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5 July 2023

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Ask For: Nicole Chauval

Notice of Committee Meeting – Tuesday, 11 July 2023

A meeting of the Assets & Services Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Tuesday, 11 July 2023 commencing at 9.00 am.**

BUSINESS

As per Agenda attached.

MARK WHEELER
CHIEF EXECUTIVE



**Meeting of the
ASSETS AND SERVICES COMMITTEE
to be held in the Council Chambers, District Administration Building, Seymour Street,
on TUESDAY, 11 JULY 2023 commencing at 9.00 am.**

Committee

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

Departmental Head

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

Staff

Nicole Chauval (Committee Secretary)

In Public

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1. Apologies

No apologies received.

2. Declaration of Interests

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

3. National Emergency Management Agency – Update

(The Chair)

E210-003-04

Purpose of Report

1. To introduce the new National Emergency Management Agency Deputy Chief Executive, John Price.
2. To provide the Committee with information on the future of Emergency Management and update members on lessons learnt over the past six months.

RECOMMENDATION

That the information be received.

4. Alternate Controller Nomination

(The Chair) (Report prepared by Brian Paton)

E210-003-04

Purpose of Report

1. To seek approval from the Committee to appoint Richie Law as an Alternate Controller under the CDEM Act 2022.

RECOMMENDATION

That the Committee approve the nomination to appoint Richie Law as an alternate Controller under the CDEM Act 2002.

Background/context

2. The Group Manager has had conversations with Richie Law who is keen to use his emergency management skills to benefit the community. Richie has been a Chief Instructor at outward bound and a commercial skipper in the Marlborough Sounds for 15 years so knows that area particularly well.
3. Richie's emergency management experience is extensive as a founding member of the Blenheim Rural Fire Force 21 years ago, becoming a Crew Leader in 2005 and then becoming the Fire Force Controller from 2014 (during the time that Mac was the Principal Rural Fire Officer in Marlborough). He resigned from this role earlier this year. Richie has completed an intense 'Missions Centred Solutions' Incident Management Team training. He has also been involved in three overseas deployments filling Division Supervisor roles on very large fires. Richie has also filled various Incident Management roles in the Marlborough EOC during large fire events and during the 2013 Seddon and 2016 Kaikoura earthquake responses and the two recent declared severe weather events.
4. Richie brings an assured, confident, and relaxed approach to the role which I believe is imminently suited to an alternate CDEM Controller and I have no reservations in nominating him as one of the alternate Group Controllers.

Author	Brian Paton, Emergency Services Manager
Authoriser	Richard Coningham, Managers Assets & Services

5. Financial Report for the year to 31 May 2023

(The Chair) (Report prepared by David Craig)

F275-001-02

Purpose of Report

- To present the Financial Report for the Assets and Services and Community Facilities (including Parking) Departments for the year to 31 May 2023.

Executive Summary

- The Financial Report for the Assets & Services and Community Facilities (including Parking) Departments from 1 July 2022 to 31 May 2023 is presented below.

Revenue and Operational Expenditure

(in millions)	1 July to 31 May			Whole year		
	Actual	Budget		Forecast	Budget	
Surplus/Deficit	\$10.6	\$0.5	✓ \$10.1	\$15.6	\$5.3	✓ \$10.3
Income	\$139.1	\$140.0	✗ \$0.9	\$153.5	\$154.0	✗ \$0.5
Expenditure	\$128.5	\$139.6	✓ -\$11.1	\$137.9	\$148.7	✓ -\$10.8

A total actual year to date surplus of \$10.6M has resulted through reduced revenues to budget of \$0.9M and reduced expenditure to budget of \$11.1M.

Major variances between year to date actual and budget:

- Roading emergency reinstatement costs for the July 2021 and August 2022 storm events are below budget by \$11.68M and are offset by unfavourable operational roading subsidies of \$7.36M. Other flood damage repair costs of \$2.15M have been incurred to date, mainly in the Flood Protection Activity, and are within budget at this time. There are also associated savings of \$578k for minor works contracts in the Flood Protection Activity.
- Insurance claims/recoveries are unfavourable to budget by \$1.62M. The LAPP insurance claim for river damage repairs to 30 June 2022 is currently being assessed by Council's Insurers. It appears unlikely that any settlement will be made before year end.
- Flood event welfare response and recovery costs total \$2.22M to date, including \$837k for the Sounds future roading access study. Most of these costs are eligible for subsidy from either National Emergency Management Agency (NEMA) or Waka Kotahi (NZTA) and \$1.73M has been claimed to date.
- Roading subsidy on capital expenditure is below budget by \$3.12M due to lower than anticipated renewals and minor improvements (low cost/low risk projects) expenditure.
- Metered water sales are unfavourable to budget by \$417k. The final quarter water consumption will be invoiced in June. Consequently, we are expecting a small reduction in the unfavourable year to date variance.
- Development contributions \$281k and Reserve fund contributions \$949k are both favourable to budget through levies charged on development. The main sources of revenue to date have been from the Rose Manor and Nikau Drive subdivisions.
- Vested assets are favourable to budget by \$7.45M. Accounting entries have been completed for multiple stages of Rose Manor and Nikau Drive subdivisions, and for other smaller developments in Blenheim and Picton.
- Trade waste revenue is unfavourable to budget by \$709k. The final quarterly instalment for high volume users will be invoiced in June. Revenue for disposal of winery liquid waste directly to the Hardings Road industrial ponds is favourable to budget by \$426k.

- Dump fee revenue is unfavourable to budget by \$421k, in transfer stations (\$197k), the regional landfill (\$174k) and waste projects (\$50K). Dump fee revenue variations are expected to reduce marginally for the balance of the year.
- The regional landfill emissions trading scheme payment is favourable to budget by \$611k. The surrender of carbon credits to meet our annual obligation was lower than expected due to legislated changes in the calculation process.
- Grant income is favourable to budget by \$2.15M from 3Waters Stimulus Funding (eligibility period was extended) \$1.25M, 3Waters transitional funding \$442k, Tourism Infrastructure Funding (TIF) for public convenience upgrades \$118 and freedom camping \$62k, NZ Lottery grants for recovery navigator \$106 and DIA Better Off Funding \$181k.
- Grant expenditure is favourable to budget by \$1.17M due to Marlborough Kaikoura Trail Trust (\$886k) and Flaxbourne Heritage Centre (\$250k) projects.
- Depreciation charges are unfavourable to budget by \$2.20M
- Interest costs are favourable to budget by \$762k.

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

Capital Expenditure

(in millions)	1 July to 31 May		Whole year			
	Actual	Budget		Forecast	Funded	
Capex	\$47.5	\$90.1	✘ \$42.5	\$52.4	\$67.5	✘ \$15.1

Council has funded a budget of \$67.5M for capital expenditure in the 2022-23 Annual Plan. The total programmed work for the year is \$98.2M (including \$30.7M of carryovers from previous financial year). This ensures that multiple projects can continue to progress.

Actual year to date expenditure of \$47.5M represents 70% of the funded amount.

The major areas of capital expenditure to date are:

- Roads and Footpaths \$20.56M
- Water Supply \$10.58M
- Wastewater \$8.19M

Capital expenditure is impacted for many reasons including finalising community consultation, obtaining land access, obtaining resource consents, the availability of external professional expertise and receiving an acceptable contract price and contractor availability.

Forecasts

- Forecast values have been reviewed with particular emphasis on capital expenditure. Much of this data has been extracted from the 2023-24 Annual Plan process.
- The operating surplus is forecast to increase by \$10.34M to \$15.63M, through a combination of reduced revenue of \$473k (unfavourable roading subsidies, insurance recoveries and trade waste charges; offset by favourable government grants and vested assets) and reduced operating costs of \$10.81M (emergency reinstatement, grants and interest payments; offset by unfavourable welfare & recovery costs and depreciation).
- Forecast capital expenditure has reduced to \$52.4M, which is \$15.1M below the 2022-23 Annual Plan budget.

RECOMMENDATION

That the financial report for the period ended 31 May 2023 be received.

Background/Context

3. Below is the Financial Report for the Assets & Services and Community Facilities (including Parking) Departments, for the eleven-month period ended 31 May 2023.
4. Budget values include 2021-22 carryovers, which were approved in the August meeting cycle.
5. The Forecast column provides projected end of year outcomes, and these will be continually updated as we progress through the year.
6. Entries have been completed to account for May revenues and expenditures, including outstanding retention values of \$2.19M for 49 separate construction contracts.
7. All figures are rounded to the nearest thousand unless otherwise stated.
8. The use of □ or □□ is challenging for capital expenditure. Normally if you are over budget, it is not good, so should get a ✖. Equally if you are tracking well behind/under budget that is also not good. As a result, for capital expenditure a ✔ is for within -10%/+5% and anything outside that range being a ✖.

Financial Report by Significant Activity

9. Community Facilities

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	\$1,230	-\$361	✔	\$1,590	\$1,528	-\$485	✔	\$2,013
Revenue	\$16,123	\$14,382	✔	\$1,740	\$17,656	\$15,690	✔	\$1,967
Expenditure	\$14,893	\$14,743	✖	\$150	\$16,128	\$16,175	✔	-\$47

The favourable revenue variance of \$1.740M or 12% is due to development contributions of \$245k, government grants of \$225k from Tourism Infrastructure Funding (TIF) for public convenience upgrades & freedom camping initiatives and DIA - Better Off Funding, insurance claims for water damaged Stadium 2000 flooring \$41k & earthquake damaged Ward Museum \$106k, rentals \$73k, reserve fund contributions of \$949k and vested assets \$140k.

Further TIF funding of \$226k is due for new/upgraded toilet facilities at Carluke Domain Hall, Lake Elterwater and Wedge Point.

The unfavourable operating expenditure variance of \$150k or 1% is due to flood damage \$167k, insurance \$49k, loss on sales (Rai public toilet) \$59k, monitoring (freedom camping) \$93k, projects (hockey turf relocation) \$86k, repairs & maintenance \$622k, tree maintenance \$181k, vandalism \$78k and depreciation \$465k; offset by favourable personnel costs \$77k, contracts \$304k, general expenses \$45k, grants (Whale Trail, Equestrian Park and Flaxbourne Heritage Centre) \$1,153k and interest \$86k.

Carryover requests are anticipated for the grant projects.

Capital expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$2,600	\$9,987	✖	-\$7,388	\$2,875	\$6,921	✖	-\$4,046

We have achieved 24% of programmed works or 38% of the \$6.921 million approved in the annual plan (i.e., excluding carry overs). This is due to lower than budgeted expenditure in cemeteries \$374k, memorials \$232k, public conveniences \$2.594M, reserves \$3.067M and swimming pools \$1.128M.

The major budgets within the community facilities program are for cemeteries \$649k (actual ytd \$221k), memorials \$253k (\$0), public conveniences \$3.497M (\$651k), reserves \$5.155M (\$1.668M) and swimming pool \$1.230M (\$0).

Capital spend includes the following projects:

- Carluke Domain Hall toilet and dump station - \$377,299
- Hockey Turf Relocation (Pavilion) - \$211,334
- Endeavour Park gravel banding - \$238,493
- Lansdowne Park various - \$247,858
- Vested assets - \$140,022

Direct Management

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	-\$427	-\$1,682	✓	\$1,255	\$823	-\$427	✓	\$1,249
Revenue	\$779	\$323	✓	\$456	\$808	\$352	✓	\$456
Expenditure	\$1,206	\$2,004	✓	-\$799	-\$15	\$779	✓	-\$794

Favourable revenues of \$456k or 141% are due to 3Waters transitional funding \$443k and DIA Better Off Funding \$67k, offset by unfavourable fees & charges (Corridor Access Requests) \$73k.

The favourable operating expenditure of \$799k or 40% is due to personnel costs \$273k, consultancy \$75k, professional fees (climate change provision) \$410k, repairs & maintenance \$42k and internal costs & recoveries \$179k; offset by unfavourable contracts (Land Transport Management – LRAMA) \$87k and projects (River's administration) \$61k.

Capital expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Funded		
Capex	\$49	\$55	✓	-\$6	\$61	\$0	✗	\$61

Capital expenditure of \$60k is budgeted for additional bunker storage at the works operations depot. That budget may become superfluous if an alternative gravel storage option and lease of land at the Bluegums Landfill site entrance, to an external contractor, proceeds.

Actual costs of \$49 are for purchase of an additional fleet vehicle for the rivers section.

10. Emergency Management

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	-\$411	-\$64	✗	-\$347	-\$326	-\$71	✗	-\$255
Revenue	\$2,580	\$693	✓	\$1,886	\$2,907	\$755	✓	\$2,153
Expenditure	\$2,990	\$757	✗	\$2,233	\$3,233	\$825	✗	\$2,408

The favourable revenue variance of \$1.886M or 272% is due to NZTA subsidy on flood damage welfare response and recovery costs (barging etc) \$1.731M and grant income from NZ Lottery Fund for extra recovery navigator position \$105k and DIA Better Off Funding \$69k.

The unfavourable operating expenditure of \$2.233M or 295% is due to flood welfare response and recovery costs of \$2.221M, including the Sounds future roading access study costs of \$837k. Most of this expenditure is eligible for subsidy from either National Emergency Management Agency (NEMA) or Waka Kotahi (NZTA). The claim submission process is ongoing.

Capital expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Funded		
Capex	\$3	\$8	✘	-\$5	\$4	\$9	✘	-\$5

A small budget provision of \$9k has been made for office and communication equipment with \$3k spent to date.

11. Roads and Footpaths

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	\$553	-\$1,967	✓	\$2,520	\$2,545	-\$606	✓	\$3,152
Revenue	\$60,170	\$68,931	✘	-\$8,761	\$67,038	\$75,197	✘	-\$8,159
Expenditure	\$59,616	\$70,897	✓	-\$11,281	\$64,493	\$75,803	✓	-\$11,311

The \$8.761M or 13% unfavourable variance in the Roothing and Footpath revenue is due to subsidy on operations and maintenance activities (including emergency reinstatement works) of \$9.086M and subsidy on renewal works, which are 44% underspent to date, of \$3.119M. Development contributions \$344 and capital contributions \$138 are also unfavourable.

Vested assets are favourable to budget by \$3.624M.

The NZTA approved programme for emergency works is \$52.4M with an enhanced Financial Assistance Rate [FAR] of 95%. \$35.362M has been spent to date within the roading activity.

