

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

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



**MARLBOROUGH
DISTRICT COUNCIL**



Only Marlborough

6 June 2023

Record No: 23115697
File Ref: D050-001-02
Ask For: Mike Porter

Notice of Council Meeting – Monday, 12 June 2023

Notice of the Council Meeting to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim on Monday, 12 June 2023 to commence at 9.00 am.

BUSINESS

As per Order Paper attached.

**MARK WHEELER
CHIEF EXECUTIVE**



**Order Paper for the
COUNCIL MEETING**
to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim
on MONDAY, 12 JUNE 2023 commencing at 9.00 am

Open Meeting

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Marlborough District Council

**Order Paper for the
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1. Karakia

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

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

2. Apologies

3. Declaration of Interests

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

4. Total Mobility Scheme Funding Increase

(Clr Rosene)

R800-003-004-01

Purpose of report

1. The purpose of this report is to seek approval for additional funding for the operation of the Total Mobility Scheme.

Executive Summary

2. Public transport usage and total mobility travel were both impacted by the COVID-19 pandemic. Under the highest COVID-19 alert levels, only essential travel was permitted.
3. Following the lifting of those restrictions, the Government introduced (and funded) a half price fare scheme for the public transport sector, which included total mobility, to encourage a return to public transport use.
4. The Government has recently announced that the temporary half price fares for total mobility users have been made permanent. The Crown will continue to fund 50% of the *user's share* of the fare.
5. The extra discount has caused an upsurge in total mobility usage. Additional funding is required to meet Council's share of increased travel costs.

RECOMMENDATION

That Council approve additional net annual funding of \$28,000 for operation of the Total Mobility Scheme, from general rates, and that application be made to Waka Kotahi NZ Transport Agency for an increase in the standard total mobility fare allocation (funded at 60 percent) of \$70,000.

Background

6. The Total Mobility Scheme provides subsidised taxi services for people of all ages who are unable to use buses, trains or ferries because of a physical, psychological, sensory or neurological disability. It aims to complement public transport services to ensure people can meet their daily needs in a safe and dignified manner, and to enhance community participation.
7. There are eligibility criteria and an assessment process.
8. Historically a 50 percent discount has applied to transport fares up to a regional maximum subsidy. The maximum subsidy varies between regions and is set by the relevant public transport authority (Council). This Council has set a maximum regional fare of \$30 for Marlborough.
9. The Scheme operates using individual "Ridewise" smartcards, the String TM app or, in the case of a small number of councils, a paper-based voucher system. Council is a participant in the Ridewise system.

Overview

10. Public transport usage and total mobility travel were both impacted by the COVID-19 pandemic.
11. During the pandemic period, regional authorities worked with Ministry of Transport, the Waka Kotahi COVID-19 Response team and transport operators to implement a range of public transport response measures to support public health, essential access and to ensure public transport continuity.
12. The response phase was characterised by major changes to the way in which public transport was delivered to ensure workforce and public safety, including compulsory mask wearing, physical

distancing on board public transport vehicles, rear door boarding, fare free travel and reduced service levels to protect at-risk members of the workforce.

13. These changes saw public transport operating at considerably reduced service levels and with a need for additional funding support to replace foregone fare revenue and to allow for increased operational costs associated with COVID-19. Additional funding from the National Land Transport Fund was provided by Waka Kotahi.
14. When the nation first went into Alert Level 4 in March 2020 total mobility services were made free as a matter of equity to align with the fare free policy that existed for public transport services at that time.
15. Normal price fares for both public transport and total mobility were reinstated in July 2021.
16. In March 2022, to encourage a return to public transport use, the Government announced that it would fund a reduction of public transport fares by 50%, for the 3-month period effective from 1 April 2022 to 30 June 2022. This half price fare scheme has subsequently been extended several times and most recently through to 30 June 2023.
17. In February 2023 the Ministry confirmed that Government had made half price fares for Total Mobility users permanent.

