

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](mailto:mdc@marlborough.govt.nz)  
WEB [www.marlborough.govt.nz](http://www.marlborough.govt.nz)



**MARLBOROUGH  
DISTRICT COUNCIL**



Only Marlborough

1 February 2023

Record No: 2323224  
File Ref: D050-001-C01  
Ask For: Nicole Chauval

## **Notice of Committee Meeting – Tuesday, 7 February 2023**

A meeting of the Economic, Finance & Community Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Tuesday, 7 February 2023 commencing at 9.00 am.**

### **BUSINESS**

As per Agenda attached.

**MARK WHEELER  
CHIEF EXECUTIVE**





**Meeting of the  
ECONOMIC, FINANCE & COMMUNITY COMMITTEE  
to be held in the Council Chambers, 15 Seymour Street, Blenheim  
on TUESDAY, 7 FEBRUARY 2023, commencing at 9.00 am**

<b>Committee</b>	Clr J A Arbuckle (Chairperson) Clr B G Dawson (Deputy) Clr S R W Adams Clr S J Arbuckle Clr A R Burgess Clr J D N Croad Clr D A Dalliessi Clr R J Innes Clr B A Fauls Clr M R K Flight Clr G A Hope Clr B J Minehan Clr J C Rosene Clr T P Sowman Mayor Nadine Taylor lwi representative (to be advised)
<b>Department Heads</b>	Mr M F Fletcher (Chief Financial Officer) and Mr D G Heiford (Manager Economic, Community & Support Services)
<b>Staff</b>	N Chauval (Committee Secretary)

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## **1. Apologies**

No apologies received.

## **2. Declaration of Interests**

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

### 3. Report from the Electoral Officer on the 2022 Triennial Election

(Report prepared by D Heiford, Electoral Officer)

D050-004-022-06

#### Purpose of Report

1. The purpose of this report is to inform the Council of the processes and outcomes of the 2022 Triennial Election.

#### Background

2. The 2022 triennial elections have been conducted in accordance with the relevant legislation: the Local Government Act 2002, the Local Electoral Act 2001, The Local Electoral Amendment Acts 2002, 2004, 2006, 2013(x2) and 2015, the Local Electoral Regulations 2001 and the Local Electoral Amendment Regulations 2001, 2002, 2003 and 2010.
3. Council made a number of decisions in relation to this legislation prior to the elections being conducted. These decisions had a direct effect on how the elections would be conducted.
4. Council adopted Single Transferable Voting (STV) as the preferred method of conducting the 2022 elections.
5. The following were the Wards and number of representatives per ward for the 2022 elections:  
Mayor – 1 position (elected at large)  
Blenheim Ward – 7 positions  
Wairau - Awatere Ward – 3 positions  
Marlborough Sounds Ward – 3 positions  
Marlborough Māori Ward – 1 position (elected at large)  
All elections were contested.
6. The candidates were listed in random order on the voting documents as confirmed by Council. Processing of the voting documents was contracted to Electionz.com.

#### Election Results

7. Election of members to the Marlborough District Council was conducted between 19 September 2022 and 08 October 2022 with the final result declared on 14 October 2022.
8. The 44.13% turnout was lower than 2019 (48.83%), 2016 (53.72%) and 2013 (54.48%).
9. A number of local authorities continued to have lower turnouts than previous years.

#### Electoral Roll

10. The Electoral Roll is compiled with the assistance of the Electoral Commission. A national campaign was undertaken to encourage people to register on the parliamentary electoral roll, from which the local roll is derived. The Ratepayer Electoral Roll is compiled by Council.
  - (a) Residential Electoral Roll - the Residential Electoral Roll received from the Electoral Commission consisted of 35,361 residential electors (ie; people who are registered as parliamentary electors and reside in the Marlborough District).
  - (b) Ratepayer Electoral Roll - the Ratepayer Electoral Roll consists of people (who reside outside the Marlborough District) who have enrolled or been nominated as an elector in respect of a property within the Marlborough District. There were 81 electors on the roll.

## Voting Documents

11. The number of voting papers issued and returned for the various issues were:

Election	Voting Documents Issued (excluding Specials)	Voting Documents Returned (including Qualified Special Votes)	% Returned	
			2022	2019
Mayor	35,442	15,641	44.13	48.83
Blenheim	18,956	8,533	45.01	49.13
Marlborough Sounds	6,432	2,975	46.25	49.21
Wairau - Awatere	8,283	3,745	45.21	47.48
Marlborough Māori	1,771	388	21.91	N/A

	2022	2019
Total informal votes received for ALL issues	114	121
Total Special Voting papers issued	287	204

## Voting Documents

12. A combined voting document was used for the election which included the Mayoralty and the Ward. The printing of the voting papers was carried out by NZ Post, who were sub-contracted by Electionz.com.
13. The envelopes were ready for posting on Friday, 19 September 2022 and the majority were delivered by Wednesday 25 September 2022.

## Electors

14. The number of electors in the various areas of the district was: (excludes special votes)

	Resident Electors	Ratepayer Electors	Total Electors
Blenheim	18,949	7	18,956
Marlborough Sounds	6365	67	6,432
Wairau - Awatere	8,276	7	8,283
Marlborough Māori	1,771	0	1,771
<b>Marlborough District</b>	<b>35,442</b>	<b>81</b>	<b>35,523</b>

## Voting Documents Returns

15. The return of the envelopes (does not include special votes) was:

	<b>2022</b>	<b>2019</b>
Day 1	0	0
Day 2	365	967
Day 3	829	942
Day 4	877	901
Day 5	1,066	857
Day 6	0	0
Day 7	0	0
Day 8	0	887
Day 9	754	1,407
Day 10	2,461	1,023
Day 11	742	773
Day 12	1,293	838
Day 13	0	0
Day 14	0	0
Day 15	801	869
Day 16	2,001	1,912
Day 17	1,689	1,923
Day 18	746	919
Day 19	501	7540
Day 20	1,289	1,486
	<b>15,414</b>	<b>16,614</b>

16. Of the 15,414 returned envelopes, 3,558 (23.08%) were placed directly into the “drop box” in the foyer of the Council office. This compared to 3,812 (22.94%) in 2019.
17. There were 580 envelopes received “gone no address” (GNA). This compares to 388 in 2019.

## Scrutiny

18. Scrutiny of the Roll is a process where “returned envelopes with voting papers therein” are marked off the Electoral Roll used to issue voting papers. This process was carried out electronically by reading the elector bar code through the window of the returned envelope at the processing centre on Christchurch operated by Electionz.com. This process was undertaken under the supervision of a Justice of the Peace.
19. No scrutineers were appointed by any candidates.

## Progressive Processing

20. Progressive Processing is that process where “electors’ preferences are input to the “electoral database”. This is done electronically (in the presence of a Justice of the Peace) by entering the electors’ preferences (ie the “numbers”) from each voting document. This operation stored the preferences in a database which was unable to be accessed or totalled until after midday on Saturday 08 October.
21. Progressive Processing commenced on Friday 19 September and continued each day until Saturday 08 October 2022.

## Publication of Progress / Preliminary Results

22. The progress result was published at 2.45 pm on Saturday 08 October 2022.
23. The preliminary result was published at 6.00 pm on Sunday 09 October 2022.



## **Final Results**

24. After the Special Votes were counted the final vote counts were determined. There were major changes to the provisional results which changed the overall result.
25. The Final Results were placed on Council's website on Friday 14 October 2022 as allowed under the legislation. This served as the official notification of the result.

## **Processing Issues**

26. The processing of the documents was very smooth for this election.
27. There were no recounts or judicial reviews requested.

## **Representation Review**

28. Council completed a representation review prior to the 2022 elections.
29. The next representation review is required prior to the 2028 elections.

## **Policy Reviews**

30. There were very few issues that arose over various policies and processes during the election period.
31. Any changes required will be reflected in a rewrite and refresh of the Election Handbook.

## **General**

32. I wish to record my particular thanks to all the Electoral Officials who assisted during the elections and especially Mike Porter.

DEAN HEIFORD  
**ELECTORAL OFFICER**

## 4. Public Forum

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(The Chair) (Report prepared by Chair)

### Purpose of Report

1. The purpose of the report is to seek approval to implement a trial public forum to be held before the start of each Economic, Finance & Committee meeting for the 2023 year.

### Executive Summary

2. A public forum would allow opportunity for constituents to express their views on agenda items relating to the Economic, Finance and Community (EFC) committee agenda and for the areas of responsibility of EFC.
3. Before the start of an EFC meeting up to 30 minutes is proposed to be set aside for the public forum.
4. Speakers are to contact the Committee Secretary at least 24 hours prior to the meeting. A list of speakers will be circulated to Committee members prior to the Public Forum. An online form is envisaged to be setup and completed by those wishing to speak.
5. Speaking time will be up to 5 minutes or, depending on numbers presenting, at the discretion of the Chair. The presenter's time will include questions of clarification from councillors.

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### RECOMMENDATIONS

1. **That approval be given to implement a trial Public Forum before Economic, Finance and Committee meetings for the 2023 year.**
2. **That the implementation and guidelines are adopted.**
3. **That the topics for the public forum be restricted to those agenda items on the relevant Economic, Finance and Community agenda or within its delegation.**
4. **That at the conclusion of the trial period a review of the success and scope is undertaken.**

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### Background/context

6. A number of councils have a public forum before Council meetings. They operate in a number of different ways and each Council have varying guidance and rules on how they work.
7. Full Council adopted through standing orders the ability to hold public forums with guidance on how the forum should operate. Reference Cncl-1022-135. This agenda item follows that guidance.
8. Public forums before meetings haven't been implemented in the past at the Marlborough District Council. There are a number of ways that constituents can already express views to Council, those most notably being the Annual Plan/LTP plan process and through consultation processes. The public forum is not designed to replace those opportunities. The public forum is more about constituents having an opportunity to speak to issues of the relevant agenda or an emerging issue in the Committee's area of responsibility.

### Implementation

9. A trial is proposed for the EFC to hold a public forum before each committee meeting this year. The success and scope can then be reviewed for further years.
10. Due to the uncertainty of views that may be discussed at the public forum it is recommended the discussion points are restricted to that of the agenda to be discussed or within the Committee's responsibilities.

11. Public forum speakers can speak in person or online as they prefer. A list of speakers will be circulated to Committee members prior to the Public Forum. An online form is recommended to be created so details can be easily captured.
12. The following are the proposed guidelines of the public forum
  - a) The Chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time where:
    - A speaker is repeating views presented by an earlier speaker at the same public forum;
    - The speaker is criticising Elected Representatives and/or Council Officers;
    - The speaker is being repetitious, disrespectful or offensive;
    - The speaker has previously spoken on the same issue;
    - The matter is subject to legal proceedings; and
    - The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.
13. There will be a period of 30 minutes, or such time as the Chair may determine, will be available for the public forum at each scheduled EFC meeting. Requests must be made to the chief executive (or their delegate) at least one clear day before the meeting: however, this requirement may be waived by the chairperson. Requests should also outline the matters that will be addressed by the speaker(s).
14. Concluding the presentation councillors can ask questions of clarification. No debate will take place in regard to issues raised at public forums that are not on the agenda and no decision will be made (No resolutions), however, the councillors may request matters for action be referred to the Chief Executive for further investigation. A reply will be provided as soon as possible. Items already on the agenda will be discussed in the normal process of the meeting.
15. After the meeting the name of the speaker and the item discussed will be recorded in the minutes of the meeting. The minutes also note which organisation is represented, if applicable, and anything distributed or tabled at the meeting will also become part of the public record.
16. Other committees may wish to implement a public forum for their areas of responsibilities or agenda items. An agenda item to the relevant committee by the Chair is recommended to start the process.

## 5. Regional Events Update

(Clr Croad) (Report prepared by Samantha Young)

E100-002-011-01

### Purpose of Report

1. To provide an update on the activities of Council's Regional Events Advisor and Marlborough's events sector

### Executive Summary

2. We are now in the middle of peak event season with a busy calendar of events taking place around the Marlborough region
3. Round 2 of the 2022/2023 Commercial Events Fund will open on Monday 13 February with applications accepted until Monday 13 March
4. As expected, due to the impacts of Covid-19, events nationally continue to report slightly lower than normal ticket sales however this is predicted to improve by the end of the year
5. The majority of large events continue to report difficulty in securing sponsorship
6. Blenheim Skating Club have successfully secured the NZ Speed Skating Nationals 2024. The event will be held in Marlborough from 2 to 7 January next year
7. Printed and digital versions of the Marlborough Summer Events Guide showcasing events taking place around the region between 1 December 2022 and 28 February 2023 has been released and promoted via multiple channels to Marlborough, Nelson, Christchurch/Canterbury and Wellington. Work on the Autumn Guide will commence shortly

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### RECOMMENDATION

**That the information be received.**

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### Background/Context

8. The Regional Events Advisor role supports the development of the events sector in Marlborough to ensure it maximises the economic return to the region, guided by the Regional Events Strategy. The main activities carried out by the Advisor include:
  - Development, management and implementation of the Regional Events Strategy
  - Marlborough Follow-ME events calendar, printed & digital collateral and social media platforms
  - Managing the Commercial Events Fund and assisting its sub-committee
  - Identifying and executing Bid opportunities
  - Supporting and advising regional event organisers

### Recent Large Marlborough Events

9. The following large commercial events (ticketed with high percentage of out of region attendees) have been held since the last Regional Events Update:
  - **Bayleys Friday Night Feast 2022**
    - This event was held on Friday 7 October 2022 in Blenheim's Wynen Street Car Park. The new location worked well but organisers hope to move the event to Riverside Park in the future
    - Organisers reported sourcing food vendors was this year's biggest challenge
    - Following discussions with Council staff post-event, organisers will work with food vendors at future events to reduce customer waiting time
    - This event was supported through the Te Taihū Regional Events Fund

- **Marina 2 Marina 2022**
  - This event took place on Saturday 8 October 2022
  - Organisers reported record number of entries for the Link Pathway course but unfortunately this option was cancelled a month before the event date due to damage caused by the floods. As expected, and in line with other NZ running events, overall entry numbers were slightly lower than previous years
  - 2023 will be the event's 10th year
  - The event received funding through the Te Taihū Regional Events Fund for a feasibility study on expanding the event to include a full marathon option. The final report is expected by mid-February
  
- **South Island Cheese Festival 2022**
  - This event was held on Saturday 8 October 2022
  - The event was supported through Council's Commercial Events Fund and a full post-event Accountability Report has been received. The 2023 and 2024 have been supported by the Te Taihū Regional Events Fund
  - After only two years this event has grown significantly and in recognition of that will be called the NZ Cheese Festival from 2023
  - Organisers plan to grow the event in 2023 to three days
  
- **Rapaura Springs Garden Marlborough 2022**
  - This event took place from 3 to 6 November 2022
  - Organisers have received excellent feedback from participants and sponsors and have reported increased sales from the 2020 event (2021 event was cancelled due to Covid-19)
  - 2023 will be the 30th anniversary of the event with celebration plans well underway
  - This event was supported by Council's Commercial Events Fund and as required, a full post-event Accountability Report will be submitted by mid-February
  
- **Ray White Savour in the Park 2022**
  - This new Marlborough festival was held at Pollard Park on Saturday 26 November
  - The event received funding from both the Te Taihū Regional Events Fund and Council's Commercial Events Fund
  - Organisers reported lower numbers than anticipated but the feedback from attendees has been overwhelmingly positive. As required, a full post-event Accountability Report will be provided by the end of February 2023

## Upcoming Large Marlborough Events

10. The following commercial events (ticketed with high percentage of out of region attendees) will be held over the next few months:

