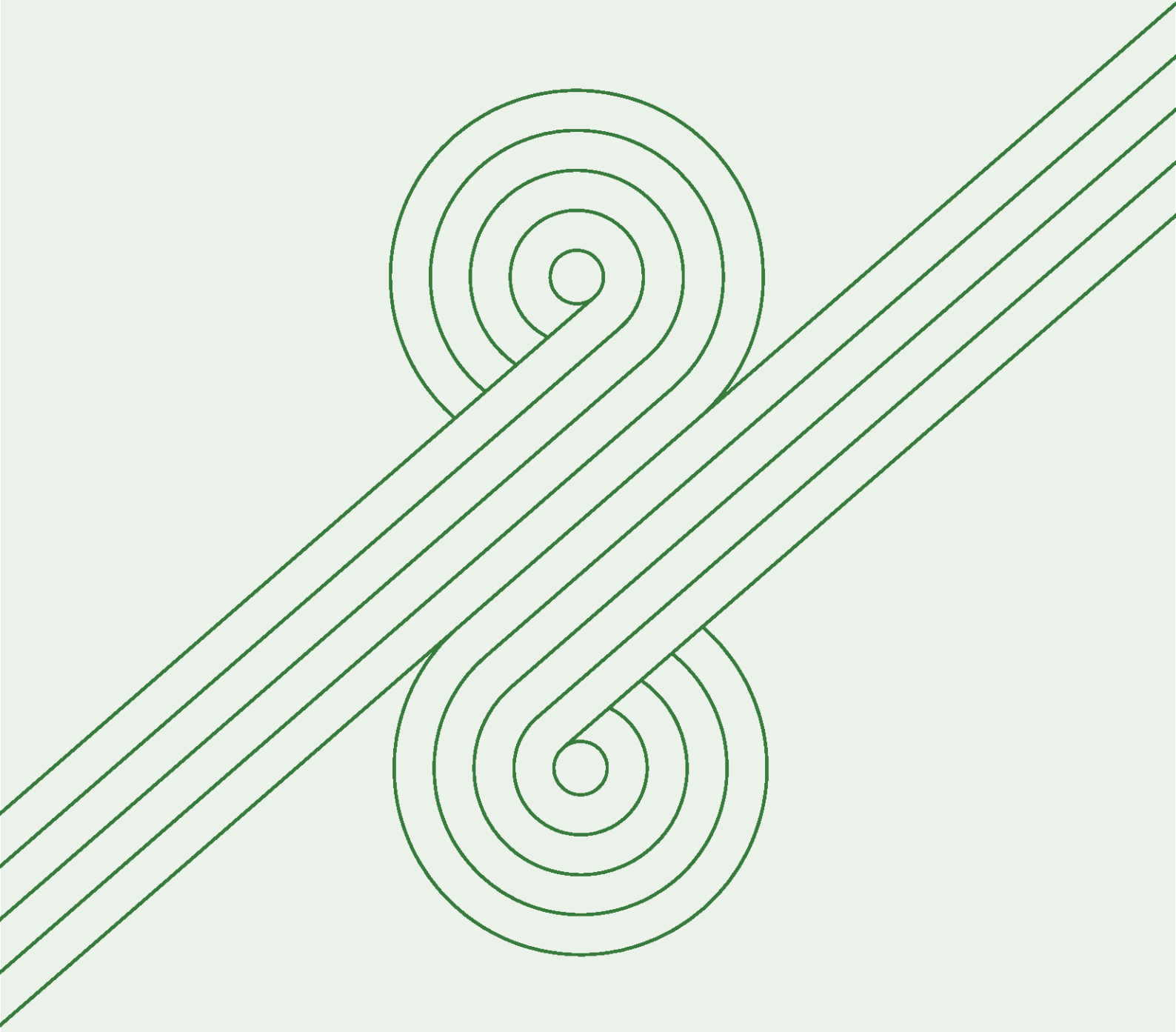


2023-24

Annual Report



Role of Annual Report

This Annual Report has been prepared to enable readers to assess Marlborough District Council's 2023-24 performance against the policies, activities, objectives, performance targets and financial details contained in its 2021-2031 Long Term Plan.

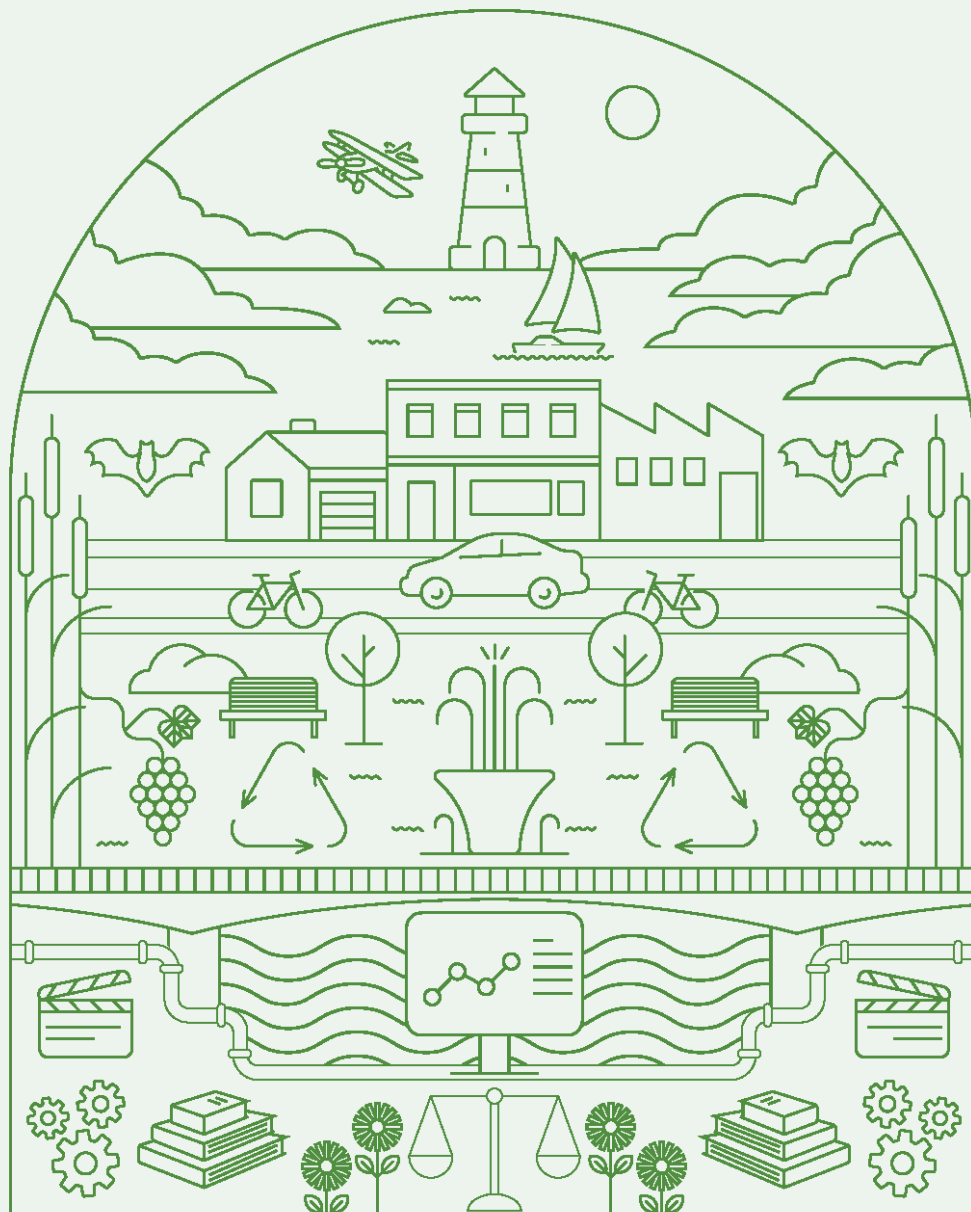
An Annual Report is required by Section 98 of the Local Government Act 2002. Financial and non-financial information is required to be included for each Activity.

If any member of the public wishes to discuss any aspect of this report, a Council officer will be more than pleased to meet with you. In the first instance please telephone Tessa Dever, Financial Reporting Manager on (03) 520 7400.

Vision

Marlborough District Council

Marlborough is a globally-connected district of smart, progressive, high-value enterprises, known for our economic efficiency, quality lifestyle and wellbeing, caring community, desirable location and healthy natural environment



Mission Statement

We invest in Marlborough's future, our people,
quality lifestyle and outstanding
natural environment

Values

We are open, transparent and collaborative

We partner with tangata whenua iwi

We involve and respect our many cultures

We are innovative and strive for excellence

We are adaptive and responsive
to community needs

We work in an environmentally
sustainable manner

Community Outcomes

Governance

Environment

People

Economy

Connectivity

Living

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PART 1

Executive Summary

Mayor's report

Elected council members

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Financial overview

Annual Report Disclosur Statement for year ended 30 June 2024

Ngā kōrero nā te koromatua Message from the Mayor



It's my pleasure to present the Marlborough District Council Annual Report for the 2023/24 financial year. This foreword only briefly touches on some of our key projects and successes - I encourage you to delve further into the report for more detail.

The major highlight for 2023-24 was the outstanding progress made on the Marlborough Sounds roading recovery. The second phase of the Marlborough Sounds Future Access Study public engagement process wrapped up in July 2023 with 500 people attending eight public meetings, and over 1,700 people participating in a survey.

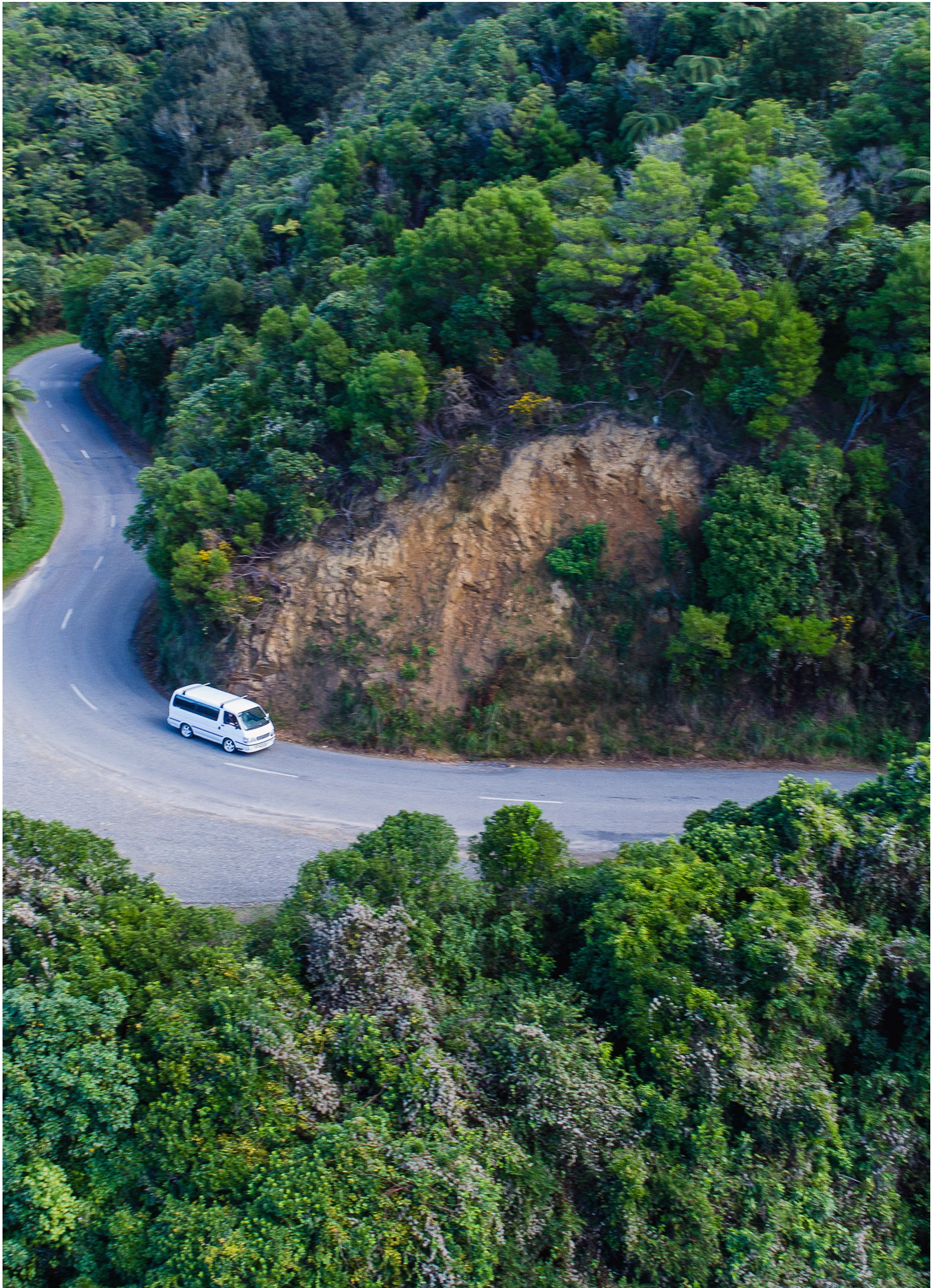
Council approved the study's programme business case, which offered a suite of solutions for the provision of a safe, resilient Sounds transport network. In December 2023 NZTA endorsed our business case which identified that \$146M was required for road repairs, \$48M for long term road resilience improvements and \$40M for marine infrastructure adaptation improvements, with a total funding requirement of \$234M. NZTA agreed to fund 71% of the road repairs and 51% of road improvements, which was very welcome news.

The largest proportion of the repair programme is for the Kenepuru, at \$94M, followed by Te Aumiti/French Pass at \$26M, Queen Charlotte Drive at \$14M, Te Whanganui/Port Underwood \$11M and Te Hoiere/Pelorus \$2M.

It was pleasing to see the recovery's public engagement programme win two awards, from Emergency Media and Public Affairs and the International Association of Public Participation (IAP2), the latter for the best engagement project in Australasia, one of 35 entries.

Considerable community engagement was also important for the new kerbside waste and recycling service, expanded to include Grovetown, Havelock, Rarangi, Rai Valley, Renwick, Seddon, Spring Creek and Tua Marina, which switched from rubbish bags to wheelie bins on 1 July 2024. An enormous effort was made by staff and contractor WM New Zealand to deliver 36,000 wheelie bins to households - one for household waste and one for recycling. To add a further layer of complexity, three bin sizes were made available to give householders choice.

Our team also constructed five new remote transfer stations to improve facilities and replace the old coin-operated skips and community recycling bins. The new sites are at Awatere Valley Road, Ohingaroa Quarry, Rai Valley, Waihopai Valley and Ward. Another five will be opened during 2024/25, at Port Underwood, Portage Bay, Linkwater, Titirangi and Waitaria Bay.




Core infrastructure across Marlborough remained a focus and water improvements continued in Renwick with a new water treatment plant commissioned following construction of a new reservoir, water meters' installation and the drilling of new wells at Conders Bend Road. A new water pipeline from the wells to the reservoir and water treatment plant site was installed in 2022. The new water treatment plant in Wairau Valley has been operational since August 2023 providing water to that community. We also completed the long-running renewal of Blenheim's sewer mains following extensive damage from the 2016 Kaikōura earthquake.

In May, Spring Creek locals turned out to a public meeting to hear our Rivers and Drainage team outline their plans to repair and rebuild flood protection in the area. There were a number of challenges for the project, including sourcing enough rock to rebuild the Peninsula Road stop bank and deciding on a final design. However, suggestions from community members about how Council could bring forward some parts of the protection work and begin work sooner were incorporated into the plans, which are now well underway.

The East Coast Beach Vehicle Bylaw came into effect on 1 July 2023, limiting vehicle access to the environmentally sensitive stretch of coastline between the Awatere River mouth and Waima/ Ure River. This coastline holds special values for our community and has international significance for its fauna and flora. Boat launching and retrieval is permitted in designated areas at Marfells and Ward beaches.

A coastal inundation assessment for Marlborough looking out 100 years was completed in October 2023 by NIWA, based on its national inundation assessment. The assessment is a first step in a staged approach to identify the effects of future sea level rise for our district. This report provides a good understanding of expected sea level rise in Marlborough through to 2130, although further research is needed to refine the inundation mapping for the Lower Wairau Plain. The main areas of expected impact are low-lying parts of Picton, Havelock and the Lower Wairau. Elsewhere, the extent of inland inundation is limited due to Marlborough's steep backshore.



Opportunities abound in Marlborough and 2,100 local youth were inspired about possible career pathways at the Future of Work Conference in June.

Te Kahu o Waipuna - Marlborough's beautiful new library and art gallery building - won three awards at the Master Builders Association Commercial Project Awards held in Wellington in May. It won Gold Award Winner in the Tourism and Leisure Category and Value Award Winner in the Commercial Projects \$10 to \$25M Category. This was a well-deserved accolade for the project builder Robinson Construction, for APL Property, Davidson Group, Warren and Mahoney and all the sub-contractors. It goes to show we have exceptionally talented people here in Marlborough who can go up against the best in New Zealand and win. The building also won the public architecture category in the Te Kāhui Whaihanga New Zealand Institute of Architects Local Awards in June.

Opportunities abound in Marlborough and 2,100 local youth were inspired about possible career pathways at the Future of Work Conference in June. Council again partnered with the Graeme Dingle Foundation to hold the event at Blenheim's ASB Theatre. The programme featured inspiring speakers, opportunities for young people to ask questions and experience interactive workstations, with displays from more than 40 Marlborough-based industries. The conference concluded with a chance for young people to connect with tertiary providers and universities.

Council worked hard to bring the inaugural WinePRO trade fair to Blenheim in June 2024, showcasing New Zealand's wine technology sector. The event was considered a big success by organisers, visitors, exhibitors and conference attendees and participants, with 1,700 attendees. The show brought an additional \$780K into the economy at a quiet time of year and will return here again in 2026.

In March I was pleased to announce the appointment of a new chief executive after an extensive recruitment process. John Boswell has joined Council after a successful military career, reaching the position of Major General and Chief of Army, the most senior officer in the New Zealand Army. We were fortunate to secure John for Marlborough and welcome the strategic focus he is already bringing to Council's structure and planning.

My sincere thanks go to Mark Wheeler who retired from the CE role in August 2024 and who has been an outstanding Chief Executive since 2015, and prior to that as Deputy Chief Executive and Assets and Services Manager from 1998.

In June I extended my thanks to those involved in the response to refloat the Aratere ferry in Picton Harbour. This was a team effort of professional and capable mariners and emergency responders who achieved an excellent outcome.

Council's Harbourmaster and Nautical and Coastal team, Port Marlborough's Marine team including the Pilots and Tug Operators, our Emergency Response and Environmental Management teams, KiwiRail, Maritime NZ, Police, FENZ, St John and Coastguard - everyone played a part.

We received another increase in our resident satisfaction survey result this year, which rose to 68% public satisfaction, up from 66% in 2023 and 62% in 2022. Thirty-two out of 47 (70%) services rated by residents achieved satisfaction of 60% or above, with nine services achieving 80% satisfaction or higher, indicating generally positive sentiment across most areas. I'm pleased to report that overall Marlborough District Council tracks well ahead of the national council benchmark of 54%.

I want to close by thanking our 14 district councillors for their commitment to public service, and Council staff for their hard work and dedication to making Marlborough a better place. It's a team effort and everyone can be justifiably proud of the work and achievements outlined in this Annual Report.



