i.e., almost a third of all appeal points have been considered). This is especially so considering that there are typically a large number of parties involved in each appeal point (given the extensive nature of the Section 274 notices).

Court Mediation

23. Matters discussed in the course of mediation are confidential to the parties in order to allow discussions to occur on a without prejudice basis. For this reason, an update on progress with resolution of the specific appeal points or the detail of the resolution is unable to be provided to the Committee as part of this agenda item. As per the Council delegation, the Chair has been briefed about the general course of the mediation to date and on the specific agreed outcomes from that mediation.

24. The mediation process is overseen by an Environment Court Commissioner.
25. Mediation on the Natural Character topic commenced on 16 March 2021 and ran for two weeks. There were 103 appeal points considered at mediation for this topic.
26. Mediation on the Landscape topic commenced on 5 May 2021 and ran for three weeks. There were 84 appeal points considered at mediation for this topic.
27. On behalf of all parties, the Council reported the outcome of mediation on both topics to the Environment Court on 7 July 2021, 14 September 2021 and 29 October 2021. Although there are outstanding matters, which are still being progressed through informal discussion, the majority of appeal points have been resolved.
28. The Council is required to provide the Court an update on the Natural Character topic by 18 February 2022.
29. The Council provided an update to the Court on the Landscape topic on 17 December 2021. It also lodged a consent memorandum seeking consent order to resolve all appeals on the topic with exception of two mapping appeals, appeals associated with the outcome of Variation 1 and 1A and appeals associated with the National Grid.
30. Mediation on the Indigenous Biodiversity topic commenced on 1 June 2021 and ran for four weeks. There were 93 appeal points considered at mediation for this topic. The Council reported to the Environment Court on this topic on 29 October 2021. There were outstanding matters at the completion of the mediation and the parties requested additional mediation time. In response, the Court directed a further week of mediation on 7-9 December 2021.
31. Further progress was made at mediation during that week and the parties have provided the Court with an update on that progress. This includes a timetable for scheduling evidence exchange in anticipation of a Court hearing. In the meantime, informal discussions on the outstanding matters can continue.
32. Mediation on the Open Space and Public Access topic was vacated by the Court as progress had already been made to resolve the appeal points. There were to be 9 appeal points considered through informal mediation for this topic. The parties submitted a consent memorandum to the Environment Court seeking consent order to resolve all but one of the appeal points on 29 October 2020. The Court issued a consent order resolving the agreed appeal points on 10 November 2021. The consent order is available from the Council website:
<https://eservices.marlborough.govt.nz/programmes/ListProgrammeEvents?id=2621046>
33. Mediation on the Cultural Topic commenced on 3 August 2021 and ran for two weeks. That mediation was interrupted by the imposition of COVID Level 4 restrictions. At the Court's direction, mediation on this topic recommenced on 24-26 November 2021. There were 54 appeal points considered at mediation for this topic.
34. Agreement has been reached on all of the appeal points and a consent memorandum was lodged with the Court on 21 December 2021.
35. Mediation on the Heritage Topic occurred (remotely, due to COVID Level 4 restrictions) on 24 August 2021 and 31 August 2021. There were 15 appeal points considered at mediation for this topic. The Council reported to the Environment Court on 29 October 2021.
36. All but one of the appeal points has been resolved. A consent memorandum was lodged with the Court for the remaining 14 appeal points on 21 December 2021.

Next steps

37. As set out above, three consent orders resolving appeals in the Landscape, Cultural and Heritage topics have been submitted to the Environment Court. Any resulting consent orders issued by the Court will be reported to the Committee through future updates.

38. The Council is required to provide the Court an update on the Natural Character topic by 18 February 2022.
39. The parties have proposed a reporting schedule for the Indigenous Biodiversity topic and this has been submitted to the Environment Court for its consideration.
40. Informal mediation on outstanding matters in Group 1 that is not covered by the above mediation is ongoing. The results will be reported to the Environment Court in accordance with the Court's directions.
41. A timetable for mediation on Groups 2 and 3 has been approved by the Court.
42. Group 2 involves Topic 16: Transportation and Topic 19: Utilities. Mediation on Group 2 occurs on 14-16 February 2022 and 14-16 March 2022.
43. Group 3 involves Topic 8: Natural Hazards, Topic 12: Air Quality, Topic 17: Energy and Climate Change, and Topic 18 Nuisance Effects. Mediation on Group 3 occurs on 28-30 March 2022, 11-13 April 2022, 2-4 May 2022 and 9-11 May 2022.
44. Progress with the resolution of appeals will continue to be regularly reported to the Committee through future agenda items.

Attachment

Attachment 1 - List of Appellants

page [13]

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

Attachment 1

| Appellant | | Environment Court Reference | Status |
|--|--|------------------------------------|---------------|
| Dominion Salt Limited v Marlborough District Council | | ENV-2020-CHC-21 | Resolved |
| GJ Gardner v MDC | | ENV-2020-CHC-31 | Resolved |
| Timberlink New Zealand Limited v MDC | | ENV-2020-CHC-30 | Withdrawn |
| Talley's Group Limited v MDC | | ENV-2020-CHC-32 | Resolved |
| Nelson Marlborough Fish and Game v MDC | | ENV-2020-CHC-35 | |
| Chorus New Zealand Limited and Spark New Zealand Trading Limited v MDC | | ENV-2020-CHC-37 | Resolved |
| Okiwi Bay Ratepayers Association v MDC | | ENV-2020-CHC-38 | Resolved |
| Te Rūnanga a Rangitāne o Wairau v MDC | | ENV-2020-CHC-39 | |
| Minister of Conservation v MDC | | ENV-2020-CHC-42 | |
| Aroma (N.Z.) Limited and Aroma Aquaculture Limited v MDC | | ENV-2020-CHC-45 | |
| Te Rūnanga o Kaikōura and Te Rūnanga o Ngāi Tahu v MDC | | ENV-2020-CHC-46 | |
| McGuinness Institute v MDC | | ENV-2020-CHC-48 | |
| Matthew Burroughs Broughan v MDC | | ENV-2020-CHC-52 | |
| Port Marlborough New Zealand Limited v MDC | | ENV-2020-CHC-49 | |
| Trustpower Limited v MDC | | ENV-2020-CHC-50 | |
| The New Zealand King Salmon Co. Limited v MDC | | ENV-2020-CHC-51 | |
| Jennifer Susan Cochran v MDC | | ENV-2020-CHC-53 | |
| One Forty One (previously Nelson Forests) v MDC | | ENV-2020-CHC-54 | |
| Colonial Vineyard Ltd v MDC | | ENV-2020-CHC-59 | |
| Villa Maria Estate Limited v MDC | | ENV-2020-CHC-61 | |
| New Zealand Transport Agency v MDC | | ENV-2020-CHC-56 | |
| Transpower New Zealand Limited v MDC | | ENV-2020-CHC-68 | |
| Royal Forest and Bird Protection Society of New Zealand Incorporated v MDC | | ENV-2020-CHC-64 | |
| KiwiRail Holdings Limited v MDC | | ENV-2020-CHC-57 | |
| J V Meachen v MDC | | ENV-2020-CHC-69 | |
| Te Runanga o Ngati Kuia Trust v MDC | | ENV-2020-CHC-70 | |
| Brentwood Vineyards Limited and others v MDC | | ENV-2020-CHC-66 | |
| BP Oil New Zealand Limited, Mobil Oil New Zealand Limited and Z Energy Limited v MDC | | ENV-2020-CHC-72 | Resolved |
| Horticulture New Zealand v MDC | | ENV-2020-CHC-72 | |
| Rebecca Light v MDC | | ENV-2020-CHC-79 | |
| East Bay Conservation Society Incorporated v MDC | | ENV-2020-CHC-78 | |
| Minister of Defence v MDC | | ENV-2020-CHC-76 | |
| Levide Capital Ltd v MDC | | ENV-2020-CHC-65 | |
| Delegat Limited v MDC | | ENV-2020-CHC-75 | |
| AJ King Family Trust and SA King Family Trust v MDC | | ENV-2020-CHC-73 | |

| Appellant | | Environment Court Reference | Status |
|---|--|------------------------------------|---------------|
| Environmental Defence Society Incorporated v MDC | | ENV-2020-CHC-67 | |
| Federated Farmers of New Zealand v MDC | | ENV-2020-CHC-58 | |
| Sanford Limited v MDC | | ENV-2020-CHC-60 | |
| Friends of Nelson Haven and Tasman Bay Inc | | ENV-2020-CHC-33 | |
| Omaka Valley Group Inc | | ENV-2020-CHC-34 | |
| Heritage New Zealand Pouhere Taonga | | ENV-2020-CHC-36 | |
| HARO Partnership | | ENV-2020-CHC-40 | |
| KPF Investments Limited and United Fisheries Limited | | ENV-2020-CHC-41 | |
| Te Ātiawa o Te Waka-a-Māui Trust | | ENV-2020-CHC-43 | Withdrawn |
| Beleve Limited, RJ Davidson Family Trust and Treble Tree Holdings Limited | | ENV-2020-CHC-44 | |
| Goulding Trustees Limited and Shellfish Marine Farms Limited | | ENV-2020-CHC-47 | |
| Clearwater Mussels Limited and Talley's Group Limited | | ENV-2020-CHC-55 | |
| Oldham and Others | | ENV-2020-CHC-62 | |
| Apex Marine Farm Limited | | ENV-2020-CHC-63 | |
| Marine Farming Association Incorporated and Aquaculture New Zealand | | ENV-2020-CHC-74 | |
| Just Mussels Ltd, Tawhitinui Greenshell Ltd and Waimana Marine Ltd | | ENV-2020-CHC-77 | |

6. Housing and Business Development Capacity Assessment 2021

(also refer to separate report available on Council's website)

(Clr Brooks) (Report prepared by Emma Toy)

N100-001-06-01

Purpose of Report

1. To present the 2021 Housing and Business Development Capacity Assessment (HBA).

Executive Summary

2. Council is required under the National Policy Statement for Urban Development (the NPS) to provide sufficient land for urban development, and to monitor urban activity on a quarterly basis.
 3. The HBA analyses residential and business development activity over the past three years. It also assesses the capacity for urban development in Blenheim Urban Area over the next 30 years, relative to demand.
 4. The HBA identifies a shortfall of land for residential development in the long term, and potential short-term constraints on available land for residential development. It makes a number of recommendations for addressing housing and urban development issues.
-

RECOMMENDATIONS

1. That the report be received.
 2. That Council adopts the recommendations in the attached Housing and Business Development Capacity Assessment 2020.
-

Background/context

5. The National Policy Statement for Urban Development (the NPS) to provide sufficient land for urban development, and to monitor urban activity on a quarterly basis. It was mandatory under the previous National Policy Statement for Urban Development Capacity for Council to also prepare a HBA.
6. Council first completed a HBA in 2018, which identified a potential shortfall of land for residential development in the long term (out to 30 years). It has since been monitoring urban development activity on a quarterly basis, as required, and has made a number of improvements to its internal data collection and reporting processes. Monitoring reports are required to be published annually.
7. The 2018 HBA identified a potential shortfall of capacity for residential development of up to 435 lots in Blenheim in the long term, and short term supply was constrained largely by the timing of infrastructure provision, and minimal development activity.
8. Council is no longer required to publish a three-yearly HBA under the NPS, but given the pressure on the housing market and faster than anticipated population growth in Blenheim since the 2018 assessment, the decision was made to complete a second HBA.

Key Findings of the Housing and Business Development Capacity Assessment

9. Marlborough's population is projected to reach 61,000 by 2048 according to Stats NZ's high growth population projections (based on 2018 Census Data). This is an additional 9,490 people on the 2021 population estimate of 51,510. Nearly 80% of that growth is projected to occur within the wider Blenheim area (i.e. in Blenheim or within approximately 10km of central Blenheim).

10. The supply of zoned Urban Residential 2 land has increased by 31.5 hectares since 2018 with the rezoning of land to Urban Residential 2 in Battys Road (providing capacity for approximately another 300 dwellings at current development rates).
11. This assessment has identified a potential shortfall in the provision of land zoned for residential activity of approximately 82 hectares or approximately 900 dwellings.
12. Whilst the majority of the shortfall appears to occur largely in the long term provision of land, there are potentially constraints to developing already zoned land soon enough to meet anticipated demand over the next five years.
13. There is also likely a mismatch in the type of housing provided relative to the future population need (which will require smaller housing options), and an issue with affordability of housing for the current population.