- **Marlborough Wine & Food Festival 2023**
  - After a two year hiatus due to Covid-19, the 36th Festival will take place on Saturday 11 February 2023
  - For the first time, the Festival will be held at Renwick Domain and will be a cashless event
  - Organisers are reporting good ticket sales. Locals-Only and Early Bird tickets sold out quickly in October, tickets to the VIP Retreat and newly introduced 'Lounge' have also sold out. General Admission tickets are still available along with tickets to some of the Masterclass sessions
  
- **Summer Challenge 2023**
  - This event will take place in Picton from 24 - 26 February 2023
  - The event is a sister event to the iconic women's adventure race, the Spring Challenge. Teams of 3 women will kayak, mountain bike and hike their way through a 3, 6 or 9 hour course
  - The event was successfully secured by Council's Regional Events Advisor via the Bid Fund
  - Organisers are reporting 182 teams are registered to date (546 participants) - last year's event in Lake Tekapo hosted 168 teams (504 participants). With support crews and event

staff an estimated 1,000+ people are expected to stay in Marlborough (mainly Picton) for 3 to 4 days providing significant economic benefits to the region

- **Havelock Mussel & Seafood Festival 2023**
  - This event will take place on Saturday 11 March 2023
  - Ticket sales are tracking as organisers expected
  - Organisers are reporting great support from their sponsors once again and have even managed to secure a couple of new ones this year - a great achievement in the current climate
  - New initiatives have been introduced for this year's event including a greater emphasis on waste minimisation, a new R18 VIP area and satellite events including a seafood cruise and bird watching cruise
  - An increase in event marketing is scheduled for six weeks before the event
- **Whitehaven Graperide 2023**
  - This event was scheduled to take place on Saturday 22 April 2023 but has been cancelled due to course damage caused by last year's adverse weather events. Organisers feel the necessary repairs will not be completed in time for the event to go ahead and had to make the decision to cancel before they committed significant non-recoverable expenditure which could jeopardise the future of the event

## General Update

### 11. General Comments:

- We are now in the midst of peak event season with a busy calendar in Marlborough and a good mix of community and commercial events taking place around the region
- Organisers of ticketed events are generally experiencing lower sales/entries than they were enjoying pre-Covid - although sales for premium level tickets are selling well. This is a trend that is being reported NZ-wide and is likely due to many reasons including Covid concerns, large number of events running, limited funds available. However it is predicted that this will improve towards the end of 2023
- Local event company Pure Events Marlborough successfully delivered Council's Blenheim Christmas Parade and New Year's Eve events in Picton. A full event report is due by 31 December 2023

### 12. South Island Masters Games 2023

- The 2021 and 2023 South Island Masters Games were secured by Council's Regional Events Advisor in 2019 via the Bid Fund. After the success of the 2021 event, an additional bid was made for the 2025 Games which has also been successful
- The 2023 event will take place from 13 to 23 October
- 23 sports have registered to date
- Entries open on 1 March 2023 - two weeks after completion of the NZ Masters Games
- Organisers are aiming for between 2,500 and 3,000 participants - this will be consistent with the event's growth over the last two years. Marlborough hosted 2,000 people at the 2021 Games
- Organisers are reporting "exceptionally high interest" from sporting codes
- A number of Marlborough golf players will be away the first week of the Games so organisers have allowed the golf competition to start on Tuesday 10 October, two days before the official event start date
- Andrea Smith-Scott, General Manager of Marlborough Football has joined the South Island Masters Games Inc Board

### 13. NZ Speed Skating Nationals 2024

- Blenheim Skating Club have recently secured the NZ Speed Skating Nationals. The event will be held in Marlborough from 2 to 7 January 2024
- Organisers predict 90 skaters coming from 12 clubs across New Zealand with an additional 80 to 90 supporters. People from outside of Marlborough are expected to start arriving on 31 December and will stay until 7 January with many likely to stay a day or two longer

### 14. Commercial Events Fund

- This contestable fund is open to organisers of commercial events that create economic benefits to Marlborough by increasing visitation to the region. Community events, conferences, conventions, trade shows and exhibitions are not eligible

- The budget for 2022/2023 is \$130,000
- There are two rounds per annum. Round 2 for 2022/2023 will open on Monday 13 February with applications accepted until Monday 13 March. Funding decisions will be made by Friday 7 April
- \$36,375 of funding was approved in Round 1 of 2022/2023 for the Marlborough District Brass Band to submit a bid to host the NZ Brass Band Champs 2025. Unfortunately their bid was unsuccessful. No funding was paid out and will now be made available to other events in future funding rounds. Marlborough will have the opportunity to bid again in 2026 for the 2029 Champs

**15. Follow-ME Event Promotion**

- Work will shortly commence on the Marlborough Autumn Events Guide showcasing events taking place between 1 March and 31 May 2023
- Print run of the guide has been reduced slightly with budget being redirected as a trial to radio advertising with Mediaworks
- The Marlborough Summer Events Guide showcasing events taking place between 1 December and 28 February 2023 was released at the end of November and was promoted locally as well as to Nelson, Christchurch/Canterbury and Wellington using the following channels:
  - 28,000 printed copies distributed via multiple channels including Council offices, Marlborough District Libraries, i-SITEs, accommodation, Millennium Public Art Gallery, ASB Theatre Marlborough and Bluebridge Ferries
  - 'Social Card' - geo-targeted social media advertising
  - Digital advert via Stuff geo-targeted to Marlborough
  - MDC and Follow-ME social media platforms
  - Follow-ME e-newsletters
  - Council pages in the Marlborough Express
  - Adverts in the Marlborough Midweek, Blenheim Sun and Marlborough Magazine
- A 'What's On in Marlborough' guide will be produced for the Marlborough Wine & Food Festival weekend. This will provide information on the main event as well as additional activities for people to enjoy while they are in Marlborough. This guide will be shared via social media, Destination Marlborough and accommodation providers as well as by the event to attendees

**16. Marlborough Events Centre (MEC) Update**

- Final layout and order of the new kitchen is due to be complete by end of January
- Bookings for January to June 2023 show a projected 307% increase in gross income compared to the same period last year - this is very positive, although it should be noted that 2022 was still experiencing the fallout of the pandemic lockdowns
- Following the closure of the Clubs of Marlborough, Council staff have negotiated use of their Trade Hall and toilets to enable the Marlborough Events Centre to continue to trade and accommodate larger events. Discussions around future use of these areas is ongoing
- The MEC management team are working with Cloudy Bay Funeral Services and Sowmans to offer funeral packages for larger gatherings

Author	Samantha Young, Regional Events Advisor
Authoriser	Neil Henry, Manager, Economic Development and Strategic Planning

## 6. MDC Youth Council Plan 2022 review

(The Mayor) (Report prepared by Jodie Griffiths)

C150-002-027-22

### Purpose of Report

1. To advise Council on the outcomes from the Youth Council Plan for 2022.

### Executive Summary

2. Present the full report of achievements and challenges from 2022 Marlborough Youth Council plan.

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### RECOMMENDATION

**That Council receive the report for the Youth Council Plan 2022 and outcomes.**

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### Background/Context

3. The Youth Council was established as a mechanism to communicate and gain participation by young people in civic and community activities.
4. The Youth Council develops their plan each year with actions identified for implementation to achieve positive outcomes for young people in the community.
5. The plan is supported by an annual budget of \$60,000 for delivery of youth events and activities.

### The Plan

6. The 2022 plan was prepared and approved by the Youth Council and then adopted by full Council.
7. Full details are contained in the attached plan and outcomes. Some of the highlights include:
  - A good range of youth funding requests including interest to generate youth events in addition to the annual request from Marlborough Youth Trust. Youth Council carried out a well considered decision making process regarding the distribution of youth funding.
  - Participation with a number of leadership opportunities such as the Electoral Commission, meeting with Top of the South Youth Councils and two members attending the Festival for the Future conference in Wellington.
  - Completing a community mural as well as hosting the annual Youth Art Exhibition – Folio; in conjunction with the Millennium Art Gallery.
  - Youth Council organised and ran several Youth Week events and hosted supportive messaging on and around Pink Shirt Day.
  - Once again support to the Future of Work Conference in 2022 as well as the new Empower Gaming and Coding Festival.
  - Submission to Council's Annual Plan in 2022.
8. Continuation of the My Voice website, facebook page and Instagram; as ways of communicating and promoting information to Marlborough's young people.

### Next steps

9. At the 2022 Annual Plan submission hearing, Council identified a desire for Youth Council to provide an advisory role for any requests relating to services and activities for young people. This will be included in the 2023 Youth Council plan.

### Attachment

**Attachment 1** - MDC Youth Council Action Plan 2022 - outcomes

page [14]

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



## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables local decision-making and action by Council 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	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Arts & Culture	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>

This proposal contributes to the categories identified above to enable local decision making, social wellbeing, support for arts and culture activities and use of local parks and reserves.

### **Nature of the decision to be made**

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

### **Financial considerations**

The project has been budgeted for in the Long Term Plan 2021 - 2031.

### **Significance**

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

### **Engagement**

Engagement has occurred with the Youth Council and local Secondary Schools.

## MDC Youth Council Action Plan 2022

### Background

The Council's Long Term Plan 2021-2031 community outcomes have relevance to our young people. It is important that their views are considered in decision making to ensure we are building a future that meets their current and future aspirations.

In addition Council adopted a Youth Policy in 1999 that states:

*The Marlborough District Council will work towards developing a District where:*

- *young peoples' views and contributions to their families and their communities are valued*
- *young people are cherished and their diversity is recognised, acknowledged and celebrated*
- *the views of young people will be sought and taken into account in the development of the Council's policies and activities.*

The Youth Council has been established since 2000 as a mechanism to communicate and gain participation by young people in civic activities.

*The membership is comprised of students from Marlborough Girls and Boys Colleges and Queen Charlotte College.*

### Youth Council Purpose

The purpose of the Youth Council is to:

- Provide a line of communication between youth, Council and other organisations.
- Provide an opportunity for youth to raise issues relating to them and undertake some projects to address these.
- Increase youth awareness of wider community issues.
- Gain youth input on Council processes and projects.
- Development of youth leadership skills through involvement in civic activities.
- To provide opportunities in decision making for allocation of Council's youth funding.

### The Plan

The plan summarises the issues identified by the Youth Council members that they want to make a difference on for Marlborough Youth. It also identifies actions to be undertaken both by the Youth Council and in conjunction with other organisations.

It is intended that this will assist Council in achieving positive community outcomes for youth and as well as give guidance on priorities for allocation of youth funding.

### Objectives

The objectives of the plan are as follows:

- **Youth Voice** – youth views are valued and listened to
- **Youth Support** – youth are supported to take action and participate
- **Leadership** - opportunities for personal growth and community participation

- **Events & Activities** – regular youth events are supported
- **Youth Health** – promotion of youth friendly health services
- **Youth Achievement** – showcase young people and their achievements
- **Positive Promotion of Youth** – positive youth profile in the community
- **Education & Training** – opportunities for career development
- **Environment** – think and act sustainably

## **Budget**

There is an annual budget of \$60,000 available for projects and activities which enhance experiences and opportunities for Marlborough youth.

Allocation of this funding is made by decisions reached by the majority at Youth Council meetings. In addition a Youth Funding committee comprising of the Mayor and one representative from each of the schools on the Youth Council is established to determine funding decisions when this is not possible via a meeting.

## Marlborough Youth Council Action Plan 2022

Youth Voice - youth views are valued and listened to.			
Actions	When will this be achieved?	Who is involved - Youth Council and others?	Outcomes
<ul style="list-style-type: none"> <li>Youth Council representatives promote who they are, allowing young people to raise their issues via Youth Council, as well as proactively gain wider input on issues raised through their school and other networks. Undertaken through school notices/assemblies, MyVoice website and social media.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing throughout the year</li> </ul>	Youth Council – all + Council staff	Completed across the year, examples include YC sharing school notices, sharing via social media. Photos and captions included on website of who YC representatives are so they can receive youth views.
<ul style="list-style-type: none"> <li>Complete a submission to Council's Annual Plan on youth related topics.</li> </ul>	<ul style="list-style-type: none"> <li>May &amp; June 2022</li> </ul>	AP subcommittee + Council staff	Annual plan submission (written & presentation) made. Council also made recommendation for 2023, any youth related submissions are to be referred to Youth Council for comment.
Youth Support – youth are supported to take action and participate			
Action	When will this be achieved?	Who is involved - Youth Council and others?	
<ul style="list-style-type: none"> <li>Offer support to peer support programmes in Secondary Schools.</li> </ul>	<ul style="list-style-type: none"> <li>Available all year</li> </ul>	Youth Council - all	No applications received in 2022
<ul style="list-style-type: none"> <li>Offer support to local SADD students</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives on request</li> </ul>	Youth Council – all + Council staff	No applications received in 2022
<ul style="list-style-type: none"> <li>Hold 2 Youth Week events &amp; support Pink Shirt Day</li> </ul>	<ul style="list-style-type: none"> <li>May</li> </ul>	Events subcommittee (lead), Council staff and all YC	2 Youth week events held, one in Blenheim and one in Renwick. Pink Shirt Day campaign included a mix of short videos and photos shared by social media.

<b>Leadership - opportunities for personal growth and community participation</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>• Training for Youth Council members for development of leadership skills</li> </ul>	<ul style="list-style-type: none"> <li>• Top of the South YC hui</li> <li>• Throughout the year</li> </ul>	Youth Council – all + Council staff	TOS YC hui held in Nelson this year, this included a professional development opportunity related to mindfulness and personal wellbeing.
<ul style="list-style-type: none"> <li>• Youth Leadership opportunities are promoted to young people</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> </ul>	Youth Council – all + Council staff	Opportunities shared via Youth network as they have been available.
<ul style="list-style-type: none"> <li>• Participation in opportunities such as leadership conferences, including UN Aotearoa Declaration and Festival for the Future</li> </ul>	<ul style="list-style-type: none"> <li>• April &amp; July</li> </ul>	Selected YC members	<p>2 attended the UN Aotearoa Declaration online conference and have remained connected to this work throughout the year.</p> <p>2 Youth Council attended Festival for the Future conference in Wellington</p>
<b>Events &amp; Activities – regular youth events are supported</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>• Funding made available for a range of youth focus events.</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> </ul>	Youth Council – all + Council staff	Funding allocated across a range of youth activities and events, as well as several individuals representing NZ overseas.
<ul style="list-style-type: none"> <li>• Partner with the Millennium Art Gallery to complete the uncompleted Youth Mural as well as the 2022 Folio youth exhibition</li> <li>• Provide input into new gallery development</li> </ul>	<ul style="list-style-type: none"> <li>• Folio – May &amp; June</li> <li>• Mural – July</li> <li>• During the year</li> </ul>	Millennium Public Art Gallery + Local artist + College Art Teachers	Folio was held successfully in 2022 with a large number of art works on display. Mural piece worked on over