Nadine Taylor
Mayor of Marlborough



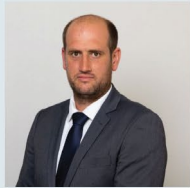
Elected Council Members



Mayor
Nadine Taylor



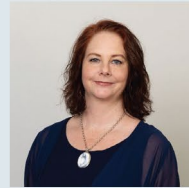
Deputy Mayor
David Croad
WARD: BLENHEIM



Councillor
Scott Adams
WARD: WAIRAU-AWATERE



Councillor
Jamie Arbuckle
WARD: BLENHEIM



Councillor
Sally Arbuckle
WARD: WAIRAU-AWATERE



Councillor
Allannah Burgess
WARD: MARLBOROUGH
MĀORI



Councillor
Deborah Dalliessi
WARD: BLENHEIM



Councillor
Brian Dawson
WARD: BLENHEIM



Councillor
Barbara Faulls
WARD: MARLBOROUGH
SOUNDS



Councillor
Matt Flight
WARD: BLENHEIM



Councillor
Gerald Hope
WARD: WAIRAU-AWATERE



Councillor
Raylene Innes
WARD: MARLBOROUGH
SOUNDS



Councillor
Ben Minehan
WARD: MARLBOROUGH
SOUNDS



Councillor
Jonathan Rosene
WARD: BLENHEIM



Councillor
Thelma Sowman
WARD: BLENHEIM



Key Achievements and Performance Overview

This section summarises:

- achievement against service performance and budgetary targets for Council overall and for each Activity Group; and
- the significant achievements for each Activity Group over the year.

More information about service performance variances can be found in the Level of Service tables in Part 2 of this document.

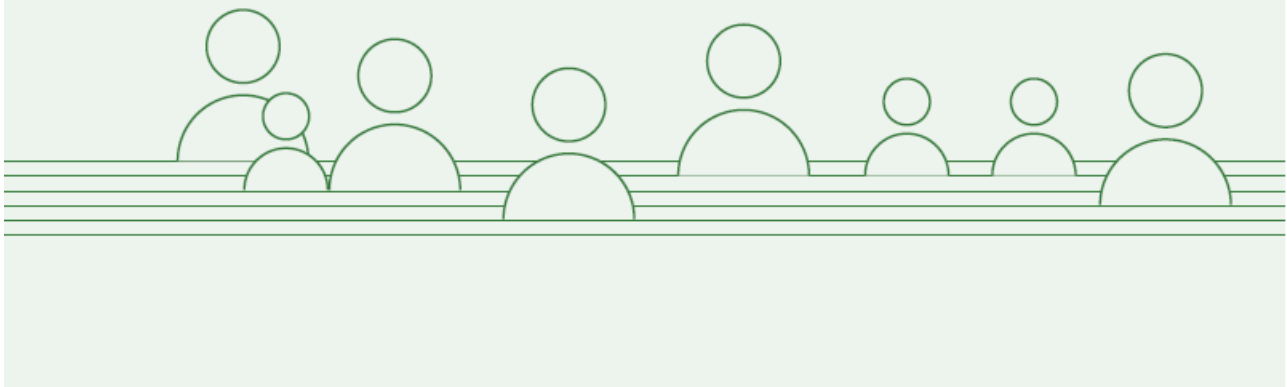
The variances to budget are calculated using Note 2 Activity Expenditure figures (page 137). A more detailed explanation of the variances can be found below each Activity FIS table in Part 2 of this document.

Council Overall

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 159 On track (100%) </div> <div style="text-align: center;"> 30 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 25 Not achieved (< 80%) </div> </div> <p>Overall we achieved 159 (74%) of the 214 key performance indicators (KPI's) which indicate achievement of our performance targets.</p> <p>In addition 30 KPI's were almost (i.e. at least 80%) achieved.</p> <p>This achievement is better than what was achieved in 2022-23.</p>	<div style="background-color: #90ee90; padding: 5px;">Achieved</div> <p>The overall Activity spending was -0.1% (or \$0.2 million) under budget. While the overall result is very close to budget this is made up each group of activity being under or over budget. The reasons for movements within each group of activity are included in subsequent pages, with the primary reasons for the overall variance being lower than anticipated roading reinstatement and flood protection expenditure, offset by higher than anticipated depreciation costs, particularly in the three waters area. Some of the additional expenditure has been offset by higher than budgeted revenue and some are timing in nature with budgets for them included in prior years.</p>

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

People



Activities in this Group

- Democratic Process
- Culture and Heritage (including support for arts and museums)
- Housing for Seniors
- Community Support (including events management, energy efficiency, passenger transport and total mobility, smart and connected communities and community safety)
- Library Services
- Emergency Management

Performance targets	Budget
<p> 30 6 2 On track (100%) Almost achieved (≥ 80%) Not achieved (< 80%) </p> <p>We achieved 30 and almost achieved 6 of the 38 KPI's we set for this year.</p>	<p>Almost Achieved</p> <p>The overall Activity spending was 9.9% (or \$1.6 million) above budget. This is mostly due to higher than budgeted emergency management costs and library services.</p>

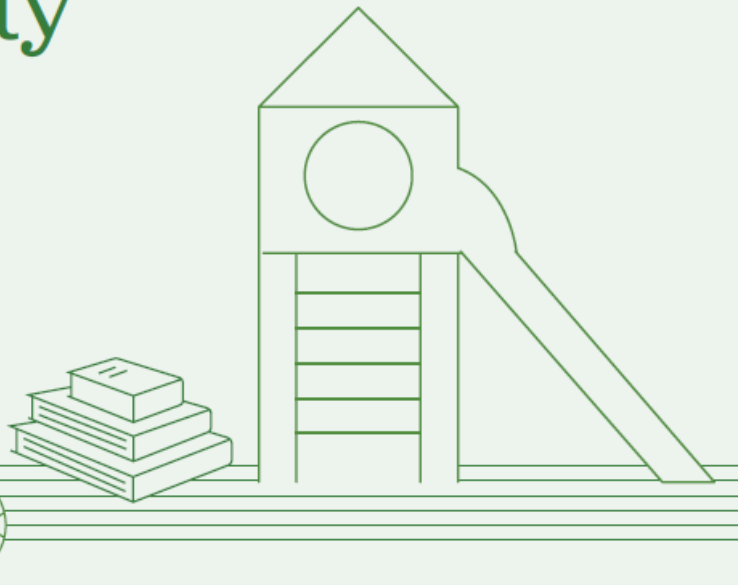
Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Achievements

- Won EMPA New Zealand Award for Excellence and the IAP2 Project of the Year (Australasia) for community engagement on the Marlborough Sounds Future Access Study.
- Provided operating grants to key Art and Heritage organisations in Marlborough.
- Completed major Senior Housing units maintenance projects, including kitchen refurbishments for Harling Court, water main upgrade and exterior painting for George Street and Vevian Place complex.
- Programmed the Senior Housing development at 85 George Street, targeting completion in September 2024, and finished it on time.
- Since opening on 12 May 2023, Te Kahu o Waipuna Marlborough Library and Art Gallery has quickly become a community hub, welcoming 360,383 visitors by 30 June 2024.
- Both libraries successfully hosted a variety of programs and sessions, such as “Pizza Fiesta” and the monthly “Cuppa with your Councillor”.
- Eight hundred and twenty news stories were published in local newspapers and on Council’s website.
- Successfully delivered three Council-owned community events - Southern Jam Youth Jazz Festival, Blenheim Christmas Parade and the Picton New Year’s Eve Celebration.
- A further 60 advances totalling \$483,956 were made for home insulation, solar water heating, clean heating solutions and solar power.
- The Total Mobility scheme funded 38,117 trips, including 4,777 trips by wheelchair users.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Community Facilities



Activities in this Group

This Activity Group comprises a single Activity: Community Facilities.

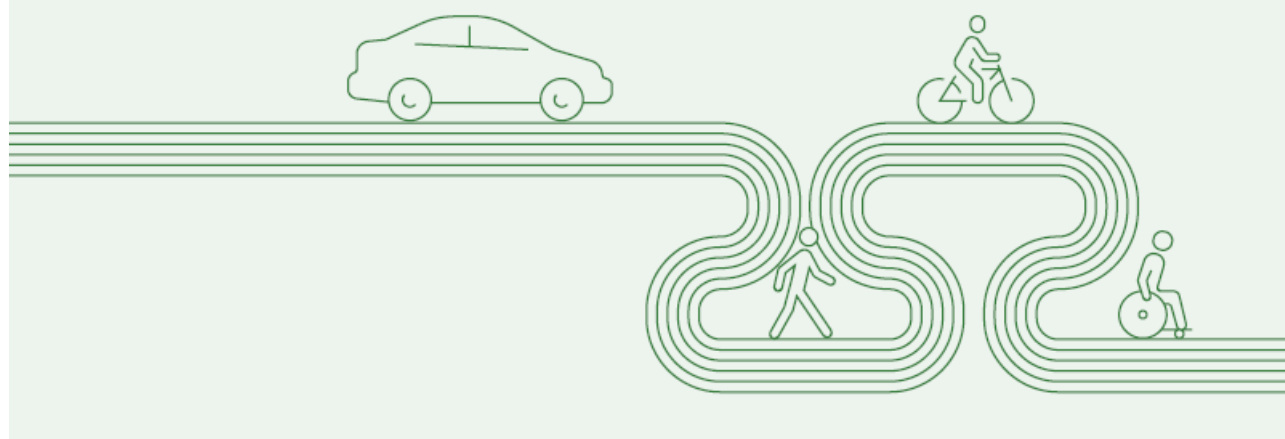
Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 10 On track (100%) </div> <div style="text-align: center;"> 3 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 0 Not achieved (< 80%) </div> </div> <p>We achieved 10 and almost achieved 3 of the 13 KPI's we set for this year.</p>	<p>Not Achieved</p> <p>The overall Activity spending was 17.4% (or \$2.7 million) above budget.</p> <p>This is mostly due to timing of grant payments for the Whale Trail being deferred into the current year.</p>

Achievements

- Completed the Wither Hills Farm Park cross-country biking track.
- Completed the Havelock Motuweka Pathway.
- Installed New shading and safety surfacing at Parklands Reserve.
- Installed new playground in Havelock Domain and Wairau Valley Hall.
- Completed repairs to the Okiwi Bay Hall following flood damage in 2022 and 2023.
- Completed Canvastown streetscape redevelopment project.
- Completed upgrades to public toilets at Blenheim Railway Station, Picton Foreshore Reserve, Brayshaw Park.
- Installed new toilets for the Whale Trail at Redwood Pass Road, Seddon.
- Renovation of Seddon Domain rugby turf.
- Sealed the carpark at Lansdowne Park, renovated the No. 1 field, and upgraded the women's toilets in the old grandstand.
- Planted 130 street trees.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Roads & Footpaths



Activities in this Group

This Activity Group comprises a single Activity: Roads and Footpaths.

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 13 On track (100%) </div> <div style="text-align: center;"> 1 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 1 Not achieved (< 80%) </div> </div> <p>We achieved 13 and almost achieved 1 of the 15 KPI's we set for this year.</p>	<p>Not Achieved</p> <p>The overall Activity spending is -45.5% (or \$21.3 million) below budget. This is mostly due to lower than anticipated roading reinstatement expenditure with the majority of work completed in the 2023/24 year being capitalised and an amount carried forward into the new year.</p>

Achievements

- Heavily involved in the Sounds Recovery Future Access Study which was endorsed by the NZTA Board in December 2023.
- Completed 4 km of pavement rehabilitation.
- Completed 120.6 lane kilometres of road resurfacing.
- Undertook \$18.4 million of maintenance and renewal works.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Flood Protection & Control Works

Activities in this Group

This Activity Group comprises a single Activity: Flood Protection and Control Works.

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 10 On track (100%) </div> <div style="text-align: center;"> 1 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 2 Not achieved (< 80%) </div> </div>	<p>Almost Achieved</p> <p>The overall Activity spending was -26.6% (or \$2.7 million) below budget. This is mostly due to lower than anticipated flood damage repairs with some expenditure expected to be carried over to next year and some works budgeted as expenditure being capitalised.</p>
<p>We achieved 10 and almost achieved 1 of the 13 KPI's we set for this year.</p>	

Achievements

- Continued repairs and additional tributary clearance work to the damage resulting from the major storms in July 2021 and August 2022. Completed the Pukaka quarry extension to resolve the shortage of local toe rock.
 - Completed various capital upgrades including Groyne 20 at Conders Bend, Pukaka-Pemblers Road culvert extension and Stage 2 of Upper Conders Realignment.
- Completed flood investigation modelling for Stump Creek, Brookby Road and Rarangi Road.
 - On-going development of the Wairau flood forecasting model.
 - Repaired stopbank at Cravens Road, Gifford Road, and Condors Bend after damage from unauthorised 4WD drivers.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Water Supply



Activities in this Group

This Activity Group comprises a single Activity: Water Supply.

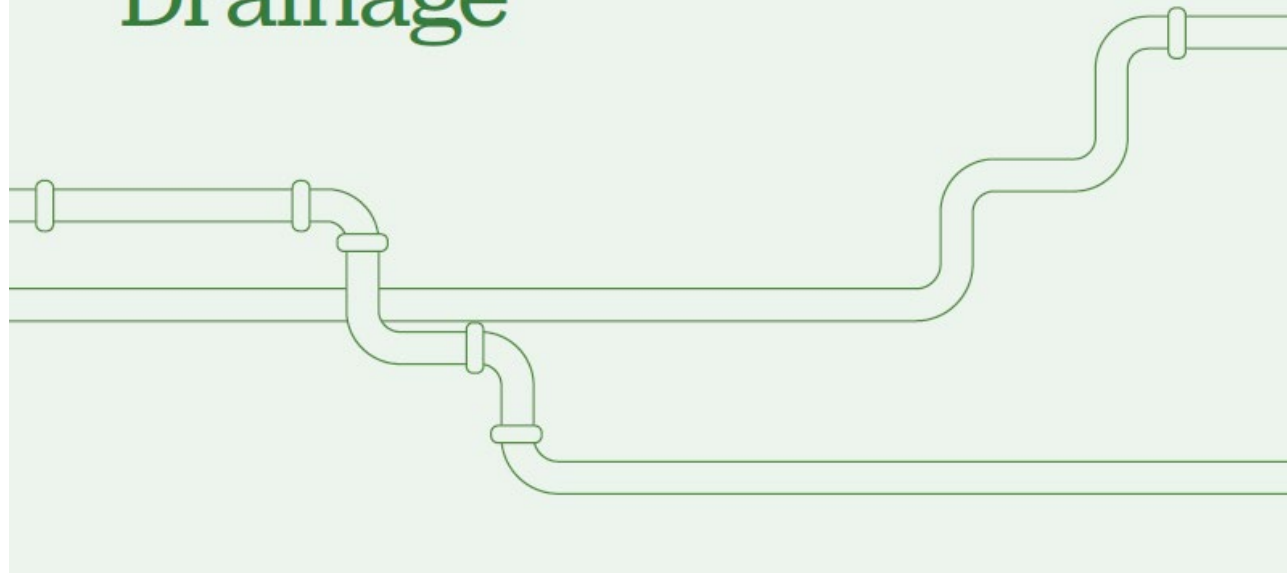
Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 25 On track (100%) </div> <div style="text-align: center;"> 1 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 9 Not achieved (< 80%) </div> </div> <p>We achieved 25 and almost achieved 1 of the 35 KPI's we set for this year.</p>	<div style="background-color: #f08080; padding: 5px;">Not Achieved</div> <p>The overall Activity spending was 18.2% (or \$2.2 million) above budget. This is mostly due to higher than anticipated depreciation costs with a significant valuation uplift.</p>

Achievements

- The water treatment plant in Renwick was commissioned during May and June 2024.
- The new water treatment plant in Wairau Valley has been operational since August 2023 providing water to the community compliant with the Water Services Act 2021.
- Continued investigations to find a suitable site for a new water treatment plant in Havelock
- Located an alternative source of water for the Riverlands Industrial areas, the property has been purchased and a bore has been installed. Design for the new treatment plant near completion.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Stormwater Drainage



Activities in this Group

This Activity Group comprises a single Activity: Stormwater.

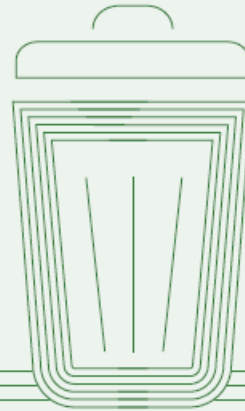
Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 6 On track (100%) </div> <div style="text-align: center;"> 0 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 0 Not achieved (< 80%) </div> </div> <p>We achieved all 6 of the 6 KPI's we set for this year.</p>	<p>Not Achieved</p> <p>The overall Activity spending was 40.9% (or \$1.3 million) above budget. This is mostly due to higher than anticipated depreciation costs with a significant valuation uplift.</p>

Achievements

- Continued development of the Rose Manor and Wai-Iti subdivision to allow for further establishment of stormwater retention systems enabling controlled discharge of stormwater to existing waterways and a level of treatment of this discharge.
- Finalise the design for a large pipeline extending from near Murphys Creek on Middle Renwick Road to Boyce Street.
- Developed a Stormwater Management Area Plan for the Town Branch Drain system.
- Upgraded stormwater infrastructure in Fyffe Street, Blenheim.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Solid Waste Management



Activities in this Group

This Activity Group comprises a single Activity: Solid Waste Management.

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 6 On track (100%) </div> <div style="text-align: center;"> 1 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 2 Not achieved (< 80%) </div> </div>	Achieved The overall Activity spending is 4.4% (or \$0.8 million) above budget. This is mostly due to higher contract costs.
We achieved 6 and almost achieved 1 of the 22 KPI's we set for this year.	

Achievements

- Adopted changes to level of waste services, starting construction on the first five of 11 planned remote transfer stations.
- Completed the required work for the new kerbside collection, distributing 38,000 wheelie bins to over 18,500 properties, including over 4,000 new properties now being serviced at the kerbside.
- Recycled 998 e-waste items, served 44,354 reuse shop customers, recovered 419 tonnes of rural recycling, and collected 1,199 tonnes of kerbside recycling in Blenheim and Picton.
- Completed stage 9 construction at Bluegums landfill.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Environmental Management



Activities in this Group

- Environmental Policy
- Environmental Science and Monitoring
- Resource Consents
- Environmental Protection

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 16 On track (100%) </div> <div style="text-align: center;"> 3 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 3 Not achieved (< 80%) </div> </div> <p>We achieved 16 and almost achieved 3 of the 22 KPI's we set for this year.</p>	<div style="background-color: #2e8b57; color: white; padding: 5px;">Achieved</div> <p>The overall Activity spending was 4.0% (or \$0.7 million) above budget. This is mostly due to higher costs for environmental monitoring and science with the timing of spend in government funded projects.</p>

Achievements

- Involved in processing the 51 notices of appeal for the Proposed Marlborough Environment Plan (PMEP).
- Review and maintain the PMEP by processing and notifying variations, including marine farming, ecologically significant sites, and medium-density housing, with ongoing appeals and mediation.
- Council published State of the Environment Reports for the following natural resource domains: Freshwater, Land, Air Quality, Biodiversity, Coastal.
- Continued with various catchment management projects installing riparian fencing along waterways, planting native plants, etc.
- Received 1,086 applications for resource consent and issued 982 decisions.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Regulatory



Activities in this Group

- Biosecurity
- Building Control
- Environmental Health
- Animal Control
- Harbours

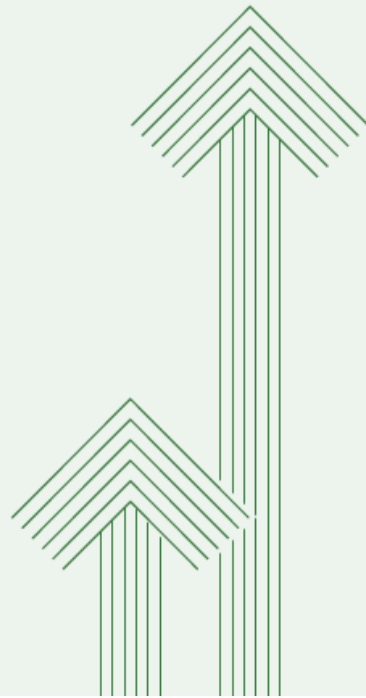
Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 29 On track (100%) </div> <div style="text-align: center;"> 7 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 4 Not achieved (< 80%) </div> </div> <p>We achieved 29 and almost achieved 7 of the 40 KPI's we set for this year.</p>	<p>Not Achieved</p> <p>The overall Activity spending is 15.4% (or \$1.8 million) above budget. This is mostly due to higher than anticipated expenditure in biosecurity with the Wilding Conifer Program continuing at higher levels than anticipated.</p>

Achievements

- Successfully delivered all Regional Pest Management Plan (RPMP) programmes.
- Continually developed the Marlborough Common Passage Plan with Port Marlborough NZ Ltd and ferry operators, aiming to implement it early in the 2024-25 financial year to manage shipping risks in Tory Channel/Kura Te Au.
- Started to develop a digital platform to visualise and manage the various activities that will occur with the harbour.
- Attended to and investigated all 2,336 complaints on animal control.
- Issued 1,080 building consents, undertook 4,928 inspections and issued 1,144 code of compliance certificates.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Regional Development



Activities in this Group

This Activity Group comprises a single Activity: Regional Development.