Fare Composition

18. The composition of a typical former Total Mobility fare is illustrated in the chart below:

User	NZTA	MDC
50%	30%	20%

19. The user paid half the total fare to the driver. Council reimbursed the transport operator for the other half of the fare and then claimed 60% of that amount (30% of the total fare) from Waka Kotahi.
20. With the introduction of the Public Transport half price fare scheme the fare composition is now as follows:

User	NZTA		MDC
25%	25%	30%	20%

21. The user now pays only 25% of the total fare to the driver. Council reimburses the transport operator for the other 75% of the total fare and then claims 55% of the total fare from Waka Kotahi.
22. While the Council's funding share has not changed in percentage terms, there has been a significant upsurge in the overall use of Total Mobility. This was not unexpected given that users are now only required to fund 25% of the total trip value compared to the former 50% portion.
23. There has been a 43% increase in the average number of trips taken per month, between the 2021-22 year and the current 2022-23 year, as indicated below:

	Total Trips	Average Trips Per Month
2021-22	22,509	1,876
2022-23 (April YTD)	26,791	2,679
		803 (43%)

Financials

24. The expenditure budget for 2022-23 is \$130,000. Actuals however are forecast to reach \$292,000. Much of this additional expense is covered by additional subsidy leaving an estimated shortfall to be funded by Council of \$25,867 as shown in the following table:

	Year - to - Date			Whole Year		
	Actual	Budget	Variance	Budget	Forecast	Variance
Subsidy	\$178,640	\$65,000	\$113,640	\$78,000	\$214,133	\$136,133
Travel cost	\$243,616	\$108,333	-\$135,283	\$130,000	-\$292,000	-\$162,000
Variance	-\$64,976	-\$43,333	-\$21,643	-\$52,000	-\$77,867	-\$25,867

25. Taxi fares have also increased, largely due to higher fuel prices. The combination of increased fares and an upsurge in the number of trips being taken are certainly challenging existing budgets.
26. Based on 2022-23 levels of expenditure and including a small allowance for growth, the 2023-2033 budgets need to be amended as follows:

2023-24 Budget	Expenditure	Subsidy	Net Cost
Existing	\$130,000	\$78,000	\$52,000
Revised	\$300,000	\$220,000	\$80,000
Variance	\$170,000	\$142,000	\$28,000

27. The net impact to Council is \$28,000 annually from general rates.
28. The consequences of not amending budgets could mean having to impose restrictions on eligible participants travel, which is contrary to the original intent of the scheme.

Author	David Craig, Management Accountant - Operations, Marlborough District Council
Authoriser	Richard Coningham, Assets and Services Manager, Marlborough District Council

5. Consultation Summary

(includes Appendix 4.1 and Appendix 4.2)

(Report prepared by M Fletcher)