Next steps

14. Given that the HBA identifies a shortfall, Council is required under the NPS to:
 - Immediately notify the Minister for the Environment; and
 - If the insufficiency is wholly or partly a result of RMA planning documents, change those documents to increase development capacity for housing or business land (as applicable) as soon as practicable, and update any other relevant plan or strategy (including any FDS, as required by subpart 4); and
 - Consider other options for increasing development capacity; and
 - Otherwise enabling development.
15. The HBA makes a number of recommendations for addressing the key issues identified in the report and an urban development working group will progress the recommendations approved by Council.
16. The primary recommendation is to undertake a refresh of Growing Marlborough to address the identified long term shortfall of residentially zoned land identified in the HBA. Growing Marlborough was completed in 2013 and it is timely nearly 10 years on to review the strategy. The areas identified for rezoning as part of this growth strategy have been included in the PMEPP, so it is expected that the refresh exercise will consider options for new greenfields land and the ability to undertake intensification.
17. As required, the Council will inform the Minister of the outcome of the HBA and the Council's intended response to increase development capacity.

Attachment

Attachment 1 – Marlborough District Council Housing and Business Development Capacity Assessment 2020 available on Council's website via the following link [https://www.marlborough.govt.nz/your-council/Marlborough District Council Housing and Business Development Capacity Assessment 2020](https://www.marlborough.govt.nz/your-council/Marlborough-District-Council-Housing-and-Business-Development-Capacity-Assessment-2020)

| | |
|------------|--|
| Author | Emma Toy, Strategic Planner |
| Authoriser | Pere Hawes, Manager Environmental Policy |

7. Marlborough Town Centre Health Checks 2021-22

(also refer to separate reports available on Council's website)

(The Chair) (Report prepared by Neil Henry)

E100-005-009-22

Purpose of Report

1. To inform the committee of the results of the 2021-22 Marlborough Town Centre Health Checks (covering Blenheim and Picton CBD's).
2. The town centre health check reports are attached. A presentation will be provided by William Macdonald, a Council summer student who has undertaken the health checks.

Executive Summary

3. Marlborough town centre health checks have been carried out every two years since 2011.
4. The health checks research a range of parameters to test the 'health' of Blenheim and Picton CBD's. The parameters include types of businesses in the CBD, environment, street vitality, user surveys and spend data
5. The reports show a general consistency with those of previous years, and show a positive picture for both CBD's. Overall, both towns are performing well and are providing the services and activities required by locals and visitors
6. Key trends/differences include:
 - 6.1 Vacancies in Blenheim decreased from 8% in 2018 to 5% in 2022. 32% of total Blenheim CBD vacancies are on Queen Street
 - 6.2 The number of units occupied by comparison businesses in Blenheim (i.e. retail shops) have decreased over the past decade from 98 units (2018) to 85 (2022). The reduction in overall vacancies indicate that these units have been taken up by other types of CBD business
 - 6.3 Most people surveyed come to town for non-food shopping or visiting cafes/restaurants, and almost all of them arrived by car. People were mostly happy with the amenities and services provided in the town, however 73% of respondents said the CBD has not improved over the last 2 years
 - 6.4 Vacancies in Picton doubled from 6 to 12 since 2020 but is similar to the number in 2018 (11 units).
 - 6.5 Food and Entertainment shops have increased from 29 units (2014) to 43 units (2022)
 - 6.6 Picton CBD provides most of the necessities that are required according to the user survey, except for retail and to a lesser extent services.
 - 6.7 Food shopping (25%) has overtaken entertainment/leisure as the most popular reason for visiting the Picton CBD (due to the impact of COVID-19 on the number of visitors) and most arrived by car. 43% of people surveyed visit Picton CBD daily, 50% weekly. 142 survey responses were received, the most from any survey to date.

RECOMMENDATION

That the report be received.

Background/Context

7. Council has undertaken research on the 'health' of Blenheim CBD since 2011 and Picton since 2013. The research is undertaken every two years by a summer student following a consistent methodology. Previous reports can be viewed on the Council website: <https://www.marlborough.govt.nz/your-council/growing-marlborough/projects-associated-with-growing-marlborough/marlborough-town-centre-health-checks>
8. The results of the biennial health check provide a snapshot of how each town centre is performing across a range of key parameters (see below). Over time, the reports show a picture of how each town has changed and areas of improvement and where changes may be required. The information is useful to a range of stakeholders including Council, CBD businesses, business associations and the community.
9. The methodology for the health check is based upon a UK local government model where local councils investigated the performance of their town centres to test the effectiveness of the policies they pursue, especially town planning policies.
10. The key parameters measured by the health check include:
 - 10.1 Composition of the town centre (i.e. type of business)
 - 10.2 Transport facilities
 - 10.3 Pedestrian route quality
 - 10.4 State of the environment
 - 10.5 Street vitality
 - 10.6 Pedestrian/user survey
 - 10.7 Side by side comparisons
11. This year an additional measure has been introduced, which is **electronic card spend** as Council is currently a subscriber to the Marketview electronic card spend data service. Card spend data is a good indicator of CBD spending, and can be broken down into broad categories and compared over time and to other areas.
12. One measure has been excluded from the health check this year, which is Blenheim's busiest and quietest streets. This survey of pedestrian footfall is usually undertaken by other parties in Blenheim only and the data is made available for inclusion in the health check.

Analysis

13. The report is attached to this agenda item. A presentation of the key findings will be provided at the meeting by William Macdonald.
14. The reports show a general consistency with those of previous years and show a positive picture for both CBD's across the many factors that are measured. Overall, both towns are performing well and are providing the services and activities required by locals and visitors.
15. The key trends/differences noted were as follows:

Blenheim

- 15.1 Vacancies have reduced from 8% (26 units) in 2018 to 5% (19 units) in 2022.
- 15.2 The number of units occupied by comparison businesses (i.e. retail shops) have decreased over the past decade from 98 units (2018) to 85 (2022). The reduction in overall vacancies indicate that these units have been taken up by other types of CBD business.

- 15.3 \$281.5M spent in Blenheim CBD (Jan 21 - Dec 21) - second highest yearly period since 2018
- 15.4 32% of total Blenheim CBD vacancies are on Queen Street. Some of the vacant units are expected to be occupied in the near future.
- 15.5 Most people surveyed come to town for non-food shopping or visiting cafes/restaurants, and almost all of them arrived by car. People were mostly happy with the amenities and services provided in the town, however 73% of respondents said the CBD has not improved over the last 2 years. 342 pedestrian/user survey responses were received, which is most from any survey.

Picton

- 15.6 Vacancies doubled from 6 to 12 since the last survey in 2020 but is similar to the number in 2018 (11 units).
- 15.7 Food shopping (25%) has overtaken entertainment/leisure as the most popular reason for visiting the Picton CBD (due to the impact of COVID-19 on the number of visitors) and most arrived by car. 43% of people surveyed visit Picton CBD daily, 50% weekly. 142 survey responses were received, the most from any survey to date.
- 15.8 Picton CBD provides most of the necessities that are required according to the user survey, except for retail and to a lesser extent services.
- 15.9 \$76.7M was spent in the Picton (Jan 21 - Dec 21), covering 10.5% of the total spend in the Marlborough District
- 15.10 Food and Entertainment shops have increased from 29 units (2014) to 43 units (2022)

Next steps

- 16. The 2021-22 Marlborough town centre health check report will be circulated to stakeholders and be made available on the Council website.
- 17. The next report will be undertaken in two years time.

Attachments

Attachment 1 – Blenheim Town Centre Health Check 2021-2022

Attachment 2 – Picton Town Centre Health Check 2021-2022

Both attachments are available on Council's website via the following link

[https://www.marlborough.govt.nz/your-council/Blenheim and Picton Centre Health Checks 2021-2022](https://www.marlborough.govt.nz/your-council/Blenheim%20and%20Picton%20Centre%20Health%20Checks%202021-2022)

| | |
|------------|--|
| Author | Neil Henry, Manager, Strategic Planning and Economic Development |
| Authoriser | Dean Heiford, Manager, Economic, Community and Support Services |

8. Economic Development Update

(Clr Croad) (Report prepared by Neil Henry and Dorien Vermaas)

E100-010-01

Purpose of Report

1. To provide an update on the activities of Council's Economic Development team between 7 July 2021 and 29 September.

Executive Summary

2. Smart Business Marlborough

Business support activity has continued in the period and updated economic data from Infometrics has been received. Business Trust Marlborough continue to provide support to local businesses and development of the Screen Marlborough office continues to progress.

3. Smart+Connected Industry

Smart+Connected Industry groups continue to hold regular meetings and work on collaborative projects.

4. Smart+Connected Community

Smart+Connected Community groups have met monthly since the last update and are progressing a number of projects.

RECOMMENDATION

That the information be received.

Background/Context

5. Smart Business Marlborough

Smart Business Marlborough is a range of services provided or supported by Council to assist business growth and development. These services include:

- Business Trust Marlborough
- Marlborough Research Centre
- Screen Marlborough
- Business Development Advisory Service for commercial/industrial activities
- Promoting Marlborough as a place to live, work and do business
- Supporting international connections including a sister region relationship with Ningxia, China
- Economic statistics
- Collaborating with other business support providers, including central government agencies

6. Smart + Connected

Marlborough Smart and Connected is an economic and community development programme designed to empower industries and communities to create a shared vision focusing on the future and drive local actions towards creating a new Marlborough. The implementation of the Smart and Connected strategy is two-fold. It focuses on both industry and community work-streams.

The current industry groups are:

- Aquaculture
- Blenheim Business Association
- Forestry and Wood Sector
- Labour and Skills

- The current community groups are:
- Havelock
- Picton
- Renwick
- Seddon Awatere

In addition to the industry and community groups, the Smart and Connected regional programme involves support for steering group chairs and co-ordinators, and bi-annual regional meetings.

Smart Business Marlborough

7. Development enquiries

- Marlborough Composting Project, working with King Salmon/Sanfords to find a location for their composting project from the Smart and Connected Aquaculture
- Working with Storminator from the University of Canterbury, looking to establish an operation in Marlborough using mussel's shells to filter hard metals from water from the Aquaculture innovation day.
- Working with Sounds Air/Marlborough Airport to develop a hanger to support the operations and preparation for electric flight
- Working with Cranky Goats to identify a factory so they can expand their operations to meet demand.

8. Business Trust Marlborough (BTM)

- BTM & MDC Economic Development Team have collaboratively been working on the Tech Hub business-case
- BTM is well on track with mentor programme and mentor-business matches
- BTM have also continued to host events to encourage business-to-business networking in the region. Examples include the *'Biz Breakfast'* and *'Biz Break'* events.
- MDC and BTM have collaborated on an engaging and informative workshop as part of the Marlborough Economic Wellbeing Strategy with 19 participating members
- BTM has collaborated with MDC and Marlborough Migrant Centre on a presentation to Filipino food sellers about food regulations and business fundamentals in NZ
- BTM is working with CBD café owners who are preparing for the challenges of Omicron

9. Infometrics Data

- The Infometrics Quarterly Economic Monitor through to the end of September 2021 was received and distributed in November.
- The Annual Economic Profile was updated on 31 January 2022. The profile has detailed economic information for Marlborough for the year April 2020-March 2021
- Brad Olsen of Infometrics will be presenting a Marlborough focused economic update at the March meeting of this committee.
- Infometrics data and reports can be viewed on the MDC website here: <https://www.marlborough.govt.nz/about-marlborough/infometrics-economic-and-community-data>

10. Screen Marlborough

- Screen Marlborough hosted the CEO of the NZFilm Commission, David Strong, on 16 & 17 December. Part of the hosting was a Marlborough Screen Hui at Spy Valley with the wider Screen Community from Marlborough welcoming David. Deputy Mayor Nadine Taylor spoke at the hui.
- Screen Marlborough is assisting the potential Studios – voted to bear the name 'Sawmill Studios New Zealand' – to host potential producers/film makers. Sawmill Studio owners have announced to make the current office-block including the warehouse space behind it available for start-up teams working on screen-productions for free. This is currently being tied up in a Collective for the Film makers community. This is a unique opportunity for Marlborough to attract young & upcoming talent, new teams who can produce creative projects and get things off the ground.
- The third report of the collaboration with Screen Wellington has been finalized and is attached with this update as an attachment.