Performance targets	Budget
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 6 On track (100%) </div> <div style="text-align: center;"> 5 Almost achieved (≥ 80%) </div> <div style="text-align: center;"> 0 Not achieved (< 80%) </div> </div>	Not Achieved
<p>We achieved 6 and almost achieved 5 of the 11 KPI's we set for this year.</p>	<p>The overall Activity spending is 13.1% (or \$0.8 million) above budget. This is primarily due to increased power costs for the Southern Valley Irrigation scheme and regional development projects.</p>

Achievements

- Launched and held WinePro at Stadium 2000 showcasing New Zealand wine technology.
 - Held the Future of Work event in June 2024 which 2,100 Marlborough students participated in.
 - The Living Lab, a controlled environment facility benefitting the viticulture and horticulture industry, was opened by
- Minister Mark Patterson on 26 July 2024, at the Budge Street campus.
 - The Coathanger Marina car park in Picton was resealed in October 2023.
 - Resurfaced the High Street carpark by following the Blenheim Streetscape revitalisation project.

Budget key, operating expenditure		
Achieved	Almost achieved	Not achieved
Up to 20% below and 5% above budget	Within 20%-40% below and within 5%-10% above budget	More than 40% below or 10% above budget

Financial Overview

This section gives an overview of Council’s financial results identifying the main revenue sources, operating expenditure and capital expenditure and compares actual results to the budget contained in the 2023-24 Annual Plan (pages 99-118). For a more comprehensive set of explanations refer to “Part 3: Financial Statements” note 30 – Variance Explanations.

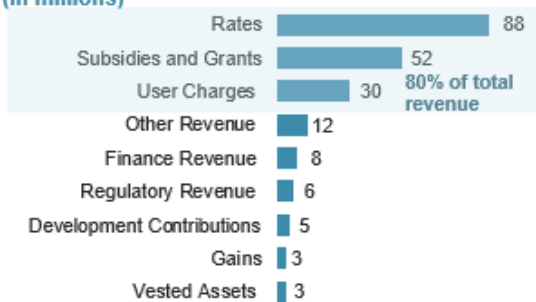
Revenue Sources

While general and special type and water and sewerage rates make up 42% of Council’s income, each Activity has its own mix of income sources.

Budgeted revenue was \$207.6 million and actual \$208.9 million. This is very close to budget.

The largest variances from budget were in Subsidies and grants which were under budget with some of the emergency roading work being carried over into 2024/25 and Other revenue which was over budget.

Revenue sources (in millions)



Operating Expenditure

Operational expenditure is the cost of providing the level of service in a given year and includes finance costs and depreciation and amortisation on assets. Depreciation is the measure of consumption of an asset over its lifetime. Those who benefit from the use of an asset should contribute towards its cost/consumption.

Council’s operating expenditure relates predominantly to Council’s Activities. Non-activity

related expenses include items such as Marlborough Regional Forestry expenditure and fair value movement in swaps.

Budgeted operating expenditure was \$183.0 million and actual \$182.8 million – \$0.2 million lower. While the end result is very close to budget key variances to budget are:

- roading expenditure below budget with a larger proportion of the reinstatement costs being capitalised this year.

This is offset by:

- higher than anticipated depreciation costs, particularly in the three waters area following a large valuation uplift.

Expenditure by Activity Group (in millions)



Council Surplus

Overall, Council continues in very good financial health as evidenced by the AA (negative credit watch) credit rating provided by S&P Global Ratings that enables access to lower cost of finance. The assessment takes into account the financial position of the Council Group, which includes MDC Holdings Ltd, Port Marlborough NZ Ltd and Marlborough Airport Ltd.

It is essential that Council has an accounting surplus to enable the funding of capital expenditure in the district and comply with legislative and government determined funding conditions.

However, Council's \$26.1 million surplus does not represent an *operating surplus* as it is determined in accordance with accounting conventions and includes revenue that can only be used for capital expenditure, particularly roading after the July 2021 and August 2022 flood events, vested asset transfers and non-cash revaluations.

For the year ended 30 June	Council		
	2024 Actual \$000s	2024 Budget \$000s	2023 Actual \$000s
REVENUE			
Rates, excluding targeted water rates	84,282	82,810	77,045
Targeted rates for water supply	3,936	4,367	3,238
Subsidies and grants	52,241	57,839	63,174
Development and financial contributions	5,299	7,469	9,390
Gains	3,488	1,167	1,296
Interest revenue	7,994	7,178	6,368
Other revenue	51,693	46,794	52,161
Total revenue	208,933	207,624	212,672
EXPENDITURE			
Personnel costs	31,492	33,650	28,466
Finance costs	12,067	11,785	6,963
Depreciation	44,282	36,376	35,108
Other expenses (including contract payments)	94,949	101,183	117,864
Total Operating Expenditure	182,790	182,994	188,401
Surplus before tax	26,143	24,630	24,271
Income tax expense/(credit)	-	-	-
Surplus after tax	26,143	24,630	24,271

The surplus includes:

- Development and financial contributions (\$5.2 million) and some Subsidies and grants (\$33.0 million) which are legally required to fund specific capital as compared to operating items;
- non-cash values like vested assets (\$3.4 million) and revaluation gains (\$2.2 million):
 - vested assets, under Other revenue, are typically the value of infrastructure (roads, water, sewerage, stormwater, etc) that are transferred to Council following a subdivision. Council in turn maintains and replaces these assets; and
 - revaluation gains, include (\$2.2 million) for forestry revaluation gain.

- dividends received from MDC Holding Ltd (\$3.0 million), under Other revenue, which are used to fund Reserves. Council's Reserves have been largely allocated to designated projects.

Capital Spending

Capital spending buys assets to meet demand, improve or replace the service to ratepayers. Major projects are highlighted on the "Key Achievements and Performance Overview" in Part 1 of the Annual Report whilst the FIS in Part 2 provides a breakdown of the revenue sources and the application of capital funding for each Council Activity.

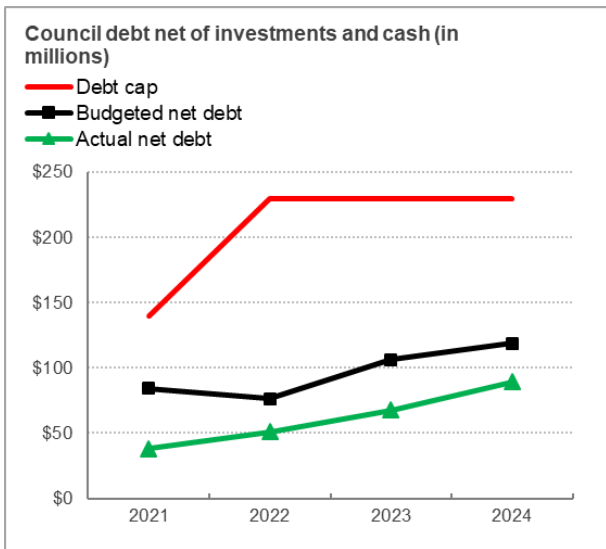
In its budget Council set aside \$105.6 million for capital expenditure. Actual spending was \$84.3 million. To achieve this target Council has underway at any time projects of a much higher value because the development of larger projects is never straight forward. Delays are caused by finalising community consultation, obtaining land access, obtaining resource consents, the availability of external professional expertise and receiving an acceptable contract price and contractor availability. For 2023-24 Council was working on projects with a value of \$122.7 million.

The primary reasons capital expenditure was below budget were:

- delays in water supply projects. These have been re-budgeted to ensure supplies comply with water regulations.
- delays in sewer treatment and pump station projects.

Net Debt Levels

Council has set a "net debt cap" of \$230 million in its 2021-31 LTP. This amount represents the maximum debt deemed prudent by Council. As can be seen from the following graph Council is well below this "cap".



Council's Treasury Management Policy also established the following financial ratios to ensure

Council's debt levels are reasonable:

		Policy Limit	Actual	Compliance
Local Government Funding Agency Covenants	Net debt as a % of Total Revenue	<250%	44.0%	yes
	Net Interest as a % of Total Revenue	<20%	1.3%	yes
	Net Interest as a % of Rates Revenue	<30%	2.9%	yes
	Liquidity	>110%	126.1%	yes

Council's results are well within the parameters set in the Treasury Management Policy.

It should also be noted Debt also only forms a very small proportion of Council's total assets which have a value of over \$2.0 billion.



Annual Report Disclosure Statement for Year Ended 30 June 2024

What is the Purpose of this Statement?

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing revenues, expenses, assets, liabilities and general financial dealings.

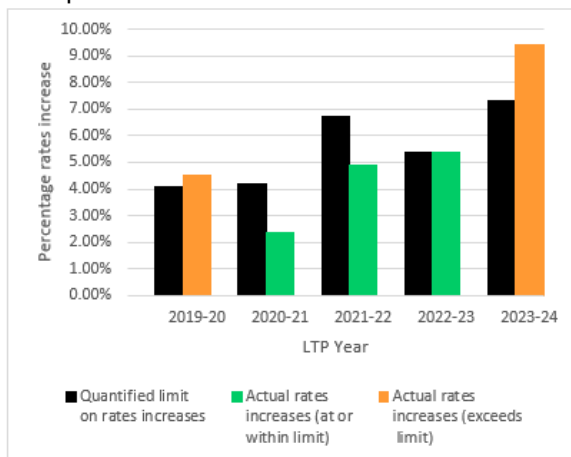
Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information including definitions of some of the terms used in this statement.

Rates (Increase) Affordability Benchmark

Council meets the rates affordability benchmark if its actual rates increases are equal to or less than each quantified limit on rates increases;

The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in Council's Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index plus 3%.

In 2019-20 the rates slightly exceed the benchmark. In 2023-24 the rates exceeded the benchmark due to inflation at levels higher than anticipated.



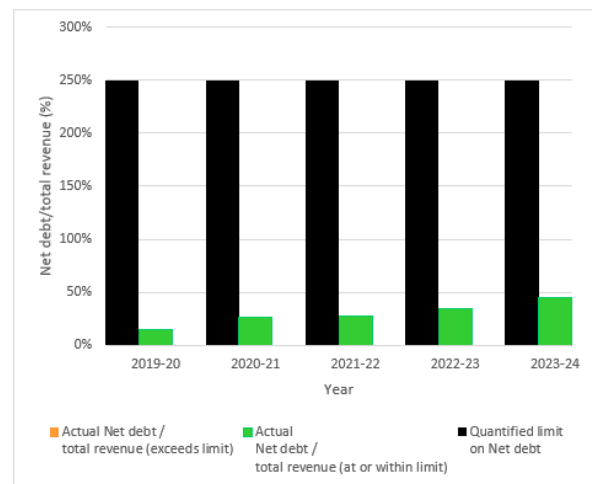
Debt Affordability Benchmark

Council meets the rates affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

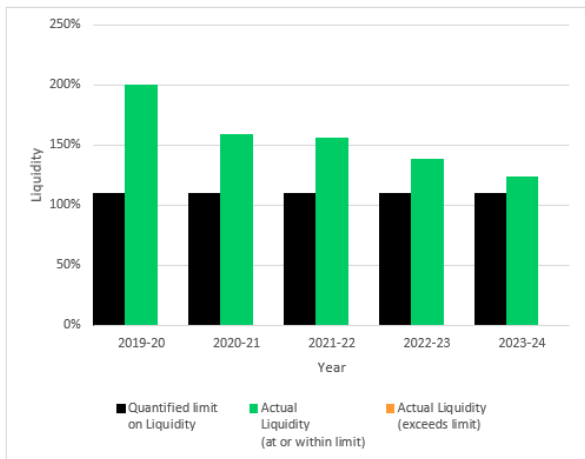
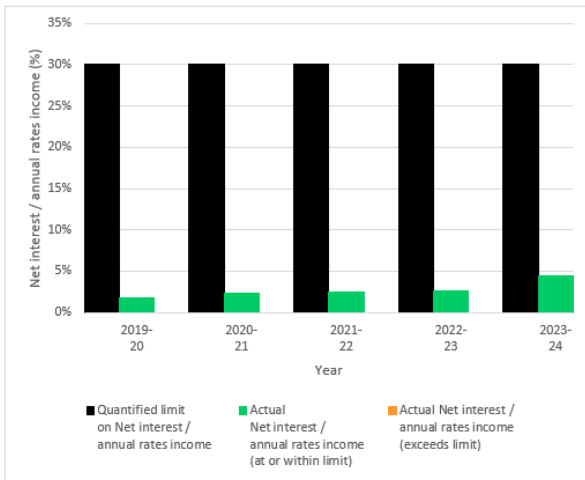
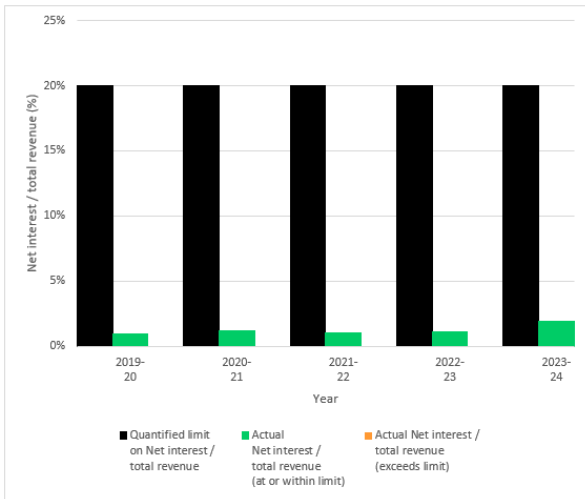
The following graphs compare Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limits are:

1. net debt as a proportion of total revenue up to a maximum of 250%;
2. net interest as a proportion of total revenue up to a maximum of 20%;
3. net interest as a proportion of annual rates income up to a maximum of 30%; and
4. liquidity of at least 110%.

Council has met all of its Debt Affordability Benchmarks.



Note: Net debt is defined as a total consolidated debt less liquid financial assets and investments; Total revenue excludes development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment.

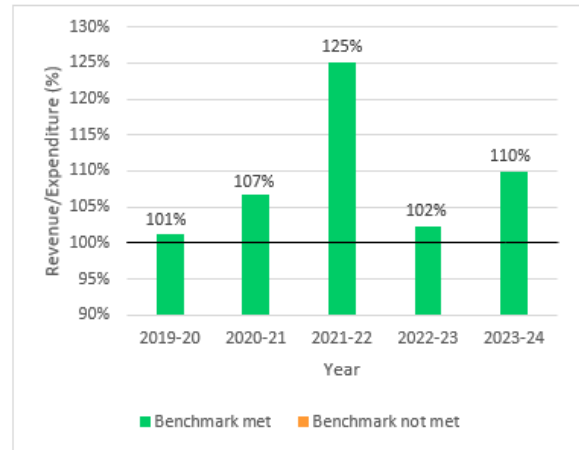


Note: Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Balance Budget Benchmark

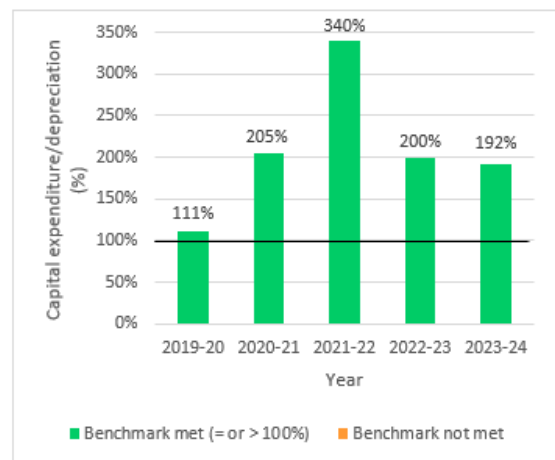
The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating

expenses (excluding losses on derivatives financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services.

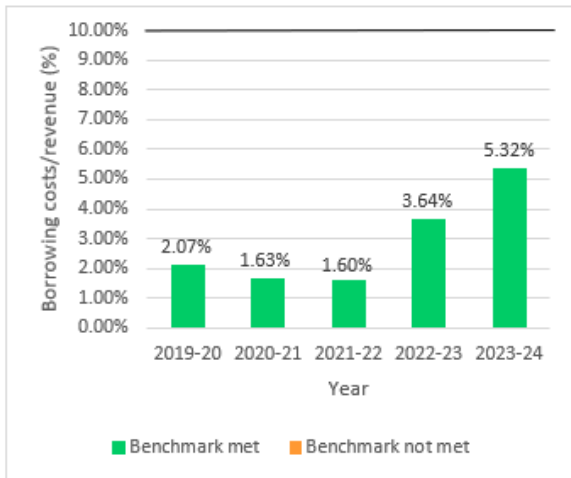


Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Debt Servicing Benchmark

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). Because Statistics New Zealand projects Council's population will grow more slowly than the national population growth, it

meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.

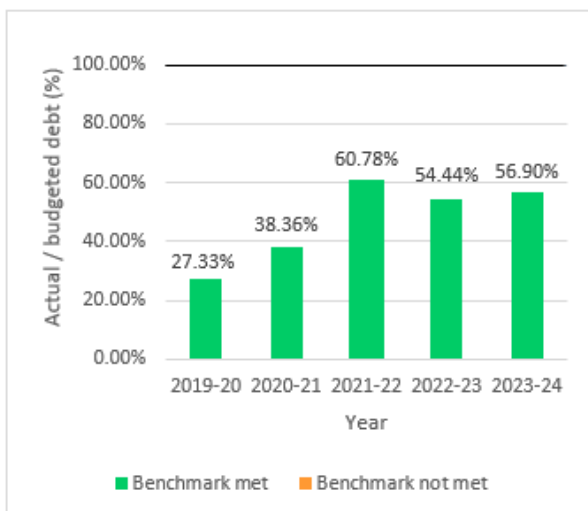


Debt Control Benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The benchmark shows as negative when the actual is a net asset not a net debt.