The favourable total expenditure variance of \$11.281M or 16% is primarily due to those emergency reinstatement costs of \$11.684M, minor events \$353k, sealed pavement maintenance \$424k, traffic services maintenance \$128k and interest \$242k; offset by unfavourable materials (total mobility travel) \$143k, network and asset management \$488k, drainage maintenance \$139k and depreciation \$770k

The Network and Asset Management work category provides for the general management and control of the road network and management of road assets. This includes professional services and Council budgets for 60% of this cost under its roading renewal activities. A transfer will be completed at year end to recognise the renewal component.

Capital expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Funded		
Capex	\$20,559	\$25,652	✘	-\$5,093	\$22,615	\$17,199	✘	\$5,416

We have achieved 75% of programmed works or 120% of the \$17.199M approved in the annual plan. The bulk of the capital (renewals) programme remains behind budget.

There are favourable variances in bridge renewals \$429k, drainage renewals \$98k, footpath renewals \$360k, minor improvements \$1.345M, pavement rehabilitation \$841k, sealed road resurfacing \$2.728M, traffic services \$149k and unsealed road metalling \$147k.

Other non-subsidised activities which are also behind budget include Picton CBD works \$880k, small township upgrades \$1.7M, roading related works (including cycle facilities, kerb & channel, signage, and seal extension) \$1.618M and wharves \$172k.

Blenheim CBD works (Blenheim Streetscape and Marlborough Mile projects) \$540k and subdivisional works \$244k are both ahead of budget.

The Blenheim northwest extension zone is unfavourable to budget by \$897k due to the purchase of Thomsons Ford Road property (\$2.9M) to facilitate stormwater reticulation upgrades for the northwest zone. This acquisition is being funded from development contributions. Offsetting this are favourable reticulation upgrades \$1.254M and roading upgrades \$756k.

Vested assets are ahead of budget by \$3.624M.

12. Parking

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	\$186	\$122	✓	\$64	\$215	\$154	✓	\$61
Revenue	\$1,875	\$1,823	✓	\$52	\$2,041	\$1,988	✓	\$52
Expenditure	\$1,689	\$1,701	✓	-\$12	\$1,826	\$1,834	✓	-\$9

The favourable revenue variance of \$52k or 3% is due to collections \$42k, parking leases \$72k and legal fees recovered \$17k; offset by unfavourable infringements \$79k.

The parking enforcement contractor is having difficulty with recruitment and retention of parking wardens, which is impacting the volume of tickets being issued.

Expenditure is favourable to budget by \$12k or 1% due to contracts \$85k, lease costs \$24k, repairs & maintenance \$19k and interest \$14k; offset by unfavourable legal fees (lodging fines at Court) \$38k, levy payments \$22k, rates \$16k and depreciation \$48k.

Capital expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$63	\$434	✗	-\$370	\$63	\$98	✗	-\$35

Capital expenditure is behind budget by \$370k with 13% of programmed works being completed. The budget provides for resurfacing of various carparks \$380k (actual \$13k), parking machines \$75k (\$50k) and sundry plant \$18k.

Resurfacing of the Coathanger carpark in Picton was scheduled in April 2023, following Easter weekend, but has now been deferred to 2023-24. A carryover will be required for this activity.

13. Flood Protection

Revenue and operating expenditure

(in thousands)	1 July to 31 May			Whole year			
	Actual	Budget		Forecast	Budget		
Surplus/Deficit	\$2,337	\$2,061	✓ \$276	\$2,426	\$2,485	✗	-\$59
Revenue	\$9,771	\$10,896	✗ -\$1,125	\$10,607	\$11,971	✗	-\$1,364
Expenditure	\$7,435	\$8,835	✓ -\$1,401	\$8,181	\$9,487	✓	-\$1,305

The unfavourable revenue variance of \$1.125M or 10% is due to insurance proceeds for river flood damage repairs \$1.774M and sales (quarry rock) \$194k; offset by favourable grants for the Southern Valleys/Upper Conders upgrade (Provincial Growth Fund) \$17k, gravel extraction \$234k, property rentals \$336k and disbursement recoveries (river leases) \$255k.

The LAPP claim is currently being assessed by Council's insurers and it appears unlikely that any settlement will be received before year end.

The favourable operating expenditure variance of \$1.401M or 16% is due to consultancy \$31k, contracts \$90k, flood damage repairs \$1.144M, insurance \$137k, minor contract works \$578k, projects \$37k, and interest \$79k; offset by unfavourable chemicals \$22k, fencing \$25k, repairs & maintenance \$166k, weed control \$73k, power \$80k and internal costs & recoveries \$152k.

Capital expenditure

(in thousands)	1 July to 31 May			Whole year			
	Actual	Budget		Forecast	Funded		
Capex	\$1,791	\$7,695	✗ -\$5,904	\$2,357	\$5,166	✗	-\$2,809

We have achieved 21% of programmed works or 35% of the \$5.17M approved in the annual plan. Expenditure has been slower than planned in drainage pump stations \$303k, rock and gabion protection \$1.54M, stop banks \$712k, drainage channels (Town Branch drain) \$2.964M, other improvements \$94k and land purchases \$267k.

Major budgeted projects include Wairau River (Tuamarina to Waihopai) edge protection works \$1.33M (actual \$316k), Lower Ōpaoa stop bank upgrades \$366k (\$242k), Lower Wairau River stop banks \$1.21M (\$857k), Omaka River stop bank & edge protection works \$0.8M and Town Branch Drain/Camerons Drain upgrades \$3M (\$173k).

The land acquisition for the Pukaka Quarry expansion was completed in 2021-22. A new haul road is required to access the extension area and works are underway. A budget of \$315k has been provided for this project and \$95k has been spent to date.

14. Wastewater

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May			Whole year			
	Actual	Budget		Forecast	Budget		
Surplus/Deficit	\$2,726	\$941	✓ \$1,786	\$2,920	\$1,741	✓	\$1,179
Revenue	\$14,892	\$12,841	✓ \$2,051	\$16,095	\$14,572	✓	\$1,523
Expenditure	\$12,166	\$11,901	✗ \$266	\$13,175	\$12,831	✗	\$344

Revenue has a favourable variance of \$2.051M or 16% due to connection charges \$102k, development contributions \$389k, miscellaneous contributions \$71k, miscellaneous revenue (disposal

of winery liquid waste at Hardings Road industrial ponds) \$426k and vested assets \$1.768M; offset by unfavourable trade waste charges \$709k

Trade waste charges are applied to those commercial or industrial properties that are likely to have a sewer flow greater than the average domestic property. This flow is calculated based on the volume of water used through the metered connection to the property. Current year charges have been assessed and invoicing has been completed for the low use annual customers and three quarterly instalments for the higher users.

Operating expenditure has an unfavourable variance of \$266k or 2% due to grinder pumps \$17k, pump stations \$204k, treatment \$140k and depreciation \$206k; offset by favourable insurance \$26k, reticulation maintenance \$121k, interest costs \$72k and internal costs & recoveries \$87.

Capital Expenditure

(in thousands)	1 July to 31 May		Whole year			
	Actual	Budget		Forecast	Funded	
Capex	\$8,190	\$12,723	✘ -\$4,533	\$8,594	\$10,572	✘ -\$1,978

We have achieved 57% of programmed works or 77% of the \$10.57M approved in the annual plan. Across the Wastewater activity, pump stations \$3.767M and treatment \$2.372M are behind programme, while vested assets are \$1.768M above budget.

Aeration upgrades to the Blenheim domestic and industrial treatment ponds at Hardings Road have cost \$2.051M to date. An additional \$66k has been spent on completing the septage receival facility. The 2022-23 combined treatment budget is \$2.317M.

Final costs for the \$15.7M Blenheim sewerage upgrade, which provides for future residential growth for 700 homes, are filtering through with \$407k spent year to date.

Blenheim pipeline renewals have cost \$570K to date for relining of earthenware pipes \$198k and Gascoigne Street sewer replacement \$372k. The annual renewal budget is \$1.126M.

The focus on relining of earthenware wastewater pipes has now moved to Picton. \$3.1M is budgeted in 2022-23, with \$1.761M expended year to date. A further \$130k has been spent on Surrey Street sewer pipeline renewal.

Replacement of the Main Terminal Pump Station (MOPS) in Alabama Road is planned during 2022-24. Design is underway and \$341k of the \$3.5M budget has been spent to date. A further \$4M is budgeted in 2023-24. Physical works are now expected to commence in 2023-24 and be completed in 2024-25.

A new sewage treatment plant is planned for Havelock. The new treatment plant will significantly improve effluent quality. The project is budgeted over 2021-24 for the consenting, design and building of a new treatment plant at a new site and the construction of a new terminal pump station. The budget over this period is \$13.635M, with \$3.137M budgeted in 2022-23. Physical works are now expected to commence in 2023-24 and be completed in 2024-25. A total of \$351k has been spent on professional services year to date.

In 2022-23 there is \$2.09M budgeted for Picton sewerage treatment aeration upgrade. The forecast is \$418k for new blowers, drives, pipework upgrade and power supply (actual \$13k).

The Seddon sewage treatment plant requires major upgrading. There is a strong recommendation in the current discharge consent for removal of the Starborough Creek discharge and instead to irrigate to land. A significant volume of storage and large area of land is required for land treatment.

The preferred option includes storage, high level treatment, irrigation of the golf course and other sites. A total budget of \$13.6M has been allocated for 2022-25, with \$2.6M budgeted in 2022-23.

Physical works are now expected to commence in 2023-24 and be completed in 2024-25. A total of \$405k has been spent on professional services year to date.

15. Stormwater

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	\$1,908	\$954	✓	\$954	\$2,019	\$1,130	✓	\$889
Revenue	\$4,615	\$3,597	✓	\$1,018	\$4,942	\$3,924	✓	\$1,018
Expenditure	\$2,707	\$2,643	✗	\$63	\$2,923	\$2,794	✗	\$128

Revenue has a favourable variance of \$1.018M or 28% due to connection charges \$32k and vested assets \$1.4M; offset by unfavourable development contributions \$414k.

Operating expenditure is unfavourable to budget by \$63k or 2% due to monitoring \$30 and depreciation \$197k; offset by favourable insurance \$67k and reticulation maintenance \$90k.

Capital expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Funded			
Capex	\$1,836	\$3,725	✗	-\$1,889	\$1,884	\$3,420	✗	-\$1,536

We have achieved 46% of programmed works or 54% of the \$3.42M approved in the annual plan.

Major budgets include replacement of Redwood St stormwater main (Muller Rd to Stephenson St) \$1M, Blenheim pipeline renewals \$1.2M, Picton pipeline renewals \$970k (actual \$142k), Goulter St pipeline upgrade in Seddon (ahead of roading improvements) \$350k and vested assets \$200k (\$1.4M).

Year to date expenditure for new connections is \$111k.

16. Waste management

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May			Whole year				
	Actual	Budget		Forecast	Budget			
Surplus/Deficit	-\$396	\$49	✗	-\$446	-\$251	\$152	✗	-\$403
Revenue	\$14,150	\$14,576	✗	-\$426	\$15,472	\$15,857	✗	-\$385
Expenditure	\$14,546	\$14,527	✗	\$19	\$15,723	\$15,705	✗	\$18

Revenue has an unfavourable variance of \$426k or 3% due to dump fees \$421k and grants (waste levy) \$23k; offset by favourable rentals \$25k.

Waste volumes at the regional landfill (55,280 tonnes) are down by 2,310 tonnes (4%) on the same period for the previous year, although dump fee revenue collected in 2022-23 is \$1.166M (14%) higher than for the corresponding period in 2021-22 due to the increased fees, primarily to cover the \$10/tonne increase in the government waste levy.

Operating expenditure has an unfavourable variance of \$19k or 0%. This is due to consultancy & professional fees \$35k, contracts \$717k, fees & charges \$39k, flood damage repairs (Picton transfer station access road) \$95k, insurances \$47k, postage \$32k and repairs & maintenance \$30k; offset by

favourable variances in general expenses \$30k, landfill emissions trading scheme (ETS) obligation \$611k, waste levy payments \$135k and projects (recycling) \$251k.

The surrender of carbon credits to meet Council's annual obligation under the emission trading scheme was actioned in May, with the surrender value being \$734k.

Capital Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Funded		
Capex	\$1,811	\$2,994	✘	-\$1,183	\$2,248	\$2,656	✘	-\$408

We have achieved 78% of programmed works or 96% of the \$2.66M approved in the annual plan.

Regional Landfill stage 9 construction costs are budgeted over two years, with \$2.9M in 2022-23 and \$3.55M the following year. Physical works have commenced and actual year to date costs are \$2.273M, including professional services.

A budget of \$260k has been provided in 2022-23 to complete weighbridge installations at the Resource Recovery Centre and the Greenwaste facility (actual \$270k). Some additional funding (circa \$147k) is proposed from the unallocated waste disposal levy received from Central Government.

Capital expenditure is offset by the disposal of NZ units (\$734k) to meet our annual obligation under the Emissions Trading Scheme.

17. Water supply

Revenue and Operating Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Budget		
Surplus/Deficit	\$2,979	\$400	✓	\$2,580	\$3,783	\$1,172	✓	\$2,611
Revenue	\$14,154	\$11,985	✓	\$2,170	\$15,945	\$13,677	✓	\$2,268
Expenditure	\$11,175	\$11,585	✓	-\$410	\$12,162	\$12,506	✓	-\$344

Revenue has a favourable variance of \$2.17M or 18% due to backflow prevention charges \$232k, connection charges \$179k, development contributions \$405k, grants (3Waters stimulus funding) \$1.250M and vested assets \$515k; offset by unfavourable metered water sales \$417k.

The final quarter water consumption will be invoiced in June. Consequently, we are expecting a small reduction in the unfavourable year to date variance to \$403k.

Expenditure has a favourable variance of \$410k or 4% due to general expenses \$42k, insurances \$119k, meter maintenance & reading \$36k, reticulation maintenance \$237k, treatment \$376k, interest \$255k; offset by unfavourable consultancy \$29k, backflow prevention \$54k, pump stations \$32k and depreciation \$513k.

Capital Expenditure

(in thousands)	1 July to 31 May				Whole year			
	Actual	Budget			Forecast	Funded		
Capex	\$10,577	\$26,624	✘	-\$16,047	\$11,423	\$21,185	✘	-\$9,762

We have achieved 36% of programmed works or 50% of the \$21.2M approved in the annual plan.

Expenditure to date has been primarily in Renwick \$3.577M and Wairau Valley \$1.593M for water treatment upgrades.