11. MarlboroughNZ – Talent attraction campaign

- MDC ED-team is collaborating with a group of HR professionals/recruiters and Destination Marlborough on a talent attraction campaign to attract skilled and high paid staff (\$70-80K +) to Marlborough. The project has only just started and the next meeting is planned in February. MDC's People & Capability Partner is also involved in the initiative.

Smart + Connected Industry

12. Aquaculture

- The S+C Aquaculture Forum was moved to a zoom-meeting with a long list of highly reputable speakers presenting innovation in aquaculture, trends and future developments & opportunities for the industry. The Forum was well attended with about 25-30 people on zoom for an entire morning.
- The S+C Aquaculture group has gone through the process of the environmental plan hearings which was a big piece of work. As a result we've agreed to postpone the Economic Wellbeing workshop with this industry group to a date in 2022.
- The Environmental & Aqua Data (HEAD) trial project has finished and resulted in the following display of environmental data. It's been a great collaboration between the environmental team, the IT-team and the economic development team. Here's a link to the proof of concept that was built by the IT-Team based on 10 years of water-quality data from the Marlborough Sounds – collected by the environment team [link here](#). It's been an exciting project to connect environmental data to economic development.
- The last steering meeting for the Aquaculture group was on Wednesday 9 February 2022
- The next steering meeting is scheduled for 9 March 2022.
- Brendon Burns continues to be the Chair of the Aquaculture Steering Group

13. Labour and Skills

- The latest S+C Labour & Skills steering group meeting was held on 2 February 2022.
- A large part of the meeting was spent on reviewing the projects that were identified last year (end 2020) and finding out how the projects have evolved. This exercise will be followed by an anonymous survey to be sent out to all members of the Smart+Connected Labour & Skills Group on how we might celebrate successes and identify & adopt new ideas and projects.
- Carole Crawford (Marlborough Director NMIT) continues to chair the steering-group.
- The next meeting is scheduled on 2 March 2022.

14. Forestry and Wood Sector

- The S+C Forestry and Wood meeting took place on 20 January 2022
- The ED team at Marlborough District Council have made connections for industry
- The next meeting is due to be held on 17 March 2022 – the frequency has changed from monthly to bi-monthly now.
- The group still has a co-Chair arrangement with Angela Mackenzie and Henry Morris sharing responsibilities.

Other programmes & activities:

15. Marlborough Economic Wellbeing workshops

- The team now has successfully finished the first phase - the wider sector engagement & industry workshops feeding into the Marlborough Economic Wellbeing Strategy:
 - Screen team Marlborough & Top of the South
 - Innovation & Start-up Community in Marlborough
 - Professional & technical services, real estate & other members CoC
 - Aviation Sector
 - Wine Industry
 - Members and clients of Business Trust Marlborough
 - Marlborough Angel Investors
 - Forestry industry workshop
 - Marlborough Business Service Providers
 - Youth Council to be held in February

- Certain sectors were pre-occupied and workshops were postponed to a date in 2022 (Food & Fibre, Aquaculture)
- The ED-team has worked closely together with the RSLG-team – Vance & Autumn – on this engagement and as a result they've been able to come out with a draft report on Marlborough's Labour & Skills situation as the most in-depth in the country – MBIE bosses are impressed.
- The ED-team is also working together with Jacqui and Anton from Destination Marlborough to ensure that the Destination Management plan is aligned with the Economic Wellbeing plan for the region.
- The draft Economic wellbeing report will be presented at the next PFC meeting in March – going out for consultation in April and ready for final publication in June.

16. **Report on how to best support the Māori Economy in Marlborough**

- William MacDonald has been researching and drafting a report on how MDC's economic development team can best support the Maori economy in the region. William has done this in his capacity as a post-grad BCom Student and will be finalizing his report by the end of February.

17. **Economic Development Conferences and Events**

- On 19th November Nelson Regional Development Agency organised an initial industry-wide meeting for the Oceans Economy in Te Taihū. This involved Industry Owners, Operators & Exporters, Iwi, Scientists & research institutes, representatives from service industries servicing the Ocean's economy. A draft proposal has been sent out to the group to establish an Ocean's economy cluster supported by resources (fte & budget). Mark Unwin & Dorien Vermaas represented Marlborough at the meeting.

18. **Kānoa (Regional Economic Development & Investment Unit)**

- On behalf of Marlborough Neil Henry and Pete Coldwell (Marlborough Chamber of Commerce) have further developed the Kānoa-investment opportunities for the region – together with Fiona Wilson & Ali Boswijk from Nelson.
- A document detailing the key industries, challenges and potential projects for the Top of the South has been presented to, and accepted by MBIE.
- A selected group of CEO's of Marlborough businesses and organisations have received an invitation to another zoom-meeting on Thursday 3 February to engage with Warren from MBIE directly to ask questions and receive further information about the funding -to be continued.

19. **Vacancy Economic Programmes Manager:** the position has been filled by Mark Unwin who's hit the ground running and who will introduce himself in the PFC meeting.

Smart + Connected Community

20. **Havelock**

- Havelock Community Association met on 11th October & 29th November 2021. Due to Covid restrictions these meetings were not open to the public.
- HCA has received a second Working for Nature grant from MDC allowing them to continue work on the "Wattles Out Natives In" project in 2022.
- MDC have provided a new kids' pump track at Havelock Domain, which arrived in December. It has been well used over the summer.
- Upgrade work has been undertaken at Havelock Town Hall and Pavilion. New linoleum has been laid at the Town Hall Supper Room, and new carpet tiles fitted at Havelock Pavilion. Additionally, plasterwork repairs have been carried out at the Pavilion and interior painting is due to commence there on Monday 31st January. The cost of this has been covered partly by the annual MDC Repair & Maintenance grants but mostly from HCA .

21. **Picton**

- The Picton Steering Group met on 23rd September and 28th October before taking a break over the busy summer season.
- A member of the community attended the October meeting and provided a presentation on his vision for the identity of Picton and how art could be used to enhance the culture and tell our story.

- No further progress has been made on the Community Garden while we await confirmation from Parks and Reserves on the availability of land at an identified site. The project's application to Councils Community Grants Scheme was declined due to the lack of confirmed location.
- The Town Maintenance Think Tank met on 16th November. Beverly Doole and Tim Newsham from the Marlborough Landscape Group gave a presentation detailing the work their work in Blenheim and how the model could be used in Picton. Further discussions were held on the levels of maintenance on Picton Foreshore and the CBD. The PS+C Chair is now meeting regularly on site with Jane Tito to monitor progress. The Town Maintenance Think Tank will meet again in February and eagerly await the results of the Rory Langbridge Landscape Architects - Reserve Review.
- The second group of town banners produced by PS+C and Te Ātiawa reflecting Waitohi Picton's maritime heritage have been installed.
- The groups focus over summer has been on a restructure and looking at ways we can improve working relationships with Council departments and build our community profile.

22. Renwick

- The Renwick Steering Group met on 7th October and 4th November 2021.
- Community Patrol NZ (Blenheim branch) members attended the October meeting to give an overview of their role in the community.
- Marcus Pickens from Marlborough Wine and Food Festival attended the November meeting to discuss the festival's move to Renwick Domain.
- The Small Townships Sub Committee has budgeted \$15,000 for the Renwick Heritage Trail. Renwick Museum's work on the trail's content has been delayed while staff relocate their artefacts ready for the building's earthquake strengthening.
- The group continue to brainstorm ideas around a Renwick Community Hub with the idea being to provide a location for community engagement, a 'she shed', and information centre. Possible building locations are currently being investigated.
- The group is working with Robin Dunn to arrange the relocation of Corten planter boxes from Blenheim to Renwick CBD and Renwick Sports Pavilion.
- The Bike Walk Working Group have met with both Braden Prideaux and WSP to discuss proposals including costings and resource consents for the Bike Loop Track. The results of which have been presented to the Assets and Services Committee. An area new Pernod Ricard is tentatively identified as a possible picnic area with a Working for Nature/Mahi mō te Taiao application for native planting.
- The Roading and Infrastructure Working Group is examining the five-way intersection where Boyce Street and SH6 join. A dialogue is underway with Waka Kotahi, Marlborough Roads, and the police. They have been advised that funding is available for road safety work in this area.
- The group are pleased to see the town banners more regularly installed and hope it will continue.

23. Seddon Awatere

- The Seddon Steering Group met on 30th November 2021.
- After the resignation of SAS+C Chair and several volunteers, the group are now working with Council's Community Programmes Manager to examine the groups future and possible restructure.

Next steps

24. To continue with the delivery of the Marlborough Smart+Connected and Smart Business Marlborough programmes and to report back to the committee in October 2021.
25. To continue development and implementation of the new economic development work programme for FY 2021/2022.

| | |
|------------|---|
| Author | Dorien Vermaas, Economic Portfolio Manager, Mark Unwin, Economic Programmes Manager |
| Authoriser | Neil Henry, Manager, Economic Development and Strategic Planning |

9. Welcoming Communities

(also refer to separate report available on Council's website)

(Mayor Leggett) (Report prepared by Jodie Griffiths)

C150-002-013

Purpose of Report

1. For Council to consider working towards becoming a 'Welcoming Community'.

Executive Summary

2. There is full support from Marlborough stakeholders to work towards becoming a Welcoming Community.
3. Expressions of Interest must be made by a local authority.
4. If successful funding is provided by Immigration New Zealand, Council's contribution would include staff time and support to the initiative.

RECOMMENDATION

That Council support the expression of interest being made to Immigration New Zealand for Marlborough to work toward becoming a 'Welcoming Community'.

Background/Context

5. In recent years a significant change has taken place in Marlborough's demographics. The ethnic diversity of the community has changed and with it comes opportunities as well as challenges in terms of integration into the wider community. Several reports have been commissioned by Council – Looking Back to Look Forward; which was most recently reviewed in 2019.
6. In 2020 Marlborough become a Refugee Resettlement Community
7. Several key Marlborough industries are now heavily reliant on a workforce sourced from outside the region and New Zealand.
8. In 2017 Immigration New Zealand began piloting the Welcoming Communities concept with communities and local authorities. With the intention of strengthening "Communities that make newcomers feel welcome are likely to enjoy better social outcomes, and stronger economic growth. In this environment, everyone is able to participate in the economic, civic, cultural and social life of the community. Building connections between locals and newcomers means everyone feels included and knows they belong".
9. Council's roles and responsibilities include staff oversight with convening stakeholder meetings and sharing of information. Support would also be given toward management of the funding provided by Immigration New Zealand, including the appointment of the coordinator position and where this is held. Refer to 'The Welcoming Communities accreditation model at a glance' for additional details of the partnership approach.

Assessment/Analysis

10. A migrant and former refugee stakeholder meeting was held at Council on 3 December 2021, with representatives from Immigration New Zealand in attendance. The group expressed strong support in proceeding with the expression of interest.

11. Immigration New Zealand has offered support in completing the expression of interest. If successful they provide funding for the area as well as resources and access to the network of other Councils already part of the Welcoming Communities programme.

Attachments

Attachment 1 – Welcoming Communities Accreditation document page [28]

Attachment 2 - Looking Back to Look Forward Report 2019 is available on Council's website via the following link [https://www.marlborough.govt.nz/your-council/Looking Back to Look Forward Report 2019](https://www.marlborough.govt.nz/your-council/Looking-Back-to-Look-Forward-Report-2019)

Attachment 3 - Minutes from the Stakeholders meeting – 3 December 2021 page [30]

Attachment 4 - The Welcoming Communities accreditation model at a glance page [33]

| | |
|------------|--|
| Author | Jodie Griffiths, Community Partnerships Advisor |
| Authoriser | Dean Heiford, Manager Economic, Community & Support Services |

| Summary of decision-making considerations | | | |
|--|--------------------------|--------------------------|--------------------------|
| Fit with purpose of local government | | | |
| The proposal enables <i>local decision-making and action by, working with and on behalf of communities and relates to providing a public service and inclusion into the community for all.</i> | | | |
| Fit with Council policies and strategies | | | |
| | <i>Contributes</i> | <i>Detracts</i> | <i>Not applicable</i> |
| LTP / Annual Plan | X | <input type="checkbox"/> | <input type="checkbox"/> |
| Financial Strategy | <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 Marlborough District Council's Mission Statement relating to investment in Marlborough's future, our people, quality lifestyle and outstanding natural environment. | | | |
| Nature of the decision to be made | | | |
| The options do not involve a significant decision in relation to land or a body of water. | | | |
| Financial considerations | | | |
| There are no known financial implications. | | | |
| Significance | | | |
| The decision is considered of low significance under Council's Significance and Engagement Policy. | | | |
| Engagement | | | |
| Engagement has occurred with key stakeholders and Immigration New Zealand. The outcome is their full support for the proposal. | | | |
| 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. | | | |



Welcoming Communities Accreditation

Become an accredited Welcoming Community

We all want to live in a community where we can participate, contribute and thrive. **Welcoming Communities – Te Waharoa ki ngā Hapori** is a programme that makes that happen.