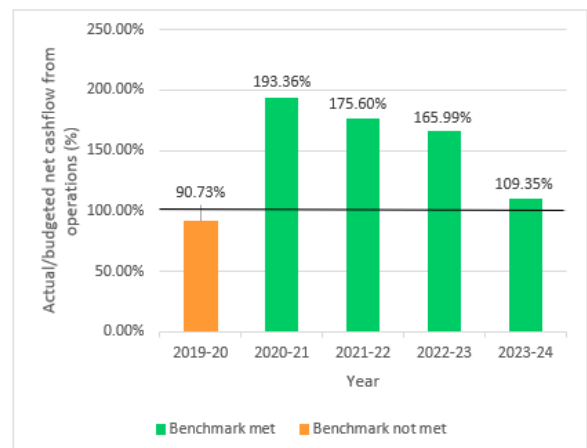


Operations Control Benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

In 2019-20 the main contributors to the underperformance against budget were unbudgeted contracts for the National Wilding Conifer Control programme and river maintenance, higher than budgeted MRF expenses and library preliminary design costs which were budgeted as part of the capital development costs but under Financial Reporting requirements were recognised as an operating cost in actuals.



PART 2

Our Business

Introduction

Community outcomes and wellbeings

Resident satisfaction survey

Activity groups

Introduction

The Local Government Act states the purpose of local government is:

- (a) to enable democratic local decision-making and action, by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

In this Annual Report, Council has structured its activities into 11 Activity Groups:

- People.
- Community Facilities.
- Roads and Footpaths.
- Flood Protection and Control Works.
- Sewerage Including Treatment and Disposal.
- Stormwater Drainage.
- Water Supply.
- Solid Waste Management.
- Environmental Management.
- Regulatory.
- Regional Development.

The 2021-31 Long Term Plan sets out how these activities meet the following Community Outcomes:

Governance

- Marlborough has a strong community that is passionate about participating, connecting with and helping shape our future. Our Council listens to its communities and strives for best practice governance to support their aspirations. We value our strong partnership with tangata whenua iwi.

Environment

- Marlborough's communities are the guardians of our unique place. Our landscape, water, air, natural features and biodiversity are managed, protected, enhanced and valued as the cornerstone to our quality of life.

People

- Marlborough's communities value our special way of life. We are diverse, inclusive, welcoming and enjoy opportunities to connect, live, learn, work and play in this vibrant place.

Economy

- Marlborough's economy supports the aspirations of our community. It is underpinned by strategic, thoughtful and sustainable use of resources which provides opportunities for business innovation and quality employment.

Connectivity

- Marlborough's central location and transport network, enhanced by our digital resources, enables our communities and visitors to access a wide range of recreational, cultural and economic activities locally, nationally and globally.

Living

- Marlborough's enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy.

Community Outcomes and Well Beings

Community Outcomes are statements that describe the sort of community Marlborough could be in the future, as a result of actions that get taken now and in years to come. The current group of Community Outcomes were written to take into account the Marlborough Smart and Connected vision and strategic framework. Council's contribution to achieving the community outcomes and the vision is summarised in the table below. A more detailed assessment is included in each activity statement.

In 2019 the Government reinstated the “four Well Beings”, i.e., social, economic, environmental and cultural. Each of Council's Activities contributes to one or more of these Well Beings. The following table identifies for each Activity the “Well Beings” that it makes a positive contribution towards. It is not believed that any Activity makes a negative contribution to any of the Well Beings.

Council Activities	Community Outcomes						Four Well Beings			
	Governance	Environment	People	Economy	Connectivity	Living	Social	Economic	Environmental	Cultural
Democratic Process	✓	✓	✓	✓		✓	✓	✓	✓	✓
Culture and Heritage	✓		✓	✓		✓	✓			✓
Community Support	✓	✓	✓		✓	✓	✓		✓	✓
Housing for Seniors	✓		✓		✓	✓	✓			
Library Services	✓		✓	✓		✓	✓	✓	✓	✓
Emergency Management	✓	✓	✓	✓		✓	✓	✓	✓	
Community Facilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
The Provision of Roads and Footpaths		✓	✓	✓	✓	✓	✓	✓	✓	
Flood Protection and Control Works		✓	✓	✓	✓	✓	✓	✓	✓	
Sewerage Including Treatment and Disposal		✓		✓		✓	✓	✓	✓	
Stormwater Drainage		✓	✓	✓			✓	✓	✓	
Water Supply		✓		✓		✓	✓	✓	✓	
Solid Waste Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Environmental Policy	✓	✓	✓	✓	✓	✓		✓	✓	
Environmental Science and Monitoring	✓	✓	✓	✓		✓		✓	✓	
Resource Consents	✓	✓		✓		✓		✓	✓	
Environmental Protection	✓	✓	✓	✓				✓	✓	
Biosecurity		✓	✓	✓		✓		✓	✓	
Building Control	✓		✓	✓		✓	✓	✓	✓	
Environmental Health	✓		✓	✓		✓	✓	✓	✓	✓
Animal Control	✓	✓	✓		✓	✓	✓		✓	
Harbours	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Regional Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Resident Satisfaction Survey

This survey helps to measure our performance through targets set in the Long Term Plan and reported in this Annual Report.

Resident satisfaction is an important indicator for measuring the public's perception of Council services. The survey data also shows how satisfaction with one service compares to another and over time, demonstrates a longer term trend of how a service is performing from the perspective of Marlborough's residents.

Council's 2024 resident survey recorded an increase in satisfaction of 68%, up from 66% last year and 62% in 2022.

Thirty-two out of 47 (70%) services rated by residents achieved satisfaction of 60% or above, with nine services achieving 80% satisfaction or higher, indicating generally positive sentiment across most areas.

The top five performing services remained consistent, with minor changes in rank compared to 2023: public sports grounds (90% satisfaction; 2nd in 2023), libraries (89%; 4th in 2023), swimming pools (89%; 7th in 2023), cemeteries (88%; 1st in 2023), and parks and reserves (86%; 6th in 2023).

The greatest increases in satisfaction were in housing for seniors (65% in 2024, up from 49% in 2023), stormwater drainage (70%, up from 56%), Building Act consent services (55%, up from 45%), community safety (76%, up from 66%), resource consent management (60%, up from 42%), and flood protection (65%, up from 57%). Satisfaction with roads also saw a notable increase to 58% compared to 40% last year.

SATISFACTION AT A GLANCE

 Sports grounds MDC 2024: 90% / 7.7 MDC 2023: 86% / 7.5 NZB 2024: 82% / 7.4	 Public libraries MDC 2024: 89% / 8.3 MDC 2023: 85% / 7.7 NZB 2024: 83% / 7.8	 Swimming pools MDC 2024: 89% / 7.9 MDC 2023: 84% / 7.6 NZB 2024: 67% / 6.5	 Cemeteries MDC 2024: 88% / 7.7 MDC 2023: 87% / 7.6 NZB 2024: 74% / 7.1	 Parks & reserves MDC 2024: 86% / 7.6 MDC 2023: 85% / 7.6 NZB 2024: 81% / 7.4	 Civil Defence MDC 2024: 85% / 7.4 MDC 2023: 85% / 7.5 NZB 2024: 70% / 6.7	 Sewerage MDC 2024: 82% / 7.4 MDC 2023: 83% / 7.3 NZB 2024: 78% / 7.3	 Paths & tracks MDC 2024: 82% / 7.3 MDC 2023: 80% / 7.2 NZB 2024: 63% / 6.1
 Drinking water MDC 2024: 81% / 7.5 MDC 2023: 85% / 7.6 NZB 2024: 71% / 6.9	 Street lighting MDC 2024: 79% / 7.1 MDC 2023: 71% / 6.6 NZB 2024: 72% / 6.9	 Public toilets MDC 2024: 79% / 7.1 MDC 2023: 73% / 6.8 NZB 2024: 62% / 6.2	 Community halls MDC 2024: 78% / 6.9 MDC 2023: 71% / 6.6 NZB 2024: n/a	 Harbours MDC 2024: 77% / 7.0 MDC 2023: 79% / 6.9 NZB 2024: n/a	 Community safety MDC 2024: 76% / 6.8 MDC 2023: 66% / 6.3 NZB 2024: 60% / 5.9	 Animal control MDC 2024: 75% / 7.0 MDC 2023: 76% / 6.7 NZB 2024: 66% / 6.5	 Health & Foods Act MDC 2024: 74% / 6.7 MDC 2023: 73% / 6.6 NZB 2024: n/a
 Tourism MDC 2024: 74% / 6.6 MDC 2023: 66% / 6.3 NZB 2024: 71% / 6.6 [^]	 Waste management* MDC 2024: 72% / 6.8 MDC 2023: 68% / 6.4 NZB 2024: 67% / 6.5	 Sale & Supply of Alcohol Act MDC 2024: 70% / 6.5 MDC 2023: 68% / 6.4 NZB 2024: n/a	 Storm water MDC 2024: 70% / 6.5 MDC 2023: 56% / 5.7 NZB 2024: 63% / 6.2	 Communication MDC 2024: 68% / 6.4 MDC 2023: 74% / 6.5 NZB 2024: 44% / 4.9	 Culture & heritage MDC 2024: 67% / 6.3 MDC 2023: 68% / 6.3 NZB 2024: n/a	 Irrigation of the Southern Valleys MDC 2024: 67% / 6.3 MDC 2023: 63% / 6.2 NZB 2024: n/a	 Car parking MDC 2024: 66% / 6.4 MDC 2023: 63% / 6.1 NZB 2024: 57% / 5.8
 Flood protection MDC 2024: 62% / 6.2 MDC 2023: 57% / 5.7 NZB 2024: n/a	 Housing for seniors MDC 2024: 65% / 6.2 MDC 2023: 49% / 5.4 NZB 2024: n/a	 Community support* MDC 2024: 61% / 6.1 MDC 2023: 63% / 6.1 NZB 2024: n/a	 Footpaths MDC 2024: 60% / 5.8 MDC 2023: 58% / 5.7 NZB 2024: 61% / 6.3	 Resource consent management* MDC 2024: 60% / 5.8 MDC 2023: 42% / 5.2 NZB 2024: 43% / 5.2 ^{**}	 Biosecurity* MDC 2024: 58% / 6.0 MDC 2023: 62% / 6.1 NZB 2024: n/a	 Roads* MDC 2024: 58% / 5.9 MDC 2023: 40% / 4.8 NZB 2024: 43% / 4.9	 Democratic process MDC 2024: 57% / 5.8 MDC 2023: 61% / 5.9 NZB 2024: n/a
 Building Act MDC 2024: 55% / 5.7 MDC 2023: 45% / 5.2 NZB 2024: 43% / 5.2 ^{**}	 Economic development MDC 2024: 51% / 5.6 MDC 2023: 53% / 5.5 NZB 2024: n/a	 Environmental policy & monitoring* MDC 2024: 46% / 5.4 MDC 2023: 49% / 5.5 NZB 2024: n/a	 Overall satisfaction MDC 2024: 68% / 6.3 MDC 2023: 66% / 6.2 NZB 2024: 54% / 5.4	<p> Very good performance (≥80%)  Good performance (60%-79%)</p> <p> Services for improvement (50%-59%)  Great improvement potential (≤49%)</p> <p>*Aggregated average ratings ** NZB measured 'consents management' satisfaction] [^] NZB measured 'enabling and promoting events'</p>			

Council Activities and Services

Council is responsible for a wide range and variety of local services and activities. These include:

- Democratic Process
- Culture and Heritage
- Housing for Seniors
- Community Support
- Library Services
- Emergency Management
- Community Facilities
- Roads and Footpaths
- Flood Protection and Control Works
- Sewerage Schemes
- Water Supplies
- Stormwater Drainage
- Solid Waste Management
- Environmental Management
- Environmental Policy
- Environmental Science and Monitoring
- Resource Consent
- Environmental Protection
- Regulatory
- Biosecurity
- Building Control
- Environmental Health
- Animal Control
- Harbours
- Regional Development

We manage our work in activities which aggregate up to our management structure. Within this document we report on our proposed output targets under 11 groups of activities, which we believe summarise the key issues we need to address and the key activities we undertake.

Each Activity reporting group contains a statement showing what programmes are delivered by each activity, the cost of these, and the combined funding sources involved. The funding arrangements are in accordance with the Revenue and Financing Policy as set out in the 2021-2031 Long Term Plan.

Each Activity reporting group also contains the service performance information relating to planned projects and achievements against performance measures, which were established and adopted in Council's 2021-31 Long term Plan or 2023-2024 Annual Plan. These documents are available on Marlborough District Council's website: <https://www.marlborough.govt.nz/your-council/long-term-and-annual-plans-policies-and-reports>

Statement of Compliance

The service performance information of the Council and the Group have been prepared in accordance with the requirements of the Local Government Act, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Public Benefit Entity Standards.

This is the second financial year Council has prepared our service performance information in compliance with Tier 1 Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). The Statement of Service Performance is formally classified from page 36 to 127 of the 2023-2024 Annual Report. NB: included in this statement are the funding impact statements for each Activity Group and Activity as Council believes that performance measurements and financial performance cannot be viewed in isolation.

Activity Reporting Groups	Service Performance Information
1. People	Pages 36 - 55
2. Community Facilities	Pages 56 - 60
3. Road and Footpaths	Pages 61 - 65
4. Flood Protection and Control Works	Pages 66 - 70
5. Sewerage Including Treatment and Disposal	Pages 71 - 74
6. Stormwater Drainage	Pages 75 - 78
7. Water Supply	Pages 79 - 85
8. Solid Waste Management	Pages 86 - 89
9. Environmental Management	Pages 90 - 104
10. Regulatory	Pages 105 - 122
11. Regional Development	Pages 123 - 127

Effects of Activities

No significant negative effects on the social, economic, cultural, and environmental wellbeing of the district community have been identified for any of the activities undertaken by Marlborough District Council. On the contrary, most of the activities are undertaken to counteract negative effects produced by factors outside Council's control.

Performance Measures

Performance measures are included in the activities which are combined into the organisation's work plan. Management control over each activity is based on project briefs, which record outputs to be delivered and detail of budgeted costs and performance targets to be met. Performance targets and measures were established and adopted in our 2021-31 Long-term Plan and 2023-2024 Annual Plan. Our three waters, roading and Flood protection and control works activities include mandatory measures set by the Department of Internal Affairs – these are identified as “mandatory performance measures”. Other performance targets are selected using Council judgement to monitor critical service delivery or areas of focus and may be based on sector guidance or common practice.

Our performance is measured where appropriate in terms of:

- **Timeliness** - completion of activities by 30 June 2024, unless otherwise stated.
- **Cost** - completion of activities within the planned costs.
- **Quantity** - completion of outputs to the quantity standards specified.
- **Quality** - completion of all activities to meet quality expectations of elected Councillors and quality control procedures in place.
- **Location** - in all cases where a location is specified, the target is to deliver the service in that location.

Service Performance Results

The results against the performance measures and targets for the 2023-24 financial year are shown as achieved, almost achieved (at least 80% achieved) and not achieved.

Overall Results For 2023-24		
Achieved	100%	159
Almost Achieved	≥80%	30
Not Achieved	<80%	25

Overall, the year-end result for the 2023-24 performance targets is a 74% (159 of 214) of achievement level. This compares with 69% (2022-23) and 68% (2021-22). This is the third financial year reporting against the performance targets set in the 2021-31 Long Term Plan. These results also reflect the changes to our annual survey as outlined on page 31. The table below shows the level of achievement for each Activity Group.

	Achieved	Almost Achieved	Not Achieved
People	30	6	2
Community Facilities	10	3	0
Road and Footpaths	13	1	1
Flood Protection and Control Works	10	1	2
Sewerage Including Treatment and Disposal	9	2	1
Stormwater Drainage	6	0	0
Water Supply	24	1	10
Solid Waste Management	6	1	2
Environmental Management	16	3	3
Regulatory	29	7	4
Regional Development	6	5	0
Totals	159	30	25

Significant Judgements and Estimates

Council Surveys

Council conducted two surveys to gather information to report against resident/user satisfaction performance measures. The underlying assumptions that relate to our surveys are sample size and methodology.

1. Resident Satisfaction Survey

The survey process has been contracted out to SIL Research. Council's only part in the process is agreeing the questions to be asked. The value reported in the Annual Report is completely based on the report received from SIL, i.e. there is no manual calculation involved or intervention by Council. The report of findings received from SIL is also published on our website.

Each year, prior to the undertaking of the survey, managers are consulted on the questions included in the survey for their particular business unit. This is to ensure that the questions still relate to the services provided by Council.

Since 2021, data collection is administered four times a year (two times in 2021). The reason behind quarterly (biannual in 2021) data collection is to improve the quality of overall results, by removing season bias. It also allows for seasonal variations to be tracked and emerging trends to be identified early, so that they may be considered in Council decision making when they occur rather than after they have happened.

The total (annual) sample increased in 2020 from 400 to 600 responses to improve the accuracy of the reported results (n=150 responses per quarter).

SIL Research uses a mixed-method approach to data collection to ensure residents were well-represented.

The mixed-methods approach includes:

- a. Telephone survey. Respondents are randomly selected from the publicly available telephone directories within specified district;
- b. Social media (available via SIL Research social media platforms, such as Facebook). The invitation advertisement is randomly promoted to district residents;
- c. Postal survey. Survey forms are sent to randomly selected Marlborough District households.

In addition, the survey is promoted via Council's online channels (primarily via Facebook).

Surveys are conducted proportional to the population in each of Marlborough District's sub-regional geographical areas (Havelock 1%, Awatere 3%, Western Wairau 4%, Renwick 5%, Marlborough Sounds 7%, Picton 10%, Blenheim vicinity 13% and Blenheim 57%).

Responses are also statistically weighted to reflect the gender and age group proportions in the District as determined by the Statistics New Zealand 2018 Census.

2. Senior Housing Survey

Council contracts APL Property (APL) to manage the Housing for Seniors property portfolio.

An independent tenant survey is undertaken by Age Concern annually to measure the quality of service provided.

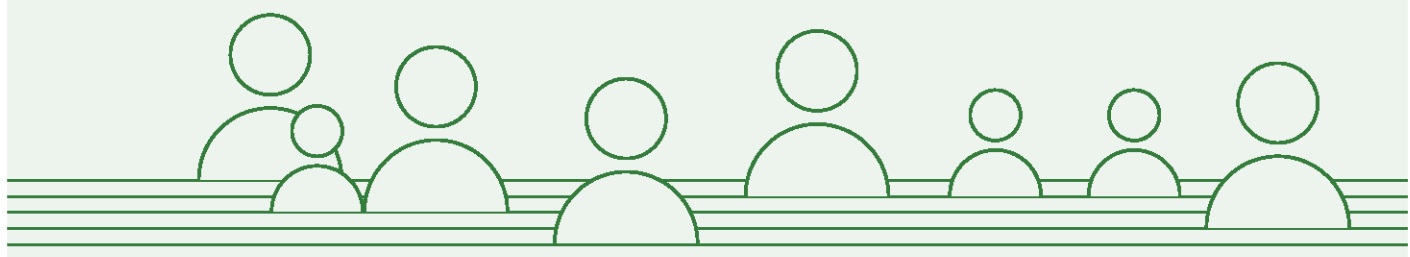
Age Concern circulate a survey to all tenants and follow-up with a face-to-face visit. A summary of the data collected is reported back to Council's Housing for Seniors sub-committee. This year the survey was completed for 139 of the total 172 tenants, accounting for 83% of tenants. Most tenants are very satisfied with the service Council and its contractor APL provide, with 79% of the surveyed tenants rating their unit 8 or above (10 = service delivered extremely well).

Three Waters Performance Compulsory Measures

1. Real Water Loss from the Networked Reticulation System
Water losses are calculated using an industry standard calculation. UARL (Unavoidable Annual Real Losses). This calculation is also used to report Water Supply Environmental (network) performance measures to Taumata Arowai.
2. Average per person per day water consumption across all Council water supplies is 281 litres per connection per day
3. The Total Number of Complaints Received in Respect to District Water Supplies, Wastewater Schemes and Stormwater.