Other significant project expenditure has occurred in Blenheim with Murphys Road \$627k and Nelson Street \$294k water main renewals, Havelock for reservoir supply pipeline \$156k, Speeds Road to Elevation pipeline \$958k, York Street watermain replacement \$197k, Renwick AC water pipeline replacement \$1.109M and Redwood Pass watermain \$100k.

Vested water assets are \$494k and above budget by \$515k.

In the Awatere Rural scheme, the Lions Back tanks were going to be replaced by a single steel or stainless-steel reservoir. However, the price received exceeded the estimate and budget. All available options are now being scoped, to find a suitable and affordable solution. Construction works have been deferred to 2023-24 with a budget of \$1.27M (ytd actual \$3k).

In Havelock there is \$8.055M budgeted over 2022-24 for a water treatment plant with supply pipeline for Havelock which will ensure the supply complies with the Drinking Water Standards. Preliminary design is underway with construction works being re-budgeted in 2023-25 (ytd actual \$116k).

A budget of \$3.8M has been provided in 2022-23 for water treatment upgrades in Picton. A further \$3.2M is budgeted in 2023-24. New wells have been drilled at Speeds Road to improve resilience and it is proposed to bring these into service with a filtration stage. These works have now been deferred to 2024-26 (ytd actual \$14k).

The pump testing of the two new wells at St Andrews shows they are suitable for supplying Riverlands and a filter trial is to be conducted to determine the type of treatment required. A budget of \$16.75M had been spread across 2022-24 to bring the new wells into operation with treatment to meet the Drinking Water Standards. Expenditure of \$1.2M is forecast for 2022-23 with the balance of works now to be completed in 2023-25 (ytd actual \$176k).

The Steering Group is still working through consenting issues for the Flaxbourne irrigation scheme. A budget of \$13.35M had been allocated across 2022-24 with \$4M in the current year. These budgets have now been deferred to 2023-26 (ytd actual \$16k).

18. Forecasts

Forecast values have been reviewed with particular emphasis on capital expenditure. Much of this data was extracted from the 2023-24 Annual Plan process.

The operating surplus is forecast to increase by \$10.34M to \$15.63M, through a combination of reduced revenue of \$473k (unfavourable roading subsidies, insurance recoveries and trade waste charges; offset by favourable government grants and vested assets) and reduced operating costs of \$10.81M (emergency reinstatement, grants and interest payments; offset by unfavourable welfare & recovery costs and depreciation).

Forecast capital expenditure is now \$52.36M, which is \$15.14M below the 2022-23 Annual Plan budget.

The major capital projects which have been deferred are the replacement of the main terminal sewer pump station (MOPS) in Alabama Road, Havelock sewer treatment plant and Seddon sewer land treatment, water treatment upgrades in Havelock, Picton and Riverlands, Lions Back reservoir and Flaxbourne irrigation scheme.

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

6. Local Waste Minimisation Fund (WMF) Framework Development

(Clr Dalliessi) (Report prepared by Alec McNeil)

C315-22-119-006

Purpose of Report

1. To discuss the concept of a local waste minimisation fund (WMF) framework development.

Executive Summary

2. This paper contains the research findings into a local waste minimisation fund (WMF) framework development (refer Attachment 1). The research was undertaken in response to enquiries from community groups and individuals about the availability of funding drawn from the waste disposal levy for waste minimisation activities. The attached research enquiry sets out the findings from waste minimisation funds across the New Zealand local authority sector. This paper sets out how Council currently allocates its waste disposal levy receipts and seeks approval to retain the current approach.

RECOMMENDATIONS

1. That Council does not set up a local waste minimisation fund based on a reallocation of waste disposal levy spending.
2. That Council retains the 2024/25 budget assumptions as set out in the 14 July 2022 Assets and Services agenda item 6 which was subsequently ratified by Full Council on 11 August 2022 - Minute No. Cncl-0822-42.

Background/Context

3. The waste disposal levy is charged on all waste tonnage that enters the Bluegums landfill. For the 2024/25 budget period the waste disposal levy will be \$60 per tonne excluding GST and will generate an anticipated \$990k excluding GST income to Council.
4. The solid waste budgets for 2024/25 are contingent on the allocation of the waste disposal levy approved by Council in 2022. A summary of these allocations is set out in the following table.

Allocation Area	Activity	% Allocation	\$ Allocation
Reduction	Transfer Stations	20%	\$198,000
Reuse	Reuse Centre	15%	\$148,500
Recovery	Resource Recovery Centre	50%	\$495,000
Recycling	Kerbside Recycling	15%	\$148,500
Totals		100%	\$990,000

5. The current allocation of the waste disposal levy reaches a significant part of the community as indicated in the following table.

Allocation Area	Activity	Ratepayers	Users
Reduction	Transfer Stations	General	120,000
Reuse	Reuse Centre	General	38,000
Recovery	Resource Recovery Centre	General	80,000
Recycling	Kerbside Recycling	Targeted	18,000
Totals			256,000

Assessment/Analysis

6. Any contestable funding system requires a framework that provides accountability for the allocated funds and intended outcomes. The principle of any waste minimisation fund is to trial ideas that support the waste management and minimisation plan. The framework that administers a local waste minimisation fund needs to be resourced to scope the criteria for any funding round, assess the applications, determine successful applicants, award the funding, monitor and report on outcomes from the funding and publish these outcomes to make them available to the community.
7. The attached research enquiry indicates that Councils across the country are giving away significant sums of waste disposal levy money via localised contestable funding systems. While there is a 'feel good' factor associated with the granting and receipt of funding, there is a lack of substantive evidence to convey any meaningful or long-term impact from the projects and activities undertaken.
8. The research indicates that there is no evidence to confirm an enhanced audience reach as a result of a local waste minimisation fund. Larger organisations appear to derive benefit for their business while smaller organisations become reliant on the fund to maintain their core activities.
9. For the reasons given above, it is recommended that Council does not establish a waste minimisation contestable fund.

Option One (Status Quo and Recommended Option)

10. Council does not set up a local waste minimisation fund based on a reallocation of waste disposal levy spending.
11. Council retains the 2024/25 budget assumptions as set out in the 14 July 2022 Assets and Services agenda item 6 which was subsequently ratified by Full Council on 11 August 2022, Minute No. Cncl-0822-42.

Advantages

12. Council ensures that any waste disposal levy spending benefits the widest possible audience.

Disadvantages

13. Some sections of the community will see this decision as a lost opportunity to fund their ideas.

Option Two (Alternative Option)

14. Council allocates waste disposal levy funding and develops an administrative framework in support of a local waste minimisation fund.

Advantages

15. Some sections of the community will see this decision as an opportunity to fund their ideas.

Disadvantages

16. Any reallocated waste disposal levy will have to be replaced from general rates.

Next steps

17. Approve the recommendations in this report.

Attachment

Attachment 1 – Enquiry into local waste minimisation fund development

page [18]

Author	Alec McNeil, Solid Waste Manager
Authoriser	Richard Coningham, Manager Assets and Services

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables <i>democratic local decision-making and action by, and on behalf of the community and relates to consideration of providing a public service, its need, and cost effectiveness.</i>			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	✓	<input type="checkbox"/>	<input type="checkbox"/>
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
Cost implications, if any, will be established through the annual budgeting process.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
Nil			
Risks: Legal / Health & Safety etc			
Nil			
Climate Change Implications			
Nil			

Enquiry into local waste minimisation fund development

Christine McNeil
22 MAY 2023 | SERVICE ORDER 0002

Introduction

This document is intended to provide Marlborough District Council with an insight into local authority supported waste minimisation funds. Information for this enquiry was accessed from publicly available information on Council websites: thirteen from the North Island and six from the South Island. The following narrative describes the purpose of funding; the administrative processes that Councils have established to support localised grant funding; the types of projects that have been successful in attaining grant funding; and the opportunities and challenges the Marlborough District Council may wish to consider should Council decide to establish their own waste minimisation contestable funding system.

Current availability of Waste Minimisation Funding across NZ Councils

Purpose of funding

Councils express their aspirations for the output from grant funding recipients, across a broad spectrum of expectation. Stated in a more straight forward manner, some Councils want to find a solution for perceived or existing problems and allocate large sums of money to business and organisations to achieve that aim, while some Councils appear to have a more modest approach to the probable benefits that may be realised, and tailor funding amounts accordingly.

Eligible applicants are commonly cited as being 'individuals, community groups, business, iwi/Māori organisations, and education providers'. Examples of suitable projects are given as workshops and education programmes, trials or feasibility studies, new projects or expanding successful projects beyond 'business as usual'.

Councils market their grant funding opportunity to:

- Enable region focused outcomes
- Encourage interest and participation from business and the wider community
- Support innovation and procure services
- Reduce the burden to Council spending and the ratepayer
- Fill gaps in service provision and broaden or expand existing waste management activity
- Complement existing waste management activity
- Align with Ministry for the Environment to target priority waste streams
- Reinforce the Waste Hierarchy
- Promote waste reduction and resource recovery, and encourage behaviour change
- Advance the ideas of sustainability and circularity and reduce environmental harm
- Capitalise on community skillset for broader benefit
- Foster leadership and community capacity to keep waste out of landfill

Administrative processes

Contestable funding availability is supported by an administrative framework which states the purpose of the funding and the anticipated outputs from successful applications. All Councils have developed applicant guidelines, some have developed a waste grant funding policy to underpin Council aims and objectives. The Waste Management and Minimisation Plan is commonly used as a reference document to inform the types of projects that each Council will endorse. A contact person is available to assist applicants and advise on the likely success of each project. Applicants may also be required to have additional financial support, demonstrate in-kind or voluntary contributions, or provide a business plan depending on the amount of money being sought.

Personnel involvement to assess applications is influenced by the amount of money available in each funding round. Requests for smaller grant funding applications may be assessed by staff only; applications for larger amounts require elected member representation. Some Councils have an open application process, others have a time limited window. Depending on the complexity of the application, the decision-making process may take a few weeks to several months.

All recipients of grant funding are required to make a written submission to Councils to report on the outcome of their grant supported activity. Projects that receive grant funding are usually publicised on Council webpages, with some successful projects receiving a more in-depth written explanation to celebrate and promote their achievement.

Applications that have received grant funding

Funding is allocated to meet the types of outputs that Councils can reasonably expect to achieve within their region for the monetary sum granted. Councils aspire to use existing community expertise to help solve waste related issues: the availability of funding nevertheless attracts interest from groups who seem to have more singular interests to satisfy. Applicant categories are grouped into community funding or business funding, and monetary sums are generally capped to a maximum amount per project. Overall funding 'pots' vary across the country – larger Councils tend to make more money available than smaller Councils. The following examples are representative of grant funding awarded and projects achieved across New Zealand over the past three years. Specific recipients or granting Councils are not named. Specific amounts given are not cited.

Community Events \$200 to \$1,000

Composting workshops.

Worm farm workshops.

Educational material to reduce use of single use items.

Educational event to increase awareness of effects of ocean litter.

Run school fundraiser as a zero-waste event.

Small grants Under \$2,000

Feasibility study for waste reduction at community events.

Replenishing toy library supplies, creating 'reusable packs', and purchasing reusable batteries.

Purchase of reusable crockery, water bottles and lunch boxes.

Waste audit and waste reduction plan.

Create educational material to encourage recycling habits.

Purchase equipment to divert green waste from landfill.

Medium grants up to \$5,000

Technology development to support single use container reduction.

Technology development to support food waste reduction.

Food waste diversion project across schools, business, and community sites.

Textile recycling and upcycling for on-sale.

Purchase equipment and expertise to facilitate sewing classes.

Purchase fabric and pay wages for community sewing activity.

Large grants over \$5,000

Purchase of reusable nappies and washing machines.

Establish community reusable nappy stock.

Purchase of equipment for community repair and repurposing group.

Support waste reduction education and pro-environmental activity events for 1 school year.

Electronic waste repair and recycling.

Waste reduction audits, waste reduction education and community workshops.

Business grants over \$5,000

Establish site for separation of construction and demolition waste.

Purchase signage to encourage separation of construction and demolition waste.

Reduce food waste, establish on-site composting, educate staff and patrons about landfill avoidance.

Creation of digital information to encourage pro-environmental building construction.

Purchase and set up of reusable wash truck.

Purchase of equipment to recycle construction and demolition waste product.

Feasibility Framework that may suit Marlborough District Council

Should Marlborough District Council wish to establish a contestable funding opportunity to support waste minimisation related activity, it should be taken as read that Council has the administrative capacity to set one up. Nevertheless, the learnings taken from this enquiry, and the examples given from the successful funding applications present matters worthy of further consideration. Specifically, what kind of activity does Marlborough District Council wish to support?

The potential opportunities from establishing a contestable fund are as broad and as far reaching as the aspirations of other Councils stated at the beginning of this report. Those Councils have conceded that having a financial incentive to participate in waste minimisation activity will help to support and promote a pro-environmental mindset. Likewise, the giving and receipt of funding is anticipated to encourage innovation and find solutions to emergent or ongoing issues, which could reduce the burden to Council and the ratepayer.

There is no evidence, however, to confirm whether any grant fund supported activity has reached an audience broader than the scope of influence that any organisation already had prior to the receipt of grant funding. Holding independent events and workshops or purchasing goods and equipment, may have a discrete immediate effect to any organisation, any ongoing or longer-term benefits to a wider audience has been assumed instead of being documented. Rather than initiating a ripple effect of interest and activity from a wide range of groups across the community, this enquiry reveals that the availability of grant funding does encourage repeat applications for funding over successive years.

Furthermore, larger organisations benefit from gaining additional income to participate in activities to enhance their business, whereas smaller organisations mainly apply for grant funding to maintain their core activity. Groups or individuals who specialise in offering educational activities or workshops can make repeat requests for funding: consequently, grant funding becomes relied upon as a source of income for business delivery. The experience of other Councils are very likely to be replicated in Marlborough.

For the reasons given above, it is recommended that Council **does not** establish a waste minimisation contestable fund. If the Waste Management and Minimisation Plan is used as the reference to inform the types of activity that has the broadest reach for Marlborough, community level waste minimisation activity can be supported in the following ways: through the new waste management contract for the Reuse Centre, expansion of the Unwanted Goods service outside of Blenheim, and revisiting the possibility of establishing an Education Centre. A further recommendation is to seek support via the Ministry for the Environment funding mechanism, should Council wish to encourage business or industry involvement in specific waste minimisation activities.

7. Tradewaste Charges Increase – Consultation

(Clr Dalliesi) (Report prepared by Stephen Rooney)

W420-004-01

Purpose of Report

1. To report on consultation with tradewaste customers regarding proposed tradewaste charge increases.
2. To consider approval for the recommended tradewaste charges, and for these to be effective from 1 July 2023.