Welcoming Communities recognises that communities are healthier, happier and more productive when newcomers are welcomed and included. Supported by Immigration New Zealand, local government councils and their communities throughout the country are helping newcomers feel at home. Newcomers are recent migrants, former refugees, international students and anyone new to the community.

The Welcoming Communities Standard for New Zealand sets the benchmark for what a successful welcoming community looks like. Member councils involve local residents and newcomers in developing and implementing Welcoming Plans to meet the Standard's outcomes and work towards greater economic, social, civic and cultural success.

Accreditation formally recognises that a council and community have met the Standard's outcomes. It sets the community apart as being intentionally welcoming and a place where everyone can belong and flourish.

The benefits of accreditation

Accreditation builds a competitive advantage to attract, support and retain newcomers and:

- › shows that a council values and welcomes newcomers
- › provides a way to assess and reflect on progress and to improve welcoming practices
- › celebrates success and a shared pride in positive outcomes for the community
- › shows that a council and community are part of an international welcoming network
- › showcases welcoming activities on the national and international stage
- › provides councils with access to support, resources, knowledge sharing and networking in New Zealand and overseas through the Welcoming Communities programme.





Who can apply

Councils and communities who have signed up to the Welcoming Communities programme can apply for accreditation as a Welcoming Community.



The four stages of accreditation

A council and its community choose how quickly they move through the stages. Accreditation is valid for three years. The table below describes the four stages of accreditation, how they are assessed and the increasing benefits and recognition for each stage.

| Stage | Description | Assessment | Benefits and recognition | Application fee |
|--|--|--|---|-----------------|
|  <p>Stage 1</p> | The Mayor, the council, its CEO and other community partners have signed up to the Welcoming Communities programme | <p>The following are in place:</p> <ul style="list-style-type: none"> › Council resolution › MBIE funding agreement › Welcoming Communities Coordinator › Statement of Commitment › Public notification of commitment | <ul style="list-style-type: none"> › Seed funding – \$50,000 per annum per council or group of councils for the first 3 years › Access to national and international resources, support and advice › Promoted on INZ's website › Access to national Welcoming Communities workshops › Regular newsletters and networking opportunities › Announcement and certification | No fee |
|  <p>Stage 2</p> | The council and community are clear about what they want to achieve, have a Welcoming Plan and have started implementing activities | <p>Self-assessment</p> <p>Review of self-assessment by the External Accreditation Assessment Panel (the Panel)</p> <p>Report</p> | <p>All non-financial benefits and recognition detailed above, plus:</p> <ul style="list-style-type: none"> › a contribution for Welcoming Communities activities (\$9,500) › eligible to apply for national awards | \$1000 |
|  <p>Stage 3</p> | The council and community are moving towards fully implementing their Welcoming Plan. They are confident about how to deliver successful welcoming activities that make a difference and are trialling innovative activities | <p>Self-assessment</p> <p>Review of self-assessment by the Panel</p> <p>Site visit by the Panel</p> <p>Report</p> | <p>All non-financial benefits and recognition detailed above, plus:</p> <ul style="list-style-type: none"> › a contribution to professional development (\$2,000) › case studies are featured in INZ publications and internationally › INZ media release | \$1500 |
|  <p>Stage 4</p> | The council and community have implemented most of their Welcoming Plan. They are reflecting on their successes and sharing their knowledge and experience with other councils and communities in the welcoming network | <p>Self-assessment</p> <p>Review of self-assessment by the Panel</p> <p>Site visit by the Panel</p> <p>Report</p> | <p>All non-financial benefits and recognition detailed above, plus:</p> <ul style="list-style-type: none"> › a contribution to professional development (\$2,500) › support from INZ to leverage off status nationally and globally | \$1500 |

More information

For more information about accreditation go to the Welcoming Communities accreditation page on INZ's website – www.immigration.govt.nz/welcomingcommunities or email – welcomingcommunities@mbie.govt.nz

**Marlborough Migrant & Former Refugee Wellbeing Group; 3 December 2021
held in the Committee Room, Marlborough District Council**

Attendance: Sarah Wheldale, MMC; Vimbayi Chitaka, Rata Foundation; Xuemei Zhang, Marlborough Chinese Foundation; Carole Crawford, NMIT; Jude Streeter, ELP; Vance Kerlake, MBIE; Beth Tester, MPH; Nathan Hanson, CAB; Sue Avery, MBT & Connect; Anne Barrer, Fruition, (Vakameasina programme) ; Meg Martin, Volunteer Marlborough; Luke Katu, DIA ; & Jodie Griffiths, MDC
By Zoom: Chandra Dhal, Red Cross; Frankie Tran, Immigration NZ; Stephanie Moses, Community Law; Elizabeth Hamilton, Ministry of Education.

Apologies: Mayor Leggett, Dean Heiford, MDC; Corey Heberd, Rangitāne; Marcus Pickens, Wine Marlborough; Katie Keir, MPH; Margaret Western, Red Cross.

Everyone was welcomed to the meeting. Apologies noted (above).

Welcoming Communities (see separate document attached) – Previous discussion have been held regarding Marlborough pursuing this alignment in 2019, however it was decided at the time to review implementation once the project was more established. With increasing numbers of former refugees now settling in Marlborough and competing regional employment needs it is considered timely to revisit. The benefits as well as considerations were outlined in the meeting and include:

- Enhanced & formalised stakeholder relationships, a lot of the work is already happening but enhances as well as creating new opportunities.
- Demonstrates a commitment from the community
- Seed funding available for a co-ordinator. \$50,000 per year for 3 years.
- Welcoming Community also includes visitors or people re-locating from within NZ, so very broad and inclusive.
- Council must initiate the process, but it involves the whole community, and is important to include iwi.
- Currently, 15 Councils across New Zealand are participating with Nelson City Council and Tasman District Council have just completed their expressions of interest and their acceptance will be confirmed very soon.

Comments from the group – efficiencies wanted, build on the good work already happening, rather than reinventing the wheel as the existing groups & networks and coordination would be key to success, potential to seek funding from funders rather than wait for Welcoming Communities (in Co-lab approach), still proceed with Welcoming Community. Pleased the scope for Welcoming Communities included all newcomers including RSE workers.

The meeting voted in full support to pursue becoming a Welcoming Community. The next step is for full Council to consider this and make a decision to express an interest with Immigration NZ.

A steering group has been formed to support the Welcoming Community process – Sarah, Anne, Meg, Sue, Xuemei, (Margaret) & Jodie.

ORGANISATIONAL UPDATES

CAB – Will be running their next Migrant Connect Seminar, February 2022

Business Trust Marl – In collaboration with MMC and MDC hosted a Seminar for members of the Marlborough Filipino Community on Setting up a Small Food Business , currently looking at other seminar opportunities.

Connect (affiliated with the Baptist Church) – holds a coffee morning every Friday 10am open to everybody.

NMIT – NMIT still has international students here due to Covid Restrictions as well as International Students studying with NMIT whilst based overseas . New international students are expected possibly mid 2022 pending a lifting of Border restrictions.

English Language Partners – Jude Streeter introduced her new to the role as Coordinator and explained she was taking the place of Charlotte Wood. ELP are largely working with former Refugees and has a close working relationship with Red Cross. They are currently offering Road code courses.

Volunteer Marlborough – VM is exploring the opportunity to have a part-time role to support & facilitate migrant volunteers as this demand has grown considerably.

Fruition Horticulture – Anne explained the Vakameasina programme is focused on developing skills and knowledge while RSE workers are in New Zealand to create sustainable development opportunities for the workers to improve their lives and that of their families and communities back home.

It had been a really challenging for the RSE workers who were unable to go home during Covid. There was interest to arrange a 'thank you' event for the RESE workers who had stayed on as a result of Covid restrictions, but this had stalled, and she would like to revisit.

Marlborough Chinese Association – collaborates with the Red Cross to run courses, also works in with Council and Multicultural Centre. Their priority is to promote Chinese heritage and create mutual respect, contributing positively to the community. Currently offer chinese language classes, dance club and calligraphy classes and are looking to establish a table tennis club.

Pathways to Employment, Red Cross - (Sarah gave her update on behalf) , reported that despite a slow start due to Covid 19 impacts , they now have Four in employment and the programme is doing well, with good support and interest from local employers.

Multicultural Centre – Ran a Saturday afternoon food safety seminar for small businesses in collaboration with MDC & Business Trust for the Filipino Community. Recently went on a social bus trip to Picton which was enjoyed by all. Reported the 2022 Multicultural Festival has been postponed due to Covid legislation impacts so currently looking at alternative options to showcase and share the different cultures who make up Marlborough. MMC is also supporting Paul Davidson of Bytesize Productions with the Making Marlborough Documentary about the history of migrants to Marlborough as well as filming the stories of current Migrants who call Marlborough home. It is planned this will be previewed in 2022.

Marlborough PHO – From a Health perspective- Welcoming Former Refugees into the health system and ensure their health needs are sorted. Two practises are currently taking Former Refugees with GPs receiving additional training. Katie Keir is coordinating this. Identified some duplication in the sector which could be streamlined and felt this forum would be helpful for this.

Red Cross - now have 8 families (27 people) living in Marlborough, originating from Columbia all at different stages of settlement. When the families arrive, they go through a settlement programme which involves a wide range of organisations as well as volunteers supporting them

settle. Currently have 15 volunteers, with more training coming in February. Currently 6 people interested, and new volunteers are always welcome.

Red Cross were asked if they need additional donated items such as garden tools. Red Cross stated they currently are receiving donations and donations are welcome however it is best to check first as storage can be an issue. Bunnings are providing some sponsorship and RC are considering that up to \$100 of the \$300 package would be able to be used on new garden tools in future.

Community Law - busy with reunification for families. Offering help with anyone who needs this. Com Law is open and available under current Covid framework.

Ministry of Education – reported that a Spanish speaking support worker is contracted to support former refugee students as well as providing computers in home support. [Welcoming Schools](#) programme has been trialled successfully in Auckland. MOE funding has been approved to offer a training day for Marlborough schools next year.

Immigration NZ – Engagement unit was established to manage stakeholder relationships, in various teams. Providing immigration information to help use the systems and processes, e.g. visas or community events re immigration updates.

MBIE - Regional workforce & skills - Vance explained his role supports an independent advisory group. Recent feedback has included improving social cohesion & inclusion and he thought this initiative would support these goals. Vance will feed back the outcomes from this group and seek input.

Rata Foundation – Reported business as usual, encouraged people to look at their website www.ratadoundation.org.nz for funding opportunities and reiterated that you can apply at any time during the year. However, you can only receive one grant in each Rātā Foundation financial year (1 April to 31 March). This is based on the approval date of your application. Small Grants close Feb 22 and Large Grants March 22.

Department of Internal Affairs – Very open to hearing what groups want to achieve rather than trying to fit funding applications and encourage groups to talk to him about their ideas. Luke was asked if he thought funding would be more difficult to achieve in 2022 but he hadn't received any indication of this to date regarding Crown funding. Lotteries was not an issue. Encouraged groups to check website for the range of available funds. www.communitymatters.co.nz Luke is happy to help.

Positive to see such a wide sector of the community represented today, everyone's attendance was appreciated.