		Youth Council + Council staff	several weeks with the installation completed in the Alfred Street Carpark.
<ul style="list-style-type: none"> <li>Redefine the partnership with the ASB Theatre &amp; Youth Council to subsidise youth productions./performances</li> </ul>	<ul style="list-style-type: none"> <li>Agreement completed by 1 July</li> </ul>	Youth Council – all + Council staff ASB Theatre	Agreement has been updated and signed by all parties. Two of the three allocations have been made to date.
<ul style="list-style-type: none"> <li>Participate in and support collaborative approaches between organisations to create activities, programmes and opportunities for Marlborough youth.</li> </ul>	<ul style="list-style-type: none"> <li>FOW June</li> <li>Throughout the year</li> </ul>	Youth Council – all + Council staff Marlborough Youth Trust, Graeme Dingle Foundation + other organisations	Future of work conference successful held.
<ul style="list-style-type: none"> <li>Continue support for CACTUS programmes and PCT activities.</li> </ul>	<ul style="list-style-type: none"> <li>Annual funding</li> </ul>	Youth Council – all + Council staff Marlborough Youth Trust	Funding provided for 2022 – 23 FY. Cactus has good uptake, especially in Picton.
<b>Youth Health, safety &amp; wellbeing – promotion of youth services &amp; safety/wellbeing support</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>Promote health services to youth via website &amp; social media</li> <li>Investigate additional support in schools for mental health and wellbeing (such as speakers, real life stories &amp; tools/apps/podcasts)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Public Health Youth Council – all + Council staff	Existing information remains on the website. Marlborough Youth Trust doing an excellent job in sending updated health and wellbeing information out to youth.
<ul style="list-style-type: none"> <li>Promote Cyber safety education and initiatives, including online resources</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Youth Council all + Council staff	No specifics to report in this area for 2022

<b>Youth Achievement – showcase young people and their achievements</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>Continue to support youth chosen to represent Marlborough and/or New Zealand at a national or international level under the policy for supporting youth in need.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Youth Council + Council Staff	Several youth funding for sport and performances outside of NZ (see funding attachment)
<b>Positive Promotion of Youth – positive youth profile in the community</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>Youth Council to promote positive stories about local youth on an event/activity basis also utilising Youth Council social media tools.</li> <li>Profile all Youth Council members on social media</li> </ul>	<ul style="list-style-type: none"> <li>Throughout the year</li> </ul>	Communication subcommittee Youth Council + Council staff Media	A wide range of opportunities for youth and things happening in the community promoted. YC profiles on website but did not achieve on social media.
<ul style="list-style-type: none"> <li>Promote activities for Youth Week that profile the positive contribution young people make in our community.</li> </ul>	<ul style="list-style-type: none"> <li>May</li> </ul>	Youth Council - all + Council Staff	Youth Week events and posters developed by YC as well as sharing of other Youth Week activities.
<b>Education &amp; Training – opportunities for career development</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>Provide up to date information about transition from school to workforce or further training/study</li> <li>Investigate ex-YC members sharing experiences and tips</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Communication subcommittee + Council staff	Future or Work conference, but overall still working towards this goal. Good to see work in this area being undertaken by Marlborough Youth Trust and Graeme Dingle Foundation
<ul style="list-style-type: none"> <li>Future of Work Conference</li> </ul>	<ul style="list-style-type: none"> <li>2 June</li> </ul>	Youth Council + Council Staff Graeme Dingle Foundation Colleges Local Business	Completed & successful.

<b>Environment – think and act sustainably</b>			
<b>Action</b>	<b>When will this be achieved?</b>	<b>Who is involved - Youth Council and others?</b>	
<ul style="list-style-type: none"> <li>Encourage youth participation in environmental issues by including information on the My Voice website and promoting activities on FB page and inclusion in any contracts with Youth Funding.</li> <li>Youth Council to follow Council actions and practises aimed to reduce impact and enhance the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Throughout the year</li> </ul>	Youth Council – all + Council Staff	<p>Several environmental discussions held at meetings during the year.</p> <p>UN declaration discussions of environmental impact in NZ as well as world-wide.</p> <p>Presentation from Enviro-hub Marlborough and discussion on waste reduction at events and reduction of single use cups etc. Planning has begun for 2023.</p>



## 7. Marlborough District Libraries Activity Report – December 2022

(Cllr S Arbuckle) (Report prepared by Glenn Webster)

L300-018-001-02

### Purpose

1. The purpose of this report is to update Council on the operations of the Library service.

### RECOMMENDATION

That the report be received.

### Summer Reading Programme

2. With the planning and preparations for this year's annual Summer Reading Programme completed, registrations opened in both libraries on Friday 16 December.
3. The aim of the reading programme is to encourage children to keep reading throughout the summer holidays.
4. This year's medieval theme provided a range of activities to encourage participation recognising the importance of reading together at home each day.
5. Stories and crafts (scheduled and drop-in) were well attended with approximately 40+ children participating at each session.



### Regular Library Programming (Blenheim and Picton)

6. Regular programming in December included:
  - Justice of the Peace sessions - Monday, Wednesday (Blenheim and Picton), Thursday and Saturday
  - Stepping Up (Blenheim) - Two courses on Smartphones and Apps – 9 attendees
  - Company Café (Picton) - Two sessions – 54 attendees
  - LEGO Club (Blenheim and Picton) every Sunday from 1.00pm – 4.00pm
  - Knit and Natter (Blenheim) – 9 attendees
  - Book Club (Picton) – 10 attendees
  - Cheeky Monkeys – Two sessions – 33 attendees

### Picton's Christmas Window Display

7. Picton Library staff (Paige and Emily) entered the Picton Business Association's Christmas Window Display Competition featuring components of the Summer Reading Quest. While being well received it was not a winning entry.

### Book a Librarian Sessions

8. Thirteen one-on-one technology assistance sessions were delivered in December (11 in Blenheim and 2 in Picton). The evaluation forms received rated the customers experience as a 5 / 5.

## Library Services to Rest Homes

9. Visits were made to Springlands Lifestyle Village, Arvida Ashwood Park, Maxwell Lifecare, Bethsaida Retirement Village and Redwood Care Centre and Village to exchange their assorted reading material.



## La Hora del Cuento (Spanish story time)

10. La Hora del Cuento (Spanish story time) commenced at the District Library in August 2022. Marlborough Multicultural Centre's Community Connector approached the District Library to ask how the Spanish speaking migrant families might be encouraged to visit the library. Some parents were also concerned that their children were losing their Spanish language skills since arriving in New Zealand. Following discussion, it was agreed to start Spanish speaking story times to help address these concerns. Sessions are organised and presented by volunteers from the migrant community. The monthly sessions have been well supported and provide a valuable time for monthly catch-ups with friends as well as providing an opportunity for young people to reconnect with the Spanish language and culture through the power of story. A special Feliz Navidad story session was held in the lead up to Christmas. Monthly sessions are to continue in 2023.

## Christmas 2022 / New Year 2023 Statistics

	District Library				Picton		
	Issues	Returns	Door Count		Issues	Returns	Door Count
23-Dec	1,213	1,039	515		229	164	382
28-Dec	1,174	963	519		245	228	273
29-Dec	845	705	367		141	100	208
30-Dec	1,134	1,086	450		270	201	303
4-Jan	2,417	2,603	895		344	402	379
5-Jan	1,882	1,911	770		399	256	513
6-Jan	1,694	1,266	662		328	236	551

*The first day after New Year is traditionally the busiest day of the year.*

## Usage Statistics ~ July–December 2022

(NB. COVID-19 conditions / restrictions in 2021 impacted recorded statistics)

### Items Loaned

		July - December 2022		July - December 2021		Variance
District Library, Blenheim		186,511		180,506		+ 6,005
Branch Library, Picton		31,172		33,619		- 2,447
E-Resources		22,762		20,615		+ 2,147

		July - December 2022		July - December 2021		Variance
<b>TOTAL</b>		<b>240,445</b>		<b>234,740</b>		<b>+ 5,705</b>

### Membership

11. The number of people by category who joined the Libraries in July – December 2022 was:

Adult	553
Child	163
Teen	46
Visitor	5
Digital	18
<b>TOTAL</b>	<b>785</b>



### Visitor Numbers

12. The number of people who visited the Libraries in July – December 2022 was:

		July - December 2022		July - December 2021		Variance
			Monthly Average		Monthly Average	
<b>District Library, Blenheim</b>		<b>79,342</b>	<b>13,223</b>	<b>70,458</b>	<b>11,743</b>	<b>+ 8,884</b>
<b>Branch Library, Picton</b>		<b>40,636</b>	<b>6,772</b>	<b>31,087</b>	<b>5,181</b>	<b>+ 9,549</b>
<b>TOTAL</b>		<b>119,978</b>		<b>101,545</b>		<b>+ 18,433</b>

### Holds (Items Reserved)

13. The number of holds placed on items July – December 2022 was: **18,824**

### Internet Usage Sessions – Aotearoa People’s Network Kaharoa (APNK)

The following usage statistics were recorded in July – December 2022

	In-Library Computer Sessions	Wi-Fi
District Library, Blenheim	6,446	20,437
Branch Library, Picton	3,373	14,394
<b>TOTAL</b>	<b>9,819</b>	<b>34,831</b>



Wi-Fi sessions recorded between Christmas and New Year when the Libraries were closed were:

	District Library, Blenheim	Picton Library
25 December 2022	11	25
26 December 2022	60	49
27 December 2022	49	67
28 December 2022	88	89

### Community LEGO Build

- Following a large bequest of LEGO in April 2022 from the family of a former Picton man, **Eugene Alan Crowe**, LEGO Club commenced on Sunday afternoons at both Libraries.
- As part of Summer Reading Quest children of all ages were invited to help create a medieval castle scene on Fridays during the holidays from 9.00am – 12noon. This is the result.



Author	Glenn Webster, District Libraries Manager
Authoriser	Dean Heiford, Manager Economic, Community & Support Services

## **8. Marlborough Regional Forestry Joint Operating Committee**

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(Clr Hope) (Report prepared by Martin Fletcher)

S400-003-09

### **Purpose of Report**

1. To obtain Council's agreement to the Marlborough Regional Forestry (MRF) Agreement.

### **Executive Summary**

2. As the current agreement has worked well and no issues have been raised by the previous Joint Committee it is recommended that Council agree to continue the Agreement.

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### **RECOMMENDATION**

**That Council agrees to extend the current Joint Operating Committee Agreement with Kaikoura District Council for the operation of the Marlborough Regional Forestry estate.**

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### **Background**

3. Marlborough District Council and Kaikoura District Council have formed a joint operating committee for the management of the MRF Forestry estate.
4. The Agreement (attached as Appendix 1), initially prepared by Simpson Grierson, was originally approved by Council at its 15 September 2015 meeting and renewed at its February 2017 and November 2019 meetings.
5. The Committee has worked well, achieving good returns for both Councils on a sustainable basis. No issues were raised by the previous Joint Committee to be addressed at this renewal.
6. Section 15(1) of the Local Government Act 2002 requires that by 1 March after each triennial general election of members, that Joint Committee Agreements must be renewed.

# MARLBOROUGH REGIONAL FORESTRY JOINT COMMITTEE AGREEMENT

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MARLBOROUGH DISTRICT COUNCIL

KAIKOURA DISTRICT COUNCIL

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**PARTIES**

1. **MARLBOROUGH DISTRICT COUNCIL**
2. **KAIKOURA DISTRICT COUNCIL**

**BACKGROUND**

- A. In 1970, the Marlborough Forestry Corporation (**Corporation**) was established under the Marlborough Forestry Corporation Act 1970. The Corporation was the owner of a number of forestry blocks.
- B. At the time of establishment of the Corporation, there were a number of constituent authorities including the Kaikoura County Council and the Marlborough County Council. Each constituent authority was entitled to appoint one member of the Corporation.
- C. The Marlborough Forestry Corporation Act 1970 was repealed by the Marlborough Forestry Corporation Act Repeal Act 1996 (**Repeal Act**) on 1 July 1996. The Repeal Act provided that the liabilities and undertaking of the Corporation were vested in the Marlborough District Council and the Kaikoura District Council (**Councils**) as tenants in common in the following shares:
  - (a) Marlborough District Council – 885/1000 shares:
  - (b) Kaikoura District Council 115/1000 shares.
- D. The undertaking was defined in section 2 of the Repeal Act and included all of the Corporation's land and all forests that comprised principally exotic trees growing or standing on the land, as well as all improvements on the land, and all associated equipment.
- E. The Repeal Act was repealed by section 269 of the Local Government Act 2002.
- F. For some time, the Councils have appointed a joint operating committee to oversee the operation of the undertaking.
- G. Clause 30A of Schedule 7 of the Local Government Act 2002 came into force in 2014. This clause requires any Council appointing a joint committee to enter into a joint agreement. The joint agreement must specify:
  - (a) the number of members each local authority or public body may appoint to the committee; and
  - (b) how the chairperson and deputy chairperson of the committee are to be appointed; and
  - (c) the terms of reference of the committee; and
  - (d) what responsibilities (if any) are to be delegated to the committee by each local authority or public body; and
  - (e) how the agreement may be varied.
- H. In light of clause 30A, the Councils have entered into this Agreement.



## THIS AGREEMENT RECORDS THAT:

### 1. DEFINITIONS AND INTERPRETATION

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**1.1 Definitions:** In this agreement, unless the context indicates otherwise:

**Councils** means the Marlborough District Council and the Kaikoura District Council

**Joint Committee** means the Joint Committee commonly known as the Marlborough Regional Forestry Joint Committee

**LGA02** means the Local Government Act 2002

**Undertaking** means the undertaking as defined in section 2 of the Marlborough Forestry Corporation Act Repeal Act 1996, and includes approximately 5,000 hectares of commercial forest with 4,321 hectares owned and the balance in predominantly leasehold title.

**1.2 Interpretation:** In this agreement, unless the context indicates otherwise:

- (a) **Defined Expressions:** expressions defined in the main body of this agreement have the defined meaning throughout this agreement, including the background;
- (b) **Headings:** clause and other headings are for ease of reference only and will not affect this agreement's interpretation;
- (c) **Parties:** references to any party include that party's executors, administrators, successors and permitted assigns;
- (d) **Persons:** references to a person include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal identity;
- (e) **Plural and Singular:** references to the singular include the plural and vice versa;
- (f) **Clauses/Schedules/Attachments:** references to clauses, schedules and attachments are to clauses in, and the schedules and attachments to, this agreement. Each such schedule and attachment forms part of this agreement;
- (g) **Statutory Provisions:** references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- (h) **Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- (i) **Inclusive Expressions:** the term includes or including (or any similar expression) is deemed to be followed by the words without limitation; and
- (j) **Documents:** references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.

### 2. CONTINUATION OF JOINT COMMITTEE

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**2.1** The Councils acknowledge the previous appointment of the Joint Committee and agree to the continued appointment of the Joint Committee on the terms set out in this Agreement.

### **3. MEMBERSHIP**

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- 3.1** The number of members of the Joint Committee must be no less than 4 members and no more than 6 members.
- 3.2** Marlborough District Council must appoint 2 members from amongst its elected members and may at any time discharge either of those members and appoint another in his or her stead.
- 3.3** Kaikoura District Council must appoint 1 member from amongst its elected members, and may at any time discharge that member and appoint another in his or her stead.
- 3.4** Marlborough District Council must appoint at least 1 independent member who must not be an employee or member of the Councils. Before appointing the independent member, Kaikoura District Council must agree to the appointment. The Marlborough District Council may at any time discharge the independent member and appoint another in his or her stead provided the Kaikoura District Council agrees to the discharge and subsequent appointment as the case may be.

### **4. CHAIRPERSON AND DEPUTY CHAIRPERSON**

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- 4.1** The Joint Committee may appoint its own Chairperson and Deputy Chairperson from amongst its members.

### **5. RULES APPLYING TO COMMITTEE MEETINGS**

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- 5.1** Subject to this clause, the Marlborough District Council's Standing Orders apply to the Joint Committee.
- 5.2** Each member of the Joint Committee has one vote on any motion before the Joint Committee. However, in the case of equality of votes, the Chairperson, or the person presiding at the meeting, has a casting vote.
- 5.3** In accordance with clause 30A(6)(b)(i) of Schedule 7 of the LGA02, the quorum at a meeting of the Joint Committee is 2, even if there are vacancies in the Committee's membership. However, the quorum must include at least 1 member appointed under clause 3.2 and at least 1 member appointed under either clause 3.3 or clause 3.4 of this Agreement.