The number of complaints received during the financial year is sourced from the logs recorded into our Customer Request Management System. Requests relating to water, wastewater and stormwater activities are analysed to determine the number of complaints received relating to these activities.

People



Activities in this Group:

- Democratic Process
- Culture and Heritage (including support for the arts and museums)
- Housing for Seniors
- Community Support (including events management, energy efficiency, passenger transport and total mobility, smart and connected communities and community safety)
- Library Services
- Emergency Management Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living. The outcomes that each Activity within the Group contributes to are shown in those Activity sections.

Funding Impact Statement for 2023-24 for People				
Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s	
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,016	9,542	10,760	
Targeted rates	686	753	653	
Subsidies and grants for operating purposes	412	239	1,691	
Fees and charges	20	20	127	
Internal charges and overheads recovered	119	122	151	
Fuel tax, fines, infringement fees and other receipts	3,215	3,280	3,837	
Total operating funding	13,468	13,956	17,219	
Applications of operating funding				
Payments to staff and suppliers	7,350	7,267	10,397	
Finance costs	264	265	425	
Internal charges and overheads applied	3,667	3,783	4,414	
Other operating funding applications	1,765	1,763	1,484	
Total applications of operating funding	13,046	13,078	16,720	
Surplus (deficit) of operating funding	422	878	499	
Sources of capital funding				
Subsidies and grants for capital expenditure	1,012	12	320	
Increase (decrease) in debt	341	(284)	(79)	
Lump sum contributions	154	157	157	
Gross proceeds from sales of assets	3,500	-	11	
Total sources of capital funding	5,007	(115)	409	
Applications of capital funding				
Capital expenditure to meet additional demand	6,991	-	1,804	
Capital expenditure to improve the level of service	54	57	-	
Capital expenditure to replace existing assets	690	375	2,032	
Increase (decrease) in reserves	(2,305)	332	(2,929)	
Total applications of capital funding	5,429	763	908	
Surplus (deficit) of capital funding	(422)	(878)	(499)	
Funding balance	-	-	-	

Explanation of Variances:

Explanations for this Group Activity are included in the individual Activity Funding Impact Statements.

Activity: Democratic Process

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Economy and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

Marlborough District Council is a unitary authority with the functions, duties and powers of both a regional council and a territorial authority, as conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being:

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Council's Local Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Local Governance Statement and associated policies and documents can be viewed at service centres, libraries and on the Council's website.

Iwi Relationships

Te Tiriti o Waitangi and consequent legislation such as the Resource Management Act 1991 and the Local Government Act 2022 guide how Council engages with Māori. These documents provide a foundation on how Council and its staff engage with iwi and Mana/Tangata Whenua in the Marlborough District to ensure that the views and values of Māori are considered across Council activities as we make decisions about Marlborough, for Marlborough, our resources and ultimately our environment.

Maintaining partnerships with iwi within Marlborough - Ngāti Apa ki te Rā Tō, Ngāti Koata, Ngāti Kuia, Ngāti Kuri-Ngāi Tahu, Ngāti Rārua, Ngāti Toa Rangatira, Rangitāne o Wairau and Te

Ātiawa o Te Waka-a-Māui is of high priority to Council and one we are committed to. We remain focused on sustainable iwi partnerships and collaborations. We are dedicated to improving this throughout our work streams.

This engagement is achieved through the establishment and election of our Māori Ward providing better representation of Māori and providing a Māori voice at the governance level. We have also allocated iwi representation on the Assets and Services Committee, the Environment and Planning Committee (who will also sit on the Climate Change Committee) and the Economic, Finance and Community Committee.

At an operational level, the Kaihautū - Manager of Māori Partnerships purpose is to foster working and strategic relationships between Council and iwi and guide staff, providing advice on how to engage across Council projects to enable appropriate partnership and collaboration where required and necessary.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

- Nine citizenship ceremonies were held during the 2023-24 financial year, with 212 new citizens receiving their certificates from the Mayor.
- Meetings were convened according to Council's Standing Orders with three Extraordinary Council meetings held.
- 820 news stories were published by the Communications Team in a variety of formats including social media posts, media releases, paid print stories in three local newspapers and on the Council website.
- Council attracted 1,200 more followers to its main Facebook page over the past 12 months, which now numbers just over 11,000. This increase reflects a greater resourcing of our social media channels. The majority of

followers are from Marlborough, with Christchurch, Auckland and Nelson/Tasman also contributing.

- There was a small decrease in satisfaction with Council's communications over the past year, down to 68% from 74% in 2023 (Resident Satisfaction Survey 2024). This is a similar level to previous years, with satisfaction at

67% in 2022, but it is still well ahead of the national benchmark of 44%.

- The Council has won a number of awards and commendations this year for its community engagement on the Marlborough Sounds Future Access Study, including the EMPA New Zealand Award for Excellence and the IAP2 Project of the Year (Australasia).



Neil Henry, Manager Strategic Planning and Economic Development and Lee Morton, Stantac at the IAP2 Australasia 2024 Awards Ceremony

Levels of Service 2023-24: Democratic Process					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.9	≥ 5.7	5.8	✓
Provide a communications level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.5	≥ 6.5	6.4	■

Levels of Service 2023-24: Democratic Process

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide a service that is timely and responsive to residents' needs.	% of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	99%	100%	100%	✓
Manage local elections and polls to comply with the provisions of the Local Electoral Act 2001.	Number of petitions for an enquiry.	0	0	0	✓
Encourage Public contribution to the decision-making process.	% of Council items of business open to the public.	91.0%	≥ 93.5%	95.0%	✓

Funding Impact Statement for 2023-24 for Democratic Process

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		3,284	3,422	3,711
Subsidies and grants for operating purposes		-	-	-
Fuel tax, fines, infringement fees and other receipts		525	443	589
Total operating funding		3,809	3,865	4,300
Applications of operating funding				
Payments to staff and suppliers		1,796	1,780	1,885
Internal charges and overheads applied		2,006	2,078	2,264
Other operating funding applications		6	6	5
Total applications of operating funding		3,808	3,864	4,154
Surplus (deficit) of operating funding		1	1	146
Sources of capital funding				
Total sources of capital funding		-	-	-
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		-	-	-
Increase (decrease) in reserves		1	1	145
Total applications of capital funding		1	1	146
Surplus (deficit) of capital funding		(1)	(1)	(146)
Funding balance		-	-	-

Activity: Culture and Heritage

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, People, Economy and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity promotes cultural wellbeing. Council defines "culture" as encompassing the customs, practices, languages, values and world views that define social groups in Marlborough. Practices such as arts, design and architecture reflect and create our cultural identity. Likewise, the ways in which we approach and understand our heritage shapes our image of ourselves, and the image we convey to future generations.

The Marlborough culture is unique: nowhere else in the world is there the same combination of people, place and practices. Cultural identity — the sense of connection with other people through a shared culture — can make a strong contribution to a person's overall wellbeing. Responding to community changes requires a continual balance between the old and the new.

Council's Arts and Culture Strategy, and its Heritage Strategy, outline Council's roles in the arts and heritage sectors, and the ways in which it proposes working with the community to achieve outcomes for culture and heritage.

These include:

- forming partnerships with organisations and institutions that contribute to cultural wellbeing, (eg, the collections database project);
- supporting projects that reflect and strengthen Marlborough's cultural identity; and
- managing the cultural and heritage assets and resources in a sustainable manner.

Council also provides annual heritage and arts operating grants along with access to a contestable grant fund.

While a range of operating grants/contracts are provided to key heritage, arts and culture organisations in Marlborough, Council's relationships with its partners in the heritage and arts sectors will remain its most important resource in delivering this Activity.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Council provided annual arts and heritage operating grants to key organisations including:

- Renwick, Havelock and Flaxbourne museums;
- Picton Historical Society;
- District Brass Band;
- Millennium Art Gallery; and
- Marlborough Civic Theatre Trust.



Arts and heritage groups were successful in the Council Community Grants contestable funding under the Arts, Culture and Heritage categories with eighteen grants being allocated to these Not-for-Profit organisations totalling \$60,925. Additional Creative Communities funding of \$58,050 was allocated for local art activities. Creative NZ staff have also visited Marlborough on several occasions.

During this year, the Art Strategy was finalized and officially endorsed by the Council. The Marlborough Art Gallery has now been operating in its new shared space with Te Kahu o Waipuna for over twelve months. A range of local and national exhibitions have been hosted in the gallery space, showcasing a rich diversity of talent.

The Marlborough Heritage Trust concluded operating on 1 July 2023 and handed over management of the Marlborough Museum and sold the Edwin Fox Maritime Museum (and assets) to Council. The Marlborough Historic Society and Council explored options for asset management, however agreement was reached and for Council to withdraw the day-to-day management of the Marlborough Museum and solely focus on operating the Edwin Fox.

Levels of Service 2023/24: Culture and Heritage

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.3	≥ 6.6	6.2	
Comment: This result was impacted by the closure of the Marlborough Heritage Trust.					
Ensure service quality and value through oversight of Council's grants and third party providers.	% of contract and grant requirements met.	75%	100%	100%	

Funding Impact Statement for 2023-24 for Culture and Heritage

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,231	1,317	1,218
Subsidies and grants for operating purposes		-	-	1
Fees and charges		-	-	102
Internal charges and overheads recovered		-	-	1
Fuel tax, fines, infringement fees and other receipts		169	170	229
Total operating funding		1,400	1,487	1,551
Applications of operating funding				
Payments to staff and suppliers	a.	10	10	610
Finance costs		69	78	24
Internal charges and overheads applied		193	186	274
Other operating funding applications		1,071	1,071	773
Total applications of operating funding		1,343	1,345	1,681
Surplus (deficit) of operating funding		57	142	(130)
Sources of capital funding				
Subsidies and grants for capital expenditure		1,000	-	50
Increase (decrease) in debt		511	(74)	104
Total sources of capital funding		1,511	(74)	154
Applications of capital funding				
Capital expenditure to meet additional demand		1,531	-	-
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		-	-	170
Increase (decrease) in reserves		37	68	(146)
Total applications of capital funding		1,568	68	24
Surplus (deficit) of capital funding		(57)	(142)	130

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- a. Payments to staff and suppliers are ahead of Long Term Plan due to the creation of the Heritage Marlborough Team.



Activity: Housing for Seniors

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, People, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

Council owns and maintains a housing portfolio for senior residents in our community.

Council also has an advocacy and facilitation role and will work closely with other housing entities to attract more funding and housing options for the Marlborough community.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan..

What We Did in 2023-24

As targeted in the Levels of Service table, the major maintenance projects completed during the year included:

- **George Street and Vevian Place, Blenheim - Complex water main upgrade** – Following a competitive tender process the contract was awarded in June, with work commencing onsite in July 2023. A new water ring main

was installed in the complex, with isolating valves fitted to each unit. This project was completed in December 2023.

- **Harling Court, 208 High Street, Blenheim - Kitchen refurbishments** – Following a tender process, the Harling Court kitchen refurbishment contract was awarded in April 2023, with works commencing in July 2023. The project included the replacement of kitchen cupboard fronts, bench tops and tapware to all units. Isolator valves were installed to units where required. This project was completed in March 2024.
- **George Street and Vevian Place, Blenheim - Complex exterior painting** – A full exterior paint to all 30 units at the George Street and Vevian Place complex was completed in 2023-24. The replacement of bargeboards and repairs to gable ends were undertaken where required. This project was completed early June 2024.
- **85 George Street, Blenheim - Senior Housing development** – Construction of the new 2-storey, 12-unit Senior Housing development commenced in February 2023 and remains ongoing. The development is programmed for completion in September 2024, and it was finished on time. Tenants moved in during the first week of October 2024.

Levels of Service 2023-24: Housing for Seniors

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.4	≥ 7.0	6.2	
	Tenant satisfaction with this service as measured by survey (10 = service delivered extremely well).	8.9	≥ 8.0	8.5	
Provide a well maintained housing portfolio which meets resident needs.	% occupancy level.	98%	≥ 98%	99%	
	% of urgent unplanned maintenance ¹ completed within 24 hours of notification.	100%	≥ 98%	98%	
	% of unplanned non-urgent maintenance ² completed within 20 working days of notification.	98%	≥ 97%	97%	
	% of planned maintenance/projects (as per budget and Committee meetings) completed.	75%	≥ 98%	98%	

¹ Urgent unplanned maintenance is for events that would make the unit unliveable if left for an extended period.

² Non urgent unplanned maintenance is for events that do not pose a risk to the tenant if not dealt with straight away but does need to be dealt with in the near future.

Funding Impact Statement for 2023-24 for

Housing for Seniors

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
Fuel tax, fines, infringement fees and other receipts		1,786	1,930	1,878
Total operating funding		1,786	1,930	1,878
Applications of operating funding				
Payments to staff and suppliers		1,039	1,060	1,292
Internal charges and overheads applied		177	182	205
Other operating funding applications		15	13	7
Total applications of operating funding		1,231	1,255	1,504
Surplus (deficit) of operating funding		555	675	374
Sources of capital funding				
Total sources of capital funding		-	-	-
Applications of capital funding				
Capital expenditure to meet additional demand	a	-	-	1,375
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets	a	180	-	1,385
Increase (decrease) in reserves	b	376	675	(2,385)
Total applications of capital funding		555	675	374
Surplus (deficit) of capital funding		(555)	(675)	(374)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Capital expenditure is ahead of Long Term Plan due to the plan assuming that these works would be completed in earlier years. The work was delayed until the current year.
- Decrease in reserves is ahead of budget due to the timing of the funding required for the above noted capital expenditure.

Activity: Community Support

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

Community support is provided by Council in a number of ways through organisations and agencies working with particular groups within the community, provision of funding, advocacy, and directly addressing specific issues through service provision. This Activity combines a number of distinct ways Council is involved in supporting its community.

Community Support and Development

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council works in partnership with key organisations and has now developed the Age Friendly Strategy for Marlborough 2022 - 2027. Monthly Positive Ageing Forums and regular Picton Regional Forums are held to give a voice to this sector and enable issues to be raised and addressed.

Similarly, Council has a Youth Policy and Youth Initiatives Plan to work towards achieving a better environment and services for this sector, and to encourage input from youth. This includes making progress towards the Mayor's Task Force goal *"that all young people under the age of 25 should be engaged in appropriate education, training, work or positive activities in their communities"*. Monthly Youth Council meetings are held to provide a voice for youth and to give effect to the Youth Policy and Plan. The Plan also provides direction for the allocation of Council's Youth Funding.

The volunteer sector, including non-government and not-for-profit organisations, underpins most of the delivery of community services in Marlborough.

Advocating for the needs of the community sector is an ongoing issue, particularly given the changes being experienced in the age and ethnicity of the community. Strengthening relationships with key organisations, and providing training and support are key elements of building the capacity of the sector. Council is working in partnership with Immigration New Zealand to implement the Welcoming Communities Programme in Marlborough over the next three years.

Council also assists by providing community grants. Criteria for these grants have been set to target specific needs in the community and relationships with other funding providers have the potential to maximise the funds available.

These grants provide one-off funding for not-for-profit organisations providing essential services in the Marlborough community, supporting community welfare, social services, the environment and/or sports and recreation.

Council contracts Age Concern to support older people and Volunteer Marlborough to build the capacity of the voluntary sector through training.

Community Safety

Community safety is an important component of the "living" Community Outcome, which is *"Marlborough's enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy"*.

Council has longer term arrangements with the police and central government to enhance community safety wherever possible. The Safer Communities Marlborough section of Council delivers restorative justice initiatives which are self-funding via Government grants.

The security camera network in the Blenheim and Picton CBD is managed by Council and is funded by rates.

Events Management

Free community-based events make a positive contribution to the wellbeing of the community by enhancing cultural identity, physical activity and social cohesion. Events also have a role to play in attracting visitors to Marlborough, along with showcasing and promoting the area. New contracts regarding event delivery are being put in place following the closure of the Festival and Events Trust in 2022.

Energy Efficiency

Council promotes warmer, healthier homes by offering an upfront residential funding service for retrofit insulation, clean heating, solar water heating and solar power. This cost is recovered over nine years through a voluntary targeted property rate for participating households. The rates recovery amount also includes interest, an administration charge and GST on all costs. This is cost neutral to Council.

Council's energy efficiency and clean heating loan scheme has been suspended for any new loans from 29 February 2024, in response to amendments to the Credit Contracts and Consumer Finance Act. These changes imposed new obligations on Council, particularly concerning responsible lending practices and Fit and Proper Person Certification legislation. As a result, Council found it necessary to cease offering new loans.

While the service has been discontinued for new applicants, Council remains committed to managing existing loans until they are fully paid. Additionally, ratepayers now have alternative options available, including top-up mortgages for energy efficiency upgrades offered by the five major banks. This shift ensures that residents can still access support for improving energy efficiency in their homes through established financial institutions.

Passenger Transport and Total Mobility Scheme

Public transport services give people access to economic and social opportunities. Council currently operates an urban bus service in Blenheim, trial bus services for Picton and Renwick, and a district-wide mobility scheme.

These activities are part funded by the New Zealand Transport Agency. Additional sponsorship for the bus service is currently being sought.

Smart and Connected Communities

Council established community-led groups in some of our larger communities (Havelock, Picton, Renwick and Seddon) via the Smart+Connected process. These groups over previous years have developed strategic plans and a number of working groups to implement their plans through their own efforts and by working with key partners including Council, other public providers and businesses. The Smart+Connected groups have reduced in activity over the past few years.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Positive ageing

Implementation of the 2022 - 2025 Age Friendly Strategy with the support of the community and stakeholders. After the first year, this was reviewed with achievement in 21 of the 26 areas of action, in addition to new opportunities to implement positive programmes and projects. The Seniors Expo was a success in March 2024 with strong attendance numbers. Following the expo a seminar series was introduced in partnership with Grey Power. These have been a success and have now developed into more seminars being delivered throughout the year. All Positive Ageing resources, Positive Ageing and Get Connected, have had the annual update. Positive Ageing Forums continued to be held monthly, with growing interest from services and organisations.

Youth

Twenty-one Youth Council members were appointed at the beginning of 2024, representing four of the colleges as well as a home-schooled representative. Meetings are held monthly and chaired by a rotational Youth Council member. The 2023-24 Youth Council completed all of the objectives from the Youth Council plan including input into the MDC Long Term Plan, allocating funding to multiple youth events and projects,

leadership connections, attending festival for the Future, Youth Civic Awards and hosting events and art exhibition.

A successful Future of Work conference held in partnership with Graeme Dingle Foundation, with 2100 Marlborough students participating.

Volunteer and Community Sector

Proactive and ongoing support provide by Council to community organisations and volunteer groups. Monthly Community Forums are hosted by Council staff inviting a range of speakers and topics. The bimonthly Community Newsletter has had improvement to the quality of the publication as well as wider reach to more diverse community groups and inclusion of more remote communities. Launch of the Marlborough Community Directory in partnership with Citizens Advice Bureau, users accessing this information has increased from 400 to 29,000 per month. Workshops and training have been provided by Council on topics of Changes to the Incorporated Societies Act, Funding, Areas of Safety, and impact of Gambling policy on community.

Community Safety

Restorative Justice Marlborough has provided Restorative Justice Services to the Blenheim and Kaikoura District Courts. Referral numbers improved this year.

- 100 referrals
- 119 Pre-conference interviews (Ministry of Justice Target was 81)
- 17 Conference (Ministry of Justice target was 15)

Restorative Justice Marlborough delivered above the contract requirements. This has resulted in Ministry of Justice revising the targets and funding for the next year.

Events Management

In their first year of a three-year contract, Pure Events Marlborough successfully delivered three Council-owned community events - Southern Jam Youth Jazz Festival, Blenheim Christmas Parade and the Picton New Year's Eve Celebration, with all events exceeding their contracted targets.