Next steps:

- Jodie Griffiths to gather Welcoming Communities information to present to Council in early 2022.
- Alesano Schuster Nakhid from NZ Immigration is available to support the application
- Advisory group to arrange to meet and progress intent to becoming a Welcoming Community early 2022

Meeting closed 3:00pm

Attachment 4

The Welcoming Communities accreditation model at a glance

| Stage | High-level description | Assessment | Application Fees | Recognition from INZ | Benefits | Period of recognition |
|----------------------------|---|--|------------------|---|---|-----------------------|
| Stage 1 Committed | A Committed Welcoming Community commits the Mayor, the council, its CEO and other community partners to participate in Welcoming Communities. A dedicated Welcoming Communities coordinator is appointed and the council is beginning to promote and socialise the programme. | <ul style="list-style-type: none"> › A council passes a resolution and the public are notified. › A coordinator is appointed. › A Statement of Commitment and Funding Agreement are signed. | None | Announcement and certification | <ul style="list-style-type: none"> › Seed funding – \$50,000 for 3 years on signing a funding agreement with MBIE. › Access through INZ to national and international resources, support, guidance and advice. › Achievements are showcased on INZ's website. › Access to national Welcoming Communities workshops. › Regular newsletters and networking opportunities. | Up to 3 years |
| Stage 2 Established | An Established Welcoming Community is clear about what it wants to achieve, has a Welcoming Plan and has started implementing activities. Governance, advisory, project management and monitoring arrangements are in place. The council has established partnerships with others in the community to promote and implement the programme. At least 50 per cent of the sub-outcomes (15 of 30 sub-outcomes) in the Standard are met. | <ul style="list-style-type: none"> › Council self-assessment reviewed by the External Accreditation Assessment Panel (the Panel). › The Panel completes a review exercise and the External Accreditation Assessment Report (the Report). | \$1,000 | Announcement and certification | <ul style="list-style-type: none"> › Non-financial benefits as per Committed. › If accredited as Established in the first 3 years the balance of the seed funding continues to be paid. › A one-off financial contribution towards implementing new Welcoming Communities activities (\$9,500). This only applies the first time a council is accredited at this stage. › Eligible to apply for national awards. | Up to 3 years |
| Stage 3 Advanced | An Advanced Welcoming Community is moving towards fully implementing its Welcoming Plan and demonstrating it is achieving the Standard's sub-outcomes. The council and its community are confident about how to deliver successful welcoming activities and are trialling new and innovative activities. Outcomes are monitored and measured. Partnerships and collaboration are features of the programme's operation. At least 70 per cent of the sub-outcomes (21 of 30 sub-outcomes) in the Standard are met. | <ul style="list-style-type: none"> › External assessment. › The Panel completes a review exercise, site visit and the Report. | \$1,500 | Announcement, certification and media release | <ul style="list-style-type: none"> › Non-financial benefits as per Committed. › If accredited as Advanced in the first 3 years the balance of the seed funding continues to be paid. › A financial contribution towards the professional development of the Welcoming Communities team (\$2,000). › Case studies are featured in INZ publications and through international channels such as Welcoming International. › Eligible to apply for national awards. | Up to 3 years |
| Stage 4 Excelling | An Excelling Welcoming Community has implemented almost all of its original Welcoming Plan activities and demonstrates excellence in achieving the Standard's sub-outcomes. The council and its community are reflecting on their successes and sharing their knowledge and experience with other councils and communities in the network. Outcomes are monitored and measured. Others see them as leaders in planning for and managing good settlement outcomes for newcomers. At least 90 per cent of the sub-outcomes (27 of 30 sub-outcomes) in the Standard are met. | <ul style="list-style-type: none"> › External assessment. › The Panel completes a review exercise, site visit and the Report. | \$1,500 | Announcement, certification and media release | <ul style="list-style-type: none"> › Non-financial benefits as per Committed. › A financial contribution towards the professional development of the Welcoming Communities team (\$2,500). › Case studies are featured in INZ publications and through international channels such as Welcoming International. › Eligible to apply for national awards. › Support from INZ to leverage off status nationally and globally. | Up to 3 years |

10. Audit & Risk Sub-committee

(The Chair)

D050-001-A05

1. The Minutes of the Audit & risk Sub-committee meeting held on 15 December 2021 are **attached** for ratification by the Committee.

RECOMMENDATION

That the Minutes of the Audit & Risk Sub-committee meeting held on 15 December 2021 be ratified.

**Report and Minutes of a Meeting of the
AUDIT & RISK SUB-COMMITTEE
held in the Committee Room and via Zoom, 15 Seymour Street, Blenheim
on WEDNESDAY 15 DECEMBER 2021 commencing at 1.30 pm**

Present:

Mr I Marshall (Chairperson), Mayor J C Leggett, and Cllrs J D N Croad, M A Peters and N P Taylor.

In Attendance:

Mr M S Wheeler (Chief Executive), Mr M F Fletcher (Chief Financial Officer), Mr R Foitzik (General Counsel) (from 1.40 pm), Ms S L Young (Chief Information Officer), Mr L D Grogan (Nautical & Coastal Manager) (by audio visual link pursuant to Standing Order 13.7), Ms T A Dever (Financial Accountant) and Mr M J Porter (Democratic Services Manager).

Apologies:

That the apology for absence from Cllr D D Oddie be received and adopted; and the apology for non-attendance from Mr D G Heiford (Manager Economic, Community & Support Services) be noted.

The order of the agenda was changed to accommodate other commitments.

1. Previous Minutes

D050-001-A05

The minutes of the previous meeting held on 3 November 2021 were attached to the Agenda.

Cllr Peters/The Mayor:

That the minutes of the Audit & Risk Sub-Committee held on 3 November 2021 be received.

Carried

2. Cybersecurity Overview Report December 2021 C500-011-I01

Ms Young advised the purpose of the report was to provide an overview of Council's current cyber security posture, the current work programme underway to strengthen Council cyber security. Cyber security is a quickly changing and evolving risk with several high-profile cases in the media this month.

Ms Young reported that the definition of cyber risk is "the potential of loss or harm related to technical infrastructure or the use of technology within an organisation". Cybersecurity is the application of technologies, processes and controls to protect systems, networks, programmes, devices and data from cyber-attacks. It aims to reduce the risk of cyber-attacks and protect against the unauthorised exploitation of systems, networks and technologies.

Ms Young's report covered detail under the following headings: Why is cybersecurity important, What are the elements of cybersecurity and how does it work, What are the benefits of cybersecurity, What are the different types of cybersecurity threats and Discussion.

Two attachments covered reports on MDC Security Updates (march-June 2021 and July-November 2021).

Members discussed Figure 1 – Cyber maturity level and asked that this be redone with what Council has in the way of security and reported to a future meeting. Members further discussed what evidence as a Committee was required to show they were working with staff on cybersecurity. A more in-depth report will be provided in future.

The Mayor/Cllr Peters:

That the report be received.

Carried

3. Data Protection and Recovery Report

C500-011-I01

Ms Young spoke to the report as attached to the agenda regarding data protection and recovery. The intention of the report was to review the state of Council's (MDC) IT Disaster Recovery, a subset of Business Continuity Planning. The key focus of this report was on recovery goals for MDC's IT Infrastructure Services, in particular MDC's hardware infrastructure. The report did not cover MDC's Cloud Services due to the underlying architectural differences between Software as a Service (SaaS) / Platform as a Service (PaaS) when directly compared to on-premises hardware infrastructure.

Ms Young spoke on the findings from the report along with recommended remediation and implementation timeframes. Findings covered: Storage Snapshots; Access Groups; Backup Encryption; Backup Protection; Internet Access; and Computer & Storage.

Members discussed the independency of CCL who undertook the report. Staff will advise on this.

**The Mayor/Cir Peters:
That the report be received.**

Carried

4. Audit Management Report 2021

F230-A19-01

Mr Fletcher advised the purpose of the report was to present Audit New Zealand's (ANZ) Management Report for the year ended 30 June 2021.

Mr Fletcher reported that the key points of the report were:

- a. Audit NZ issued an unmodified audit opinion on 3 November 2021, noting that without modifying their audit opinion, they included an emphasis of matter paragraph in their audit report to draw the readers' attention *"to note 32.3 on page 178, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services."*
- b. There are no uncorrected material misstatements or omissions in either the financial or performance reports.
- c. Audit stated, that *"the quality and timeliness of information provided for audit was good, and our queries were answered appropriately and in a timely manner"*. Audit also noted *"an overall improvement in the quality and delivery of the draft annual report for audit"*.
- d. There are three beneficial recommendations for improvement. Beneficial recommendations are made when Audit NZ consider Council is falling short of best practice and that it would be beneficial for management to address these, provided the benefits outweigh the costs. The three recommendations are:
 - i. We recommend that management undertake an exercise to update the District Council's fixed asset register to ensure that all assets renewed or replaced are appropriately disposed of in the records of the District Council.

Management has agreed to review its process for accounting for renewals of infrastructure assets going forward.
 - ii. We recommend that the Council and management implement a process which allows for work in progress capitalisation reviews to be performed in a timelier and more frequent basis throughout the year.

Management has commented that the status of WIP projects is reviewed multiple times during the year. These reviews are completed as part of our Annual Plan process where expected completion dates are updated and at other ad-hoc times during the year where we ensure that any completed projects are flagged as complete. We then look to capitalise those completed projects where practical.
 - iii. We recommend that the Council and management work with the developers of TechOne to ensure that the opening balances for 2022 financial year are complete and accurate and that the error is corrected in a timely manner.

Management comments that since the conclusion of the audit it has worked with TechOne to post transactions into both the Fixed Asset Register and General Ledger to align these to the Annual Report balances. The opening balances for 2022 financial year are complete and accurate.

Members acknowledged the Finance Team and all staff involved in this.

**The Mayor/Cir Taylor:
That the Audit and Risk Sub-Committee receive the attached Audit New Zealand Management Report for the year ending 30 June 2021.**

Carried

5. Update on Tory Channel/Kura Te Au Risk Assessment

H100-014-01

Mr Grogan advised the purpose of the report was to provide an update on the Tory Channel/Kura Te Au Risk Assessment project.

Mr Grogan reported in summary that as part of the KiwiRail iReX project larger interisland ferries of 220m in length are expected to be in operation in Marlborough by 2025/2026. If existing shipping routes continue to be used these new vessels will be the largest vessels to routinely navigate Tory Channel/Kura Te Au by a considerable margin. In accordance with the Maritime Transport Act 1994 MDC is obligated to ensure that any additional navigation risk arising as a result of this step change in vessel size is properly identified and managed. Work is presently underway to achieve this objective prior to the arrival of the new ships.

The report covered in detail comment under headings of Background and Next Steps. An attachment prepared by Captain Kees Buckens from the New Zealand Maritime School titled "*Tory Channel Risk Review for Marlborough District Council (Phase 1 and Phase 2 Risk Assessment and Evaluation of Proposed Route Plans in Tory Channel)*" was also referred to.

Members discussed the report and asked a number of questions.

Cllrs Croad/Peters:

That the report be received.

Carried

6. Terms of Reference

D050-001-A05

This is to be discussed at a future meeting.

Council's COVID-19 response and the 3 Waters process were discussed.

The meeting closed at 3.25 pm.

Record No: 2227588

11. Long Term Plan Working Group

(The Chair)

D050-001-L24

1. The Minutes of the Long Term Plan Working Group meeting held on 25 November 2021 are **attached** for ratification by the Committee.
-

RECOMMENDATION

That the Minutes of the Long Term Plan Working Group meeting held on 25 November 2021 be ratified.



**Report of the LONG TERM PLAN WORKING GROUP
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY, 25 NOVEMBER 2021 commencing at 1.00 pm**

Present

Cirs M A Peters (Chairperson), J A Arbuckle and N P Taylor, and Mayor J C Leggett

In Attendance

Clr C J Brooks, Mark Wheeler (Chief Executive), Martin Fletcher (Chief Financial Officer), Alison Vile (Senior Management Accountant), Chris Lake (Financial Services Manager), (Rainbow Zhao (Systems Accountant), Tessa Dever (Financial Accountant), Glyn Walters (Communication Manager) and Mike Porter (Democratic Services Manager)

Apologies

Cirs Arbuckle/Taylor:

That the apology for absence from Cirs F D Maher and J D N Croad be received and sustained and the apology for non-attendance from Cirs B G Dawson and C J Brooks be noted.

Carried

1. Revenue and Finance Policy Review

F230-L24-09-05

The purpose of the report was to outline the matters that need to be considered as part of preparing the Long Term Plan (LTP).

Members were advised that preparing the LTP is a significant body of work driven initially by the outcomes Council wants to achieve and the levels of service it wants to offer across all activities. 'Levels of Service' options for all activities will be presented, ideally to Full Council so it can weigh up relative priorities across the whole of Council. Presenting to individual Committees also has merit, but because of their particular focus they are less able to assess relative priorities across Council as a whole. 'Levels of Service' drives expenditure, which in turn drives funding requirements. Council is required by statute to act in a financially prudent manner. There is a high level of acceptance by the majority of rate payers on how Council's current revenue and Financing Policy/Rating system operates with only a few ratepayers advocating for change. Fundamental changes to the rating system will be very resource intensive on both staff and Councillors. Fundamental changes will impact both positively and negatively on a significant number of ratepayers.