### **6. TERMS OF REFERENCE OF JOINT COMMITTEE**

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- 6.1** The Joint Committee is responsible for overseeing the operation of the undertaking. The primary aim of production forest management is to create a resource that will provide the best financial return from its forests on a sustainable basis.
- 6.2** The Joint Committee is also responsible for ensuring the undertaking is managed using good forest management, health and safety and environmental practices at all times, including compliance with Marlborough District Council's Resource Management Plan provisions.

### **7. FUNCTIONS AND POWERS DELEGATED TO THE JOINT COMMITTEE**

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- 7.1** The Councils delegate to the Joint Committee all the powers, duties and responsibilities to act on any matter necessary for the operation of the undertaking. This includes the power to enter into financial transactions provided that the combined expenditure budgets approved in the constituent Councils Long Term and Annual Plans are not exceeded by 10% unless approved by the constituent Councils.

- 7.2 For clarity this delegation does not extend to:
- (a) the purchase, sale and leasing of land;
  - (b) the granting of guarantees and indemnities; and
  - (c) the disposal of Emissions Trading units except to meet the requirements of the Emissions Trading Scheme itself.

## 8. VARIATION OF AGREEMENT

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- 8.1 No amendment to this agreement will be effective unless it is in writing and signed by a duly authorised senior representative of each Council.

## 9. ENTIRE AGREEMENT

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- 9.1 This agreement records the entire understanding and agreement of the Councils relating to the matters dealt with in this agreement.
- 9.2 This agreement supersedes all previous understandings or agreements (whether written, oral or both) between the Councils relating to these matters.

## 10. DISPUTE RESOLUTION

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- 10.1 A Council may, at any time while there is a genuine dispute relating in any way to this agreement (**Dispute**), give written notice (**Dispute Notice**) to the other Council specifying the subject matter of the Dispute and requiring that the Councils meet within 10 Business Days after delivery of the Dispute Notice, to attempt to resolve the Dispute (**Dispute Resolution Meeting**).
- 10.2 If the Councils fail to resolve the Dispute at the Dispute Resolution Meeting, or if a Council fails or refuses to attend the Dispute Resolution Meeting within the 10 Business Day period, or at the time and venue agreed in writing between the Councils, the parties will immediately be deemed to have submitted the Dispute to mediation by a single mediator agreed upon in writing by them or (if they are unable to agree on a mediator within 5 Business Days after the submission to mediation) nominated by the President for the time being of the New Zealand Law Society. In the event of any submission to mediation:
- (a) the mediator will not be acting as an expert or as an arbitrator;
  - (b) the mediator will determine the procedure and timetable for the mediation; and
  - (c) the Councils will share equally the cost of the mediation.
- 10.3 No party may issue any legal proceedings (other than for urgent interlocutory relief) relating to any Dispute, unless that party has first taken all reasonable steps to comply with clauses 10.1 to 10.2.

## SIGNATURES

Marlborough District Council

Kaikoura District Council

## 9. Audit & Risk Sub-committee

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(The Chair)

D050-001-A05

**Note:** The Minutes of the Audit & Risk Sub-committee meeting held on 21 December 2022 will be circulated separately.

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### RECOMMENDATION

That the Minutes of the Audit & Risk Sub-committee meeting held on 21 December 2022 be ratified.

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**Report and Minutes of a Meeting of the  
AUDIT & RISK SUB-COMMITTEE  
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim  
on WEDNESDAY 21 DECEMBER 2022 commencing at 1.30 pm**

**Present:**

Mr I Marshall (Chairperson), Mayor N P Taylor, and Ctrs J A Arbuckle, J D N Croad, B G Dawson and J C Rosene.

**In Attendance:**

Clr S R W Adams, Mr M F Fletcher (Chief Financial Officer), Ms S L Young (Chief Information Officer) Mr G W Townsend (Contract & Risk Policy Manager), Ms T Breen (Legal Services Summer Student) and Mr M J Porter (Democratic Services Manager).

**In Attendance via Teams:**

Mr M O'Connor - Bancorp (for item 9 only) and Ms S Mavi (Solicitor).

**Apologies:**

That the apologies for non-attendance from Mr M S Wheeler (Chief Executive), Mr R Foitzik (General Counsel), Mr D G Heiford (Manager Economic, Community & Support Services), Mr D G Walters (Communications Manager) and Ms C L Lake (Financial Services Manager) be noted.

The Chairperson welcomed all to the meeting.

## **1. Previous Minutes**

**D050-001-A05**

The minutes of the previous meeting held on 29 June 2022 were attached to the Agenda.

Comment from or highlights noted at the meeting included:

- **2022 Audit Plan Letter** – Mr Fletcher advised that letters have been sent to the Auditor-General and Audit New Zealand with concerns on the progress of this year's audit. Since those letters there has been only slow progress with the audit. Audit NZ have indicated that audit sign-off is possibly expected in mid-March 2023 (there is no confirmed date). Mr Fletcher also advised we are now on the third Audit Manager for this audit.
- **Audit Service Provider** – Mr Marshall queried whether there had been a response to Council's request to change its Audit Services Provider. Mr Fletcher advised that the response from the Auditor-General was no. The Mayor advised that she raised this issue with LGNZ.

**Mr Marshall/The Mayor:**

**That the minutes of the Audit & Risk Sub-Committee held on 29 June 2022 be received.**

**Carried**

## **2. Terms of Reference**

**D050-001-A05**

Mr Fletcher advised the purpose of the report was to review the Audit and Risk Sub-Committee's Terms of Reference, as attached to the agenda. An amendment to the name of the policy referred to in the seventh bullet point under the heading "Financial Management and Internal Controls" (should be "protected disclosures" rather than "whistle blowing") was noted.

Clr Arbuckle queried whether Human Resources/Health and Safety (HR/H&S) reports should be provided to the Sub-Committee. Mr Fletcher affirmed that they can be.

**The Mayor/Mr Marshall:**

1. **That Human Resources/Health and Safety reporting be included as a responsibility in the Audit & Risk Sub-Committee Terms of Reference.**
2. **That the Audit & Risk Sub-Committee recommend that Council agrees to the Terms of Reference as amended above.**

**Carried**

### **3. Financial, Rates, Related and Miscellaneous Delegations**

**L150-003-02**

Members noted that the purpose of the report was to seek approval for the updates made to the various financial, treasury, rates, and related responsibilities, powers and duties to be delegated to the Mayor and to the Chief Executive with approval for appropriate powers to be sub-delegated to staff. These delegations include those needed by selected Council contractors in order for them to carry out their contracted function, for example Council's property and forest management contractors. No fundamental changes were proposed, as the delegations and levels of empowerment embodied therein have been operating effectively. It was further noted that this report should be read in conjunction with the Procurement Policy report (next item on the agenda).

Mr Fletcher reported that in the absence of a delegation, decisions on financial, treasury, rates, related and miscellaneous responsibilities, powers and duties would be required to be made by full Council resolution. As many of these matters are operational in nature, it is considered appropriate that they be delegated to the Mayor.

The report contained specific comment under the headings of 'Delegation of functions, responsibilities and powers', and 'Council's Seal & Execution of Deeds'.

It was noted that Tony Quirk should be included in the names for the Power of Attorney as included as Attachment 3.3.

The Chair queried the delegation (dollar amount) under Table 1 Emergency Works and whether \$1 Million was sufficient. The Sub-Committee agreed that the amount should be raised to \$2 Million with a subsequential delegation for the Manager Assets and Services Department to expend or commit up to \$1 Million.

**Mr Marshall/Clr Croad:**

- 1. That the Audit & Risk Sub-Committee request Council to delegate the powers, duties and responsibilities to the Mayor, the Chief Executive, to staff and selected contractors as set out in the tables attached to the agenda, with an amendment to the dollar amount under Emergency Works (amount to expend or commit be increased to \$2 Million, with a subsequential delegation for the Manager Assets and Services Department to expend or commit up to \$1 Million).**
- 2. That the Audit & Risk Sub-Committee request Council to approve the Chief Executive, the Chief Financial Officer, General Counsel and the District Secretary to execute deeds on behalf of Council and authorise the Mayor and the Deputy Mayor to execute a power of attorney to this effect.**

**Carried**

### **4. Procurement Policy Review**

**C315-ADM-04-20**

Members noted that the purpose of the report was to provide an overview of Council's Procurement Policy document, particularly the changes made following the 2020 COVID lock down, which Council approved for a two-year period, to provide an update of the policy, following the required (two year) review and to seek continued endorsement of the policy from Council.

Mr Townsend reported that Council's current policy was first approved by the Executive Group in 2010. The policy is deliberately brief and is designed to be a useful tool for staff, while meeting the best practice guidelines of the Office of the Auditor General (OAG) and the requirements of the Local Government Act (LGA) 2002. The Policy is informed by the Government Procurement Rules but it is noted that Council is not bound by those rules.

Following the first COVID lock down in 2020, local contractors and supply businesses asked Council if it could review its procurement policy to ensure it would facilitate sufficient local work for contractors during the post-lock down (downturn) period. The review was undertaken by staff and changes, which included confirmation of Council support for local contractors within certain parameters, were approved by Council. Council approval required that the "COVID changes" were to be reviewed again in two years. This review has been completed by staff and the 2022 updated policy (version 12) was attached to the agenda (see **Error! Reference source not found.**).

A combination of Council focus on local contractors, additional funding from central government targeted at infrastructure development, bringing forward some Council projects and other economic assistance initiatives introduced by Council at the time, meant many local contractors came through the period better than initially thought likely by the contracting community. Staff are now reporting capacity concerns in some areas.

The report contained specific comment under the headings of 'Background/Context', 'Risk Control', 'Council's Procurement Policy', 'Roles and Responsibilities', 'Post-COVID Procurement Policy Review', '2022 (Two Year) Procurement Policy Review', and 'Next Steps'.

Members asked a number of questions that were answered by staff. Following discussion it was agreed that the flow chart on page 57 of the agenda would remain as published.

**Clr Croad/Mr Marshall:**

**That the Audit and Risk Sub-Committee continues its endorsement of the (updated) Procurement Policy.**

**Carried**

## **5. Insurable Assets – Insurance Evaluation & Decision Policy****C500-009-002-001-22**

Mr Townsend reported that the purpose of the report was to provide an overview of the Insurable Assets – Insurance Evaluation & Decision Policy and to seek continued endorsement of the Policy from Council. The Policy was attached to the agenda.

Mr Townsend further reported that the Policy provides guidance to asset managers in relation to whether assets should be insured. The Policy also provides some options for insurance, such as commercial cover, LAPP (Local Authority Protection programme), or self-insurance (the risk of damage or loss is fully financed by Council). Asset managers have advice available from Council's Contract and Risk Policy Manager and insurance account manager at Marsh. Council takes a risk-based approach to assessing assets for insurance, guided by the Policy and other advice. Assets owned by Port Marlborough are not covered by this Policy.

The report contained specific comment under the headings of 'Background/Context/Scope', 'Procedures', and 'Next Steps'.

**Clr Arbuckle/Mr Marshall:**

**That the Audit and Risk Sub-Committee continues its endorsement of the Insurable Assets – Insurance Evaluation & Decision Policy.**

**Carried**

## **6. Council Risk Management Policy and Process**

**C500-009-002-011-22**

Members noted that the purpose of the report was to provide an overview of Council's risk process and practice and to highlight some key policy and operational documents.

Mr Townsend reported that Council has a relatively mature, robust and appropriate risk management policy and associated practice in place. Risk management strategies and processes practiced by Council are audited as part of Council's external audit programme and are also recognised by other external agencies. Internal reviews have concluded that there would be no discernible benefit to Council or our community from increasing the resourcing of operational risk management within Council at the present time, or foreseeable future. However, this is reviewed regularly against developments occurring and reported from external sources such as industry newsletters, council forums and seminars.

The report contained specific comment under the headings of 'Background/Context', 'Roles and Responsibilities', and 'Next Steps'.

It was noted that paragraph 14 should have had the words "fit for purpose and" before the words "accepted by staff".

**Cirs Croad/Arbuckle:**

**That the Audit and Risk Sub-Committee continues its endorsement of the Risk Management Policy.**

**Carried**

## **7. Audit New Zealand IT Audit**

**D050-001-A05**

Members noted that the purpose of the report was to provide an update on the findings of the annual IT Audit that was completed by Audit New Zealand.

Ms Young reported that the audit this year completed an in-depth analysis of Council systems, processes, permissions security, and Information Management contract management. Attached to the agenda were the draft audit findings and the current responses and remediation work undertaken. The draft report will be sent to Audit New Zealand for finalisation.

**Clr Arbuckle/Mr Marshall:**

**That the Audit & Risk Sub-Committee receive the draft audit report and note remediations undertaken.**

**Carried**

## **8. Cybersecurity Quarterly Report December 2022**

**C500-011-I01**

Ms Young advised that the purpose of the report was to provide an update on the current cyber security monitoring.

Ms Young reported that the New Zealand National Computer Emergency Response Team (CERT NZ) send out quarterly cyber security updates. These updates provide security advisories and advise of mitigation and affected systems. The Q3 report (as attached to the agenda) provided statistics on incidents and losses reported.

The report also contained specific comment under the headings of 'Cyber Security Overview – November 2022 – Security Events', 'Mimecast is a cloud-based, anti-spam and email protection solution', 'MimeCast Monitoring Dashboards', 'Overview Dashboard', 'Email Security Overview November 2022 – Highlights at a glance', 'CrowdStrike Falcon Complete', 'Firewall Management' and 'Social Engineering Red Flags'.

**Clr Croad/Mr Marshall:**

**That the report be received.**

**Carried**

## **9. S&P Global Credit Rating**

**D050-001-A05**

Mr Fletcher advised that the purpose of the report was to advise the steps being taken to mitigate one of items raised by S&P Global in their 29 November 2022 credit rating review.

Mr Fletcher reported that as part of S&P Global's latest credit rating review they identified one of the reasons for Council's rating being at AA (negative outlook) was the high proportion of short-term debt ("The council's liquidity has weakened due to growing budget deficits and expanded use of commercial paper. Our 'AA/A-1+' ratings on Marlborough remain underpinned by its robust financial management, strong local economy, and the country's excellent institutional settings."). The paper prepared by Bancorp, Council's Treasury Management Advisors, as attached to the agenda, outlines a proposed course of action to mitigate S&P Global's concerns on this particular aspect.

Mr M O'Connor – Bancorp attended the meeting via Teams and spoke to Bancorp's paper. Bancorp identified three alternatives which are available to Council to reduce its Commercial Paper (CP) funding by \$24.5 million to meet Bancorp's suggested 15% target (which should alleviate S&P's concerns). Bancorp confirmed that its most appropriate alternative is "On maturity of the two tranches of CP refinance a total of \$24.5 million into longer dated Floating Rate Notes (FRN)".

Mr Fletcher advised that the way forward is for Council to vary its Treasury Policy which would be brought back to this Sub-Committee.

**Clrs Dawson/Croad:**

**That the Audit & Risk Sub-Committee note the actions proposed to address S&P Global's concerns over the use of commercial papers identified in this 29 November 2022 Report.**

**Carried**

## **10. Section 63, Local Government Act 2002**

**D050-001-A05**

Mr Fletcher advised that the purpose of the report was to report on the implications of S63 of the Local Government Act 2002.

Mr Fletcher reported that as part of the 2022 Annual Audit, the Audit Director, Julian Tan, has identified that Council may be in breach of Section 63, Local Government Act 2002. Section 63 States:



**“Restriction on lending to council-controlled trading organisation (CCTO)**

A local authority must not lend money, or provide any other financial accommodation, to a council-controlled trading organisation on terms and conditions that are more favourable to the council-controlled trading organisation than those that would apply if the local authority were (without charging any rate or rate revenue as security) borrowing the money or obtaining the financial accommodation.”