Executive Summary

3. Council considered a report to increase tradewaste charges on 2 March 2023.
4. Council recommended the charges be approved for consultation with tradewaste customers.
5. This report discusses the consultation and feedback received.

RECOMMENDATIONS

1. **That following consultation and there being no objections to the increases proposed that the increases as outlined in the report to Council on 2 March 2023 be approved.**
2. **That the new tradewaste charges be effective from 1 July 2023, noting the first invoices will be sent out in September 2023.**

Background/Context

6. Council considered a report recommending increases to tradewaste charges in a public excluded meeting in March 2023. The report is attached; company names have been redacted due to the commercial sensitivity of the information provided.
7. The recommendation approved the tradewaste charge increases for consultation.
8. Consultation has been completed.
9. The consultation consisted of sending a letter to all major tradewaste customers. The letter was specific to each customer. It provided a table showing the current and proposed charges, data relating to the customer tradewaste discharge over the previous five years and a comparison of previous charges to an assessment showing the new charge applied to the last year tradewaste discharge.
10. A generic letter was sent to tradewaste customers who are charged for flow only. It outlined the range of charge increases from 0 to 30%. The letter also advised the data for their sites would be sent out if they contacted us applying for this.

Assessment/Analysis

11. There were numerous responses asking that we change the contact details and several requests from the flow only group asking for the last five years of data for their properties.
12. There was one high flow contributor commented as follows:

We would welcome some consideration for those businesses still recovering from the effects of the COVID inspired lockdowns and closed borders to international visitors. Over the past 12 months (our financial year is to 30 June) our sales would still be less than 50% of what they were pre COVID.

During the 2020 and 2021 financial years the situation was considerably worse.

We would also anticipate the tradewaste flows would be down significantly if production was down by 50%. This will then reflect in a reduction in charges the following year.

13. There was a comment to staff during a meeting with Wine Marlborough in respect of the increase, this did not oppose the increase but was critical of how long it has been since they were reviewed and increased. The recommendation to apply an inflationary increase annually will now overcome this.
14. There have been no other comments nor objections regarding the increases.

Option One (Recommended Option)

15. Approve the tradewaste charge increases.

Advantages

16. The increased charges will enable income from the charges to meet the cost of tradewaste treatment and to recover the deficit in the general Reserve which has accrued from the tradewaste income not meeting costs over the last 10 years.

Disadvantages

17. There may be some customers who will be surprised when they see their first invoice with the new charges but they have had the opportunity to assess this and discuss with Council.

Option Two – Status Quo

18. Do not apply the increase to tradewaste charges at this time.

Advantages

19. The tradewaste customer will be happy to continue paying the current charges.

Disadvantages

20. The general reserve deficit will continue to grow until eventually increases in tradewaste charge are accepted or there is an increase in the sewer UAC levied against domestic and commercial properties to offset this.

Attachment

Attachment 1 – previous agenda item and minutes from the meeting of 2 March 2023

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Author	Stephen Rooney, Operations & Maintenance Engineer
Authoriser	Richard Coningham, Assets & Services Manager

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables <i>democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.</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	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	X	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	X	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
Nature of the decision to be made			
The proposal does not involve a significant decision in relation to land or a body of water.			
Financial considerations			
The proposal will assist the continued financial viability of Council.			
Significance			
The proposal has been consulted on.			
Engagement			
The proposal has been consulted on.			
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.			

1. Public Excluded Trade Waste Charges Review 2022

(Report prepared by S Rooney/C Lake/M Fletcher)

W420-002-01

Purpose of Report

- To recommend appropriate Trade Waste Charges to meet annual operating costs, fund capital requirements and recoup historic under recovery of costs associated with the provision of trade waste.

Executive Summary

- The financial review highlighted that the annual operating charges are insufficient to meet the annual operating costs.
- The operating deficits have been partially offset by surpluses generated in the capital charges for the Wetland and the Dissolved Air Flotation loan funding.
- The overall financial performance over the years has generated a significant deficit in the general Reserve of \$3.3 million. This deficit was exacerbated by historic capital funding decisions. The effect of these decisions has now been rectified and together with forecast operational results for 2022-23 leaves a Reserve deficit requiring recovery of \$2.4 million.
- The proposed charges, recommended as a result of the review of trade waste charges, in comparison to the current charges are as follows:

Operating	Current Charge (GST Inclusive)	Proposed Charge (GST Inclusive)
Flow	\$183.50 l/min	\$290.00 (l/min)
Strength	\$106.00 BOD (kg/day)	\$146 BOD (kg/day)
Capital		
Dissolved Air flotation (DAF)	\$170 BOD (kg/day) applied to difference between average annual BOD less base 2007 level.	\$0 (charge discontinued).
Wetland Charge	\$151.25 l/min with a rates credit applied.	\$180 l/min with a rates credit applied.
New Capital	\$0	\$118.00 BOD (kg/day) applied from 1 July 2023 to average annual BOD. With a further increase to \$232.00 BOD (kg/day) applied from 1 July 2026.

- It is proposed that all charges be adjusted annually to take account of inflation and reviewed three yearly in line with Council's Long Term Plan.
- The impact of the changes on individual trade waste customers is shown in Attachment 1. With the proposed discontinuation of the DAF charge and the introduction of a new strength charge for capital and increased operating charges for flow and strength the biggest impact is on those trade waste users that existed with a base BOD level in 2007. These users have benefited from the lower than required operational charges over the previous years.

RECOMMENDATIONS

That Council following a review of trade waste charges:

1. **Approve for consultation:**
 - (a) Increasing the flow charge (l/min) to \$290.00 (GST incl.) from \$183.50 (GST incl.).
 - (b) Increasing the strength charge (kg per day) to \$146.00 (GST incl.) from \$106.00 (GST incl.).
 - (c) Ceasing the DAF charge of \$170.00 BOD (kg per day).
 - (d) Increasing the Wetland Charge (l/min) to \$180.00 (GST incl.) from \$151.25 (GST incl.).
 - (e) Introducing a new Capital Loan funding charge of \$118.00 BOD (kg per day) applied to average annual BOD.
 - (f) Agreeing that all charges are adjusted for CPI changes annually.
 - (g) Continuing the practice of applying a rates credit for Blenheim's share of the wetland charge being met via rates.
2. Note a further increase to the Capital Loan funding charge to \$232.00 BOD (kg/day) from 1 July 2026 is likely.

Background/Context

8. This paper is structured in four sections:
 - a. Historic financial performance;
 - b. Changes needed to have charges equalling forecast costs;
 - c. Capital Expenditure Funding; and
 - d. Actions required to recoup historic under recoveries.Each will be addressed in turn.

Historic Financial Performance

9. The trade waste charges have not changed since the implementation of trade waste review undertaken in 2013. Reviews undertaken in 2018 and 2021 recommended changes to the charging regime in line with this current review.
10. What follows are summarised statements for the main components of the Trade Waste Activity, i.e. Flow, Treatment, Wetland and DAF (dissolved air flotation).
11. Each component identifies the current charge, the basis of charging, income and expenditure (GST exclusive) for the years 2017/18 to 2021/22.

	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Charges					
Flow Charge l/min (GST incl.)	\$183.50	\$183.50	\$183.50	\$183.50	\$183.50
Flow l/min	3,053	2,970	3,014	3,155	2,562
Flow Income	487,279	473,930	480,914	503,445	408,842
Flow Expenditure	558,211	538,714	647,075	564,089	673,261
Surplus (Deficit)	(70,932)	(64,784)	(166,161)	(60,644)	(264,419)

	2017/18	2018/19	2019/20	2020/21	2021/22
Strength Charge (kg per day) (GST Incl.)	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00
BOD kg per day	5,916	7,056	6,561	6,922	7,373
Trucked BOD kg per day		1,226	2,277	1,217	2,175
Treatment Income	545,315	650,392	604,746	638,001	679,571
Income From Trucked Waste	7,399	112,992	209,914	112,190	200,511
Treatment Expenditure	789,641	760,907	1,082,485	1,312,281	1,112,919
Surplus (Deficit)	(236,927)	2,477	(267,825)	(562,090)	(232,837)
Capital Charges					
Wetland Charge l/min (GST incl.)	\$151.25	\$151.25	\$151.25	\$151.25	\$151.25
Flow l/min	3,053	2,970	3,014	3,155	2,562
Wetland Income	401,623	390,620	396,376	414,947	336,974
Wetland Cost (Int. & Principal)	357,000	364,431	364,431	364,431	364,431
Surplus (Deficit)	44,623	26,189	31,945	50,516	(27,457)
DAF Income kg/day (GST incl.)	\$170.00	\$170.00	\$170.00	\$170.00	\$170.00
BOD kg per day	5,916	7,056	6,561	6,922	7,373
2008 BOD Base	3,262	3,262	3,262	3,262	3,262
Trucked BOD kg per day		1,226	2,277	1,217	2,175
DAF Income	404,679	424,873	403,584	456,172	510,922
Income From Trucked Waste		181,213	336,654	179,928	321,575
DAF Cost	373,000	306,741	306,741	306,741	306,741
Surplus (Deficit)	31,679	299,345	433,497	329,359	525,756
Total Funding Surplus (Deficit)	(231,557)	263,227	31,456	(242,858)	1,043
Less Depreciation	302,424	300,657	322,157	340,168	365,221
Total Funding Surplus (Deficit)	(533,981)	(37,430)	(290,701)	(583,026)	(364,178)
New Capital					
Treatment Ponds	33,291	74,017	22,803	412,786	2,764,729
Desludging	-	-	-	-	450,000
Total	33,291	74,017	22,803	412,786	3,214,729
Less New Loans Raised					2,004,268
Capital Funding Shortfall	33,291	74,017	22,803	412,786	1,210,461
Total Funding Shortfall	(567,273)	(157,110)	(312,710)	(1,000,142)	(1,574,639)
Reserve Closing Balance	(1,161,602)	(1,159,255)	(1,344,092)	(2,077,631)	(3,338,493)

NB: With the correction of historic capital funding decisions together with forecast operational results for 2022-23 it leaves a Reserve deficit requiring recovery of \$2.4 million.

12. The financial performance for the last five years highlights the following significant points:
 - a. The Flow charge is insufficient to meet the cost of trade waste conveyance.

- b. The Treatment Charge is insufficient to meet the average cost of treatment of trade waste. Further the presence of trucked waste has a bearing on the income and expenditure associated with treatment.
- c. The capital charge for the Wetland loan has been sufficient to meet the loan funding requirement. Lower interest rates have enabled a surplus to be generated. However reduced volumes (2021/22) and higher interest rates (shift from 4% to 5% Council decision October 2022 starting in the 2023/24 year) will have a bearing on the charge required in the future.
- d. The capital charge for the DAF loan generates more income than the loan funding requirement. This is due to lower interest costs and higher BOD levels than originally forecast. At the end of 2023 the funding from this loan will have been sufficient to have meet the interest and repayment of this loan in full. The balance of this loan should be recovered off all BOD, removing the discount provided to pre 2007 BOD levels.
- e. Depreciation and new capital expenditure associated with trade waste is currently not funded.
- f. New loans do not have a trade waste charge which is targeted to meet the associated loan costs.
- g. The forecast Reserve balances are overdrawn with the current deficit balance as at 30 June 2023 of \$2,436,377.

Changes needed to have revenue equalling forecast costs

13. Using a similar format to that used to identify the historic results for each component in paragraph 11, this section identifies the proposed new charge, assumed volumes/strength, estimated revenue and expenditure.

Conveyance

14. The proposed charges for conveyance and treatment are impacted by the projected volume of trade waste. The following has been used to determine the proposed charges recommended by this review:
- a. Flow l/min 2,800 (after allowance for domestic use)
 - b. Strength BOD (kg per day) 8,700 (includes 1,200 kg per day for trucked waste)
15. The flow and strength amounts have been derived using the last three years averages for waste conveyed to the treatment system plus an allowance for a continuation of some trucked trade waste.

Flow Charge

16. The current flow charge is \$183.50 l/min after domestic allowance of 0.63 l/min. The rationale for this charge is to meet costs of additional flow from trade waste customers in excess of domestic flow.
17. The modelled results of the flow costs to determine an appropriate flow charge is as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
Flow Charge l/min (GST incl.)	\$290	\$302	\$314	\$327	\$340
Flow l/min	2,800	2,828	2,856	2,885	2,914
Conveyance Income	706,087	742,657	779,889	820,299	861,439
Conveyance Expenditure	672,110	704,720	730,395	703,930	671,347
Surplus (Deficit)	33,977	37,937	49,494	116,369	190,092

Strength Charge

18. The current strength charge is \$106.00 BOD kg per day. The rationale for this charge is to meet treatment costs of the additional strength required for trade waste customers in excess of that needed for domestic customers.

19. The modelled results of the strength costs to determine an appropriate strength charge is as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
Strength Charge (kg per day) (GST Incl.)	\$146	\$152	\$158	\$164	\$171
BOD kg per day	7,500	7,575	7,651	7,727	7,805
Trucked BOD kg per day	1,200	1,212	1,224	1,236	1,249
Treatment Income	952,174	1,001,217	1,051,147	1,101,974	1,160,500
Income From Trucked Waste	152,348	160,195	168,183	176,316	185,680
Treatment Expenditure	1,099,031	1,146,529	1,186,444	1,452,379	1,987,899
Surplus (Deficit)	5,490	14,883	32,886	(174,089)	(641,720)

Capital Expenditure Funding

Dissolved Air Flotation (DAF)

20. The current charge for the DAF is \$170 BOD (kg/day) which is applied to the difference between average annual BOD less base 2007 level. This is applied to trade waste customers to meet the capital costs associated with treating trade waste. The 2007 base is used to ensure that the cost of upgrades to meet increased loadings is applied to the increased loadings from trade waste customers above the 2007 base.
21. The review shows that the DAF Charge has generated more income than the loan funding requirements. This is due to lower interest costs and higher BOD levels than originally forecast. The surplus funds have been used to offset the overall deficit funding primarily associated with treatment operating costs.
22. It is no longer appropriate to use the 2007 base so the best option for this is to refinance the DAF loan to be funded from all BOD (kg / day). This \$3,877,049 to be added to the new capital charge.