Twelve applications were received for Council's new contestable Community Events Fund, of which seven were approved.

Annually funded community events, the Marlborough Multicultural Festival run by the Marlborough Multicultural Centre, and Blenheim CBD Summer Market, run by Pure Events Marlborough were successfully delivered and both exceeded their contracted targets.

Mānawatia te Kahui o Matariki Fund celebrates and supports the regeneration of mātauranga associated with Te Kāhui o Matariki. The contestable fund aims to support the community in hosting events that recognise not only Te Rā Aroki a Matariki, the public holiday, but also the wider Kaupapa and principles of Matariki. Ten applications of \$44,150 were received and nine were approved totalling \$25,000 of funding, generating events for the community to join local Iwi to celebrate the Māori New Year.

Energy Efficiency

This year a further 60 advances totalling \$483,956 were made for home insulation, solar water heating, clean heating solutions and solar power. Currently, the amount advanced (net of repayments) is \$2.6 million to 807 households.

Bus Service

During the 2023-24 year, the Bus Service transported a total of 17,168 passengers (last year: 17,523). The Blenheim service accounted for 12,438 passengers (last year: 12,996), while the Picton service saw an increase to 4,730 passengers (last year: 4,257). Due to the rise in patronage, the Picton service has been made permanent. The overall decline in passenger numbers is attributed to the removal of the Renwick service.

Total Mobility Scheme

The Total Mobility Scheme funded 38,117 trips to end June 2024 (last year: 35,029) including 4,777 trips by wheelchair users. There are currently 1,695 persons registered in the scheme. The permanent half price fares saw an increase in eligible clients joining the scheme 307 a rise of 40%.

Smart and Connected Communities

Smart + Connected groups remain active at Havelock and Renwick with frequent meetings. This relationship between the community and Council has supported funding applications and new initiatives. Picton and Seddon are not currently in operation.

Levels of Service 2023-24: Community Support

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations (excludes passenger transport).	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).				
	• Community Support.	6.2	≥ 6.5	6.5	✓
	• Community Safety.	6.3	≥ 6.7	6.8	✓
	• Events Management.	6.5	≥ 6.6	6.6	✓
Ensure service quality and value through oversight of Council's community grants and third party providers.	% of contract and grant requirements met.	100%	100%	100%	✓
Ensure service quality and value of community events through oversight of third party providers.	% compliance with contract requirements.	100%	100%	100%	✓
Levels of service of targets in contracts.	Number of participants as a % of targets in contracts.	100%	≥ 90%	100%	✓
Support Seniors community through implementation of the Positive Ageing Accord.	Number of Older Persons Forums held.	11	≥ 10	11	✓
Support the Youth community through implementation of the Youth Initiatives Plan.	Number of Youth Forums held.	9	≥ 9	10	✓
	% of actions in Youth Initiatives Plan completed.	95%	100%	100%	✓
Build capacity of the Volunteer Sector through provision of training in partnership with key service providers.	Number of training courses delivered where attendance numbers meet targets.	5	≥ 4	4	✓
Provide quality service to the community through meeting or exceeding the expectations of the funding Ministries.	% of Ministry of Justice contract conditions met.	100%	100%	100%	✓
Provide a well-used and affordable bus service in Blenheim and to Picton and Renwick that is timely and responsive to community needs, including extending infrastructure as funding allows.	Annual % increase in patronage.	26.6%	≥ 2%	-2.0%	✗
	Comment: The 2% decrease is due to the removal of the Renwick Service.				
	Resident satisfaction as measured by survey (10 = service delivered extremely well).	5.2	≥ 6.2	5.4	—
	Number of bus shelters added.	0	≥ 1	0	✗
Comment: 2 bus shelters will be added in FY 2024-25.					

Funding Impact Statement for 2023-24 for Community Support

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,417	1,455	1,363
Targeted rates	686	753	653
Subsidies and grants for operating purposes	412	239	607
Fees and charges	16	16	17
Fuel tax, fines, infringement fees and other receipts	195	188	262
Total operating funding	2,726	2,651	2,902
Applications of operating funding			
Payments to staff and suppliers	2,005	1,819	1,631
Finance costs	9	8	10
Internal charges and overheads applied	422	435	469
Other operating funding applications	673	673	699
Total applications of operating funding	3,109	2,935	2,809
Surplus (deficit) of operating funding	(383)	(284)	93
Sources of capital funding			
Subsidies and grants for capital expenditure	12	12	-
Increase (decrease) in debt	(11)	(12)	(11)
Lump sum contributions	154	157	157
Total sources of capital funding	155	157	146
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	23	24	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(250)	(150)	237
Total applications of capital funding	(228)	(127)	239
Surplus (deficit) of capital funding	383	284	(93)
Funding balance	-	-	-



Activity: Library Services

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, People, Economy and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity provides the community with a professional library service. Marlborough District Libraries provide access to great physical and digital collections with easy-to-use services and great staff. Libraries are places of discovery, imagination and creativity, supporting life-long learning and fostering connection between people and groups. They are valued and trusted by the community as modern, vibrant and exciting places. They aspire to connect services with people where they are: in-library, online or in the community.

Council provides library services to all Marlborough residents through a network of library facilities. These comprise a District Library in Blenheim and a Branch Library in Picton (a joint Library and Service Centre) which are both open seven days. Council also supports school-based community libraries in Havelock and Waitaria Bay with resources for adults.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Both libraries successfully completed the two-year revalidation for "Working Towards Dementia Friendly." Becoming a Dementia Friendly organisation signifies that the libraries are safe, friendly, accepting, and supportive environments for people with dementia. It also reflects a commitment to making life easier for both customers and staff.

Children's Holiday Programming remained popular throughout the year. The theme for the

2023-24 Summer Reading Programme was "Pizza Fiesta," engaging participants from Year One through to teens, with 700 children participating across the district.

Picton Library and Service Centre - Waitohi Whare Mātauranga:

Picton Library hosted monthly "Cuppa with your Councillor" sessions, where Sounds-based councillors provided advice and assistance on Council-related matters. The "Thursday's Company Café" continued to offer a welcoming space for isolated members of the community, fulfilling a vital social need.

Community meeting spaces at Picton Library and Service Centre, Waitohi Whare Mātauranga Te Kahu o Waipuna, were in high demand, with 3,843 bookings made by community, commercial, and library groups.

Marlborough Library and Art Gallery - Te Kahu o Waipuna:

Since opening on 12 May 2023, Te Kahu o Waipuna has quickly become a community hub, welcoming 360,383 visitors by 30 June 2024. Individuals and groups of all ages have embraced the space for a wide range of activities. Solar panels were installed on the roof in July 2023 and became fully operational by September.

The Marlborough Book Festival, held from 20 to 23 July 2023, featured a range of inspiring talks and activities, including a session by author Nick Bollinger on the Atrium stairs.

Te Kahu o Waipuna also won several prestigious architectural awards, including:

- Gold Award and Category Winner in the Tourism and Leisure category (Master Builders Association Commercial Project Awards);
- Value Award for Commercial Projects valued between \$10M and \$25M; and
- Public Architecture Category (Te Kāhui Whaihangā New Zealand Institute of Architects Local Awards).

Cultural performances hosted in the foyer were well-received, and the Marlborough Library and Art Gallery collaborated on a number of successful programmes and activities. As part of its first birthday celebration, a community Matariki event was held on 26 June 2024 featuring performances by the Queen Charlotte College Kapa Haka group, singing with local iwi, children's

activities, an art gallery tour and a sausage sizzle organized by the Marlborough Youth Council.

The "Heritage Out Loud" weekend series, organized by Heritage Marlborough, was also hosted at Te Kahu o Waipuna, further highlighting the cultural and community role of the facility.



Levels of Service 2023-24: Library Services

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.7	≥ 7.7	8.3	✓
Support the tastes, interests and reading levels of users through providing a range of current resources.	Average age of resources (measured in years).	8 yrs	≤ 8	8 yrs	✓
	Frequency of items being taken out (turnover rate).	4.8	≥ 4	4.9	✓
Provide a range of programmes or training opportunities that meet or exceed customers' expectations.	Satisfaction of attendees with courses and programmes as measured by survey (1=Unsatisfactory; 3=Good; 5=Excellent)	4.8	≥ 4.5	4.9	✓
Provide access to information electronically.	Annual % increase of e-book and e-audio loans.	13.4%	≥ 10%	25.8%	✓
	Annual % increase of digital sessions numbers. (Accessing Libraries website, using a library computer or Wi-Fi on own device).	90,943 (16%)	≥ 10%	116,208 (27.8%)	✓

Funding Impact Statement for 2023-24 for Library Services

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	a	2,439	2,679	3,744
Subsidies and grants for operating purposes		-	-	1
Fees and charges		4	4	8
Internal charges and overheads recovered		119	122	150
Fuel tax, fines, infringement fees and other receipts		432	444	673
Total operating funding		2,994	3,249	4,576
Applications of operating funding				
Payments to staff and suppliers	b	1,937	2,021	3,216
Finance costs		186	179	391
Internal charges and overheads applied		722	749	984
Total applications of operating funding		2,845	2,949	4,591
Surplus (deficit) of operating funding		149	300	(15)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	270
Increase (decrease) in debt		(159)	(198)	(172)
Gross proceeds from sales of assets		3,500	-	-
Total sources of capital funding		3,341	(198)	98
Applications of capital funding				
Capital expenditure to meet additional demand		5,418	-	425
Capital expenditure to improve the level of service		31	33	-
Capital expenditure to replace existing assets		493	366	425
Increase (decrease) in reserves		(2,455)	(296)	(766)
Total applications of capital funding		3,490	102	83
Surplus (deficit) of capital funding		(149)	(300)	15
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- General rates, uniform annual general charges and rates penalties is higher than long term plan due to the additional funding required to run the new library facility.
- Payments to staff and suppliers are increase on Long Term Plan due to the increased costs associated with running the new library facility.

Activity: Emergency Management

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Economy and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

The Marlborough Civil Defence Emergency Management Group (CDEM) is responsible for writing, administering and implementing the CDEM Group Plan. The Assets and Services Committee fulfils the role of the Group Committee (governance role) under the CDEM Act, and the Coordinating Executive Group (CEG members include Te Tauihu Iwi, Fire, Police, Ambulance, Health and Council) provides operational oversight.

The operative CDEM Group Plan describes:

- the emergency management policies and procedures in place to manage Marlborough's distinct hazards and risks;
- arrangements for declaring a state of emergency in the district; and
- arrangements for cooperation and coordination with all emergency services and other Civil Defence Emergency Management Groups;
- Marlborough's risk profile which identifies the hazards, likelihood, consequence, and total risk rating which must be managed by the CDEM Group. The eight most significant hazards are:
 - local source tsunami;
 - earthquake;
 - human pandemic;
 - marine accident;
 - animal pandemic;
 - marine pests and diseases;

- river flooding; and
- plant and animal pests.

Marlborough CDEM's vision is "to improve the resilience of the region to all foreseeable emergency events through active engagement of communities and the effective integration of support agencies".

The four goals are:

- to coordinate efforts that reduce the risk posed by hazards that threaten the life, wellbeing, infrastructure, economic fabric, and ecological systems that support the lifestyle of Marlborough;
- to improve an awareness of the remaining risks faced by communities to be better prepared for known hazards;
- to enhance the efficiency and effectiveness of all agencies and the community in their response to an emergency through integrated and coordinated effort; and
- improve the process of recovery after an emergency to return to normal life as quickly as possible with a minimum of loss and disruption.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Storm Recovery

In August 2022 Marlborough experienced a significant storm event that severely impacted the Marlborough Sounds and the Pelorus catchment communities. A Navigator remained employed through 2023 to assist community members recovering from the storm's effects, offering support and helping with the Marlborough Sounds Future Access Study. The Recovery Transition Notice was renewed every 28 days throughout 2023-24.

Building Community Resilience

A successful Resilience Fund bid to the National Emergency Management Agency (NEMA) provided funding to hire a contractor for a Community Resilience Gap Analysis project across Marlborough. This project involved three communities — Linkwater, Rarangi, and Seddon — and focused on regional hazards and vulnerabilities. As a result, a Resilience Strategy was developed to guide community resilience efforts for the next five years.

Strategic Planning and Stakeholder Engagement

A contractor has been engaged to update the Civil Defence Emergency Management (CDEM) Group Plan, with significant stakeholder engagement, including Te Taihu iwi and the Group Committee. By June 2024, a second draft was available for consultation.

Strong relationships with Te Taihu iwi continue to develop, aided by the delivery of the Te Taihu o te Waka-a-Māui Emergency Management Strategy and Workplan (2022–2027). Regular meetings between Nelson/Tasman and Marlborough Groups and Te Taihu Iwi CEG representatives have strengthened these connections.

Training and Readiness Initiatives

CIMS (Coordinated Incident Management System) training has been prioritized, with Incident Management Team members participating in monthly scenario exercises. NZ RT20 (Marlborough Response Team) continued their weekly and weekend training to maintain

high competency levels, with an average team size of 25 members throughout the year.

The National Emergency Management Agency (NEMA) held a 3-day national exercise, "Rū Whenua," simulating an Alpine Fault magnitude 8 rupture. Marlborough CDEM fully participated and contributed to the development of the Catastrophic Event Handbook, a key outcome of the exercise.

Emergency Management Legislation and Response

Marlborough CDEM was heavily involved in the development of the new Emergency Management Bill throughout 2023, although the process was halted by the new government. Group Managers contributed to the government's response to the North Island Severe Weather Event, with hopes that it will inform the development of a new Bill in 2025.

A 24/7 duty officer system was maintained throughout the year, with one major escalation — the grounding of the 'Aratere' in Picton Harbour on 21 June, involving 47 people on board. The response was straightforward, with few issues, though several improvements have been identified for future response plans.

Future Planning for Alpine Fault Rupture

Planning for an Alpine Fault rupture is ongoing, with the formation of regional planning groups (RPGs) focused on welfare, intelligence/GIS, lifelines, and public information. Marlborough CDEM and Council staff are involved in these groups, contributing to the overall regional response plan.



Levels of Service 2023-24: Emergency Management

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds resident's expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.5	≥ 7.5	7.4	■
Provide a planned, tested capability to respond to major Civil Defence and Emergency (CDEM) Events.	Compliance of CDEM Group Plan and Group Welfare Plan with the Ministry of Civil Defence Director's Guidelines.	100%	100%	100%	✓
	Number of meetings of Coordinating Executive Group, Readiness & Response Committee and Welfare Coordination Group held.	9	≥ 9	9	✓
	Regional Incident Management Team training events/exercises held.	9	≥ 10	9	■
	Time taken to activate EOC in case of an event or post a national warning being received from MCDEM, if an active response is required (target in minutes).	30	≤ 30	30	✓

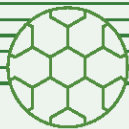
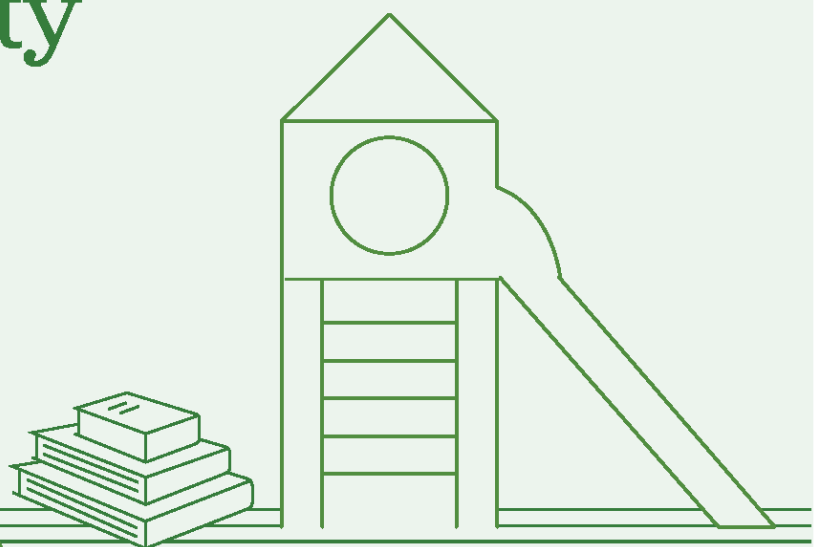
Funding Impact Statement for 2023-24 for Emergency Management

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		645	667	724
Subsidies and grants for operating purposes	a	-	-	1,082
Fees and charges		-	-	-
Fuel tax, fines, infringement fees and other receipts		108	105	206
Total operating funding		753	772	2,012
Applications of operating funding				
Payments to staff and suppliers	b	563	577	1,763
Internal charges and overheads applied		147	153	218
Total applications of operating funding		710	730	1,981
Surplus (deficit) of operating funding		43	42	31
Sources of capital funding				
Gross proceeds from sales of assets		-	-	11
Total sources of capital funding		-	-	11
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	4
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		9	9	52
Increase (decrease) in reserves		34	34	(14)
Total applications of capital funding		43	42	42
Surplus (deficit) of capital funding		(43)	(42)	(31)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Subsidies and grants for operating purposes are higher than long term plan due to the unbudgeted revenue from NZTA for work relating to the 2021 and 2022 weather events.
- Payments to staff and suppliers are increased on long term plan due to unbudgeted costs associated with the 2021 and 2022 weather events..

Community Facilities



Activities in this Group:

This Activity Group comprises a single Activity: Community Facilities.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Living, Economy and Connectivity. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Council provides and maintains open spaces and build facilities to meet a range of community needs. Community facilities include reserves, parks, accessways, open space and planted areas, street trees, trees, playgrounds, tracks and trails, sports parks and buildings, public toilets, halls, cemeteries and memorials.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan..

What We Did in 2023-24

In addition to the services targeted in the levels of service table the following new initiatives were undertaken during the financial year:

Parks and Open Spaces

- Victoria Domain – planning underway for revegetation of area where red cedars removed, development work for Waitohi/Picton Garden.
- Taylor River Reserve – planting, rabbit control.

Halls

- Audit of halls underway with assessments for 12 halls completed.
- Okiwi Bay Hall – completed repairs to the hall following flood damage in 2022 and 2023.
- Wairau Valley Hall – new kitchen and repairs to leaking roof.
- Spring Creek Hall – replaced windows and finished stormwater design for hall and carpark.

Cemeteries

- Fairhall Cemetery – new pathways, orientational signage, new ashes garden, resealing of driveway and carpark.
- Havelock Cemetery – resealing of driveway and car park.
- Restoration works and improvements, new burial beams, new trees and shrubs.
- Omaka - asphalt driveway, car park and pathway, seating, flagpole.
- Review of cemetery master plans underway.
- Development of standards for headstones and memorials.

Public Toilets

- Planning underway for new toilets at Horton Park, Oliver Park, Renwick and Westwood.
- Upgrades to Blenheim Railway Station, Picton Foreshore Reserve, Brayshaw Park completed.
- New toilet for The Whale Trail at Redwood Pass Road, Seddon.

Walking and Cycling Routes

- Picton – new footbridge across Tirohanga Stream, new bridge across Waitohi Stream (Essons Valley walks), Humphries Dam Track - replacement of two bridges completed.
- Tirimoana Reserve – new pathway.
- Okiwi Bay – construction underway on new track.
- Havelock – completion of Motuweka Pathway.
- Wither Hills Farm Park– completion of cross-country biking track, audit of tracks in Mountain Bike Park completed.

Memorials

- Repairs to Havelock Township Ronga Memorial and Havelock War Memorial.
- Planning underway for revamp of Pickering/Rutherford information boards (Havelock).