The paper detailed comment under the headings of Background, Strategic Direction, Levels of Service, Infrastructure Strategies, Financial Strategy, Revenue and Financing Policy, Weightings Review, Debt and Other Significant Strategies.

It was noted at the meeting that a full review of the Wairau River Rating will be undertaken.

Cirs Taylor/Arbuckle:

That the LTP Working Group recommend to Council that it:

- 1. Note the broad outline and level of work involved in preparing a Long Term Plan; and**
- 2. Agree that Levels of Service (LOS) presentations be made to Full Council.**

Carried

2. 2024-2034 Long Term Plan – Future Work Programme

F230-L24-09-05

The purpose of the report was to identify the LTP Working Group's future work programme in relation to the preparation of the 2024-34 Long Term Plan.

To date the following items have been identified for review:

- a. Council's engagement with the Community as part of preparing the 2024-34 LTP including pre-engagement and consultation (*Management to come back to the Long Term Plan Working Group with a strategy inclusive of resourcing*). Related to this is a review of Community Outcomes;**

- b. Council's Revenue and Financing Policy with Council retaining a strategy of rating on Land Value (except for the Wairau River Rate);
- c. Council's Financial and Infrastructure Strategies. The Infrastructure Strategy may be better addressed by the Assets and Services Committee;
- d. Related to the above is understanding more fully the financial impacts of losing the Three Waters if current policy settings remain;
- e. Council's Debt Cap – Is it better to have a fixed amount as has been the case to date or would a percentage of a revenue base be more appropriate?;
- f. Council's Rates Cap – Currently LGCI + 3%. In the 2021-31 LTP the percentage was increased to allow for the impact of increased Government requirements;
- g. Council's Debt and Treasury Management Policies. This may be better addressed by the Audit and Risk Sub Committee;
- h. Council's interest rate assumption – *see next minute*;
- i. The definition of properties paying the Kenepuru and French Pass Road rates;
- j. The definition of properties in General Rural Geographic Rating Area and whether or not they should be classified Sounds Administration Geographic Rating Area;
- k. Funding of depreciation of Community Facilities to fund their replacement;
- l. Council's policy on providing rates relief for heritage buildings in private ownership – carryover from previous LTP Working Group;
- m. How the maintenance of the Picton Foreshore will be undertaken – requested by Councillor Taylor;
- n. Council's policy on Waste Charges verses Rating – requested by Councillor Taylor;
- o. Wairau River Rating;
- p. How Council wants to further advance senior/social housing (including all housing issues) – *paper to go through the Housing for the Elderly Sub-Committee*; and
- q. Review of storm damaged roads levels of service funding options for Kenepuru, Awatere Valley Road, Northbank and Waihopai.

**Cllrs Fitzpatrick/Maher:
That the LTP Working Group:**

1. **Endorse undertaking work on the list of items contained above;**
2. **Identify and agree any items that would be better dealt with by other Council Committees;**
3. **Identify any areas of work that it thinks should be added to the list;**
4. **Note that additional items can be added between now and December 2023; and**
5. **Recommend to Council that Council retain a strategy of rating on Land Value (except for the Wairau River Rate)**

Carried

3. 2022-23 Annual Plan Interest Rate on Council Borrowings Assumption

F230-L24-09-05

The purpose of the report was to review Council's current interest rate assumption and identify the anticipated impacts of any change on rates and Council's financial position.

Chris Lake reported in summary that Council's current internal interest rate of 4.0% was agreed by the Long Term Plan Working Group on 6 August 2020. The 5 year swap rate at 30 June 2021 was 1.28% with the prediction for December 2021 being 2.54%. As a result, Council could consider amending its interest rate assumption (four options were included in the paper - retain the status quo of 4%; retain an interest rate of 4% and move the LAPP contributions out of general reserves; increase the interest rate to 4.5%; or increase the interest rate to 4.5% with an increased rates subsidy). An increase in Council's interest rate assumption would increase the funding available to either provide a "General Rates and Charges Subsidy" to Ratepayers; or increase the amount available to replenish the Emergency Events

Reserve, but at an increased cost to those ratepayers paying capital intensive charges e.g. targeted capital water and sewerage rates.

The results of consultation of the 2018/28 LTP regarding the Emergency Events Reserve indicated a preferred balance of between \$10-15m by 2028. While normally the Emergency Events Reserve is replenished by surpluses from the General Revenues account, the COVID-19 Rates Relief Reserve budget paper provides other means to achieve the targeted balances. Council agreed that following the COVID-19 Rates Relief Reserve achieving a positive balance, surplus funding from the Infrastructure Upgrade Reserve be allocated to Emergency Events Reserve until such time as an appropriate balance is achieved, as informed by consultation undertaken as part of the 2018-28 LTP. The rating impact on Benchmark Properties was shown in Appendix 1.

The paper detailed comment under the headings of Background, Interest Rate Forecasts, Forecast Five Year Swap Rates, Interest Rate Options, Option 1 – 4.0% Status quo, Option 2 – 4.0% interest rate and move LAPP contributions out of general revenues (Recommended), Option 3 – Increase interest rate to 4.5 %, and Option 4 – Increase interest rate to 4.5 % and increase the rates subsidy by \$0.5M.

The paper further summarised that Option 2 was recommended for the following reasons: It has only been 1 year since the 4% was locked in position in the Long term plan; The weighted average cost of debt is well below 4%; Due to COVID-19 uncertainty it is not a good time to increase the interest rate; and The result more accurately reflects the cost of providing Water, Sewage, Stormwater and Flood Protection. Also, the General Revenues account should only be used for non-activity specific expenditure.

The Mayor/Clr Peters:

That the LTP Working Group recommend to Council that it:

- 1. Agree to continue the internal interest rate assumption at 4.0% for the 2022-23 Annual Plan**
- 2. Agree to move the LAPP contributions out of general revenues and transfer this cost to storm water, waste water, water and rivers.**
- 3. Agree to use the LAPP contributions, moved out of general revenues (as above), to cover the rates subsidy movement.**
- 4. Note the impact of the recommended option on the benchmark properties.**

Carried

There being no further business the meeting was declared closed at 2.44 pm.

Record No: 2227593

12. Financial Report for Council – Period Ended 31 December 2021

(The Chair) (Report prepared by Sean Nicholson)

F275-001-01

Purpose of Report

- To present the Financial Report for Council for the period ending 31 December 2021.

Executive Summary

- The Financial Report for Council from 1 July 2021 to 31 December 2021 is presented below. Additional information is given on variances at an activity level later in this report.

| (in millions) | 1 July to 31 December | | | Whole year | | |
|-----------------|-----------------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | | Forecast | Budget | |
| Surplus/Deficit | \$12.2 | (\$1.1) | ✓ \$ 13.3 | \$13.9 | (\$2.7) | ✓ \$16.6 |
| Income | \$75.4 | \$58.1 | ✓ \$ 17.3 | \$137.6 | \$109.9 | ✓ \$ 27.7 |
| Expenditure | \$63.2 | \$59.2 | ✗ \$ 4.0 | \$123.7 | \$112.6 | ✗ \$ 11.1 |
| Capex* | \$28.3 | \$60.1 | ✗ \$31.7 | \$79.2 | \$130.6 | ✗ \$51.4 |

*While the programmed work is \$130.6M for the year, only \$77.9M was funded through the annual plan process. This ensures multiple projects can be kept on the go.

The forecast values included in this report are mainly system generated and require manual intervention to improve their accuracy. As part of the current Annual Plan preparation the capital expenditure forecast has been updated. Income and expenditure forecasts for both Rooding and Environmental Science have been updated to reflect the recent developments in the departments.

Major variances between actual and budget:

- Sale of stage 7 of Boulevard Park on Taylor (BPOT). This item was budgeted in last financial year (Gain on Sale of \$7.5M).
- Receipt of an insurance claim for damage from the 2016 Kaikoura Earthquake and 2021 July flood event. (\$1.8M).
- Waka Kotahi emergency funding for the flood damage sustained in the July flood event. Waka Kotahi have approved a 95% subsidy rate on emergency works up to \$20M. To 31 December \$15.1M has been spent on flood damage repairs with Waka Kotahi contributing \$13.2M.
- Government funding for the following projects: Catchment Care, Hillside Erosion and Te Hoiere (\$2.1M).
- Lower than anticipated grants uplifted in the first six months.
- Lower external interest costs due to the low interest rates and lower capital expenditure in previous years. Internal interest costs are less due to lower capital expenditure last year.

RECOMMENDATION

That Council receive the Financial Report for the period ending 31 December 2021.

Income and Expenditure Statement



| Income (\$'000's) | 1 July 2021 to 31 December 2021 | | | | Notes | Whole Year | | | |
|---|---------------------------------|---------------|---------------|-------------|-------|----------------|----------------|----------------|-------------|
| | Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Rates | 38,132 | 37,946 | 186 | 0% | a. | 76,079 | 75,893 | 186 | 0% |
| -less remissions | (358) | (348) | (10) | 3% | | (665) | (608) | (58) | 9% |
| Rates | 37,774 | 37,598 | 176 | 0% | | 75,413 | 75,285 | 128 | 0% |
| Rates penalty income | 181 | 158 | 23 | 15% | | 359 | 315 | 44 | 14% |
| Total Rates | 37,955 | 37,756 | 199 | 1% | | 75,772 | 75,600 | 172 | 0% |
| Other Income | | | | | | | | | |
| Dividends | 2,507 | 2,006 | 501 | 25% | b. | 3,698 | 2,599 | 1,099 | 42% |
| Interest Revenue (external) | 303 | 1,233 | (930) | -75% | c. | 1,424 | 2,467 | (1,042) | -42% |
| Petroleum Tax | 193 | 207 | (15) | -7% | | 399 | 415 | (16) | -4% |
| Gain on Sale of Fixed Assets | 7,459 | - | 7,459 | - | d. | 7,459 | - | 7,459 | - |
| Marlborough Regional Forestry | - | - | - | - | | - | - | - | - |
| Property and Other Revenue | 3,220 | 1,241 | 1,979 | 159% | e. | 4,405 | 2,350 | 2,055 | 87% |
| Total Other Income | 13,683 | 4,688 | 8,994 | 192% | | 17,386 | 7,831 | 9,555 | 122% |
| Activity Income | | | | | | | | | |
| People | | | | | | | | | |
| Democratic Process | 1 | 1 | (0) | -13% | | 2 | 2 | (0) | -11% |
| Culture and Heritage | 2 | 750 | (748) | -100% | f. | 1,102 | 1,925 | (823) | -43% |
| Housing for Seniors | 793 | 799 | (6) | -1% | | 1,607 | 1,619 | (11) | -1% |
| Community Support | 365 | 315 | 50 | 16% | | 676 | 629 | 47 | 7% |
| Library Services | 117 | 2,296 | (2,179) | -95% | g. | 3,464 | 5,868 | (2,404) | -41% |
| Emergency Management | 3 | 10 | (6) | -64% | | 12 | 19 | (7) | -36% |
| Community Facilities | 2,445 | 1,431 | 1,014 | 71% | h. | 2,785 | 2,828 | (43) | -2% |
| Roads and Footpaths | 17,573 | 3,328 | 14,245 | 428% | i. | 30,971 | 11,498 | 19,473 | 169% |
| Flood Protection and Control Works | 2,948 | 2,821 | 127 | 5% | j. | 8,209 | 5,665 | 2,545 | 45% |
| Sewerage | 3,946 | 3,954 | (9) | -0% | k. | 6,517 | 7,575 | (1,058) | -14% |
| Stormwater Drainage | 581 | 463 | 118 | 25% | l. | 1,246 | 1,127 | 120 | 11% |
| Water Supply | 1,089 | 1,451 | (362) | -25% | m. | 2,592 | 2,602 | (9) | -0% |
| Solid Waste Management | 4,746 | 4,495 | 251 | 6% | n. | 10,268 | 8,998 | 1,270 | 14% |
| Environmental | | | | | | | | | |
| Environmental Science and Monitoring | 2,160 | 283 | 1,878 | 664% | o. | 4,182 | 566 | 3,616 | 640% |
| Environmental Protection | 804 | 695 | 109 | 16% | p. | 848 | 724 | 123 | 17% |
| Resource Consents | 1,111 | 803 | 308 | 38% | q. | 1,819 | 1,606 | 213 | 13% |
| Regulatory | | | | | | | | | |
| Building Control | 1,898 | 1,773 | 125 | 7% | r. | 3,624 | 3,421 | 202 | 6% |
| Environmental Health | 221 | 196 | 25 | 13% | | 410 | 392 | 18 | 4% |
| Biosecurity | 4,804 | 4,647 | 156 | 3% | s. | 4,911 | 4,653 | 258 | 6% |
| Animal Control | 680 | 611 | 69 | 11% | | 737 | 668 | 70 | 10% |
| Harbours | 53 | 295 | (242) | -82% | t. | 324 | 590 | (267) | -45% |
| Regional Development | 930 | 1,056 | (126) | -12% | u. | 1,927 | 2,112 | (185) | -9% |
| Total Activity Income | 47,270 | 32,473 | 14,797 | 46% | | 88,234 | 65,087 | 23,147 | 36% |
| Total MDC Income | 98,907 | 74,918 | 23,990 | 32% | | 181,392 | 148,518 | 32,874 | 22% |
| Total revenue which is non-cash or tied to a reserve or to fund capex | (23,543) | (16,863) | (6,680) | 40% | | (43,808) | (38,569) | (5,239) | 14% |
| Total MDC Operating Income | 75,365 | 58,055 | 17,310 | 30% | | 137,584 | 109,949 | 27,635 | 25% |