F230-A23-09-03

Purpose of report

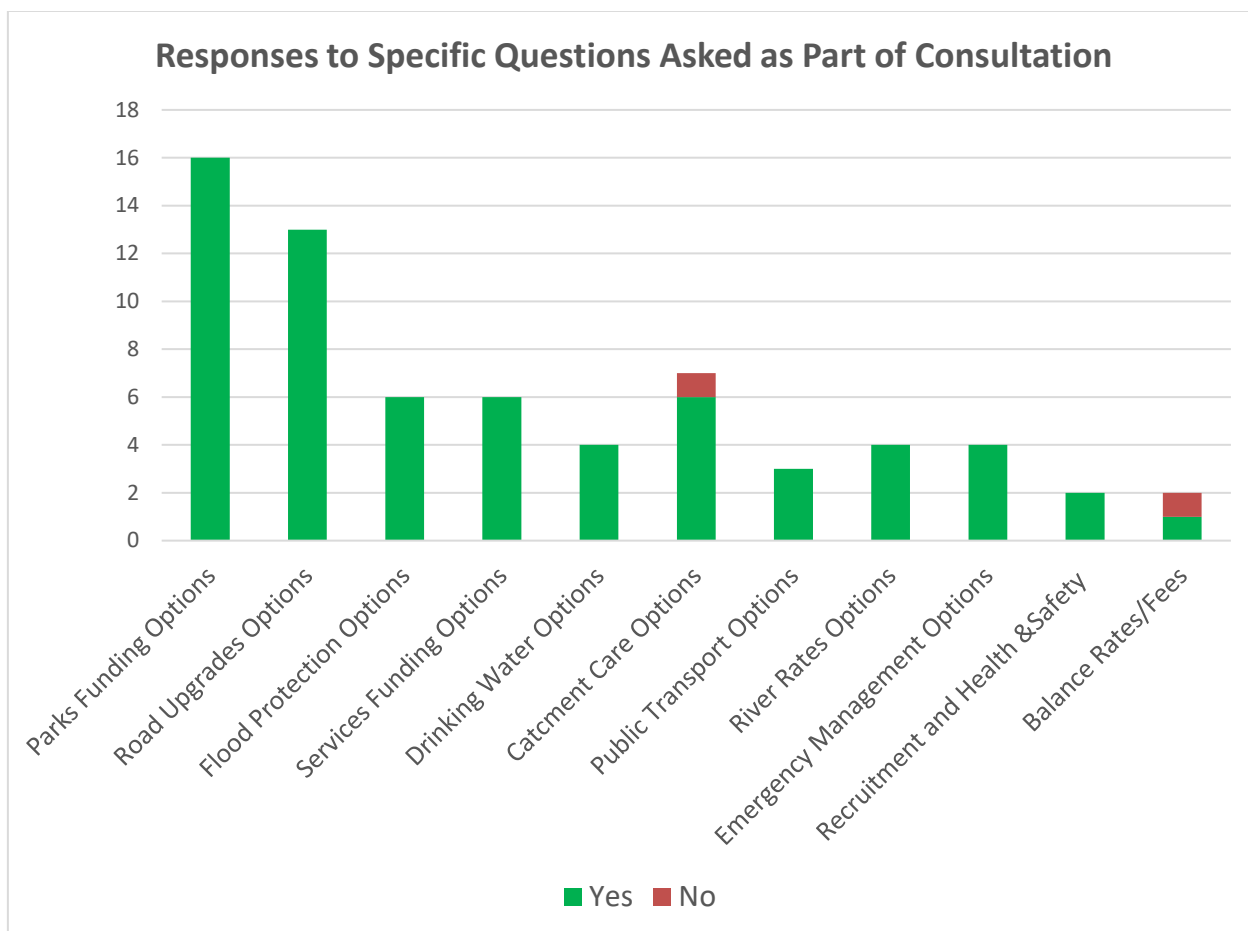
- To provide Councillors with a summary of the consultation process.

RECOMMENDATION

That Council agrees to confirm the decisions it made as part of the 2 March 2023 Budget Meeting regarding increased levels of service.

Comments

- This year's consultation process yielded 77 submissions. This number is slightly up on last year's 75. This response rate most likely reflects that the direction taken by Council over recent years and that ratepayers are generally happy with the suggested levels of service increases. This is reinforced by the responses to the questions posed in the Consultation Document whereby far the biggest number of responses were "NA", followed by "yes". In Total, there were only two "No" responses, one each for both "Catchment Care Options" and "Balancing Rates by increasing Fees".



- Also as has been the case in the past, submissions have been made on a very wide range of topics. While many of the issues raised do not have budgetary impacts, the submission process is a very important way for the community to engage with Council.

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

6. Deliberation on Submissions on the 2023-234 Annual Plan Consultation Document

(Please refer to and bring all submissions already circulated)

(The Mayor)

F230-A23-09-03

Purpose of report

1. To enable Members to deliberate on the submissions made on the 2023-24 Annual Plan Consultation Document.

Executive Summary

2. The submissions were made available to Council for the hearings to be conducted on 6 and 7 June 2023.
3. Members should note that this meeting is the final opportunity to alter budgets for the 2023-24 Annual Plan, due to the legislative requirements for striking rates and the publication of the Final 2023-24 Annual Plan document.

RECOMMENDATION

That the 2023-24 Annual Plan be amended as appropriate to incorporate the decisions made by Council on submissions, and that the revised budgets and resultant rates and charges be adopted for inclusion in the 2023-24 Annual Plan.