Definition:

**“Council-controlled trading organisation** means a council-controlled organisation that operates a trading undertaking for the purpose of making a profit.”

The problem has arisen because Council has taken the simple approach of charging its subsidiaries the same interest rate at which it borrows. The purpose of the section is to prevent CCTO's competing with private sector providers on an unfair basis. However, in Council's case there are no competitors for Port Marlborough NZ Ltd (PMNZ) or Marlborough Airport Ltd (MAL).

Mr Fletcher further reported that there are two main options to address this legislative breach: charge a margin on borrowings to subsidiaries; or establish MDC Holdings Ltd as a direct borrower from the LGFA.

The report contained specific comment on both options, as well as comment on consultation with the boards of MDC Holdings, Port Marlborough NZ and MAL.

**Cllr Croad/The Mayor:**

**That the Audit & Risk Sub-Committee note that subject to the final outcome of consultation with subsidiaries, that the Audit & Risk Sub-Committee recommend to Council a margin of up to 0.2% is added to the interest cost of lending to subsidiaries.**

**Carried**

The meeting closed at 4.00 pm.

Record No: 2325115

## 10. Financial Report for Council – Period Ended 31 December 2022

(The Chair) (Report prepared by Tessa Dever and Piumi Wijayasena)

F275-001-01

### Purpose of Report

- To present the Financial Report for Council for the period ending 31 December 2022.

### Executive Summary

- The Council's Financial Report for the period 1 July 2022 to 31 December 2022 is presented below. Additional information is given on variances greater than \$100,000 at an activity level later in this report.

The forecast values included in this report are mainly system generated and require manual intervention to improve their accuracy.

### Revenue and Operational Expenditure

(in millions)	1 July to 31 Dec 2022			Whole year		
	Actual	Budget		Forecast	Budget	
Surplus/(Deficit)	(\$0.1)	(\$5.4)	✓ \$5.3	(\$2.1)	(\$6.6)	✓ \$4.5
Income	\$88.4	\$87.5	✓ \$0.9	\$170.6	\$170.4	✓ \$0.2
Expenditure	\$88.5	\$92.9	✓ (\$4.4)	\$172.7	\$177.0	✓ (\$4.3)

Major variances between actual and budget:

- Higher than anticipated development contributions and vested assets as subdivisions have reached the title issue stage requiring contributions to be made.
- Higher than anticipated roading reinstatement expenditure due to the impacts of the August 2022 flood event. In the 2022/23 year \$23.5M has been spent on the July 2021 and August 2022 events with the initial \$85.3M approved by Waka Kotahi now being utilised for both events. Accounting entries will be made at year end to move some of these costs to capital.
- Lower than anticipated grants uplifted by community-based organisations.
- External and internal interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.

Additionally, \$1.2M has been received from DIA as the final instalment of the 3Waters stimulus package. Accounting entries are still to be completed to allocate the funds.

### Capital Expenditure

(in millions)	1 July to 31 Dec 2022			Whole year		
	Actual	Budget		Forecast	Funded	
Capex	\$30.8	\$58.6	✗ (\$27.8)	\$80.5*	\$82.4	✓ (1.9)

\* Capital expenditure progress is impacted by 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. To address this Council has funded a budget of \$82.4M for capital expenditure in the 2022-23 Annual Plan despite having a \$120.0M (including \$37.6M of carryovers from previous financial years) capital works program. This ensures that multiple projects can continue to progress.

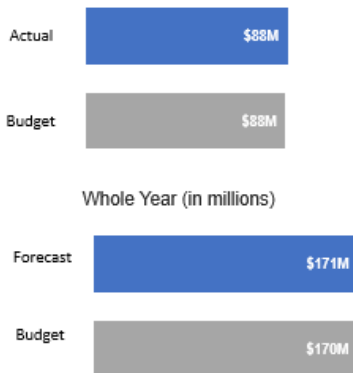
The capital expenditure section of the financial report compares the full \$120.0M programmed to the actual capital expenditure with key projects deferred into future years identified.

# Income and Expenditure Statement

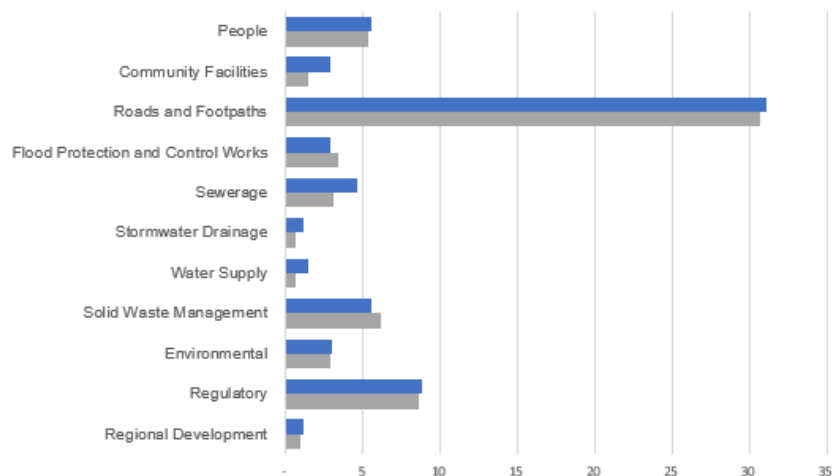


Income (\$000's)	1 July 2022 to 31 December 2022				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
Rates	39,396	39,885	(489)	-1%		79,851	80,097	(247)	-0%
-less remissions	(449)	(227)	(222)	98%		(538)	(454)	(84)	19%
<b>Rates</b>	<b>38,947</b>	<b>39,658</b>	<b>(711)</b>	<b>-2%</b>		<b>79,312</b>	<b>79,643</b>	<b>(331)</b>	<b>0%</b>
Rates penalty income	220	158	62	39%		377	315	62	20%
<b>Total Rates</b>	<b>39,166</b>	<b>39,815</b>	<b>(649)</b>	<b>-2%</b>	3a	<b>79,689</b>	<b>79,958</b>	<b>(269)</b>	<b>-0%</b>
<b>Other Income</b>									
Dividends	2,510	2,506	4	0%		3,306	3,012	294	10%
Interest Revenue (external)	1,192	1,516	(325)	-21%	3b	2,708	3,033	(325)	-11%
Petroleum Tax	189	207	(18)	-9%		397	415	(18)	-4%
Gain on Sale of Fixed Assets	-	-	-	-		-	-	-	-
Marlborough Regional Forestry	-	-	-	-		-	-	-	-
Property and Other Revenue	2,335	1,326	1,009	76%	3c	4,560	4,651	(91)	-2%
<b>Total Other Income</b>	<b>6,225</b>	<b>5,555</b>	<b>670</b>	<b>12%</b>		<b>10,971</b>	<b>11,111</b>	<b>(140)</b>	<b>-1%</b>
<b>Activity Income</b>									
<b>People</b>									
Democratic Process	1	36	(35)	-98%		36	72	(35)	-49%
Culture and Heritage	1,775	1,775	(0)	-0%		1,775	1,775	(0)	-0%
Housing for Seniors	889	877	12	1%		1,765	1,753	12	1%
Community Support	453	307	147	48%	3d	760	613	147	24%
Library Services	2,397	2,372	24	1%		2,769	2,619	149	6%
Emergency Management	25	1	25	4296%		44	19	25	129%
<b>Community Facilities</b>	<b>2,905</b>	<b>1,390</b>	<b>1,515</b>	<b>109%</b>	3e	<b>4,295</b>	<b>2,780</b>	<b>1,515</b>	<b>54%</b>
<b>Roads and Footpaths</b>	<b>31,118</b>	<b>30,702</b>	<b>416</b>	<b>1%</b>	3f	<b>61,820</b>	<b>61,404</b>	<b>416</b>	<b>1%</b>
<b>Flood Protection and Control Works</b>	<b>2,889</b>	<b>3,347</b>	<b>(458)</b>	<b>-14%</b>	3g	<b>6,237</b>	<b>6,695</b>	<b>(458)</b>	<b>-7%</b>
<b>Sewerage</b>	<b>4,646</b>	<b>3,068</b>	<b>1,578</b>	<b>51%</b>	3h	<b>7,487</b>	<b>5,853</b>	<b>1,634</b>	<b>28%</b>
<b>Stormwater Drainage</b>	<b>1,154</b>	<b>572</b>	<b>582</b>	<b>102%</b>	3i	<b>1,726</b>	<b>1,144</b>	<b>582</b>	<b>51%</b>
<b>Water Supply</b>	<b>1,481</b>	<b>649</b>	<b>832</b>	<b>128%</b>	3j	<b>2,130</b>	<b>1,298</b>	<b>832</b>	<b>64%</b>
<b>Solid Waste Management</b>	<b>5,487</b>	<b>6,142</b>	<b>(654)</b>	<b>-11%</b>	3k	<b>11,629</b>	<b>12,283</b>	<b>(654)</b>	<b>-5%</b>
<b>Environmental</b>									
Environmental Science and Monitoring	1,109	1,136	(27)	-2%		2,245	2,272	(27)	-1%
Environmental Protection	888	857	30	4%		945	915	30	3%
Resource Consents	924	847	77	9%		1,771	1,694	77	5%
<b>Regulatory</b>									
Building Control	1,761	1,836	(75)	-4%		3,596	3,671	(75)	-2%
Environmental Health	230	203	27	13%		425	406	19	5%
Biosecurity	5,608	5,660	(51)	-1%		5,653	5,705	(51)	-1%
Animal Control	676	596	80	13%		737	686	51	7%
Harbours	541	295	246	83%	3l	836	590	246	42%
<b>Regional Development</b>	<b>1,095</b>	<b>972</b>	<b>123</b>	<b>13%</b>	3m	<b>2,067</b>	<b>1,945</b>	<b>123</b>	<b>6%</b>
<b>Total Activity Income</b>	<b>68,050</b>	<b>63,638</b>	<b>4,412</b>	<b>7%</b>		<b>120,748</b>	<b>116,191</b>	<b>4,557</b>	<b>4%</b>
<b>Total MDC Income</b>	<b>113,442</b>	<b>109,009</b>	<b>4,433</b>	<b>4%</b>		<b>211,408</b>	<b>207,261</b>	<b>4,148</b>	<b>2%</b>
Total revenue which is non-cash or tied to a reserve or to fund capex	(24,991)	(21,428)	(3,564)	17%		(40,772)	(36,793)	(3,979)	11%
<b>Total MDC Operating Income</b>	<b>88,451</b>	<b>87,581</b>	<b>870</b>	<b>1%</b>		<b>170,636</b>	<b>170,467</b>	<b>169</b>	<b>0%</b>

1 July 2022 to 31 December 2022  
(in millions)



Actual vs Budget by Activity Group (in millions)

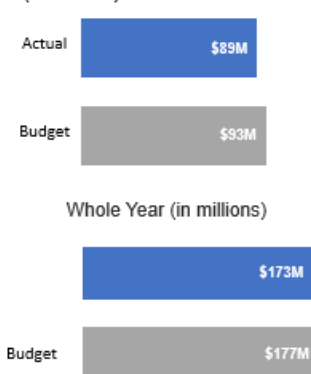


3. Comments are provided below on variances greater than \$100,000:
- a. Rates is behind budget due to lower metered water charges following lower consumption in winter months. These are expected to improve over the busier summer period.
  - b. External Interest revenue is behind budget due to low interest rates. As investments on these low rates mature, the strategy is to move to longer dated investments with higher interest rates.
  - c. Property and Other Revenue is ahead of budget due to:
    - i. Receipt of the first instalment of Three Water Council Transition Support Package Funding.
    - ii. Receipt of insurance claims for the July 2021 Flood and the Kaikoura Earthquake.
    - iii. Unbudgeted contributions from Land Information New Zealand (LINZ) for the LIDAR mapping of Marlborough.
  - d. Community Support is ahead of budget due to:
    - i. Grant received for restorative justice services provided by Restorative Justice Marlborough.
    - ii. Additional Waka Kotahi funding received for total mobility and passenger transport under the reduced fares scheme.
  - e. Community Facilities is ahead of budget due to:
    - i. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
    - ii. Vested assets received from the Wai-iti and Rose Manor developments.
  - f. Roads and Footpaths income is ahead of budget due to:
    - i. Waka Kotahi funding for the flood damage sustained in the July flood event offset by lower than anticipated funding for capital expenditure as Waka Kotahi have focussed on emergency works.
    - ii. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
    - iii. Vested assets received from the Wai-iti and Rose Manor developments.
  - g. Flood Protection and Control Work is below budget due to insurance funds from the July 2021 Flood event not being received yet.
  - h. Sewerage is ahead of budget due to:
    - i. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
    - ii. Vested assets received from the Wai-iti and Rose Manor developments.

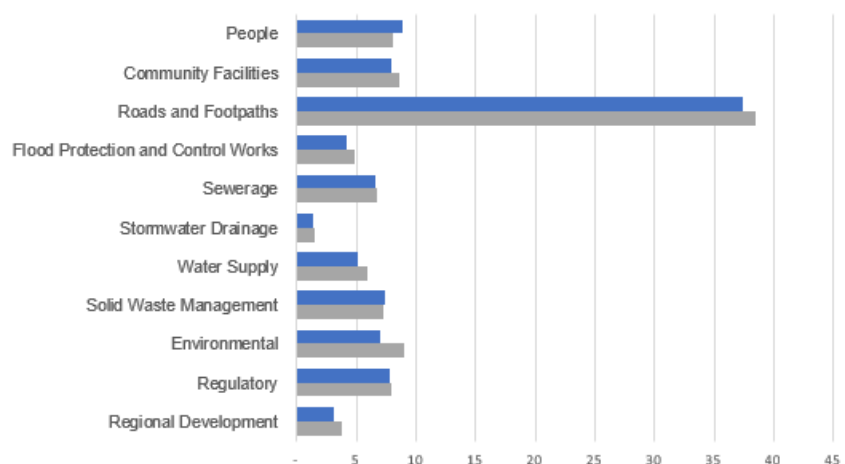
This is partially offset by lower than anticipated trade waste charges. A review is currently underway for these charges. Due to the review not being finalised, a fee increase has not been applied for this year and we anticipate that trade waste charges will be behind budget at year end.
  - i. Stormwater Drainage is ahead of budget due to vested assets received from the Wai-iti and Rose Manor developments.
  - This is partially offset by lower than anticipated development contributions.
  - j. Water supply is ahead of budget due to:
    - i. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
    - ii. Vested assets received from the Wai-iti and Rose Manor developments.
  - k. Solid Waste Management is behind budget due to lower than anticipated dump fees at the Regional Landfill and Greenwaste. These are expected to improve over the busier summer period.
  - l. Harbours is ahead of budget due to navigation levies being received in the first six months of the year.”
  - m. Regional Development is ahead of budget due to parking leases being higher than anticipated.