Playgrounds

- New shading and safety surfacing installed at Parklands Reserve.
- Picton Skate Park and youth space – new basketball 3x3 court, skating features, seating and shade, grass volleyball court, drinking fountain.
- Planning work is underway for new playgrounds at Rose Manor, Grovetown, Anakiwa and Ward Village Green.
- Havelock Domain – new playground installed.
- Wairau Valley Hall – new playground installed.

Sports Grounds and Facilities

- Seddon Domain – renovation of rugby turf.
- Lansdowne Park – carpark sealed, renovation of No. 1 field, renovation of women's toilets in old grandstand.
- Horton Park – cricket blocks renewed, planning for upgrade of pavilion underway.
- College Park – planning for operation of park with move of hockey to Puna Wai (Girls College site).
- A&P Park – planning and consultation completed for new training lights and for new sports hub. Request for information (RFI) issued for architectural services for new sports hub.
- Athletic Park – design for car park upgrade underway.
- Rewi Murray – completion of handover of park from Marlborough Polo.
- Renwick Domain – new modular pump track purchased and initial planning underway.

Policy and Planning

- Review of Tree Policy and Specialist Change Facility Policy completed.
- Reserve Management Plans underway for Grovetown Lagoon, Waikawa Bay Foreshore Reserve, Wither Hills Farm Park and Sports Parks.
- Review of open space maintenance contracts underway.

Other Services

- Street Tree and Street Plot maintenance contract re-tendered and tender process completed.
- 130 street trees planted.

Small Townships Programme

The Township Planning process provides a reference for the Small Townships Programme's future investment in the area as well as a reference point for the community who wish to work to deliver projects. Iwi engagement and community consultation is seen as the key part of the development of a township plan. Township Plans are a living document, with changes to be made over time as projects are completed and if the community's needs or priorities change. Projects completed/underway and community funding provided this year are as below:

Canvastown

- Gateway signage.
- Streetscape redevelopment project.

Havelock

Bus shelter x2.

Rārangi

- Blue gum 5 – Entrance beautification.
- Gateway – welcome signage.

Spring Creek

- Ferry Bridge carpark upgrade.
- Ferry Road pedestrian safety improvements footpath and pedestrian refuges.

Ward














- Gateway signage.
- Domain sheep pen redevelopment.

Community Projects Fund

- Hinepango reserve boardwalk project.
- Grovetown community pool upgrade.
- Tirimoana reserve path, planting and seating.
- Anakiwa (Baxters Beach) path, planting and seating.
- Wairau Valley – loop track maintenance and seating.
- Duncan Bay Jetty repairs.

Levels of Service 2023-24: Community Facilities

Performance Targets

Level of Service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide community facilities which are accessible, maintained to a high standard and appropriate to the range and level of use.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.3	≥ 7.8	7.4	
Provide neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	% of residentially zoned houses in urban areas within 500m walking distance of a neighbourhood park.	97%	≥ 98%	97%	
Provide reserves and manage their use in accordance with Reserve Management Plans(RMP).	Number of RMPs being reviewed or prepared.	4	≥ 2	4	
Provide a connected network of walking and cycling paths and tracks that is accessible, visible and caters for a range of abilities.	Walking and cycling paths and tracks being upgraded or are under development (measured in kilometres).	6.0KM	≥ 5KM	5.0KM	
Provide well maintained street trees to contribute to an attractive streetscape.	% of appropriately planted street trees on new urban roads (or renewed on existing roads).	100%	100%	100%	
	Number of additional and replacement street trees planted.	152	≥ 130	130	
	% of assessments undertaken once every two years (or sooner if necessary) of the condition of each street tree.	60%	100%	90%	
Provide playgrounds which are varied and stimulating and also safe and well maintained.	% of new playgrounds and playground renewals that have shade (including natural shading) in the design.	94%	≥ 80%	96%	
	% of weekly playground audits undertaken.	100%	100%	100%	
Provide well-maintained cemeteries which are accessible and appropriate sites for the interment needs of the community.	% of projects in respective cemetery master plans completed.	100%	60% of projects (medium term priorities)	100%	
	Minimum number of burial and ashes plots available.	3,663	≥ 650	3,193	
Provide sports parks which: • cater for a range of sporting and recreation activities; and • are well maintained, available, accessible and safe to use.	% of outcomes of Sports Facilities Strategic Plan 2021 implemented	100%	40% of projects (short term priorities)	100%	
Provide public conveniences which are well designed, accessible, clean and safe to use.	% of response to requests for service within allotted time.	100%	100%	100%	

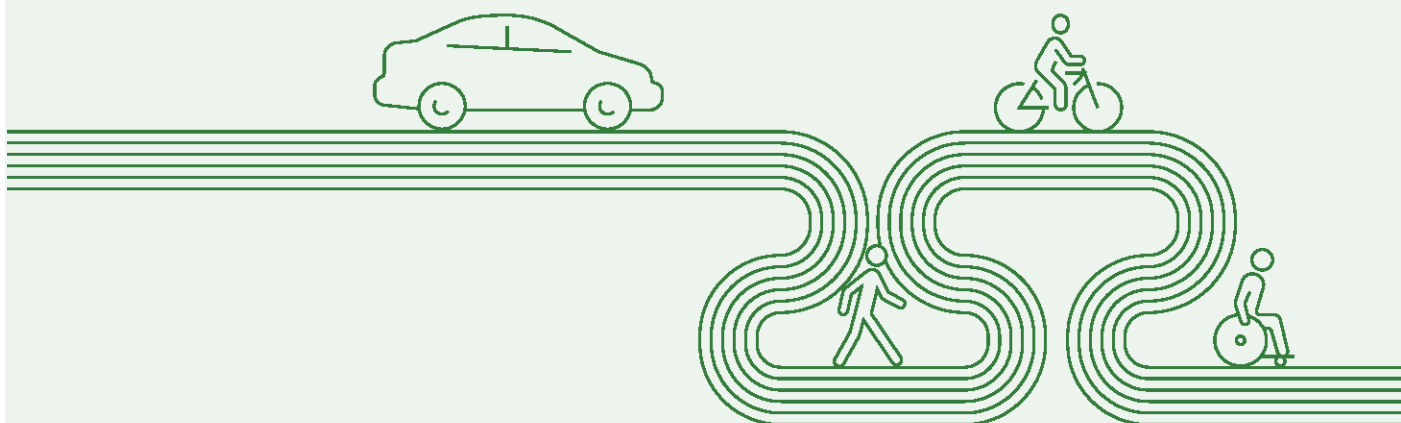
Funding Impact Statement for 2023-24 for Community Facilities

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		11,151	11,849	12,053
Targeted rates		4	5	1
Subsidies and grants for operating purposes		11	11	51
Fees and charges		274	321	417
Fuel tax, fines, infringement fees and other receipts	a	1,602	1,600	2,280
Total operating funding		13,042	13,786	14,802
Applications of operating funding				
Payments to staff and suppliers	b	8,092	8,407	9,741
Finance costs		922	1,050	1,057
Internal charges and overheads applied		2,387	2,464	2,707
Other operating funding applications	c	581	81	1,234
Total applications of operating funding		11,982	12,002	14,739
Surplus (deficit) of operating funding		1,060	1,784	63
Sources of capital funding				
Subsidies and grants for capital expenditure	d	-	-	4,780
Development and financial contributions	e	2,414	2,462	1,850
Increase (decrease) in debt	f	3,376	2,950	660
Gross proceeds from sales of assets		-	-	232
Total sources of capital funding		5,790	5,412	7,522
Applications of capital funding				
Capital expenditure to meet additional demand	g	1,731	1,118	307
Capital expenditure to improve the level of service	g	2,575	2,226	9,091
Capital expenditure to replace existing assets	g	2,600	3,313	1,175
Increase (decrease) in reserves	h	(55)	539	(2,989)
Total applications of capital funding		6,850	7,196	7,585
Surplus (deficit) of capital funding		(1,060)	(1,784)	(63)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- a. Fuel tax, fines, infringement fees and other receipts are higher than Long Term Plan due to unbudgeted insurance revenue.
- b. Payments to staff and suppliers are higher than Long Term Plan due to movements in contract prices in some area exceeding assumed inflation rates.
- c. Other applications of operating funding are higher than Long Term Plan due to the timing of grant payments to the Whale Trail with the plan anticipating that these would occur in earlier years.
- d. Subsidies and grants for capital expenditure are increased on long term plan due to the receipt of funding to relocate from College Park.
- e. Development and financial contributions are lower than Long Term Plan due to reduced subdivision activity at the moment following a period of high activity.
- f. Increase in debt is lower than Long Term Plan due to the timing of capital expenditure projects being different than originally anticipated with capital expenditure funded by grants and reserves occurring in the current year rather than debt funded.
- g. Capital expenditure is higher than Long Term Plan due to the construction of a new hockey turf which was not in the plan.
- h. Decrease in reserves is higher than Long Term Plan due to the hockey turf noted above not included in the plan but being partially reserve funded.

Roads & Footpaths



Activities in this Group:

This Activity Group comprises a single Activity: Provision of Roads and Footpaths.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Environment, Economy, People, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity is carried out to provide our community with an efficient, safe and resilient road network.

As the owner of the local roading network, Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. In addition, Council is responsible for all roading related assets — bridges, footpaths, kerb and channelling, street lighting and car parks. Some wharves are also owned and maintained by Council. There continues to be an increased emphasis on alternative modes such as walking and cycling, particularly the connection of the existing networks.

Separate Roles

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of New Zealand Transport Agency (NZTA) Waka Kotahi.

Marlborough District Council has a contract with NZTA's Marlborough Roads office to manage Council's roads on its behalf. This is achieved through a formal contract and a close management relationship between Council and Marlborough Roads.

The NZTA is a key partner and co-investor in Council's land transport programme and the State Highway network is of significant strategic importance in achieving Council's community outcomes.

Council also works closely with the Police on road safety issues and maintains and annually reviews a Road Safety Action Plan for the District.

The most comprehensive information on this Activity and the assets involved is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Marlborough Sounds Recovery

A major storm event hit the Top of the South Island and the West Coast in July 2021. This resulted in 460 km of Council's roads being damaged, with over 1,600 faults identified.

A further storm struck the district in late August 2022. That storm was even more destructive than the July 2021 event. The storm affected more than 670 km of Council's roading network and caused more than 4,000 faults. As a result of the two storms there were 4,704 faults recorded across the network.

In response, Council and NZTA undertook the Marlborough Sounds Future Access Study (MSFAS) to determine if road repairs were viable and, if so, what Levels of Service these repairs would be completed to. This study was endorsed by the NZTA Board in December 2023.

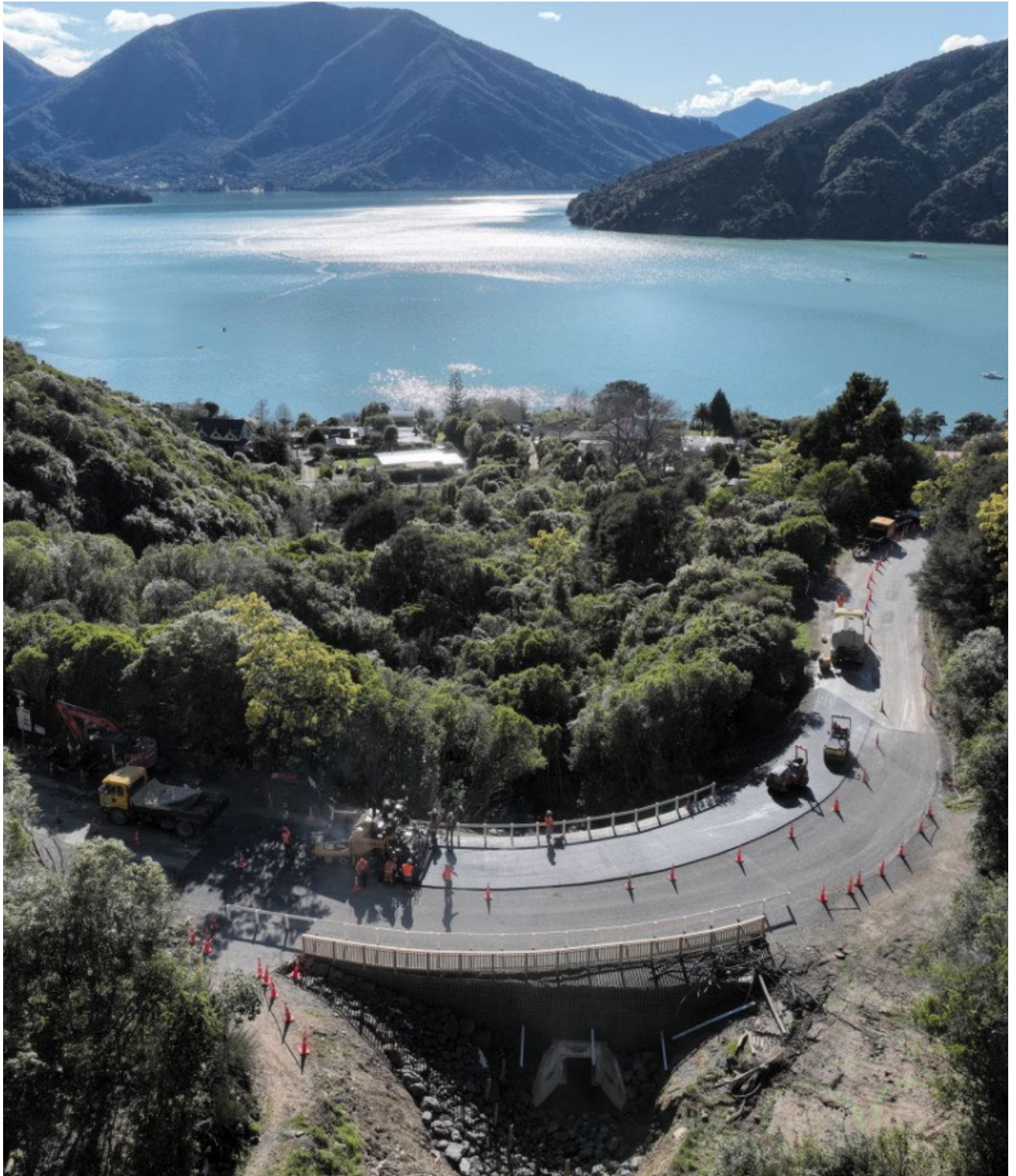
Funding of \$53 million was approved following the August storm to repair storm damage outside of the Marlborough Sounds. The Marlborough Roads Recovery Team (MRRT) was established in August 2021 to reinstate the road network following the storm. MRRT have also been engaged to undertake Phase 2 of the recovery which is the area outside of the Sounds. As of 30 June, there were only 26 faults (last year: 1,793) outside of the Marlborough Sounds that still needing to be repaired. All faults within the MSFAS area are to be completed under Phase 3, eight priority sites within phase 3 commenced during 2023/24. These recovery works have been the focus of the Marlborough Roads Team during this year and for next few years to come.

Other Major Roothing Projects
















Major roading projects performed in addition to Marlborough Sounds recovery, and to the

services targeted in the Levels of Services table, are summarised as:

- completed 120.6 lane kilometres of road resurfacing (last year: 17.8);
- 15,479 cubic metres of gravel spread on the unsealed network (last year: 8,971);
- completed 4 km of pavement rehabilitation (last year: 23); and
- undertook \$18.4 million of maintenance and renewal works (last year: \$18.2).



Levels of Service 2023-24: Roads and Footpaths

Performance Targets					
Level of Service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.5	≥ 6.2	5.9	
Road Safety Provide a safe transport infrastructure.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. Comment: 1 fatality and 11 serious injury crashes on the network this period, compared to 3 last period. There is no trend to these crashes.	-9	≤ 0	9	
Road condition Provide a quality transport infrastructure.	Average quality of ride on a local road sealed network measured by Smooth Travel Exposure ¹ and classified using ONRC ² hierarchy.				
	Arterial	86.3%	≥ 88%	89.4%	
	Primary Collector	91.4%	≥ 89%	92.3%	
	Secondary Collector	92.4%	≥ 87%	92.7%	
	Access	89.9%	≥ 87%	91.0%	
	Low Volume	89.2%	≥ 87%	88.9%	
	85% average road roughness classified using ONRC hierarchy ³				
	Arterial	113	≤ 111	99	
	Comment: Marlborough Roads has put concentrated efforts on arterial roads over the past two financial years to meet the target.				
	Primary Collector	116	≤ 115	112	
	Secondary Collector	118	≤ 120	115	
Access	129	≤ 130	127		
Low Volume	134	≤ 135	129		
NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel rough will have a roughness value higher than 300.					
Road maintenance Provide a sustainable land transport infrastructure.	% of sealed road network that is resurfaced annually. Average chipseal life is 13.5 years. Comment: 65.6km of resurfacing was completed in FY2023-24.	4.1%	≥ 5%	7.0%	
Footpaths Provide footpaths that meet the needs of an ageing community.	% of footpaths that meets the Asset Management Plan rating of better than 4 (1="Excellent" 2="Good" 3="Average" 4="Poor" 5="Very Poor")	97.4%	≥ 95%	96.0%	
Respond to services requests	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	100%	≥ 95%	100%	

¹ Smooth Travel Exposure is the percentage of vehicle kms travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the roading network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users.

² ONRC = One Network Road Classification. The purpose of the classification is so roads of the same classification are maintained to a similar standard across the country.

³ The signs of targets for road roughness in the LTP were incorrectly marked as ≥. These errors have been corrected in this annual report.

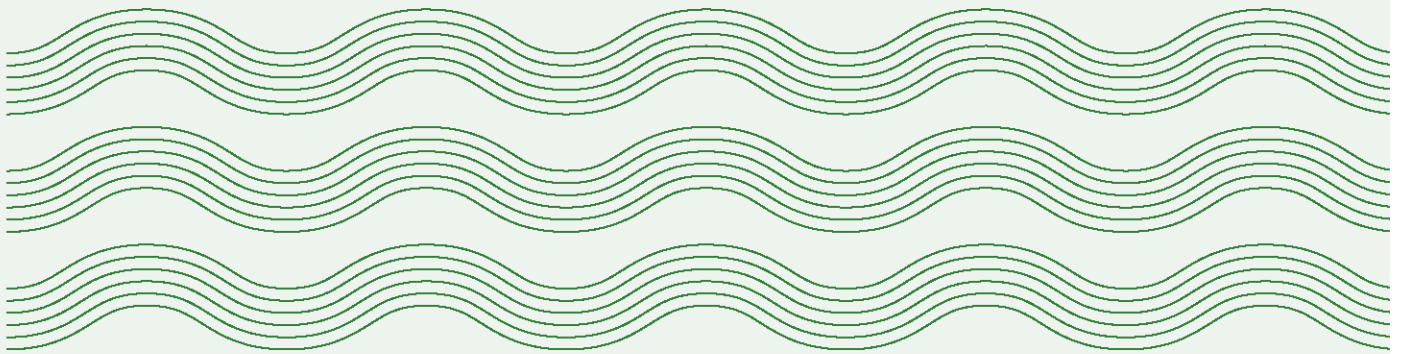
Funding Impact Statement for 2023-24 for Roads and Footpaths

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	a	11,241	11,875	12,693
Targeted rates		63	63	67
Subsidies and grants for operating purposes	b	4,666	4,804	7,005
Fees and charges		7	8	14
Internal charges and overheads recovered		23	24	23
Fuel tax, fines, infringement fees and other receipts	c	1,822	1,766	2,482
Total operating funding		17,822	18,540	22,284
Applications of operating funding				
Payments to staff and suppliers	d	10,787	11,118	12,661
Finance costs		559	642	783
Internal charges and overheads applied		1,364	1,417	1,138
Other operating funding applications		30	30	83
Total applications of operating funding		12,740	13,207	14,665
Surplus (deficit) of operating funding		5,082	5,333	7,619
Sources of capital funding				
Subsidies and grants for capital expenditure	e	4,940	4,816	26,987
Development and financial contributions		982	1,008	765
Increase (decrease) in debt	f	2,269	1,792	1,140
Other dedicated capital funding	g	644	663	3
Gross proceeds from sales of assets		-	-	45
Total sources of capital funding		8,835	8,279	28,940
Applications of capital funding				
Capital expenditure to meet additional demand	h	1,266	1,304	-
Capital expenditure to improve the level of service	h	2,757	2,264	1,706
Capital expenditure to replace existing assets	h	10,872	9,728	36,411
Increase (decrease) in reserves	i	(979)	314	(1,557)
Total applications of capital funding		13,917	13,612	36,559
Surplus (deficit) of capital funding		(5,082)	(5,333)	(7,619)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- General rates, uniform annual general charges and rates penalties is higher than budget due to increases in depreciation following large valuation increases.
- Subsidies and grants for operating purposes are higher than Long Term Plan due to emergency reinstatement funding not anticipated in the plan.
- Fuel tax, fines, infringement fees and other receipts due to the share of general revenues and unbudgeted proceeds from insurance.
- Payments to staff and suppliers due to spend on the roading recovery program following significant weather events.
- Subsidies and grants for capital expenditure are higher than budget due to spend on the roading recovery program following significant weather events.
- Increase in debt is lower than Long Term Plan due to timing of the small townships program expenditure.
- Other dedicated capital funding is lower than Long Term Plan as the plan incorrectly included vested assets.
- Capital expenditure is higher than Long Term Plan due to spend on the roading recovery program following significant weather events.
- Decrease in reserves are higher than long term plan due to the funding of Council's share of the above noted expenditure relating to significant weather events.