Wetland Charge

23. The current value for the Wetland charge is \$151.25 l/min with a rates credit applied for Blenheim's share of the wetland charge met via rates.
24. The following Loan balances exist as at 30 June 2022:

Loan	Original Loan Balance	Current Loan Balance	Annual Funding Requirement
Wetland Loan	\$4,823,090	\$3,309,869	\$383,917

25. The cost of the wetland system is apportioned between trade waste customers and residential. The wetland charge applied to trade waste customers meets their share of the capital cost involved. A credit is applied to reimburse the rates charged to ensure trade waste customers are not charged twice as Trade Waste property owners are also paying Combined Sewerage Scheme Capital Works Rate.
26. The review shows that the Wetland charge has been sufficient to meet the funding requirements of the wetland loans to date. However, a reduction in flow volumes and an increase in interest costs (increase from 4% to 5%) requires an increase in the charge to meet the future funding requirements.

27. The following table shows the values once the wetland charge is increased in 2023/24 to \$180 per l/min:

	2023/24	2024/25	2025/26	2026/27	2027/28
Wetland Charge l/min (GST incl.)	\$180.00	\$187.20	\$194.69	\$202.48	\$210.57
Flow l/min	2,800	2,828	2,856	2,885	2,914
Wetland Income	438,261	460,349	483,551	507,922	533,521
Wetland Cost (Int. & Principal)	393,277	393,277	393,277	393,277	393,277
Surplus (Deficit)	44,983	67,072	90,273	114,644	140,244

New Capital Charge

28. With the dissolution of the DAF charge and the continuation of capex purchase a new capital charge is required.

Existing Loan Balances

29. The following Loan balances exist as at 30 June 2022:

Loan	Original Loan Balance	Current Loan Balance	Annual Funding Requirement
DAF Loan	\$4,874,887	\$3,877,049	\$332,269
New Loan for Treatment Plant Upgrades undertaken in 2022	\$2,004,268	\$1,963,155	\$158,765

30. In addition to existing loans Council has forecast the following capital expenditure:

Year	Capital Expenditure	New Loans
2023	1,406,801	1,394,990
2024	156,739	
2025	177,687	
2026	9,981,000	9,646,503
2027	3,606,590	3,456,663
2028	183,662	
2029	195,458	
2030	193,173	
2031	-	
2032	-	
Total	19,144,867	16,502,424

31. Depreciation expense has been funded and offset against the loan funding requirement in the modelling undertaken to determine the proposed charges. This has a beneficial smoothing effect on the funding requirement.
32. The capital expenditure relates to the current upgrade to the treatment ponds and desludging 2022 and 2023 and capital expenditure in relation to proposed treatment upgrades in 2026 and 2027 to meet new regulatory requirements to improve effluent discharge quality.

33. The current value of the DAF loan at 30 June 2022 was \$3,877,049. Adding this to the loans above gives us the following:

	2023/24	2024/25	2025/26	2026/27	2027/28
Income kg/day (GST incl.)	\$118.00	\$123.00	\$128.00	\$232.00	\$241.00
BOD kg per day	7500	7575	7651	7727	7805
Trucked BOD kg per day	1200	1212	1224	1236	1249
Income	769,565	810,196	851,562	1,558,890	1,635,558
Income From Trucked Waste	123,130	129,631	136,250	249,422	261,689
Cost	862,969	871,957	975,302	1,447,349	1,815,247
Surplus (Deficit)	29,726	67,870	12,510	360,963	82,000

34. The alternative to the stepped increase for the new loan funding charge is to apply a higher average charge from 1 July 2023 to meet the cost of loan funding over the 10 year forecast. This would require a charge of \$155.00 BOD (kg/day) applied from 1 July 2023 adjusted annually for CPI.

	2023/24	2024/25	2025/26	2026/27	2027/28
Income kg/day (GST incl.)	\$155.00	\$161.00	\$167.00	\$174.00	\$181.00
BOD kg per day	7500	7575	7651	7727	7805
Trucked BOD kg per day	1200	1212	1224	1236	1249
Income	1,010,870	1,060,500	1,111,022	1,169,168	1,228,365
Income From Trucked Waste	161,739	169,680	177,764	187,067	196,538
Cost	862,969	871,957	975,302	1,447,349	1,815,247
Surplus (Deficit)	309,639	358,223	313,484	(91,115)	(390,344)

Actions required to recoup historic under recoveries

35. It is forecast that the deficit at the end of 2022/23 the deficit will be \$2,436,377. The following table shows the surplus deficits from the 4 charges should Council adopt the recommended changes in charges.

	2023/24	2024/25	2025/26	2026/27	2027/28
Flow	33,977	37,937	49,494	116,369	190,092
Strength	5,490	14,883	32,886	(174,089)	(641,720)
Wetland charge	44,983	67,072	90,273	114,644	140,244
New capital charge	29,726	67,870	12,510	360,963	82,000
Total	114,177	187,763	185,163	417,887	(229,384)

36. The first 4 years are forecast to have a surplus which will repay a portion of the deficit.
37. The charges will be reviewed in the 2024-34 Long Term Plan and include the option of converting the remaining deficit to a loan to be repaid over a 10 year period.

Attachments

Attachment 3.1 – Modelled Comparison of Impact of Change on Individual Trade Waste Users (2021/22 Flow and BOD) Page 11

Attachment 3.2 – Letter of consultation regarding tradewaste charges review Page Error! Bookmark not defined.

Authors	Stephen Rooney, Operations and Maintenance Engineer and Chris Lake, Financial Services Manager
Authoriser	Martin Fletcher, Chief Financial Officer

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	X	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	X	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks and Reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
Nature of the decision to be made			
The proposal does not involve a significant decision in relation to land or a body of water.			
Financial considerations			
The proposal will assist the continued financial viability of Council.			
Significance			
The proposal will be consulted upon with those affected.			
Engagement			
The proposal will be consulted upon with those affected.			
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.			

Attachment 3.1

**Modelled Comparison of Impact of Change on Individual Trade Waste Users
(2021/22 Flow and BOD)**

Customer	FLOW	BOD	BOD 3 Year Average	2008 Base	2022/23 Existing Charges	2022/23 Proposed Charges	Variance	Var. %
	9.76	65.23	46.39		\$ 17,950	\$ 18,354	\$ 404	2%
	204.31	865.13	375.41	500.00	\$ 172,897	\$ 277,226	\$ 104,329	60%
	39.60	437.49	264.70		\$ 104,510	\$ 106,395	\$ 1,884	2%
	7.10	87.40	88.49		\$ 26,568	\$ 24,844	-\$ 1,723	-6%
	22.08	117.36	66.05	15.00	\$ 28,392	\$ 33,325	\$ 4,933	17%
	112.88	1,180.74	1,076.60	153.30	\$ 319,789	\$ 332,373	\$ 12,584	4%
	141.92	809.42	1,184.86	400.10	\$ 245,364	\$ 284,598	\$ 39,234	16%
	31.82	1,281.16	246.83		\$ 239,299	\$ 245,066	\$ 5,767	2%
	38.10	100.81	171.76	102.70	\$ 67,374	\$ 90,177	\$ 23,102	34%
	217.14	159.47	173.70	191.80	\$ 86,396	\$ 144,915	\$ 58,519	68%
	220.98	2,757.94	2,136.81	1,433.60	\$ 485,743	\$ 712,281	\$ 226,538	47%
	15.42	194.69	145.79	65.10	\$ 39,399	\$ 49,432	\$ 10,033	25%
	37.60	8.61	9.31	11.70	\$ 12,975	\$ 20,055	\$ 7,080	55%
	5.68	10.13	13.05	-	\$ 5,926	\$ 5,945	\$ 19	0%
	20.67	201.66	394.56	130.37	\$ 104,890	\$ 120,715	\$ 15,825	15%
	69.24	2.99	13.26	13.90	\$ 23,269	\$ 34,971	\$ 11,702	50%
	32.62	486.09	307.71	244.20	\$ 79,915	\$ 124,070	\$ 44,154	55%
	100.51	486.99	616.40		\$ 180,943	\$ 182,874	\$ 1,931	1%
	13.16	227.52	96.38		\$ 44,788	\$ 46,882	\$ 2,094	5%
	87.22	237.00	180.52		\$ 84,889	\$ 93,424	\$ 8,535	10%
	89.35	292.08	269.19		\$ 106,515	\$ 111,893	\$ 5,378	5%
	12.19	1,200.00	1,200.00		\$ 335,163	\$ 300,860	-\$ 34,303	-10%
All Other Users Combined	621.95	3.36	4.21		\$ 243,248	\$ 317,775	\$ 74,527	31%
	2,172	11,614	9,590	3,262	\$3,065,202	\$3,678,750	\$613,547	20%

8. Speed Management Plan Sub-Committee

(Chair) (Report prepared by Richard Coningham)

R800-005-03

Purpose of Report

1. To establish a Sub-Committee to hear and make recommendations on any submissions made on the Marlborough Regional Speed Management Plan.

RECOMMENDATION

That a Sub-Committee made up of Councillors Adams, Croad, Dawson and Rosene be established to hear and make recommendations on any submissions made on the Marlborough Regional Speed Management Plan and report back to the Assets and Services Committee.

Background/Context

2. The Committee will be aware that as part of the Land Transport Rule: Setting of Speed Limits 2022, Council is required to prepare a speed management plan to consider how implementing safety infrastructure and speed limits can make our roads safer.
3. Council is currently undertaking consultation on the Marlborough Regional Speed Management Plan, in particular the local roads.
4. Waka Kotahi has undertaken an Interim Speed Management Plan and is in the process of preparing a full Speed Management Plan, which will be incorporated into the Regional Plan once complete.
5. Council requires a Sub-Committee to hear and make recommendations on any submissions made on the Marlborough Regional Speed Management Plan. Councillors Adams, Croad, Dawson and Rosene have indicated their willingness to be on this Sub-Committee.
6. Hearings will take place in September 2023.

Author	Richard Coningham, Assets & Services Manager
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9. Horton Park Pavilion – Comparative Assessment

(The Chair) (Report prepared by Maighan Watson)

D050-001-A03

Purpose of Report

1. The purpose of this report is to present the result of a comparative exercise undertaken for the Horton Park pavilion, comparing the rebuild costs of a new facility to a redevelopment of the existing building.

Executive Summary

2. The Horton Park pavilion, located off Redwood Street, is owned by Council and known as the home of Marlborough Cricket. Since the departure of Marlborough Netball in 2017, the Marlborough Cricket Association has been the sole sporting code located at Horton Park.
3. In 2018 a master plan for Horton Park was presented to Council, which showed Marlborough Cricket's desire to develop and expand the existing facilities. In December 2020, the Department of Conservation lifted the recreation reserve status off the redundant netball courts, allowing Council to dispose of the surplus land.
4. In December 2022, Council entered into a sale and purchase agreement with Cuddon Engineering, disposing of approximately 0.45 ha. This disposal saw the retention of the land adjacent to the cricket grounds, approximately 0.56 ha, for future community use and possible development of Horton Park.
5. At the 2021-22 Annual Plan hearings, Marlborough Cricket presented a concept for Horton Park, which saw the development of a new indoor training facility, a rebuild of the pavilion and a new car park. The development was estimated to cost \$4.8 million at the time.
6. To enable a comparison, Council requested that staff investigate the cost to redevelop the existing pavilion. In 2022 staff engaged Arthouse Architecture to prepare a concept design, which was then cost estimated by an independent quantity surveyor.
7. The quantity surveyor estimated that the cost to redevelop the Horton Park pavilion would be \$5.76 million, showing that the redevelopment option is not a cost-effective alternative.
8. Funding of \$2,000,000 has been approved through the 2021-31 LTP for budget year 2027-28.
9. Marlborough Cricket are receptive to partnering with another local sporting code to facilitate a Sportsville arrangement. Marlborough Cricket have also indicated a willingness to seek funding outside of Council in support of the development of Horton Park.

RECOMMENDATIONS

1. **That the Horton Park redevelopment proposal be assessed through the 2024-34 Long Term Plan.**
2. **That staff continue to work with the Marlborough Cricket Association to undertake a fundraising strategy and assist with possible Sportsville partnerships.**

Background

10. The two-storey community facility, known as the Horton Park pavilion, was constructed in 1972 by Marlborough Cricket in partnership with Marlborough Netball and Marlborough Hockey. The facility was vested to Council once completed, and subsequently leased back to the three sporting bodies.
11. In 1995, the Marlborough Hockey Association relocated their activity to College Park, withdrawing their association with the pavilion. In February 2016 Council agreed to relocate Marlborough Netball to Lansdowne Park. This resulted in Marlborough Cricket being the singular sporting body at Horton Park and sole occupant of the pavilion.

Master Planning

12. As part of the Marlborough Netball, it was agreed that staff would explore revoking the recreation reserve status over the land previously used for netball. This required staff to identify future spatial requirements and other uses for the site by way of a master plan. Visitor Solutions were engaged to undertake the plan development and a working group was established with representatives from both Council and Marlborough Cricket.
13. In July 2018, the draft master plan prepared by Visitor Solutions was presented to Council (Figure 1). The future spatial requirements and expansion identified by Marlborough Cricket included a new indoor training facility, repositioning and rebuild of the pavilion, car parking and proposed relocation of the primary access to the pavilion off Houldsworth Street. The expansion of the cricket facilities encroached into the surplus netball courts and relied on the retention of the adjacent northern section of land to be identified for future community use.



Figure 1 – Horton Park Master Plan

14. In 2020 the Minister of Conservation granted the revocation of the Reserve status over the netball courts by way of Gazette Notice. Following the revocation, Council approved the disposal of land adjacent to the existing Cuddon Engineering site (Figure 2), retaining the southern lots as vacant Open Space.