Expenditure	1 July 2022 to 31 December 2022				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
<b>Activity Expenditure</b>									
<b>People</b>									
Democratic Process	2,023	2,059	(35)	-2%		4,081	4,116	(35)	-1%
Culture and Heritage	1,086	1,151	(65)	-6%		1,797	1,862	(66)	-4%
Housing for Seniors	966	1,031	(65)	-6%		1,958	1,939	20	1%
Community Support	1,634	1,688	(55)	-3%		3,309	3,352	(43)	-1%
Library Services	1,886	1,689	198	12%	4a	3,484	3,280	204	6%
Emergency Management	1,215	417	798	191%	4b	1,622	825	797	97%
<b>Community Facilities</b>	7,936	8,617	(681)	-8%	4c	15,540	16,076	(536)	-3%
<b>Roads and Footpaths</b>	37,434	38,412	(978)	-3%	4d	74,259	75,237	(978)	-1%
<b>Flood Protection and Control Works</b>	4,166	4,874	(708)	-15%	4e	8,737	9,487	(750)	-8%
<b>Sewerage</b>	6,542	6,744	(202)	-3%	4f	12,593	12,831	(238)	-2%
<b>Stormwater Drainage</b>	1,381	1,467	(86)	-6%		2,677	2,794	(118)	-4%
<b>Water Supply</b>	5,115	5,843	(728)	-12%	4g	10,406	11,164	(758)	-7%
<b>Solid Waste Management</b>	7,396	7,293	103	1%	4h	15,802	15,705	97	1%
<b>Environmental</b>									
Environmental Policy	904	1,203	(299)	-25%	4i	2,106	2,404	(299)	-12%
Environmental Science and Monitoring	3,682	4,820	(1,137)	-24%	4j	7,821	8,986	(1,164)	-13%
Environmental Protection	857	1,084	(228)	-21%	4k	1,938	2,163	(225)	-10%
Resource Consents	1,482	1,827	(345)	-19%	4l	3,296	3,630	(334)	-9%
<b>Regulatory</b>									
Building Control	2,268	2,234	34	2%		4,488	4,443	45	1%
Environmental Health	397	411	(13)	-3%		765	820	(55)	-7%
Biosecurity	3,500	3,787	(287)	-8%	4m	7,281	7,563	(282)	-4%
Animal Control	450	445	5	1%		894	889	5	1%
Harbours	1,197	1,088	109	10%	4n	2,124	2,015	109	5%
<b>Regional Development</b>	3,142	3,791	(649)	-17%	4o	6,398	7,027	(629)	-9%
<b>Total Activity Expenditure</b>	<b>96,660</b>	<b>101,975</b>	<b>(5,316)</b>	<b>-5%</b>		<b>193,374</b>	<b>198,609</b>	<b>(5,235)</b>	<b>-3%</b>
Less Internal Interest	(2,481)	(2,874)	393	-14%	4p	(5,355)	(5,749)	393	-7%
	<b>94,179</b>	<b>99,101</b>	<b>(4,922)</b>	<b>-5%</b>		<b>188,019</b>	<b>192,860</b>	<b>(4,841)</b>	<b>-3%</b>
<b>Other expenditure</b>									
Interest expense (external)	2,230	2,972	(742)	-25%	4p	5,203	5,945	(742)	-12%
Property and other expenditure	3,486	2,474	1,012	41%	4q	3,620	2,503	1,117	45%
<b>Total other expenditure</b>	<b>5,716</b>	<b>5,446</b>	<b>270</b>	<b>5%</b>		<b>8,823</b>	<b>8,448</b>	<b>375</b>	<b>4%</b>
<b>Total MDC expenditure</b>	<b>99,895</b>	<b>104,547</b>	<b>(4,652)</b>	<b>-4%</b>		<b>196,842</b>	<b>201,308</b>	<b>(4,466)</b>	<b>-2%</b>
Total expenditure which is non-cash or reserve funded	(11,393)	(11,553)	160	-1%		(24,114)	(24,237)	123	-1%
<b>Total MDC operating expenditure</b>	<b>88,502</b>	<b>92,994</b>	<b>(4,492)</b>	<b>-5%</b>		<b>172,728</b>	<b>177,072</b>	<b>(4,344)</b>	<b>-2%</b>
<b>Operating SURPLUS</b>	<b>(52)</b>	<b>(5,413)</b>	<b>5,362</b>	<b>-99%</b>		<b>(2,092)</b>	<b>(6,604)</b>	<b>4,512</b>	<b>-68%</b>

1 July 2022 to 31 December 2022  
(in millions)



Actual vs Budget by Activity Group (in millions)



4. Comments are provided below on variances greater than \$100,000:
- a. Library Services is ahead of the budget due to:
    - i. Higher than anticipated national library and contract costs.
    - ii. Timing of an internal recovery for Customer Services Offices at the Picton Library.
  - b. Emergency Management is ahead of budget due to costs associated with the response and welfare from the August 2022 flood. Most of the costs are eligible for subsidy from either the National Emergency Management Agency (NEMA) or Waka Kotahi. Claims are pending.
  - c. Community Facilities is behind budget due to lower than anticipated grants mainly for the Whale Trail and Equestrian Park projects. Approval has been given to make quarterly advance payments for Whale Trail funding.

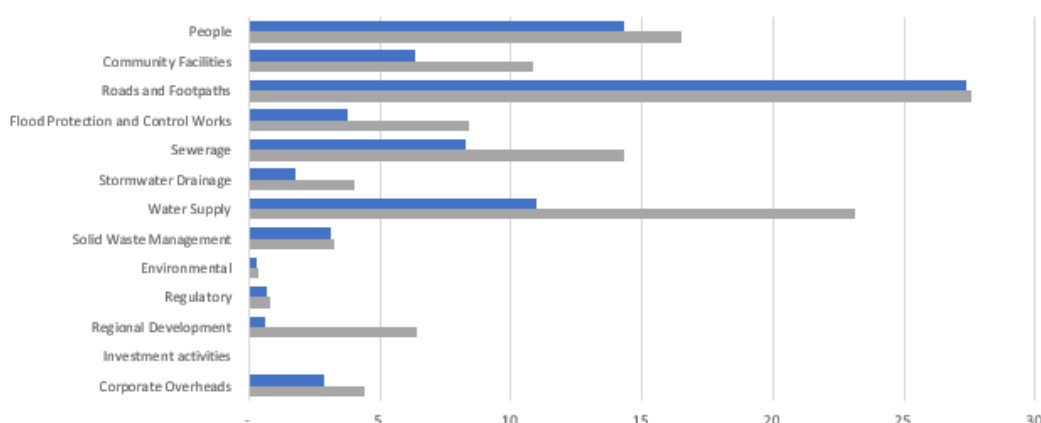
This is partially offset by unfavourable repair and maintenance costs including costs relating to flood damage.
  - d. Roads and Footpaths expenditure is below budget due to lower than anticipated maintenance expenditure.

This is offset by higher than anticipated roading reinstatement expenditure relating to the impacts of the August 2022 flood event. In the 2022/23 year \$25.8M has been spent on the July 2021 and August 2022 events with the initial \$85.3M approved by Waka Kotahi now being utilised for both events. Accounting entries will be made at year end to move some of these costs to capital.
  - e. Flood Protection and Control Work is below budget due to lower than anticipated flood damage repairs with expenditure expected to increase during the summer months.
  - f. Sewerage is behind budget due to lower than anticipated treatment costs in Riverlands Industrial.
  - g. Water Supply is behind budget due to lower reticulation maintenance costs. This is caused by lower water utilisation over the winter months. These are expected to increase over the busier summer period.
  - h. Solid Waste Management is ahead of budget due to higher than anticipated contract costs.
  - i. Environmental Policy is below budget due to lower than anticipated consultancy charges.
  - j. Environmental Science and Monitoring is below budget due to delays in externally funded projects caused by staff and contractor recruitment issues, timeliness of external stakeholders input and access issues following the 2022 flooding events. For more information on the progress of specific projects please see the February 2023 Environment Committee paper on Jobs for Nature and Externally Funding Environmental Programmes.
  - k. Environmental Protection is below budget due to lower than anticipated legal charges for consents compliance.
  - l. Resource Consents is below budget due to the lower than anticipated legal costs.
  - m. Biosecurity is below budget due to lower than anticipated costs for the Wilding Conifer Programme funded by the Ministry for Primary Industries.
  - n. Harbours is ahead of budget due increased contract costs.
  - o. Regional Development is behind budget due to the budgets for projects not yet being spent. Projects include the Picton redevelopment study, smart and connected reviews, tech and innovation activation, wine, aquaculture and food hui's and additional TEAM funding.
  - p. External and Internal Interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.
  - q. Property and other expenditure is ahead of budget due to:
    - i. Software costs and contracts for IT being higher than expected with urgent security work completed.
    - ii. Higher than anticipated costs for the air-conditioning replacement in the '95 building.

This is partially offset by unspent professional fees for the Climate change project.

Net capital expenditure	1 July 2022 to 31 December 2022				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
<b>People</b>									
Culture and Heritage	15	1,266	(1,251)	-99%		2,546	2,531	15	1%
Housing for Seniors	770	2,412	(1,642)	-68%		3,182	4,824	(1,642)	-34%
Community Support	-	26	(26)	-100%		26	53	(26)	-50%
Library Services	5,408	4,546	862	19%		8,551	9,093	(542)	-6%
Emergency Management	1	4	(3)	-69%		8	9	(1)	-12%
<b>Community Facilities</b>	1,192	5,715	(4,523)	-79%		6,351	10,842	(4,491)	-41%
<b>Roads and Footpaths</b>	9,700	13,006	(3,306)	-25%		27,351	27,532	(180)	-1%
<b>Flood Protection and Control Works</b>	353	4,197	(3,844)	-92%		3,754	8,394	(4,640)	-55%
<b>Sewerage</b>	4,734	6,395	(1,660)	-26%		8,291	14,289	(5,998)	-42%
<b>Stormwater Drainage</b>	954	1,841	(887)	-48%		1,800	4,032	(2,232)	-55%
<b>Water Supply</b>	5,921	11,554	(5,633)	-49%		10,995	23,109	(12,114)	-52%
<b>Solid Waste Management</b>	516	1,633	(1,117)	-68%		3,138	3,266	(128)	-4%
<b>Environmental</b>									
Environmental Science and Monitoring	97	167	(69)	-42%		264	334	(69)	-21%
Resource Consents	-	2	(2)	-100%		2	3	(2)	-50%
<b>Regulatory</b>									
Building Control	40	-	40	-		40	-	40	-
Environmental Health	-	2	(2)	-100%		2	3	(2)	-50%
Biosecurity	43	-	43	-		43	-	43	-
Harbours	219	404	(185)	-46%		622	807	(185)	-23%
<b>Regional Development</b>	30	3,204	(3,174)	-99%		616	6,408	(5,793)	-90%
<b>Investment activities</b>	8	32	(24)	-76%		40	64	(24)	-38%
<b>Corporate Overheads</b>	822	2,208	(1,386)	-63%		2,872	4,382	(1,510)	-34%
<b>Total Net Capital Expenditure</b>	<b>30,824</b>	<b>58,614</b>	<b>(27,790)</b>	<b>-47%</b>		<b>80,492</b>	<b>119,974</b>	<b>(39,481)</b>	<b>-33%</b>

Forecast vs Budget by Activity Group (in millions)



5. Council has set a budget of \$82.4M for capital expenditure in the 2022-23 Annual Plan. To achieve this a capex program of \$120.0M has been planned including \$37.6M of carryovers from previous financial years. This ensures that multiple projects can continue to progress. The current year forecast is \$80.5M.

As of time of writing Council has a total value of contracts for new assets in progress of \$92.1M. There is \$32.0M of contracted works still outstanding.

Total capital expenditure from 1 July to 31 December 2022 is \$30.8M which is \$2.5M more than the same period last year (\$28.3M).

It is still too early in the financial year to predict many of the likely deferrals and carryovers to 2023-2024 and 2025. However, the following re-budgeted items have been identified:

- Seddon Pool upgrade of \$1M has been re-budgeted into 2023-24 with leak repair work having been completed.
- Sewer Treatment Plant Upgrades at Seddon \$2.4M, Picton \$2.1M and Havelock \$1.7M have been re-budgeted to take place between 2023/24 and 2025/26 due to design, site, contractor and resource consent issues.

- Blenheim Main Outfall pump station upgrade \$3M has been re-budgeted into 2023/24 with design and investigation costs occurring this year.
- Riverlands Water Treatment plant \$7.4M has been re-budgeted into the 2023/24 and 2024/25 years.
- The Flaxbourne Irrigation Scheme is currently making its way through the resource consent process making the start of construction difficult to predict. The \$4M budget in the current year has been re-budgeted with the project now expected to take place between 2023-24 and 2025-26.



## Summary of Cash Received and Spent (\$000's)

	Financial Year to 31 December 2022	Financial Year to 30 June 2021	Difference
<b>Cash received from:</b>			
Rates	35,591	72,616	37,025
User charges	15,478	17,857	2,378
Property Rentals	3,618	5,898	2,280
Subsidies and Grants	34,235	26,679	(7,556)
Interest and dividends	3,701	3,550	(151)
Sale of assets	21	(1,015)	(1,036)
Development Contributions	5,299	6,389	1,090
Other revenue	10,075	12,498	2,423
<b>Operating cash received</b>	<b>108,019</b>	<b>144,472</b>	<b>36,453</b>
<b>Cash spent on:</b>			
Net GST	9,359	(457)	(9,817)
Payments for operating costs	(90,345)	(89,679)	666
Payments for capital expenditure	(25,188)	(68,248)	(43,060)
<b>Operating cash spent</b>	<b>(106,174)</b>	<b>(158,384)</b>	<b>(52,210)</b>
<b>Cash borrowed from/(repaid to):</b>			
LGFA for Council	10,170	(0)	(10,170)
Other	408	4,000	3,592
<b>Cash from/(to) borrowing</b>	<b>10,578</b>	<b>4,000</b>	<b>(6,578)</b>
<b>Invested in subsidiaries or investment property</b>	<b>(1,036)</b>	<b>(344)</b>	<b>692</b>
<b>Cash and investments:</b>			
<b>net increase/(decrease)</b>	<b>11,387</b>	<b>8,235</b>	<b>(3,152)</b>
<b>at the beginning of the year</b>	<b>18,846</b>	<b>28,158</b>	<b>9,312</b>
<b>at the end of December</b>	<b>30,234</b>	<b>36,394</b>	<b>6,160</b>

6. This is a modified cashflow statement which outlines where Council's cash is sourced and where it has been spent. Last year's figures have been provided as a comparison. The figures will differ to what is contained in the income and expenditure statement above mainly due to:

- a. The delay between invoices being raised/received and paid.
- b. Various accruals, provisions, and prepayments.
- c. Non-cash items such as vested assets and depreciation.

Authors	Tessa Dever, Financial Accountant and Piumi Wijayasena, Assistant Financial Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

# 11. Treasury Management Report as at 31 December 2022

(The Chair) (Report prepared by Chris Lake)

F290-006-22

## Purpose of Report

1. To present the Treasury Management Report for the period ending 31 December 2022.

## Executive Summary

2. The Cash, Investments and Borrowings Report is shown as an attachment at the end of the report. Additional information is given for information and clarity. These are:
  - details of the market interest rate movements;
  - a summary of the investments Council held, and that these continue to fit within the compliance of the Investment Policy section of the Treasury Management Policy; and
  - a summary of Council borrowings as at 31 December 2022. These do not currently comply with the Liability Management section of the Treasury Management Policy but will as Council's borrowing increases. A number of graphs are provided to show the policy boundaries.

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## RECOMMENDATION

That the information be received.

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### 3. Cash, Investments and Borrowings Report

The attachment shows details of Council's cash on hand, investments and borrowings for the quarter ended 31 December 2022. Comparative details for the quarter ended 30 September 2022 are shown in italics and shaded.

### 4. Market Interest Rate Movements

The Official Cash Rate (OCR), as set by the Reserve Bank of New Zealand, has been raised twice in this quarter being on 5 October and 23 November with it sitting at 4.25% at 31 December 2022.

See 'Current Market Interest Rates' on the table in the **attachment**.

### 5. Investments

Below is a summary of Council's investment portfolio reported in the **attachment**.