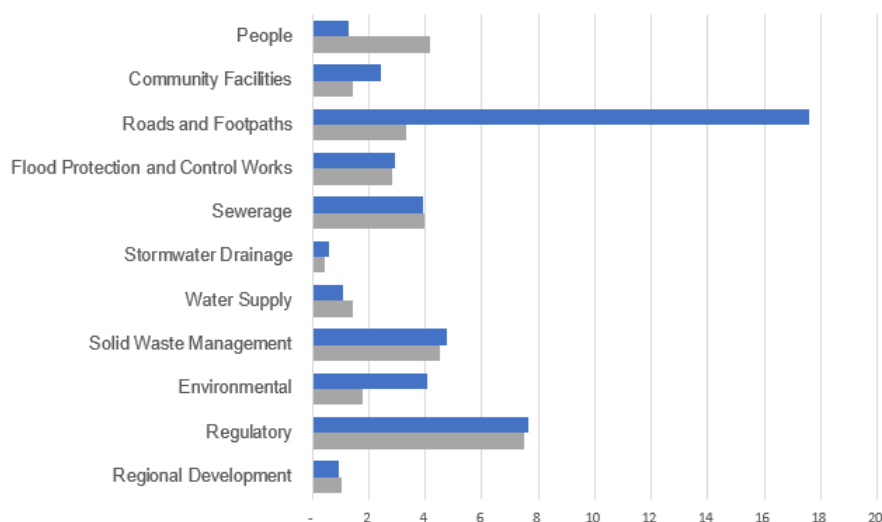
1 July 2021 to 31 December 2021
(in millions)



Whole Year (in millions)



Actual vs Budget by Activity Group (in millions)

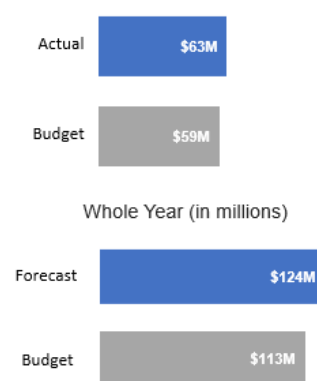


3. Comments are provided below on variances greater than \$100,000 and the forecast has been updated where required:
- a. Rates is ahead of budget due to higher than expected metered water sales primarily in Southern Valleys and Rural Awatere.
 - b. Dividend income is ahead of budget because of a higher first dividend from MDC Holdings.
 - c. External interest revenue is under budget due to continued low interest rates. As investments mature, the proceeds have been reinvested in short dated term deposits rather than corporate bonds. The marginal yield advantage is not enough to offset the longer terms to invest in bonds.
 - d. Gain on Sale of Fixed Assets is ahead of budget due to the sale of stage 7 of Boulevard Park on Taylor (BPOT). This item was budgeted in the last financial year.
 - e. Property and other revenue is ahead of budget due to:
 - i. receipt of an insurance claim for the 2016 Kaikoura Earthquake;
 - ii. unbudgeted contributions from Land Information New Zealand (LINZ) for the LIDAR mapping of Marlborough;
 - iii. receipt of insurance funds for the July 2021 flood event.
 - f. Culture and Heritage is behind budget due to funding yet to be received for the new Library and Art Gallery from the Shovel Ready Fund. A portion of the funding was received in January.
 - g. Library Services is behind budget due to funding yet to be received for the new Library and Art Gallery from the Shovel Ready Fund. A portion of the funding was received in January.
This is partially offset by operational funding from the Department of Internal Affairs for staff and resources.
 - h. Community Facilities is ahead of budget due to higher than anticipated development contributions as part of the Alabama Road/Nikau Drive subdivision having reached the stage required to contribute.
 - i. Roads and Footpaths income is ahead of budget due to:
 - i. the Waka Kotahi emergency funding for the flood damage sustained in the July flood event. Waka Kotahi has approved a 95% subsidy rate on emergency works up to \$20M. To 31 December \$13.2M has been received under the enhanced funding;
 - ii. Development contributions received from the Alabama/Nikau Drive subdivision as it has reached the stage required to contribute.
 - j. Flood Protection and Control Works is ahead of budget due to:
 - i. unbudgeted sale of logs on flood protection land;
 - ii. Gravel extraction revenue being higher than anticipated.
 Also note forecast includes \$2.4M for insurance claims on the July 2021 flood damage. Five hundred thousand dollars of this was received in December (refer to 3 (e) iii).
 - k. Sewerage is forecast to be behind budget due to trade waste revenue which is lower as water usage was lower last year than anticipated caused by COVID-19 lockdowns and restrictions.
 - l. Stormwater is ahead of budget due to unbudgeted funding from the Department of Internal Affairs (DIA) for shovel ready projects as part of the Three Waters review.
 - m. Water Supply is behind budget due to lower than budgeted funding from the Department of Internal Affairs (DIA) for shovel ready projects as part of the Three Waters review. This is because projects have been delayed.
This is partially offset by:
 - i. higher than anticipated connection and backflow prevention revenue;
 - ii. Development contributions received from the Alabama/Nikau Drive subdivision as it has reached the stage required to contribute.

- n. Solid Waste Management is ahead of budget due to higher than anticipated dump fees due to increased usage from commercial customers.
- o. Environmental Science and Monitoring is ahead of budget due to government funding approved after the budget was set for: Catchment Care, Hillside Erosion and Te Hoiere.
- p. Environmental Protection is ahead of budget due to higher than anticipated monitoring charges.
- q. Resource Consents is ahead of budget due to Marine Farm Applications and Landuse Applications being higher than anticipated.
This is partially offset by coastal consents and water applications both lower than expected.
- r. Building Control is ahead of budget due to the higher number and value of building consents issued in the first 6 months.
- s. Biosecurity is ahead of budget due to funding for the Kotahitanga mō te Taiao Alliance. Kotahitanga mō te Taiao is an alliance formed by all the Councils and some of the iwi in the top of the South Island, and the Department of Conservation. The focus is on landscape-scale conservation projects that also have environmental, social, economic, and cultural benefits.
- t. Harbours is below budget due to navigation levies yet to be received.
- u. Regional Development is behind budget due to lower than anticipated parking infringements.

| Expenditure | 1 July 2021 to 31 December 2021 | | | | Notes | Whole Year | | | |
|---|---------------------------------|----------------|---------------|---------------|-------|----------------|----------------|----------------|--------------|
| | Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Activity Expenditure | | | | | | | | | |
| People | | | | | | | | | |
| Democratic Process | 1,643 | 1,804 | (161) | -9% | a. | 3,291 | 3,585 | (294) -8% | |
| Culture and Heritage | 936 | 1,197 | (261) | -22% | b. | 1,283 | 1,682 | (399) -24% | |
| Housing for Seniors | 761 | 898 | (137) | -15% | c. | 1,509 | 1,691 | (182) -11% | |
| Community Support | 1,527 | 1,999 | (472) | -24% | d. | 2,737 | 3,206 | (469) -15% | |
| Library Services | 1,628 | 1,592 | 36 | 2% | | 3,223 | 3,236 | (13) -0% | |
| Emergency Management | 602 | 373 | 229 | 61% | e. | 960 | 732 | 228 31% | |
| Community Facilities | 7,048 | 8,143 | (1,095) | -13% | f. | 14,359 | 15,298 | (938) -6% | |
| Roads and Footpaths | 26,173 | 11,713 | 14,460 | 123% | g. | 43,683 | 23,407 | 20,277 87% | |
| Flood Protection and Control Works | 3,788 | 2,960 | 827 | 28% | h. | 9,331 | 5,844 | 3,488 60% | |
| Sewerage | 6,096 | 6,167 | (72) | -1% | i. | 11,711 | 12,133 | (421) -3% | |
| Stormwater Drainage | 1,227 | 1,228 | (1) | -0% | | 2,366 | 2,469 | 96 4% | |
| Water Supply | 4,812 | 5,424 | (612) | -11% | j. | 9,667 | 10,483 | (817) -8% | |
| Solid Waste Management | 5,861 | 5,419 | 442 | 8% | k. | 12,475 | 10,907 | 1,568 14% | |
| Environmental | | | | | | | | | |
| Environmental Policy | 1,118 | 951 | 168 | 18% | l. | 2,043 | 1,900 | 142 7% | |
| Environmental Science and Monitoring | 3,642 | 3,097 | 545 | 18% | m. | 9,371 | 6,400 | 2,971 46% | |
| Environmental Protection | 934 | 986 | (52) | -5% | n. | 1,804 | 1,967 | (162) -8% | |
| Resource Consents | 1,878 | 1,680 | 198 | 12% | o. | 3,364 | 3,336 | 28 1% | |
| Regulatory | | | | | | | | | |
| Building Control | 2,123 | 2,196 | (73) | -3% | | 4,303 | 4,377 | (74) -2% | |
| Environmental Health | 259 | 349 | (90) | -26% | | 599 | 697 | (98) -14% | |
| Biosecurity | 2,065 | 3,354 | (1,289) | -38% | p. | 6,443 | 6,652 | (209) -3% | |
| Animal Control | 413 | 427 | (14) | -3% | | 822 | 851 | (29) -3% | |
| Harbours | 1,026 | 1,130 | (104) | -9% | q. | 1,867 | 2,138 | (271) -13% | |
| Regional Development | 2,983 | 3,877 | (894) | -23% | r. | 5,943 | 7,001 | (1,058) -15% | |
| Total Activity Expenditure | 78,544 | 66,965 | 11,579 | 17% | | 153,155 | 129,992 | 23,163 | 18% |
| Less Internal Interest | (2,283) | (2,501) | 217 | -9% | s. | (4,580) | (5,001) | 421 -8% | |
| | 76,261 | 64,464 | 11,797 | 18% | | 148,575 | 124,991 | 23,584 | 19% |
| Other expenditure | | | | | | | | | |
| Interest expense (external) | 1,211 | 2,797 | (1,586) | -57% | s. | 3,792 | 5,594 | (1,802) -32% | |
| Property and other expenditure | 3,508 | 2,499 | 1,009 | 40% | t. | 3,954 | 3,219 | 735 23% | |
| Total other expenditure | 4,719 | 5,296 | (577) | -11% | | 7,746 | 8,813 | (1,068) | -12% |
| Total MDC expenditure | 80,980 | 69,760 | 11,220 | 16% | | 156,321 | 133,805 | 22,517 | 17% |
| Total expenditure which is non-cash or reserve funded | (17,820) | (10,514) | (7,306) | 69% | | (32,612) | (21,231) | (11,381) 54% | |
| Total MDC operating expenditure | 63,160 | 59,246 | 3,914 | 7% | | 123,709 | 112,574 | 11,135 | 10% |
| Operating SURPLUS | 12,205 | (1,191) | 13,396 | -1124% | | 13,875 | (2,625) | 16,500 | -629% |

1 July 2021 to 31 December 2021
(in millions)



Actual vs Budget by Activity Group (in millions)



4. Comments are provided below on variances greater than \$100,000 and the forecast has been updated where required:
- a. Democratic Process is behind budget due to the challenge involved in identifying a suitable candidate for the Kaihaūtu position.
 - b. Culture and Heritage is below budget due to annual grants being uplifted slower than anticipated.
 - c. Housing for Seniors is behind budget due to lower than anticipated repairs and maintenance.
 - d. Community Support is behind budget due to community grants being uplifted slower than anticipated.
 - e. Emergency Management is ahead of budget due to costs associated with the response and welfare from the July flood.
 - f. Community Facilities is behind budget due to:
 - i. lower than anticipated grants, mainly for the Whale Trail and Link Pathway. Consideration is to be given later in the meeting to amend the process for release of the Whale Trail funding;
 - ii. lower than budgeted contract costs and repairs and maintenance.
 - g. Roads and Footpaths expenditure is above budget due to:
 - i. costs for the emergency reinstatement of the Kenepuru Road. Costs to 31 December 2021 are \$15.1M;
 - ii. Network and Asset Management which is budgeted 60% under roading renewal capital expenditure.
 - h. Flood Protection is ahead of budget due to flood damage repairs required after the July flood event.