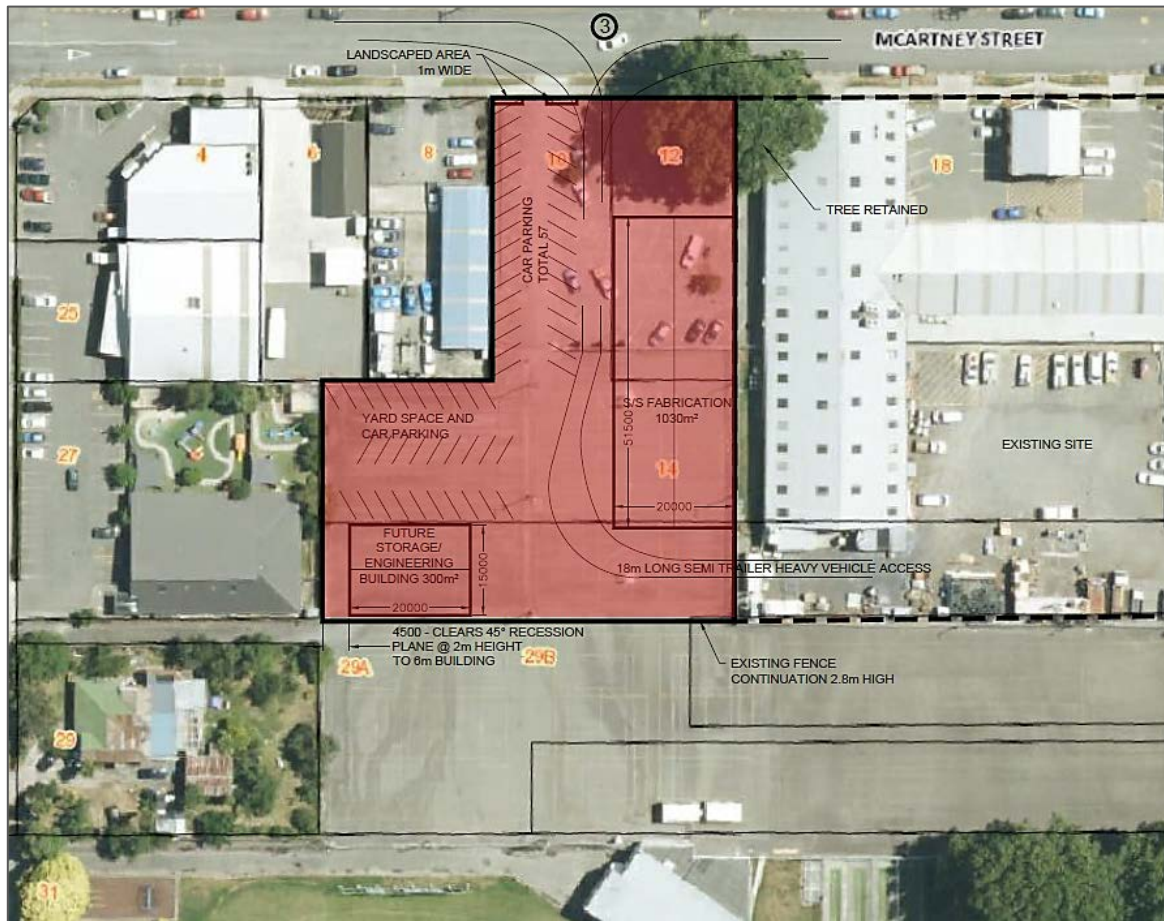


Figure 2 – Land purchased by Cuddon Engineering

Planning Submissions

15. Marlborough Cricket have made a number of submissions to Council's AP and LTP processes since 2012. As part of the 2021-22 Annual Plan process, Marlborough Cricket submitted a concept package prepared by local architect Mark Hawkins (Figure 3). The concept design reflected the Visitor Solutions Horton Park master plan and included a new, repositioned pavilion, a new car park and an indoor training centre.
16. A cost estimate was provided as part of the submission, and estimated that the proposed development would cost \$4.8 million. Calculations provided by the RLB tender price index, which measures the movement of construction costs for building contracts in the public sector, shows this cost would increase to approximately \$5.72 million in 2023.



Figure 3 – Horton Park concept package by Hawkins Architecture

17. The 2021-22 Marlborough Cricket submission was referred to the Assets & Services Committee, who requested that a comparison exercise was undertaken between the new-build design and a redevelopment. At the Council Budget meeting in February 2021, \$90,000 was allocated to undertake a design and obtain costings.

Redevelopment Assessment

18. The first stage of the process was to undertake a detailed seismic assessment (DSA) of the Horton Park pavilion. The DSA identified that the pavilion only met 20% of the National Building Standard (NBS). In July 2021, Council approved funding from the Emergency Events Reserve to strengthen the pavilion up to a minimum of 67% NBS. This work was fast-tracked and completed ahead of the South Island Masters Games in October 2021 at a total cost of \$232,000.
19. Contemporaneously, Arthouse Architecture were engaged to prepare a concept design for Horton Park pavilion. Arthouse worked closely with the Marlborough Cricket board to ensure the design met their requirements. The design also needed to bring the building in line with modern day standards, ensuring that compliance requirements for fire egress and accessibility were addressed.
20. Following the completion of the design and sign-off from the Marlborough Cricket board in late 2022, independent quantity surveyor Brendan Blackmur Consulting was engaged to provide a budget estimate for the renovation.
21. The budget estimate determined that a redevelopment of the existing pavilion would cost \$5.76 million. Due to the nature of the existing pavilion's structure, the costings show that a redevelopment of a two-storey structure is not an economical alternative. This is primarily due to the amount of restrengthening work required and alterations to the existing structure to meet current code requirements.

Next Steps

22. At the budget meeting in February 2021, Council approved funding of \$2 million in the 2021-31 LTP for the Horton Park pavilion redevelopment. This funding is allocated in the 2027-28 budget year.
23. Marlborough Cricket have indicated a willingness to undertake fundraising of up to \$800,000 to support the development of a new cricket facility at Horton Park.
24. In February 2016, Council adopted the Sportsville Policy. 'Sportsville' is a term used to refer to the clustering of sporting codes or community groups that can benefit by the sharing of resources, costs and facilities. Councils' role in a Sportsville model is to support new or existing sports user agreements to be developed in a manner that encourages collaboration and strategic partnerships.

25. Marlborough Cricket has worked hard to ensure its survival as a sporting code in Marlborough and player numbers have remained consistent in recent years. However, the demographics have shifted, showing a decrease in adult male players and an increase in Kiwi Cricket and female players. To ensure that a wider community benefit is achieved with any Council investment in Horton Park's development, other local sporting codes should be consulted and partnered with to facilitate a Sportsville arrangement.

Author	Maighan Watson, Project and Contract Manager
Authoriser	Jamie Lyall, Manager Property and Community Facilities

10. Land Subdivision Reserve – Playgrounds and Parking Projects

(Clr S Arbuckle) (Report prepared by Jane Tito)

R510-021-01

Purpose of Report

1. The purpose of this report is to seek Council approval to fund three projects from the Land Subdivision Reserve.

Executive Summary

2. The Land Subdivision Reserve is made up from development contributions obtained from new development activities across the region.
3. A total of three projects are proposed totalling \$540,000 located at:
 - a) Awarua Park, Spring Creek – Playground equipment.
 - b) Athletic Park, Blenheim – New carpark.
 - c) Mark Smith Reserve, Blenheim – Sun-shade sails.
4. The opening balance of the Land Subdivision Reserve as at 1 July 2023 is \$2,316,778 with a new balance of \$1,776,778 remaining, subject to funding approval from the Land Subdivision Reserve.

RECOMMENDATION

That funding be approved for three projects totalling \$540,000 from the Land Subdivision Reserve.

Background

5. The purpose of Development Contributions (DC's) is to enable Council to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
6. Funds acquired from DC activities such as Reserves and Community Infrastructure are held in Council's Land Subdivision Reserve for distribution in accordance with the Development Contributions Policy 2021. Projects that meet the Policy criteria are put forward for Committee approval with funding provided from the Land Subdivision Reserve.
7. As of 1 July 2023 the Land Subdivision Reserve had an opening balance of \$2,316,778, after inclusion of projects funded in the Annual Plan 2023/24. Funding of \$540,000 is sought from the Land Subdivision Reserve for three projects, leaving a balance of \$1,776,778.

Projects

8. The following projects have been identified as suitable for funding.

Awarua Park - Playground

\$200,000

9. Awarua Park in Spring Creek is home to the Moutere Rugby Football Club. It also has two tennis courts which support the Rapaura Tennis Club activities. There is a public toilet in the changing room pavilion which is regularly used by the travelling public to provide families with a safe location to stop and provide a break.
10. There is an existing playground on site which has two aged play pieces. Staff propose to supplement the current pieces with an additional three new pieces to meet the growth in use of the park both from the local Spring Creek children and also visitors. The playground is the only publicly available playground on council-owned land in the immediate vicinity.



Figure 1 – Awarua Park



Figures 2 and 3 - Current play equipment at Awarua Park

Athletic Park - Proposed new carpark

\$300,000

11. Council recently constructed a new sprint track at Athletic Park which has seen an increase in runners/athletes using the facility. The regular use by Marlborough Athletics, Cycling, Special Olympics, Physio Therapy recovery, Football and other users is also growing.

12. Staff are also reviewing use at Athletic Park, particularly around the higher use by football and whether changing facilities may be required in the future.
13. Two new high-density Kāinga Ora housing subdivisions are in the immediate vicinity and adjoin Athletic Park. The first subdivision has been completed along Brewer Street and a second area is under development in Stratford Street. Both developments have posed a parking challenge to users of the park with limited street parking available due to an increase in the number of medium density residential units.
14. It is proposed to construct a carpark inside the boundary of Athletic Park for users of the park. The plan is to locate the carpark at the gateway from Brewer Street with 56 car parking spaces proposed. Figure 4 shows the proposed parking layout
15. Staff are presently working with Davidson Partners on parking concepts and stormwater challenges for the area which will require resource consent. An estimate for the proposed works has been provided at \$300,000.

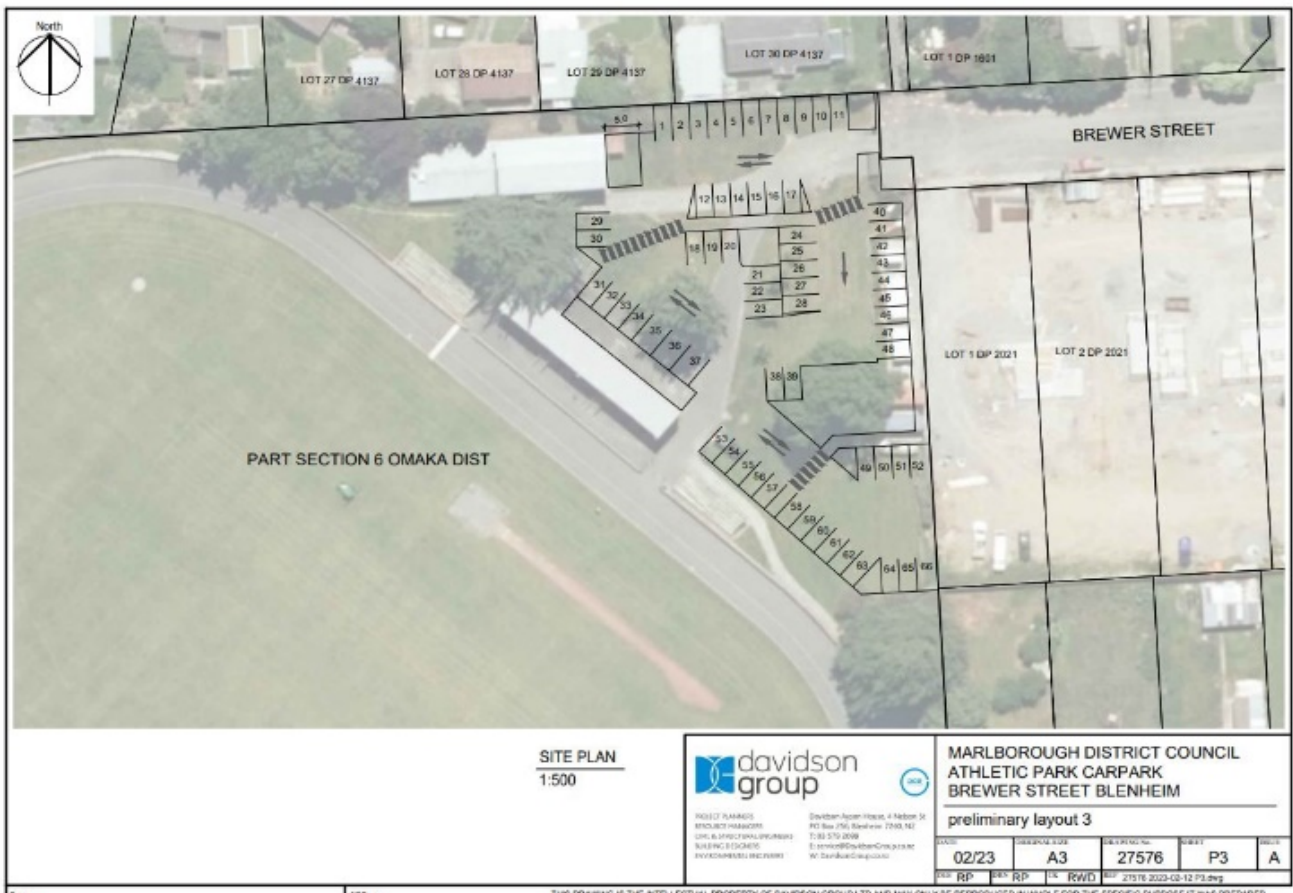


Figure 4 – Concept Plan for Athletic Park Carparking

Mark Smith Reserve - Shade sails / structures

\$40,000

16. Mark Smith Reserve has proven to be a popular playground for many children including those outside of Blenheim primarily due to its rural theme. The current playground has no shade provision and shade structures/shade sails will be a welcome asset for this popular playground. The requirement to provide shade is part of Council's key performance indicators (KPI's) across all playgrounds in Marlborough.



Figure 5 – Mark Smith Playground – Taylor Pass

Next steps

17. If the above funding requests are approved then staff will prepare necessary design, consents and tenders as required for these works to be carried out.

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

11. Use of Firearms for Recreational Hunting in the Essons Valley including the Waitohi Water Catchment area

(Clr S Arbuckle) (Report prepared by Kiri Whiteman)

R510-09-E04

Purpose of Report

1. To seek Council approval to use firearms for recreational hunting in the Essons Valley including the Waitohi water catchment area **Attachment 1**.

Executive Summary

2. The Department of Conservation has approached council to support the use of firearms for the purpose of recreational hunting in the Essons Valley including the Waitohi water catchment area. Previously the use of firearms for hunting has not been allowed.
3. There is a large feral goat population which will be the target in this hunting.
4. Controls for public safety will be put in place.

RECOMMENDATIONS

That Council support the decision to allow firearms to be used for recreational hunting purposes on council reserve and water catchment land, subject to the minimum controls outlined in this report.

Background/Context

5. Council and the Department of Conservation (DOC) have adjoining reserves within Essons Valley, Picton.
6. Recreational hunting, using dogs but not firearms has previously been allowed by both agencies in the area with DOC being the issuing agent for permits. DOC has approached Council for approval to issue permits which include the use of firearms for recreational hunting within the area to assist with the control of feral animals, particularly goats.
7. DOC allows permit firearm hunting on public conservation land throughout the country, as exemplified by **Attachment 2**.
8. Staff have had an internal discussions regarding this pest management proposal with Council's 3-waters and environmental protection divisions who are both in agreement with the approach.