December			Last Quarter September
Investments – short term deposits - Banks	\$12,803,618	4.82%	2.89%
Investments – Securities within 1 year	-	- %	- %
<b>Total Investments</b>	<b>\$12,803,618</b>	<b>4.82%</b>	<b>2.89%</b>

Since 2014 Council has been investing in term deposits rather than corporate bonds due to the yield advantage that term deposits provide. This strategy is continually monitored to ensure that it remains appropriate.

Council maintains the investment portfolio considering:

- compliance with Council's Treasury Management Policy investment parameters; and

- the level of investment required to maintain adequate disaster recovery funding in realisable securities.

Bancorp provide advice on reinvestment of securities and report quarterly on Treasury Management Policy for compliance and investment returns.

#### 6. Compliance with Council Policy

Council's Treasury Management Policy sets criteria surrounding credit rating, maximum investment allowed with any one institution and the maximum allowed to be invested with any type of institution.

All criteria have been met for the 31 December quarter.

#### 7. External Borrowings

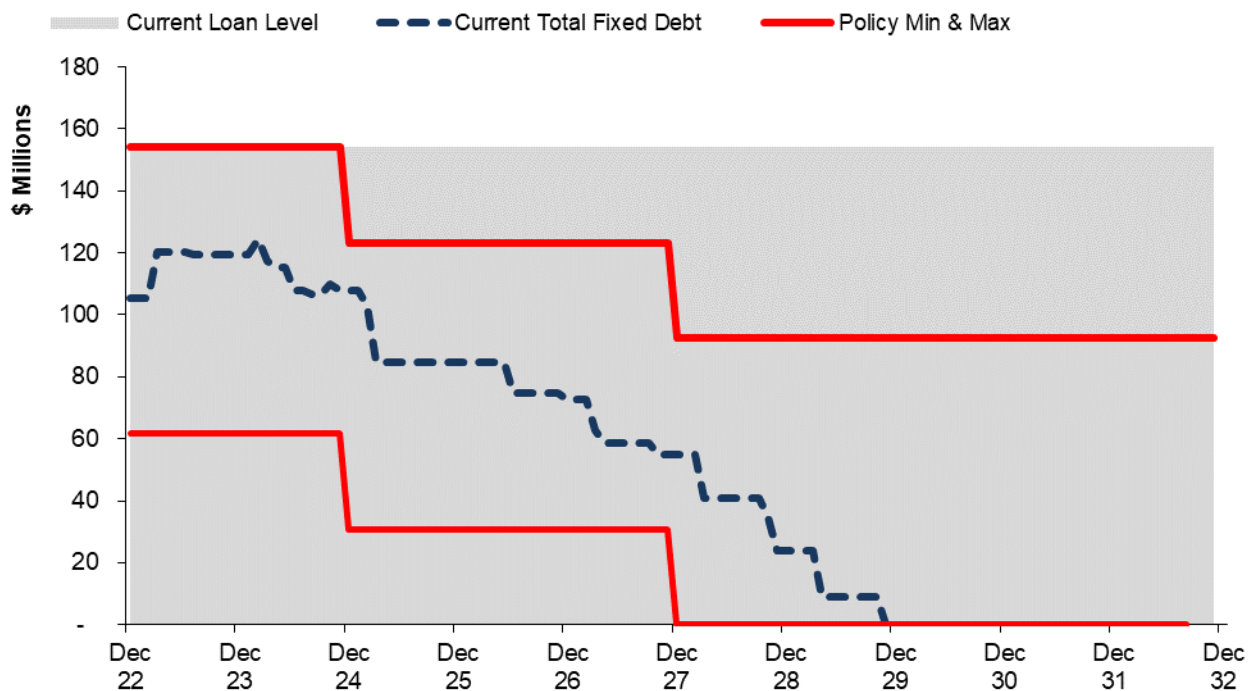
As at 31 December 2022 the MDC Group had Gross borrowings of \$154M (\$150.4M as at 30 September 2022).

MDC Holdings Group debt has increased from \$70.5M to \$75M. Of this amount \$1.1M was used to subscribe to LGFA Borrower notes.

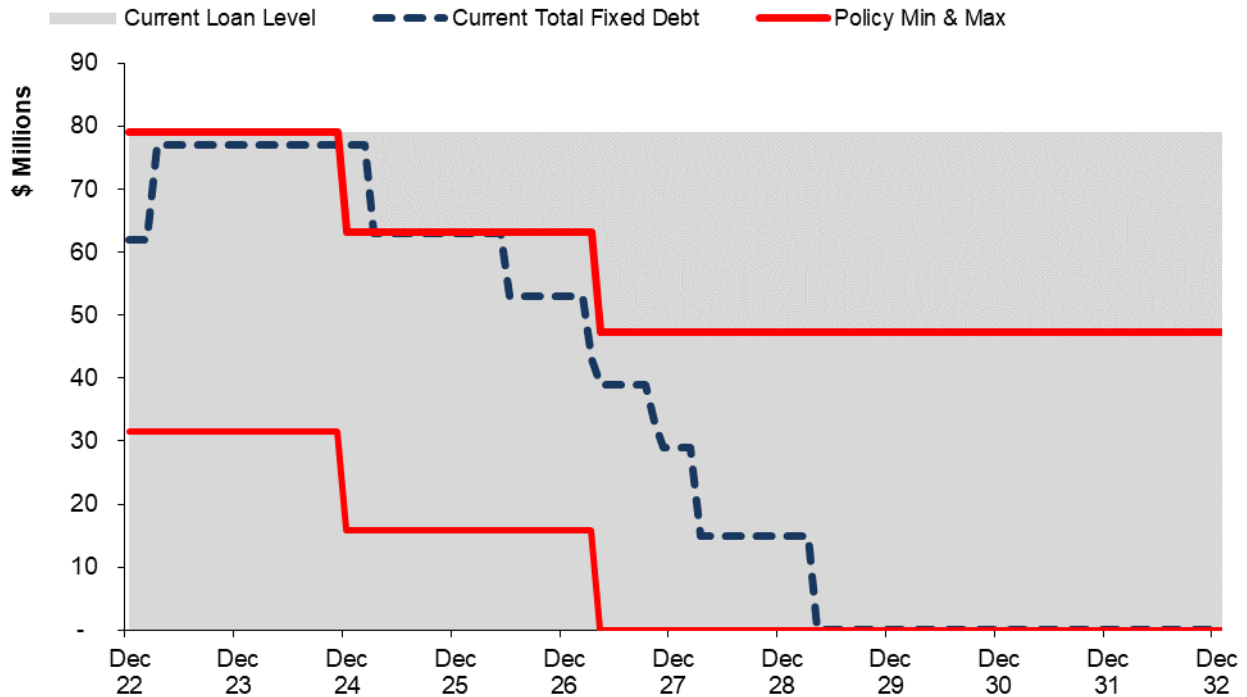
MDC remains unchanged since the last quarter of \$79M borrowed with \$62M being hedged. All debt hedging is consistent with advice provided by Bancorp.

The following three graphs are for the MDC Group combined, MDC Holdings Limited and MDC and show the level of fixed/hedged debt compared to Policy Bands based on current levels. The fourth and fifth graphs show the position based on anticipated future borrowings.

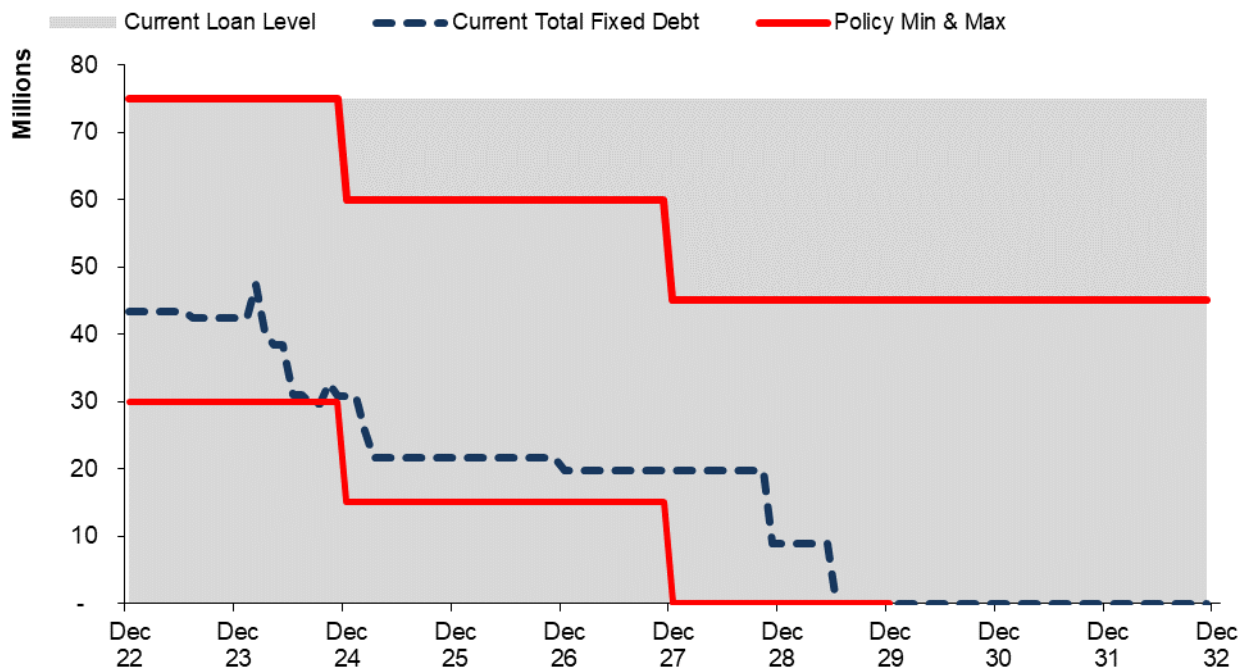
#### MDC GROUP debt and hedging - December 2022



### MDC debt and hedging (excl. MDCH) - December 2022



### MDCH debt and hedging - December 2022

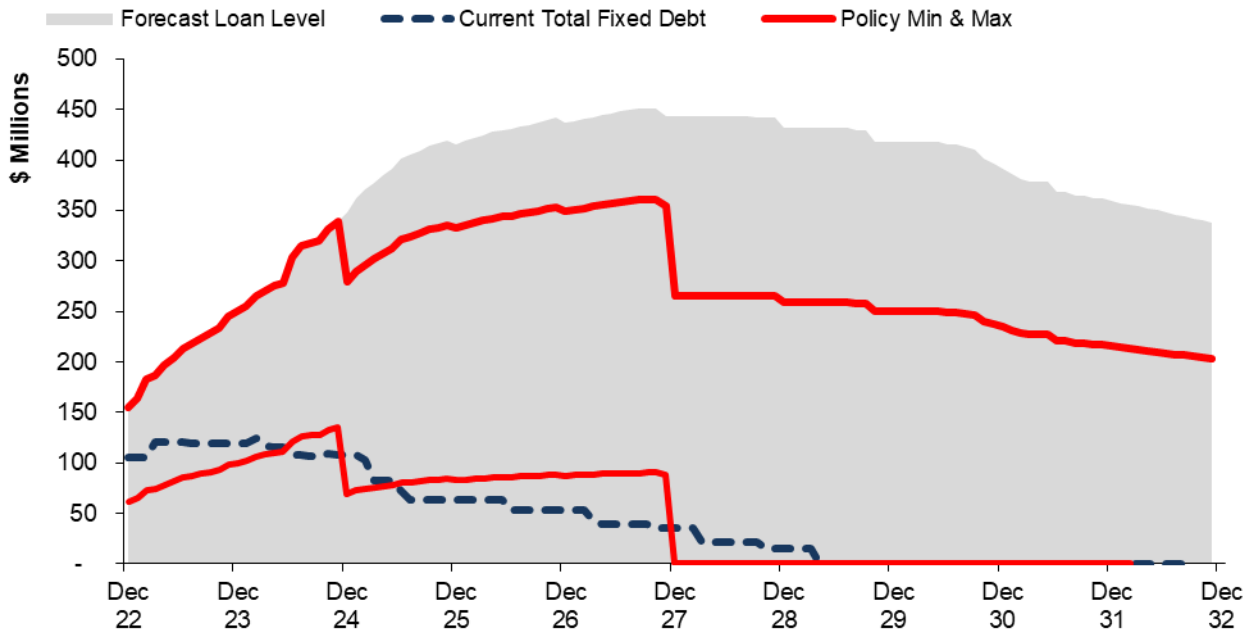


#### 8. Compliance with Council Policy

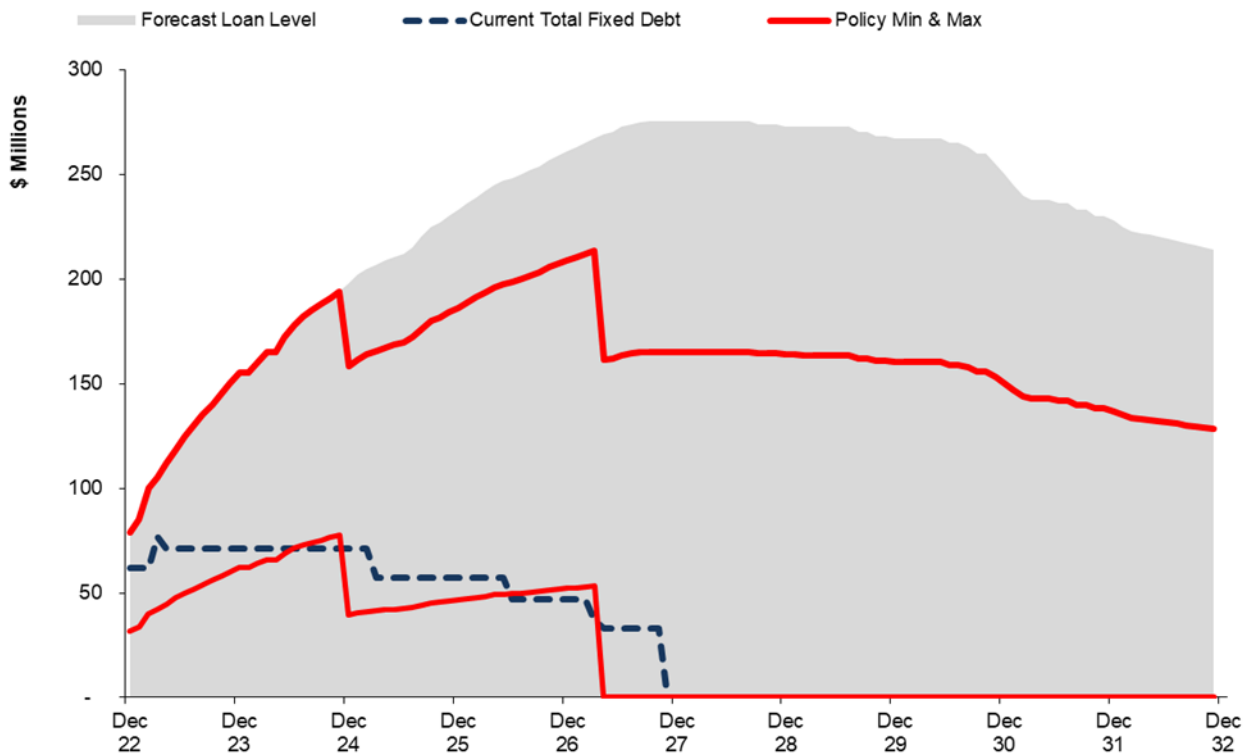
The hedging for the MDC (excl MDCH) is outside the policy where the maximum hedging policy drops after two years to 80%. The fixed debt at December 2024 is above the maximum of 80%. However, if we go by the forecast debt, in the graphs below, then this fixed debt (December 2024) is above the policy minimum at the 2 year mark.