This is partially offset by lower than budgeted minor works as focus is on the flood damaged areas.
 - i. Sewerage is forecast to be below budget due to depreciation being less than expected because of the capital program last year not meeting expectations.
 - j. Water Supply is behind budget due to:
 - i. lower than anticipated insurance as capital projects were not completed as planned when the budget was set.
 - ii. lower pump station and reticulation costs due to the lower water utilisation over the winter months.
 - iii. lower than anticipated treatment costs as chemical purchases had not taken place due to sufficient supplies being on hand.
 - iv. depreciation being less than expected because of the capital program last year not meeting expectations.
 - k. Solid Waste Management is ahead of budget due to higher contract costs, ETS obligations and levy payments caused by the higher utilisation at the landfill. This is partially offset by revenue. (refer to 3 (n))
 - l. Environmental Policy is ahead of budget due to commissioner, legal and consultancy costs for the Marlborough Environment Plan appeals.
 - m. Environmental Science and Monitoring is ahead of budget due to unbudgeted costs for Catchment Care, Hillside Erosion and Te Hoiere. This is funded by government funding (refer to 3 (o)).
 - n. Environmental Protection is forecast to be behind budget due to the legal budget being underspent as legal issues are dealt with internally.
 - o. Resource Consents is ahead of budget due to additional costs for external expertise in the processing of marine farm resource consents. These costs are offset by revenue (refer to 3 (q)).

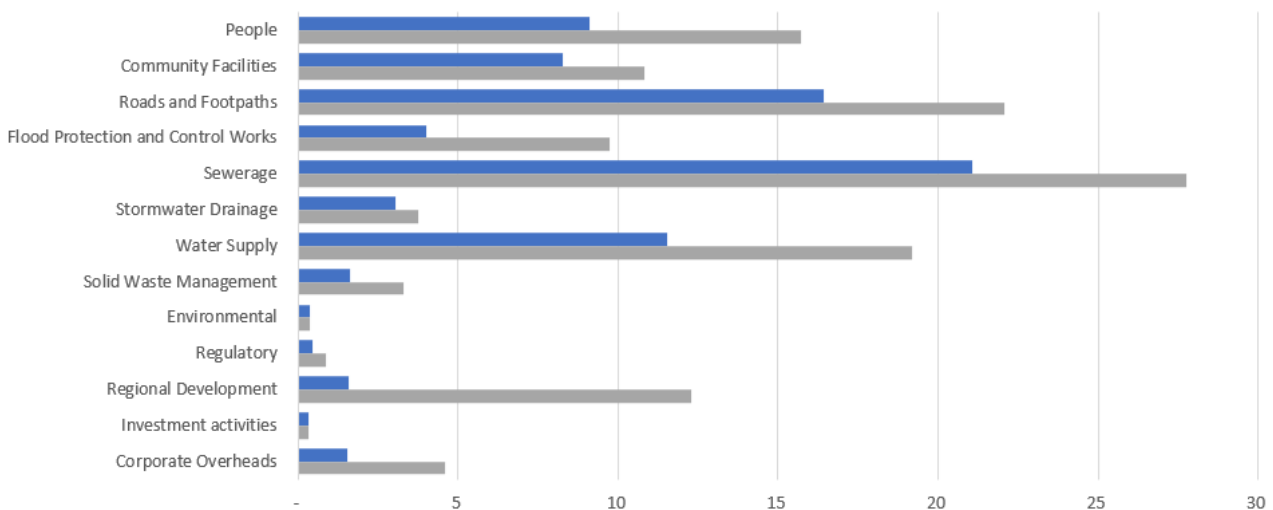
- p. Biosecurity is behind budget due to:
 - i. lower than anticipated costs for the Wilding Conifer Programme funded by the Ministry for Primary Industries. The programme will be completed mainly in late summer and autumn as access improves to rural Marlborough.
 - ii. The Stoat Eradication Project on D'Urville Island has been put into hibernation due to land access issues. A report will be presented to the Environment Committee with a more detailed update.
- q. Harbours is behind budget due to unutilised consultancy budget set aside for issues that may arise during the Picton Ferry Terminal Redevelopment and arrival of the new ferries.
- r. Regional Development is behind budget due to:
 - i. grants which have been allocated but have not yet been uplifted;
 - ii. consultancy budget not yet utilised for the Picton redevelopment project and support for the technology, food and screen sectors.
- s. External and internal interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.
- t. Property and other expenditure is ahead of budget due to:
 - i. contract and software costs for IT being higher than expected as IT requirements continue to increase within the organisation;
 - ii. higher than anticipated insurance costs as the timing of the invoices has changed for the Local Authority Protection Programme.

This is partially offset by:

- iii. unspent professional fees for the Climate Change Project.

| Net capital expenditure | 1 July 2021 to 31 December 2021 | | | | Notes | Whole Year | | | |
|---|---------------------------------|---------------|-----------------|-------------|-------|---------------|----------------|-----------------|-------------|
| | Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| People | | | | | | | | | |
| Culture and Heritage | 869 | 1,422 | (553) | -39% | a. | 1,571 | 2,843 | (1,272) | -45% |
| Housing for Seniors | 76 | 1,820 | (1,744) | -96% | b. | 851 | 3,640 | (2,789) | -77% |
| Community Support | - | 38 | (38) | -100% | | 36 | 53 | (16) | -31% |
| Library Services | 2,877 | 4,578 | (1,701) | -37% | c. | 6,614 | 9,155 | (2,541) | -28% |
| Emergency Management | 11 | 4 | 6 | 140% | | 11 | 9 | 2 | 20% |
| Community Facilities | 5,065 | 4,901 | 164 | 3% | d. | 8,250 | 10,801 | (2,551) | -24% |
| Roads and Footpaths | 1,870 | 6,275 | (4,405) | -70% | e. | 16,434 | 22,067 | (5,633) | -26% |
| Flood Protection and Control Works | 364 | 5,416 | (5,052) | -93% | f. | 4,012 | 9,742 | (5,730) | -59% |
| Sewerage | 10,448 | 13,849 | (3,401) | -25% | g. | 21,056 | 27,773 | (6,717) | -24% |
| Stormwater Drainage | 1,379 | 1,639 | (260) | -16% | | 3,039 | 3,728 | (689) | -18% |
| Water Supply | 3,393 | 9,496 | (6,103) | -64% | h. | 11,530 | 19,170 | (7,640) | -40% |
| Solid Waste Management | 582 | 1,640 | (1,058) | -64% | i. | 1,622 | 3,280 | (1,658) | -51% |
| Environmental | | | | | | | | | |
| Environmental Science and Monitoring | 47 | 177 | (130) | -73% | | 355 | 355 | 0 | 0% |
| Resource Consents | - | 2 | (2) | -100% | | 1 | 3 | (2) | -54% |
| Regulatory | | | | | | | | | |
| Environmental Health | - | 2 | (2) | -100% | | 2 | 3 | (2) | -54% |
| Harbours | 167 | 425 | (258) | -61% | | 425 | 850 | (425) | -50% |
| Regional Development | 416 | 6,139 | (5,723) | -93% | j. | 1,558 | 12,268 | (10,710) | -87% |
| Investment activities | - | 150 | (150) | -100% | | 300 | 300 | - | - |
| Corporate Overheads | 780 | 2,122 | (1,342) | -63% | k. | 1,543 | 4,573 | (3,030) | -66% |
| Total Net Capital Expenditure | 28,345 | 60,094 | (31,748) | -53% | | 79,211 | 130,613 | (51,402) | -39% |

Forecast vs Budget by Activity Group (in millions)



5. The total value of projects planned is \$130.6M. This includes \$52.9M of carryovers from previous financial years.

As of time of writing Council has a total value of contracts for new assets in progress of \$78.0M most of which will make significant progress before 30 June 2022.

Total capital expenditure from 1 July to 31 December 2021 is \$28.3M which is \$3.6M more than the same period last year (\$24.7M).

Comments below are on variances over \$1M:

- Culture and Heritage could have carryovers of \$0.5M for the new library and art gallery build.
- Housing for Seniors are likely to have carryovers of \$2.5M for the George Street Senior Housing development with the project going to tender very soon and construction hoping to start in April 2022.
- Library Services could have carryovers of \$2M for the new library and art gallery build.

- d. Community Facilities are likely to have \$2M in carryovers primarily for public conveniences upgrades which have been delayed for various reasons including resource consent and contract availability.
- e. Roads and Footpaths are likely to have \$3.5M of carryovers split over Blenheim CBD works, small township upgrades and minor improvements (including cycle facilities, signage and Ugbrooke Road seal extension). The renewal work is still expected to be completed.
- f. Flood Protection and Control Works are likely to have \$4.0M of carryovers for various projects around the region while focus is put on flood damage repairs, upgrades at the Southern Valleys intake and part of the programmed work on the Lower Wairau.
- g. Sewerage will have carryovers of at least \$4.5M due to delays in the construction of the stage 4B of the Picton sewer upgrade. Some of this project has been rebudgeted into 23-24. Upgrades at Seddon and Havelock have also been delayed due to issues finding suitable sites.
- h. Water Supply will have carryovers of at least \$6M due to Riverlands, Renwick and Havelock water treatment plants having been delayed due to design, site, contractor and resource consent issues.
- i. Solid Waste Management will have carryovers of around \$1M as construction for stage 9 of the regional landfill is unlikely to begin this year.
- j. Regional Development will have approximately \$10M of carryovers due to the Flaxbourne Irrigation Scheme, which is currently making its way through the resource consent process making the start of construction difficult to predict. At this stage we are assuming it will be pushed out to 2022-23.
- k. Corporate Overheads will have approximately \$2M of carryovers due to delays in various information technology projects.

Cash Inflow and Outflow Statement (\$000's)

| | 1 July to 31 December | 1 July to 31 December 2020 |
|---|--------------------------|-------------------------------|
| Receipts from rates revenue | 33,879 | 32,278 |
| Receipts from user charges | 11,676 | 14,438 |
| Receipts from property rentals | 3,270 | 3,102 |
| Subsidies and Grants | 20,781 | 13,781 |
| Interest and dividends | 2,810 | 2,670 |
| Sale of assets | 9,158 | 95 |
| Other revenue | 15,799 | 9,097 |
| Cash inflow | 97,373 | 75,462 |
| Net GST movements | 7,479 | 8,116 |
| Payments for operating costs | (73,092) | (50,476) |
| Payments for capital expenditure | (28,404) | (24,758) |
| Cash flow outwards | (94,016) | (67,118) |
| Net increase/(decrease) in cash and investments | 3,357 | 8,343 |
| Cash and investments * at the beginning of the year | 17,620 | 32,443 |
| Cash and investments * at the end of December | 20,977 | 40,787 |

* **Note:** Cash and investments includes 11.2m of emergency event investments

6. This is a modified cashflow statement which outlines where Council's cash is sourced and where it has been spent. Last year's figures have been provided as a comparison. The figures will differ to what is contained in the Income and Expenditure Statement above mainly due to:
- the cashflow recording the rates collected as opposed to an allocation based on budget;
 - the delay between invoices being raised/received and paid;
 - various accruals, provisions and prepayments;
 - non-cash items such as vested assets and depreciation.

| | |
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| Author | Sean Nicholson, Assistant Financial Accountant |
| Authoriser | Martin Fletcher, Chief Financial Officer |

13. Information Package

RECOMMENDATION

That the Planning, Finance & Community Information Package dated 17 February 2022 be received and noted.