Assessment/Analysis

9. DOC estimates the Essons Valley likely has a moderate feral goat population and lower numbers of feral pigs and deer. DOC considers recreational hunting with firearms as a useful control method for controlling numbers.
10. Parks and Open Spaces propose to engage an experienced contractor to undertake a targeted goat cull.
11. Permit applications will be subject to vetting by the Picton Police including the requirement to advise them when they are hunting. The registration number of the vehicle that will be used in support of the activity will also be recorded. Permits will only be issued to current firearm holders with a firearm that has a suppressor mechanism (silencer).
12. Permit holders will be required to hunt with a handheld GPS and be proficient with its use. A GPX (a text file with geographic information such as waypoints, tracks, and routes are saved in it) track file will be provided to each hunter that will define the area they will be allowed to hunt to ensure they are not hunting too close to any residential area, track/ public space or water catchment area. It is anticipated

that the exclusion zone would be 200 metres from a residential area, track/ public area or water catchment. Details of exclusions distances for the reservoirs are still being finalised with the Three Waters team.

13. A maximum of six hunting permits would be issued in any calendar year with a maximum of two persons per hunting party. A copy of the hunting permit is to be carried at all times and produced on demand.
14. No hunting will be allowed during the Christmas period or when events or significant works are occurring in the area. This would be communicated directly to the permit holders. No animal carcass or offal is to be left within 100 metres of any water source.
15. Further controls may be implemented at the agreeance of MDC and DOC at any stage.
16. A communications plan (with guidance from the Council's Comms team) will be developed to respond to any questions from the public.

Option One (Recommended Option) – approve the use of firearms for hunting

17. Approve the use of firearms for recreational hunting under permit with the appropriate controls.

Advantages

18. Control of feral animals in the area particularly goats which are a problem.
19. Assist with preservation of native flora.
20. Controls to negate the impact on recreational users of the area and ensure safety.

Disadvantages

21. Use of firearms may pose a perception of risk for public safety.
22. The possibility that non permitted hunters hunting using firearms illegally in public areas without Police, Council or DOC knowledge or consent.

Option Two – Status Quo

23. Non firearm hunting in the Essons Valley continues.

Advantages

24. Public perception of safety is maintained.

Disadvantages

25. Hunting without firearms is unlikely to yield any significant numbers to impact the feral animal population.

Next steps

26. Parks and Open Spaces, Three Waters and DOC will work together to finalise any additional controls and exclusions to be included in the permit.
27. A targeted goat cull will be undertaken by Councils experienced contractors.
28. Finalisation of permit system to be rolled out and administered by DOC

Attachments

- Attachment 1** – Map defining the total proposed hunting area, including DOC land but not outlining the exclusion areas Page 50
- Attachment 2** – Example of DOC hunting permit adjoining Council land. Page 51

Author	Kiri Whiteman, Parks and Open Spaces Officer
Authoriser	Jane Tito, Manager, Parks and Open Spaces

Summary of decision-making considerations

Fit with purpose of local government

The proposal enables democratic local decision-making and action by, and on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.

Fit with Council policies and strategies

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Nature of the decision to be made

The options do not involve a significant decision in relation to land or a body of water.

Financial considerations

There are no known financial implications.

Significance

The decision is considered of low significance under Council’s Significance and Engagement Policy.

Engagement

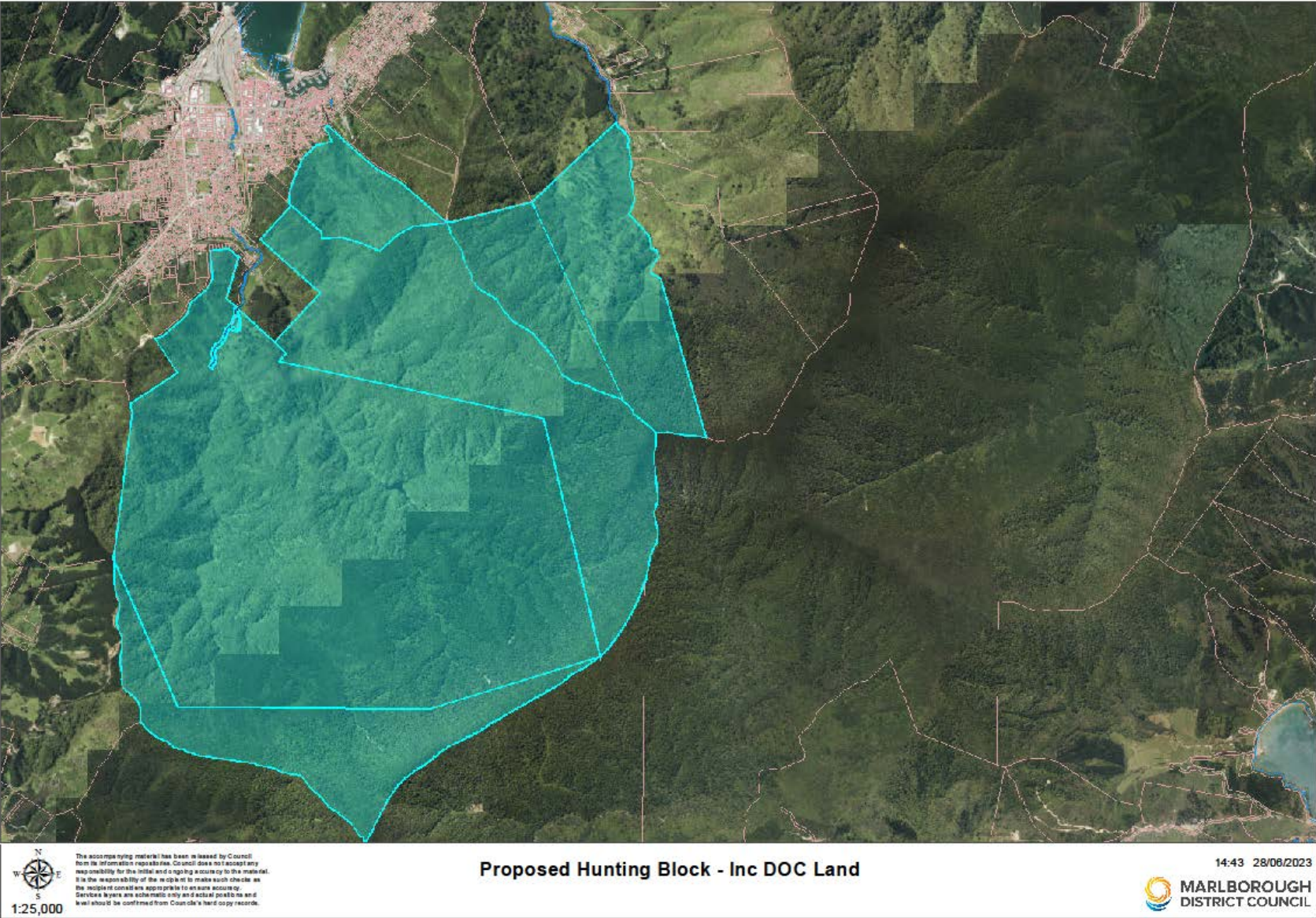
A communications plan will be developed.

Risks: Legal / Health & Safety etc

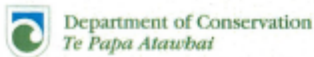
The recommended option carries the risk of possible physical harm. They risks will be managed through planning of when a hunter is in the area, the vetting by the Police and a well documented DOC process to manage the risk.

Climate Change Implications

There are no known climate change implications to this decision.



Attachment 2



5 May 2021

DOC-6651069

Address xxxxxxxx
Phone number xxxxxxxxxxxx
E Mail xxxxxxxxxxxxxx

Dear XXXXXXXX,

Use of Firearms – Wainuiomata Scenic Reserve and adjoining Hutt City Council Reserve Land

I have considered your request to use a firearm, on a voluntary basis, to hunt feral deer, goats and pigs in Wainuiomata Scenic Reserve and adjoining Hutt City Council Reserve land, as identified on the map (Appendix 1)

This letter constitutes the requisite authority to kill and take fauna under section 50 of the Reserves Act.

This authority expires on 30 May 2022.

General conditions

1. You must abide by the NZ Police Arms Code and the Arms Act 1983.
2. The following activities are strictly prohibited during the hours of darkness (½ hour after sunset to ½ hour before sunrise):
 - a. discharging a firearm;
 - b. use of spotlights, torches, vehicle headlights, or any other artificial light source; and
 - c. use of night vision equipment, infra-red and heat detecting devices.
3. Attaching a torch or other light source to a firearm is prohibited.
4. No firearm shall be discharged:
 - a. in a manner that endangers, frightens or annoys members of the public
 - b. in a manner that endangers any property.
5. This letter does not confer a right of access over any private land. Permission to cross any private land must be obtained from the owner or occupier.
6. This letter does not confer the right to take vehicles or dogs onto public conservation lands.
7. Carcasses and offal must not be left at, or in the vicinity of, tracks, huts, campsites, or in waterways.
8. This letter is not transferable and must be produced on demand to any warranted officer or enforcement officer and may at any time be cancelled by public notice, e-mail or letter.
9. Breach of any conditions of this letter renders this letter null and void and may result in prosecution.

Conditions specifically for hunting in Wainuiomata Scenic Reserve and the adjoining Hutt City Council Reserve land

1. The following individuals will be contacted and informed of the hunting operation between 24 to 48 hours prior to the activity being undertaken - Police Communication –Tel 09 571 2800 (who will provide an event number).

Department of Conservation
Kapiti Wellington Office
13B Wall Place Porirua 5022
PO Box 5086, Wellington 6140

2. Discharging of a firearm or the shooting of any animal will not occur within 200 metres of any adjoining neighbours' property. The only exception to this is the Innes property if they provide consent. To assist with this requirement a handheld GPS with a shape file of the huntable area must be carried at all times.
3. Only centre fire rifles, fitted with a good quality scope, will be used – calibre no less than .222 and no greater than .308.
4. A firearm suppressor that is in good working order must be used when discharging a centre fire rifle.

Just a quick reminder about firearm safety (safety first!):

1. TREAT EVERY FIREARM AS LOADED
2. ALWAYS POINT FIREARMS IN A SAFE DIRECTION
3. LOAD A FIREARM ONLY WHEN READY TO FIRE
4. IDENTIFY YOUR TARGET
5. NEVER SHOOT WHEN IN DOUBT, AND NEVER AT COLOUR, SHAPE OR MOVEMENT ONLY, OR WHEN YOUR COMPANIONS ARE AHEAD OF YOU
6. CHECK YOUR FIRING ZONE
7. STORE AND TRANSPORT FIREARMS AND AMMUNITION SAFELY
8. AVOID ALCOHOL OR DRUGS WHEN HANDLING FIREARMS

This Department of Conservation can revoke this consent at any time.

Yours Sincerely



Angus Hulme-Moir
(Acting Operations Manager – Kapiti Wellington District)

Department of Conservation
Kapiti Wellington Office
13B Wall Place Porirua 5022
PO Box 5086, Wellington 6140

Map – Wainuiomata Scenic Reserve and adjoining Hutt City Council reserve land



Department of Conservation
Kapiti Wellington Office
13B Wall Place Porirua 5022
PO Box 5086, Wellington 6140

12. Sponsorship Signage on Wither Hills

(Clr S Arbuckle) (Report prepared by Kiri Whiteman)

R510-009-W03

Purpose of Report

1. To seek a Council decision for the Marlborough Mountain Bike Club to use private sponsorship on signage in the Wither Hills Farm Park, subject to conditions, for the proposed Mountain Bike Skills Park.

Executive Summary

2. Marlborough Mountain Bike Club (Club) has secured a sponsorship package for funding to build the proposed skills park at the Wither Hills Farm Park.
3. The sponsorship package includes naming rights, logos, branding, story boards and directional signage.
4. The Club will need to lodge a resource consent application for the development of the skills park given this is not a permitted activity in the zone where the skills park is to be developed.
5. Council approval is also required for the sponsorship signage, which is not a permitted activity in the Wither Hills Management Plan or the Marlborough Environment Plan.

RECOMMENDATION

That Council approve the use of sponsorship logos and naming rights on signage at the Wither Hills Farm Park Mountain Bike Skills Park, subject to:

- (i) **Approval of design, size and placement by Council Officers; and**
- (ii) **All costs to be met by the Marlborough Mountain Bike Club.**

Background/Context

6. At the Council Workshop on the Wither Hills Farm Park (November 2022) to review the request from the Club to build a skills park in the walking zone of the Wither Hills Farm Park, the Club advised they would provide financial data to support the project and also an outline of the plans for the project.
7. To assist with the construction costs of the proposed mountain bike skills park on the Wither Hills, the Club has put together a sponsorship package which includes naming rights for the park, and the individual skills areas within it. A copy of the sponsorship package proposal is at **Attachment 1**.
8. Recognition of this sponsorship would include company logos on signage including a main directional board and smaller signs within each area.
9. The Wither Hills Management Plan and Marlborough Environment Plan do not permit sponsorship signage or display of corporate logos within the Farm Park therefore a decision by Council is required on this proposal.

Assessment/Analysis

10. The Club have sought sponsorship for the development of the mountain bike skills park. Marlborough Lines sponsorship has been secured as the naming rights sponsor of the skills park, with the proposed area to be called "The Marlborough Lines Skills Park".
11. With the agreement limited to a one-year sponsorship deal, staff would need to review the signage after one year should any changes need to be made. At this point, the agreement is still to be signed between the Club and Marlborough Lines and with other sponsors. Sponsors are not expected to contribute to any of the signage costs and this responsibility will sit with the Club.

12. Should the signage be approved, Council staff will review and sign off any signage that the Club proposes, recognising that brand consistency is necessary. Sponsor logos are used on other Council open spaces but only on sports parks or parks where a sporting activity occurs.
13. A resource consent for the skills park is still to be lodged by the Club with consideration of signage criteria included as part of that process.

Option One - Recommended Option

14. Council approves the proposal with all costs associated to be met by the club, Council is advised as each sponsorship area is secured and final design, size and placement are to be approved by the appropriate Council staff (Designers and Parks and Open Spaces Officer).

Advantages

15. The sponsorship will cover the costs of construction of the skills park.
16. Council will retain brand control of signage on Council land.

Disadvantages

17. One-year agreements provide some uncertainty of the next steps.
18. The potential for setting precedence for other activities on the farm park.
19. Private signage in public areas may not meet the expectations of the community.