In the coming year it is expected that Council will require additional borrowing for its' and Port Marlborough's budgeted capital projects including their Waikawa marina development and IREX. The graphs below show the policy minimum and maximums if based on the forecast loan levels.

### MDC GROUP debt and hedging (Forecast debt) - December 2022



### MDC debt and hedging (excl. MDCH) (Forecast debt) - December 2022



**MARLBOROUGH DISTRICT COUNCIL**  
**QUARTERLY TREASURY MANAGEMENT REPORT**

**Current Market Interest Rates as at 31 December 2022**

Term	Rate quoted from -	December 2022	November 2022	October 2022	September 2022
OCR	Reserve Bank	4.25%	4.25%	3.50%	3.00%
30 days	Reserve Bank	4.32%	4.32%	3.79%	3.48%
90 days	Bank bills	4.65%	4.42%	4.10%	3.85%
5 year bond	NZ Government Bonds- yield	4.48%	4.29%	4.28%	4.18%
10 year bond	NZ Government Bonds- yield	4.48%	4.11%	4.26%	4.24%

**Statement of MDC Cash, Investments and External Borrowings as at 31 December 2022**

					%Funds	Last Report September 2022
<b>Bank Current Accounts</b>						
- BNZ	Current Funds or (Overdraft)			7,164,183	23.70%	\$748,653
<b>On Call</b>						
- BNZ	AA-		3.50%	5,257,304	17.39%	\$2,080,225
<b>Readily Available Funds</b>				<b>\$12,421,487</b>	<b>41.10%</b>	<b>\$2,828,878</b>
<b>Cash flow - term deposits &lt;60 days</b>						
- Westpac	AA-	14 days (10/22)	2.75%	0	0.00%	\$2,000,000
- Westpac	AA-	7 days (10/22)	2.78%	0	0.00%	\$4,000,000
- Westpac	AA-	14 days (10/22)	2.78%	0	0.00%	\$4,000,000
- Westpac	AA-	24 days (1/23)	3.76%	5,000,000	16.54%	\$0
<b>Funds Available &lt;60 days</b>				<b>\$5,000,000</b>	<b>16.54%</b>	<b>\$10,000,000</b>
<b>Investments</b>						
<b>Banks</b>						
- BNZ	AA-	365 days (07/23)	1.50%	53,492	0.18%	\$53,492
- BNZ	AA-	365 days (06/23)	4.46%	565,585	1.87%	\$565,585
- Westpac	AA-	365 days (11/22)	2.13%	0	0.00%	\$547,478
- Westpac	AA-	731 days (11/24)	5.52%	559,139	1.85%	\$0
- Westpac	AA-	365 days (12/23)	5.86%	1,353,289	4.48%	\$0
- Westpac	AA-	365 days (12/23)	5.80%	1,212,619	4.01%	\$0
- Westpac	AA-	365 days (12/22)	2.30%	0	0.00%	\$1,185,356
- Westpac	AA-	365 days (12/22)	2.22%	0	0.00%	\$1,323,898
- BNZ	AA-	214 days (10/22)	1.80%	0	0.00%	\$1,367,242
- BNZ	AA-	731 days (10/24)	5.12%	1,391,988	4.61%	\$0
- Westpac	AA-	365 days (01/23)	2.68%	1,026,708	3.40%	\$1,026,708
- Westpac	AA-	365 days (03/23)	3.33%	1,449,860	4.80%	\$1,449,860
- Westpac	AA-	731 days (07/24)	4.56%	1,333,280	4.41%	\$1,333,280
- BNZ	AA-	731 days (07/24)	4.67%	1,133,379	3.75%	\$1,133,379
- Westpac	AA-	728 days (10/24)	5.51%	2,724,280	9.01%	\$0
- Westpac	AA-	364 days (10/22)	2.14%	0	0.00%	\$2,667,355
<b>Total Investments</b>				<b>\$12,803,618</b>	<b>42.36%</b>	<b>\$12,653,633</b>
<b>Total Funds Available</b>				<b>\$30,225,105</b>	<b>100.00%</b>	<b>\$25,482,511</b>

**Gross Group Borrowings**

**Local Government Funding Authority**

- Loans greater than 12 months for MDC	4.52%	79,000,000
- Loans greater than 12 months raised on behalf of MDC Holdings Ltd		75,000,000
Subtotal		154,000,000

**Westpac**

- Loans less than 12 months for MDC	5.50%	-
<b>Total MDC Group External Borrowings</b>		<b>\$154,000,000</b>

**less**

- Loans raised on behalf of MDC Holdings Ltd		(75,000,000)
----------------------------------------------	--	--------------

**plus**

- MDC Holdings current account (interest charged annually @ 90 day bank bill rate)		2,715,451
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<b>MDC Borrowings</b>		<b>\$ 81,715,451</b>
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## 12. Debtors Overdue Reports as at 31 December 2022

(The Chair) (Report prepared by Sonja Greenhill)

F220-002-020-22

### Purpose of Report

1. The purpose of this report is to advise Council on the overdue debtor position as at 31 December 2022.

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### RECOMMENDATION

That the information be received.

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### Debtors' Overdue Reports

2. The debtors' overdue summary report is attached for the Councillors' information.

This report details the level of debt relating to the following revenue streams:

- Building Consents
- Resource Consents
- Resource Consent Monitoring
- Development Contributions
- Licences
- Tradewaste
- Water and Sewerage Connections
- Other Sundry Invoices

The Debtors Report as of 31 December 2022 is **attached** for Councillors' information.

The Current and 30 – 90 Days balance includes a large government department invoice and the second quarter Tradewaste invoices with the majority have been paid in January 2023.

The 90 Days balance includes several Development Contribution invoices that will be paid once the building project is near completion. The list of overdue Building Consents is getting longer because building projects have not being started due to the unavailability of materials and builders.

Also, there are a number of invoices relating to the Resource Consent Annual Monitoring fees not paid. Copies of the invoices have been emailed requesting payment.

The Property Leases and Licences Debtors Report as of 31 December 2022 is also **attached** for Councillors' information. Current and Total balances fluctuate monthly depending on individual leases and invoicing periods, e.g., monthly, quarterly, six monthly or annual.

Author	Sonja Greenhill, Credit Controller
Authoriser	Martin Fletcher, Chief Financial Officer

## Debtors Report as at 31 December 2022

Aged Analysis Report	Current Month	Comparison for Previous 5 Months				
	December	November	October	September	August	July
Current	3,543,971.11	2,101,373.43	3,928,753.06	1,484,532.68	1,741,588.04	705,557.81
30 - 90 Days	422,503.17	475,523.96	557,077.37	1,723,446.02	2,374,786.33	1,085,704.19
90 Days	399,424.59	636,810.08	545,236.47	438,923.83	348,047.47	274,860.22
<b>Outstanding Debtors Closing Balance</b>	<b>4,365,898.87</b>	<b>3,213,707.47</b>	<b>5,031,066.90</b>	<b>3,646,902.53</b>	<b>4,464,421.84</b>	<b>2,066,122.22</b>

Debtors Action Report - Debtors over 90 days with Balance >\$250	December	November	October	September	August	July
With Debt Collection Agency	10,148.04	10,148.04	10,683.05	10,683.05	11,029.04	10,509.90
Paying by Arrangement	55,787.12	57,823.28	70,073.50	75,997.49	49,610.73	29,741.97
Negotiating Payment Arrangement	226,922.05	482,876.68	356,886.05	293,675.50	276,599.44	224,802.54
Debts in Dispute	57,461.00	-	-	-	-	-
Payments since month end taken off above amounts	41,088.39	69,372.51	83,909.09	54,834.11	9,083.06	8,322.64
<b>Sub-Total</b>	<b>391,406.60</b>	<b>620,220.51</b>	<b>521,551.69</b>	<b>435,190.15</b>	<b>346,322.27</b>	<b>273,377.05</b>
Various Debtors with Balances <\$250	8,017.99	16,589.57	23,684.78	3,733.68	1,725.20	1,483.17
<b>Over 90 days Outstanding Total</b>	<b>399,424.59</b>	<b>636,810.08</b>	<b>545,236.47</b>	<b>438,923.83</b>	<b>348,047.47</b>	<b>274,860.22</b>



## Property Leases and Licences Debtors Report as at 31 December 2022

	Current Month	Comparison for Previous 5 Months				
<b>Aged Analysis Report</b>	<b>December</b>	<b>November</b>	<b>October</b>	<b>September</b>	<b>August</b>	<b>July</b>
Current	201,947.75	100,329.92	224,843.38	194,072.10	145,399.55	39,621.66
30 Days	42,498.54	19,081.17	25,597.42	100,210.83	19,790.01	(1,050.60)
60 Days	2,088.82	19,755.20	94,798.43	1,477.43	(3,431.28)	1,973.89
90 Days	5,895.87	45,962.23	2,036.33	1,206.80	6,127.99	2,580.89
<b>Outstanding Debtors Closing Balance</b>	<b>252,430.98</b>	<b>185,128.52</b>	<b>347,275.56</b>	<b>296,967.16</b>	<b>167,886.27</b>	<b>43,125.84</b>

## Water Billing Debtors Report as at 31 December 2022

	Current Month	Comparison for Previous 5 Months				
	December	November	October	September	August	July
<b>Aged Analysis Report</b>						
Current	746,562.78	1,664.29	4,486.32	549,192.33	28.28	(1,650.31)
30 - 90 Days	5,458.74	42,838.78	75,660.64	(6,747.51)	64,930.23	120,477.06
90 Days	14,235.34	(10,130.99)	(621.13)	25,195.10	(9,228.92)	(4,416.23)
<b>Outstanding Debtors Closing Balance</b>	<b>766,256.86</b>	<b>34,372.08</b>	<b>79,525.83</b>	<b>567,639.92</b>	<b>55,729.59</b>	<b>114,410.52</b>

<b>Debtors Action Report - Debtors over 90 days Balance &gt;\$250</b>						
	December	November	October	September	August	July
Paying by Arrangement	2,028.71	3,898.95	5,404.46	8,870.82	5,940.72	5,416.29
Negotiating Payment Arrangement	31,767.07	16,078.01	12,046.22	22,104.30	8,236.83	6,196.94
Awaiting Possible Water Remission (New)	6,430.60	3,440.54	19,853.29	12,558.21	17,182.32	11,394.39
Payments since month end taken off above amounts	12,310.96	9,603.29	6,573.79	4,933.48	4,636.36	2,172.30
<b>Sub-Total</b>	<b>52,537.34</b>	<b>33,020.79</b>	<b>43,877.76</b>	<b>48,466.81</b>	<b>35,996.23</b>	<b>25,179.92</b>
Various Debtors with Balances <\$250 or Credit Balances	(38,302.00)	(43,151.78)	(44,498.89)	(23,271.71)	(45,225.15)	(29,596.15)
<b>90 days Outstanding Total</b>	<b>14,235.34</b>	<b>(10,130.99)</b>	<b>(621.13)</b>	<b>25,195.10</b>	<b>(9,228.92)</b>	<b>(4,416.23)</b>

## 13. Rates Report as at 31 December 2022

(The Chair) (Report prepared by Linda Fletcher-Firks)

F270-36-22

### Purpose of Report

1. The purpose of this report is to advise Council of the rates position as at 31 December 2022.

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### RECOMMENDATION

That the information be received.

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### Rate Levies Status and Rate Arrears Aged Balance Reports

2. The Q3 rates instalment invoices were sent on 1 February 2023 and are due payment by 8 March 2023.

#### *Current Rating Year Arrears*

1,220 properties received a penalty and overdue letter for not paying their Q2 instalment on time (by 8 December 2022). Of these properties, 319 accounts remain unpaid. There are a further 78 properties which are still overdue from the first instalment (due 8 September 2022). The collection rate for payments due to date is 51.38%. This is comparable with last year's collection rate of 51.85%.

#### *End of Year Arrears as at 30 June 2022*

##### Properties With Mortgages

- 171 properties with mortgages were identified as having arrears (as at 30 June 2022).
- 86 of these properties were issued a Notice of Default on 13 December 2022. Any arrears due under this Notice, and not paid by three months from the date of the Notice, will then have a Notice of Demand sent to the mortgagee.

Of these 171 properties:

- 85 have paid
- 5 have a payment arrangement in place to clear arrears
- 76 still have a Notice of Default with the bank
- 5 have yet to be actioned

##### Properties Without Mortgages

There are 36 properties which do not have mortgages and have arrears. Most continue to make no or minimal payments towards their arrears or on-going 2022-2023 rates.

Of these 36 properties:

- 3 are in the process of Council obtaining a rating/abandoned land sale via our Debt Collection Agency
- 8 have been referred to the Debt Collection Agency to start the collection process, who are well versed in the statutory process for the collection of outstanding rates.
- 8 are actively being followed up by the Rates Team before being referred to the Debt Collection Agency
- 15 are below the threshold for referral to the Debt Collection Agency and are actively being followed up by the Rates Team
- 2 have a payment arrangement in place to clear arrears

Unencumbered Arrears - By Year	
2018-2019	2
2019-2020	3
2020-2021	7
2021-2022	24
<b>Total</b>	<b>36</b>

The Rates Team are continuously following up with these rate payers to collect overdue rates or to arrange mutually agreeable repayment plans.

Author	Linda Fletcher-Firks, Team Leader Rating
Authoriser	Martin Fletcher, Chief Financial Officer

## Rate Levies Status Report as at 31 December 2022

<b>Financial Division</b>	<b>Balance B/Forward (01/07/22)</b>	<b>Annual Rate Levy</b>	<b>Arrears Penalty</b>	<b>Instalment Penalty</b>	<b>Adjustments</b>	<b>Cash Received for Year to Date</b>	<b>Balance 31/12/22</b>
Blenheim	(132,318)	44,556,410	29,478	69,957	(111,581)	(22,872,294)	21,539,651
Blenheim Vicinity	39,336	17,266,545	10,011	23,542	(131,081)	(8,945,870)	8,262,483
General Rural	1,712	14,614,000	12,708	30,222	(134,837)	(7,471,094)	7,052,710
Picton	37,664	9,867,562	11,263	20,522	(90,646)	(5,020,951)	4,825,412
Picton Vicinity	1,874	1,017,061	1,646	3,096	(33,713)	(501,335)	488,628
Sounds Admin Rural	9,324	1,254,544	2,494	4,561	(12,610)	(685,216)	573,095
Utilities Network	-	40,338	-	75	-	(38,173)	2,240
<b>Current Year Totals</b>	<b>(42,409)</b>	<b>88,616,460</b>	<b>67,600</b>	<b>151,974</b>	<b>(514,469)</b>	<b>(45,534,935)</b>	<b>42,744,220</b>

## Rate Arrears Aged Balance Report as at 31 December 2022

Year	Total Arrears (01/07/2022)	Rate Arrears Received Year to Date	Total Arrears 31/12/2022	Postponed Rates included in Total Arrears	Actual Arrears (after deducting postponed rates)
2021-22	998,673	585,063	413,610	32,841	380,770
2020-21	103,284	47,210	56,074	19,058	37,016
2019-20	29,183	2,556	26,626	15,472	11,155
2018-19	23,389	864	22,526	15,726	6,800
2017-18	16,846	1,215	15,631	12,003	3,627
2016-17 & Prior	44,641	3,559	41,082	40,311	770
<b>Total</b>	<b>1,216,016</b>	<b>640,467</b>	<b>575,548</b>	<b>135,410</b>	<b>440,138</b>

Rates postponement is offered to ratepayers aged over 65 under Council's Remission and Postponement Policy

## 14. Information Package

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### RECOMMENDATION

That the Economic, Finance & Community Information Package dated 7 February 2023 be received and noted.

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## 15. Decision to Conduct Business with the Public Excluded

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

- Events

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
Events	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.