Option Two – Status Quo

20. Council doesn't approve sponsorship logos on the Wither Hills Farm Park.

Advantages

21. Consistent approach with other parks not used specifically for sports.
22. No precedence set.

Disadvantages

23. The Mountain Bike Club may take longer to construct the skills park due to potential financial constraints.

Next steps

24. The Marlborough Mountain Bike Club will seek to formalise the funding agreement with Marlborough Lines and continue to seek further sponsors for funding.
25. If the resource consent is granted, the club will liaise with Council officers regularly regarding the signage design, placement and size of the signs before installation.

Attachment

Attachment 1 – Wither Hills Mountain Bike Skills Park Sponsorship Package.

Page 57

Author	Kiri Whiteman, Parks and Open Spaces Officer
Authoriser	Jane Tito, Parks and Open Spaces Manager

Summary of decision-making considerations			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	X
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	X	<input type="checkbox"/>	<input type="checkbox"/>
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
There are no known financial implications for Council.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
There are no known climate change implications to this decision.			



FUNDING OF PROPOSED SKILLS PARK

The Marlborough Mountain Bike Club has undertaken the responsibility of funding the development of proposed Skills Park in the Wither Hills Farm Park. The Club is happy to complete the necessary fundraising as we believe the Skills Park will become a genuine and popular asset for our members, and wider Marlborough residents who enjoy biking. Further, we believe the Skills Park will be popular with the bike tourists passing through or riding the Whale Trail.

Full costings have not yet been completed until the final Resource Consent for the features have been approved by Council. The Club is currently working to a very high level estimate of \$60,000 for the construction of the park. We believe that this estimate is conservative as a fixed quote has been received for the main track development from Living Trials for \$9,420 + GST.

The Club has started the process of fundraising for the development and recently had the exciting news that Marlborough Lines has offered a \$10,000 sponsorship for the naming rights of the Skills Park. Kiri Whiteman, has a copy of the proposed sponsorship agreement and we are seeking Council approval to accept this sponsorship proposal.

The Club's Funding plan is outlined in Appendix A attached to this paper. This Funding Model may be varied as required if the funding from any particular area is not forthcoming. The Club has not yet finalised which Businesses or Gaming Trusts will be approached for sponsorship. We are therefore seeking a blanket approval for this funding model from Council so that we do not need to seek approvals for individual sponsorships from Council.

Should further information be required, please contact us.

Yours sincerely
Marlborough Mountain Bike Club

A handwritten signature in black ink, appearing to read "NS/C", is written over a horizontal line.

Neil Sinclair
Treasurer



APPENDIX A – PROPOSED FUNDING MODEL

Sponsorship type	Offer	Value
Naming Rights	Overall naming rights offered to Marlborough Lines. Skills Park will be known as the Marlborough Lines Skills Park. Marlborough Lines logo will be displayed on the trial map for the skills park. The location of the Trial Map to be agreed with Council. Small signage in the skills park area is also planned.	\$10,000
Zone Naming Rights	The Skills Park will have five skills zones. The Club will seek Zone Naming right sponsorships from local Marlborough businesses, or cycling industry related suppliers. Each zone will be known as the "Cycle World Jump Zone" for example. Zone sponsors will be acknowledged on the Trial Map board, and with small signage in the skills area	5 x \$5,000 \$25,000
Community Grants	The Club will apply to various Trusts like Rata Foundation, Redwood Trust, Lion Foundation etc for grants to cover development costs. Providers will be acknowledged on the bottom of the Trial Map board.	3 x \$5,000 \$15,000
MMBC Contribution	MMBC is willing to commit up to \$10,000 to the project. This commitment will take the form of either cash or volunteer contribution. Volunteer contribution may also include the free hire of the Club's excavator for the construction of the Trials. MMBC's logo will be displayed on the Trial Map board.	\$10,000
MDC Contribution	MDC's contribution is limited to land use permissions. The Club would however request that Council waive any Resource Consent costs as part of this project. MDC's logo will be displayed on the Trial Map board.	\$0
TOTALS		\$60,000

13. Self-contained Motor Vehicles Legislation Act

(Clr Croad) (Report prepared by Linda Craighead)

R510-005-05

Purpose of Report

1. To advise Councillors of recent changes to legislation regarding freedom camping and the need to review the Marlborough District Council Responsible Camping Control Bylaw 2022 to ensure consistency with the legislation.

RECOMMENDATION

That the report be received.

Background/Context

2. In response to concerns about the negative impacts that freedom camping has had around the country in recent years the Government responded in several ways. This has included the provision of financial support to communities through the Responsible Camping Fund and a review of the voluntary New Zealand Standard used for determining self-containment of motor caravans and caravans.
3. In undertaking the review the Ministry of Business, Innovation & Employment (MBIE) has highlighted a lack of public trust in how the voluntary Standard is currently implemented. Many freedom camping bylaws and notices require campers to stay in a vehicle certified to the Standard, as this has been the best way for enforcement authorities to ensure that vehicles meet the minimum sanitary requirements to date. This includes this Council's Responsible Camping Control Bylaw 2022 Bylaw (2022 Bylaw), which includes the voluntary Standard.
4. Currently there is no register of certified vehicles, so it is difficult for enforcement authorities to verify whether a vehicle is certified or not.
5. In 2021 the Government initiated a public consultation process on proposed changes to support sustainable freedom camping in New Zealand. A discussion document set out concerns about the impact that freedom campers have who stay in vehicles that are not self-contained and who do not camp responsibly. Staff took part in the consultation process, which included road shows led by MBIE, as well as the lodging of submissions.
6. The Self-Contained Motor Vehicles Legislation Bill (the Bill) was then introduced to Parliament on 25 August 2022. The Bill set out changes to the Freedom Camping Act 2011 and the Plumbers, Gasfitters and Drainlayers Act 2006 that would:
 - require vehicle-based freedom campers to use a certified self-contained vehicle when they stay on council land, unless a council designates the site as suitable for non-self-contained vehicles;
 - establish a regulated system for the certification and registration of self-contained vehicles;
 - require vehicles to have a fixed toilet to be certified as self-contained;
 - strengthen the infringement system for freedom camping;
 - extend the Freedom Camping Act 2011 to include land managed by Waka Kotahi New Zealand Transport Agency and Toitū Te Whenua Land Information New Zealand.

Self-Contained Motor Vehicles Legislation Act 2023

7. The Self-Contained Motor Vehicles Legislation Act 2023 received royal assent on 6 June 2023 and is now law. The following major changes are highlighted:

Default position for non-self-contained vehicles

8. The Act introduces a new default position nation-wide that freedom camping on local authority land in a non-self-contained vehicle is prohibited – noting that the default position can be altered through provisions in a bylaw.

Bylaws

9. There are a number of provisions in the Act that impact freedom camping bylaws. The Act states that if there is an inconsistency between the Act and an existing bylaw, then the requirements in the Act prevail over the inconsistency in the bylaw. The Act also requires local authorities to amend or revoke bylaws to remove any inconsistencies.
10. Staff are in the process of reviewing the 2022 Bylaw against the detail of the provisions of the new legislation alongside guidance that MBIE has prepared for local authorities on the changes to legislation. A further report will be brought to Council once the review is completed along with recommendations for change. It appears as though the 2022 Bylaw can be changed to remove inconsistencies by a Council resolution publicly notified without being required to consider the matters specified in section 11(2) of the Freedom Camping Act or using special consultative procedures.

Meaning of self-contained

11. The Act sets out that in order to be self-contained a vehicle must have a fixed toilet. The remaining technical requirements for self-containment will be set out in Regulations, which will be in force no later than 7 December 2023. These new requirements will be phased in over the 2-year transition period with existing self-containment certificates issued prior to enactment continuing to be evidence of self-containment until the end of the transition period or when the certificate expires (whichever happens sooner).
12. Ultimately a new national register of self-contained vehicles, hosted by the Plumbers, Gasfitters and Drainlayers Board, will enable local authorities to verify whether a vehicle is certified as self-contained under the new requirements.

Homelessness

13. The Act introduces two changes related to homelessness in the context of freedom camping. The first is a new definition identifying that a person is not freedom camping if they are not in New Zealand on a visitor visa and are unable to live in appropriate residential accommodation. If a person satisfies both criteria then they cannot be liable for any offences for freedom camping.
14. The second change requires a review on the impact of the reforms on those experiencing homelessness to be started two years after commencement of the Act and to be completed within a further six months (30 months after enactment). The intent of this review is to ensure that there are no negative consequences for those experiencing homelessness arising from the legislation. The review is to be undertaken by the Minister of Tourism supported by other agencies.

Offences

15. There are a number of changes to the offences and penalties regime implemented by the Act. Some of the infringement offences have been carried over from the FCA and some are new offences introduced by the Act. There are also infringement offences that apply such as displaying an altered or fraudulent warrant card or presenting an altered or fraudulent certificate of self-containment to an enforcement officer.
16. In terms of the infringement fees and fines the default fee for all offences is now \$400, an increase from \$200. The Act empowers the making of Regulations that set out infringement fee and fine levels for each infringement offence. The Government will take a tiered approach to these fines, with the penalty for each offence being proportionate to the harm caused.
17. The new infringement fee and fine Regulations are intended to be in place before the start of the FIFA Women's World Cup 2023 in July.

Transition period for implementation

18. Attachment 1 to this report contains a flow chart that sets out the various stages of the transition period for implementing the changes to the self-containment requirements. The transition period will enable the existing self-containment certification requirements, known as a blue warrant, to be phased out and eventually replaced with the new requirements, known as a green warrant.
19. MBIE is encouraging local authorities to take an education first approach to enforcement where appropriate during the transition period as the new self-containment rules are phased in. MBIE has also prepared a flyer that summarises the changes for freedom campers and this will be a useful tool for our responsible camping contractor and Park Rangers when undertaking patrols.

Next steps

20. A detailed review will be undertaken of the new legislation and implications for the Council's Responsible Camping Control Bylaw 2022 as well as potential implications for the overall responsible camping activity. A further report will be provided to Council once completed.

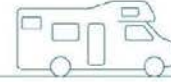
Attachment

Attachment 1 - Freedom Camping Transition Period

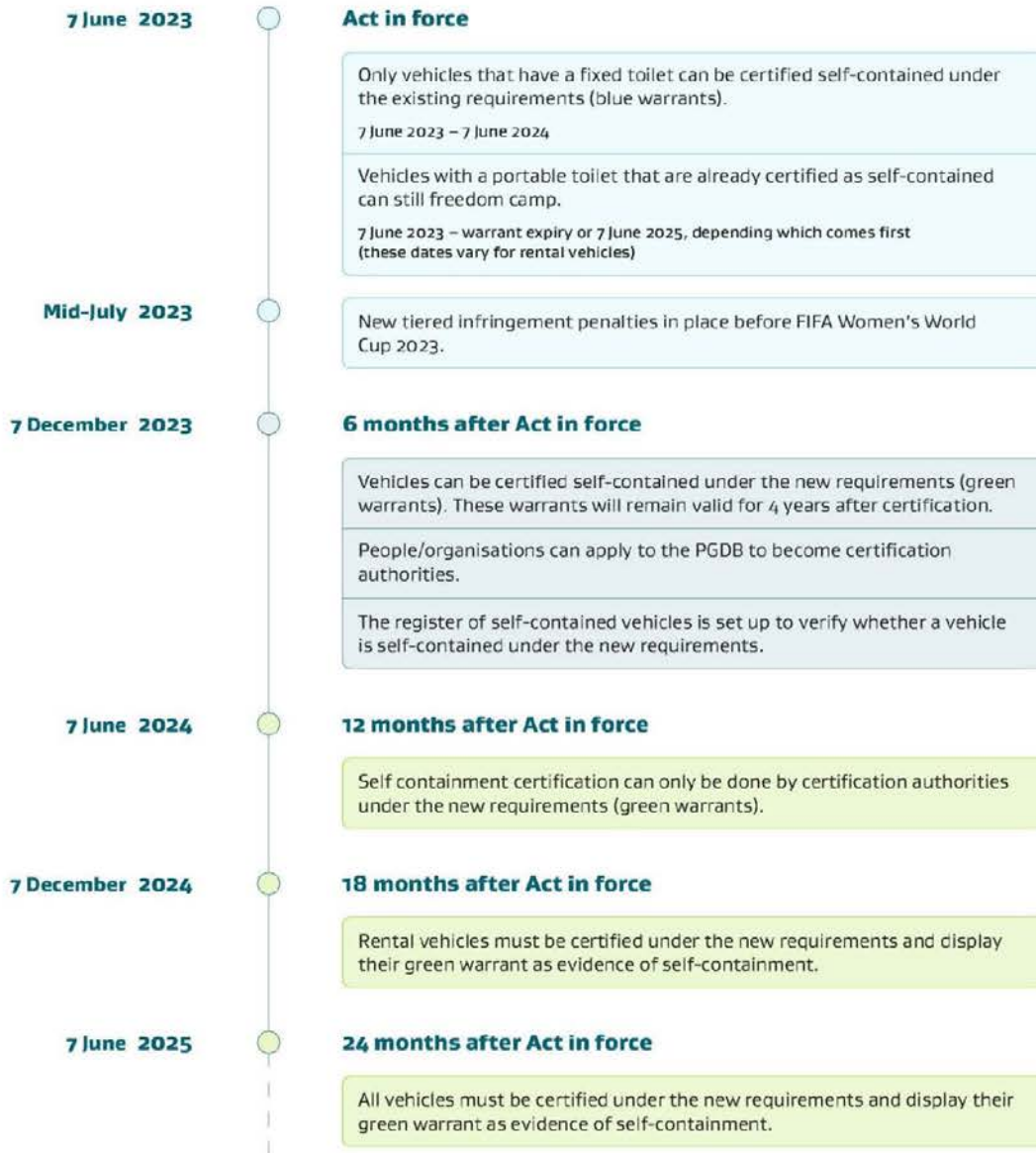
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Author	Linda Craighead, Planner – Parks and Open Spaces
Authoriser	Jane Tito, Manager Parks and Open Spaces

Freedom Camping Transition Period



Warrants that can be issued as evidence of self-containment: ● blue ● blue and green ● green



14. Information Package

RECOMMENDATION

That the Assets & Services Information Package dated 11 July 2023 be received and noted.

15. Decision to Conduct Business with the Public Excluded

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

- Property Purchase
- Property Issue
- Property Issue

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Property Purchase Property Issue Property Issue	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) as provided for under Section 7(2)(i).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.