Flood Protection & Control Works



Activities in this Group:

This Activity Group comprises a single Activity: Flood Protection and Control Works.

Related Community Outcomes

This Activity Group contributes primarily to the Community Outcomes of Environment, People, Economy, Mobility and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

The Activity is primarily about managing flood hazard and drainage of the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks, predecessor authorities work activities and from more recent assessments of flood risks as land uses change with development.

Staff also provide appropriate input into resource consent and building applications near waterways or where a possible flood hazard exists.

The most comprehensive information on this Activity and the assets involved can be found in the 2024-34 Long Term Plan.

What We Did in 2023-24

Activity was focussed on delivering upon existing levels of service and programme of capital works, whilst preparing for the final stages of the 2021 and 2022 Flood Recovery Programme.

Over previous years, the shortage of local toe rock led to delays in the rock elements of the flood recovery programme. The team has focussed extensively on resolving these shortages through completion of the Pukaka quarry extension project and strategic planning of future capital works to align with the needs of the flood recovery packages of work. This has resulted in a clear and coordinated programme of works for the next three years, ensuring the successful delivery of capital works already committed to and close out of the flood recovery programme by July 2026.

While flood response and repairs dominated the Rivers section work programme, every effort was made to complete a normal maintenance and inspection programme including the Wairau drainage scheme, drainage pump station overhauls and minor upgrades. Normal smaller waterway maintenance was completed in Blenheim, Renwick, and Picton/Waikawa.

An area of significant improvement for the activity, has been the allocation of time and senior level resource to strategic planning in response to a changing physical, political, and commercial environment. A number of longer-term interdepartmental work programmes commenced during the financial year to ensure the activity is appropriately resourced and adapted to meet these changing demands, including:

- commencement of the Wairau Floodway Scheme Review (3-5 yr project duration); and
- development of Asset Management Information System (AMIS) and Asset Condition Assessment Tool (3 year project duration).

Capital upgrades:

- completion of Groyne 20 at Conders Bend, comprising 9,800t of toe rock;
- replacement of Council weed cutter boat commenced with delivery scheduled for November 2024;
- completion of Upper Conders Realignment – Stage 2, retreat of 760m of new stopbank;
- completion of Pukaka-Pembers Road culvert extension;
- commencement of Town Branch Drain Upgrade – Connor & CMP Blocks, with works scheduled for completion by mid November 2024; and
- commencement of enabling works for Peninsula Road stopbank repair and upgrade project, ahead of main works commencing in November 2025.

Investigation work included:

- continued development of new flood hazard classification and mapping;
- review of proposed developments in the Cloudy Bay Industrial area and existing channel capacities;
- completion of flood investigation modelling and options analysis for Stump Creek;
- completion of flood investigation modelling and options analysis for Brookby Road;
- completion of further flood investigation modelling for Rarangi Road;
- continued development of the Wairau flood forecasting model; and
- continued development of Peninsula Road stopbank repair and upgrade design, including geotechnical analysis and hydraulic modelling.

2021 and 2022 Flood Recovery Programme:

- rock wall repairs at Wratts Road and Barnetts Bank; and interim bank repairs at Giffords Road; and
- preparation of tender documents for remaining rock repair works ahead of the FY24-25 construction season.

Other notable works:

- stopbank repairs at Cravens Road, Gifford Road, and Condors bend following significant vehicle damage from unauthorised 4WD driver actions;
- Southern Valleys Irrigation Scheme sediment removal;
- repair Groyne 19 damaged during the May 2023 floods; and
- riparian planting of Upper Condors with poplar and willow poles for erosion protection.

Wither Hills soil conservation programme – work continued, including ongoing nassella tussock, Chilean needle grass and gorse/broom control, stock water supply maintenance and a fertiliser dressing.

Pukaka quarry extension – extension of the quarry site is now complete, with the newly acquired area stripped of overburden, access tracks constructed and benched ready for hard rock quarrying operations to commence from early 2025.

Levels of Service 2023-24: Flood Protection and Control Works					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.7	≥ 6.9	6.2	
Wairau River scheme - system and adequacy Maintain, repair and renew these major flood protection and control works to the standards defined in Rivers and Drainage Asset Management Plan (AMP) ⁴ .	% of floodway and tributary network inspected for condition and maintenance requirements.	95%	≥ 95%	95%	
	% of programmed maintenance and renewal works completed.	89%	100%	114%	
	Comment: Maintenance and renewals expenditure is inline with budget. The primary reason for the reported result being greater than 100% is because the budget had split works at Upper Condors as partially level of service, partially renewal. The actual reported result has categorised the project as renewals as this is the best fit.				
	% of capital improvement works completed	40%	≥ 50%	8%	

⁴ The mandatory performance measure expects reporting against standards defined in the council's planning documents. At this point in time the council does not have standards defined in its asset management plan or long-term planning documents, instead we report against the percentage of Annual Plan budget spent on programmed works including work in progress where relevant.

	Comment: The primary reason for the not achieved is because the budget had split works at Upper Condors as partially level of service, partially renewal. The actual reported result has categorised the project as renewals as this is the best fit.				
	Time taken to provide a report to the Assets and Services Committee on the damage to the Floodway network and potential problem areas following significant (generally exceeding a 1:2 year return) flood events - measured in months.	3 months post event	2 months post event	No significant flood events	✓
Wairau Plains Provide effective drainage to the lower Wairau plains.	% of drain network inspected at least once for condition and maintenance requirements.	100%	100%	100%	✓
	% of drains weed sprayed.	85%	≥ 90%	95%	✓
	% of drains mechanically cleared.	3.4%	≥ 4%	4.0%	✓
Picton Floodways Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event.	% of floodway network inspected for condition and maintenance requirements.	100%	100%	100%	✓
	% of programmed maintenance and renewal works completed.	97%	100%	100%	✓
Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls ⁵ .	% of programmed maintenance and renewal works completed.	100%	100%	120%	✓
	Comment: Repairs and Maintenance costs for the Blenheim urban network were over budget by minor amounts across the whole planned program.				
	% of capital improvement works completed.	0%	≥ 75%	58%	✗
	Comment: The primary reason for the not achieved in this measure is delays in the Town Branch Drain project. Completion is still expected in FY24-25.				
Provide sound flood hazard advice.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	0	0	0	✓

⁵ Channels and pump stations, including the Town Branch, Caseys, Fulton and Murphys Creeks to provide for a 1 in 50 year return period storm event runoff including both infill and greenfield development.

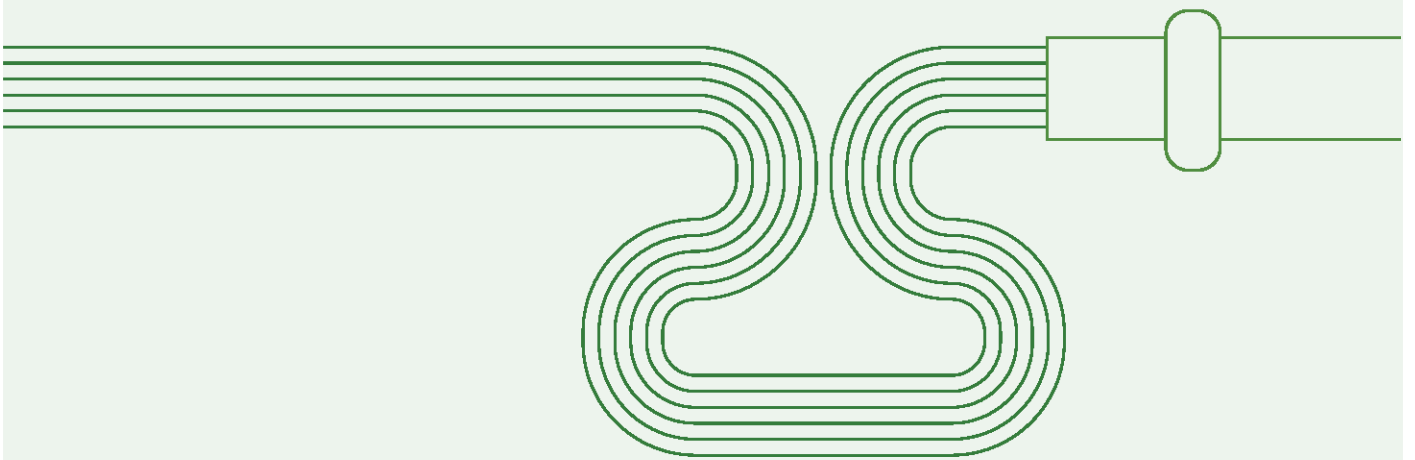
Funding Impact Statement for 2023-24 for Flood Protection and Control Works

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		297	304	299
Targeted rates		5,012	5,412	5,338
Fees and charges		718	737	624
Internal charges and overheads recovered		334	343	317
Fuel tax, fines, infringement fees and other receipts	a	3,388	3,409	4,505
Total operating funding		9,749	10,205	11,083
Applications of operating funding				
Payments to staff and suppliers		3,913	4,023	4,131
Finance costs		283	411	287
Internal charges and overheads applied		2,043	2,105	2,469
Other operating funding applications		27	28	35
Total applications of operating funding		6,266	6,567	6,922
Surplus (deficit) of operating funding		3,483	3,638	4,161
Sources of capital funding				
Subsidies and grants for capital expenditure	b	660	-	608
Increase (decrease) in debt	c	3,861	2,451	3,992
Gross proceeds from sales of assets		-	-	2
Total sources of capital funding		4,521	2,451	4,602
Applications of capital funding				
Capital expenditure to meet additional demand	d	311	265	1,325
Capital expenditure to improve the level of service	d	5,248	2,751	1,466
Capital expenditure to replace existing assets	d	1,172	223	2,765
Increase (decrease) in reserves		1,272	2,850	3,206
Total applications of capital funding		8,004	6,089	8,763
Surplus (deficit) of capital funding		(3,483)	(3,638)	(4,161)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Fuel tax, fines, infringement fees and other receipts are increased on Long Term Plan due to proceeds from insurance and higher than anticipated rivers lease revenue.
- Subsidies and grants for capital expenditure are higher than Long Term Plan due to the timing of the receipts of shovel ready funding with the project expected to have been completed earlier in the plan.
- Increase in debt is higher than the Long Term Plan due to capital expenditure being higher than long term plan due to timing of the program.
- Capital expenditure is higher than Long Term Plan due to delays in the capital program with the focus in the prior year on flood damage repairs..

Sewerage Including Treatment & Disposal



Activities in this Group

This Activity Group comprises a single Activity: Sewerage Including Treatment and Disposal.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Environment, Economy and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Collection, treatment and disposal of wastewater to provide sanitary living conditions, protect public health and avoid damaging discharges to the environment is an essential service that contributes to:

- the health of communities;
- minimisation of adverse environmental effects; and
- industrial and residential development.

The most comprehensive information on this activity and the assets involved, including information on individual schemes, can be found in the 2024-34 Long Term Plan.

What We Did in 2023-24

Blenheim

The sewer mains project completed renewals identified after the 2016 earthquake. The pipeline between the Main Terminal Pump Station and the Wastewater Treatment Plant was inspected to assess its suitability for refurbishment to provide additional pumping capacity.

Consultation and design work continued to enable the renewal of the discharge consent for the Blenheim Wastewater Treatment Plant. This includes investigations into using treated wastewater for irrigation.

Picton

Desludging of the Wastewater Treatment Plant aeration basin and repairs to the sludge drying beds have been completed. Clearing of the sludge ponds has now commenced.


Havelock

Design & consultation for a new treatment plant in Havelock are ongoing. Land for the new treatment plant site has been purchased, and resource consents have been applied for. The new site and treatment plant will provide improvements to process and enhance the resilience of the Havelock Sewer Treatment Plant.

Resource Consent Renewals

A resource consent application has been lodged to discharge treated effluent from the Seddon Wastewater Treatment Plant to land, and to Starborough Creek when irrigation to land is not possible. The Land intended for irrigation has been purchased.

The application process for new resource consents for the treatment and discharge of treated effluent from Blenheim's Wastewater Treatment Plant is well advanced, with the consent renewal due in 2025.

Levels of Service 2023-24: Sewerage Including Treatment and Disposal					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Customer satisfaction: Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.3	≥ 7.7	7.4	

Levels of Service 2023-24: Sewerage Including Treatment and Disposal

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
	The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.	4.60	≤ 8	5.98	✓
System and Adequacy Provide a level of service quality that minimises environmental risks.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.64 ⁶	≤ 0.4	1.26	✗
	Comment: The variance between the 2023-24 target (≤ 0.4) and the actual result (1.26) for dry weather sewerage overflows is mainly due to improved assessment information. The sewerage connections are based on the number of capital works rate charges for FY2023-24, with 22 dry overflow events recorded. Contributing factors include aging infrastructure, resource constraints, inconsistent or inadequate preventative maintenance, and blockages caused by inappropriate flushing (beyond Council's control). Additionally, the target set in the LTP 2021-31 was low compared to recent years' trends (FY2021-22: 1.1).				
Discharge compliance: Provide a reliable wastewater service with adequate system capacity and performance.	Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.52	≤ 0.5	0.11	✓
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation to those resource consents.	0.00	0	0.00	✓
Fault response times Provide a service that is timely and responsive to customer needs.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times (in hours) are measured:				
	(a) attendance time (in hours): from the time that the territorial authority receives notification to the time that service personnel reach the site, and				
	Blenheim	0.5 hrs	≤ 1 hour	0.6	✓
	Picton	0.1 hrs	≤ 1 hour	1.0	✓
	Riverlands	0.9 hrs	≤ 1 hour	0.5	✓
	Renwick	0.5 hrs	≤ 1 hour	1.1	■

⁶ The performance results for 2022-23 have been restated. The methodology applied in the prior year excluded some service requests and only used rainfall data from Blenheim in assessing whether an overflow occurred during dry weather. Under the improved methodology additional service request codes have been included and the rainfall data used to determine whether an overflow occurred during dry weather has been sourced from NIWA rainfall gauges situated across the district. The previously reported result of 0.93 overflows per 1000 sewerage connections reduced by 0.29 under the revised methodology.

Levels of Service 2023-24: Sewerage Including Treatment and Disposal

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
	Seddon	1.3 hrs	≤ 2 hours	0.6	✓
	Havelock	1.6 hrs	≤ 2 hours	0.5	✓
	(b) resolution time (in hours): from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	2.6 hrs	≤ 4 hours	2.2	✓

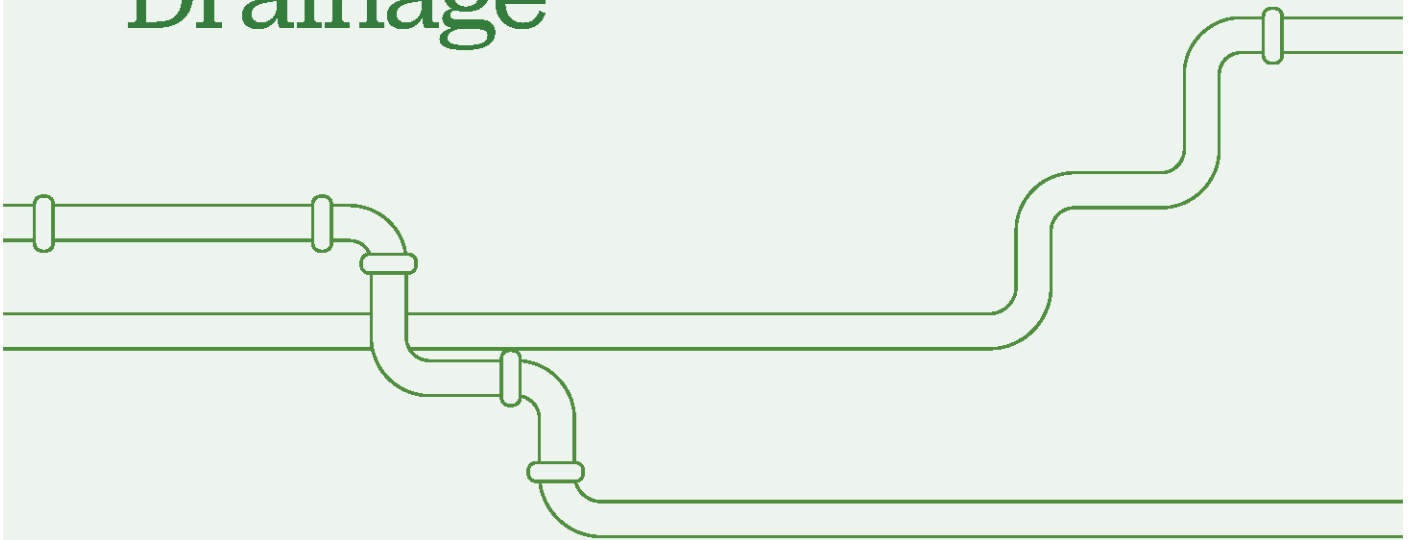
Funding Impact Statement for 2023-24 for Sewerage

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
Targeted rates		9,215	9,925	9,429
Fuel tax, fines, infringement fees and other receipts		2,160	2,254	2,027
Total operating funding		11,375	12,179	11,456
Applications of operating funding				
Payments to staff and suppliers	a	3,335	3,489	5,030
Finance costs	b	1,613	1,749	2,250
Internal charges and overheads applied		3,523	3,635	3,310
Total applications of operating funding		8,471	8,873	10,590
Surplus (deficit) of operating funding		2,904	3,306	866
Sources of capital funding				
Development and financial contributions	c	2,142	2,185	1,583
Increase (decrease) in debt	d	(411)	7,053	(675)
Other dedicated capital funding	e	1,469	1,874	1,369
Total sources of capital funding		3,200	11,112	2,277
Applications of capital funding				
Capital expenditure to meet additional demand	f	1,667	9,355	1,453
Capital expenditure to improve the level of service	f	5,276	14,430	405
Capital expenditure to replace existing assets	f	1,537	5,361	4,724
Increase (decrease) in reserves	g	(2,430)	(14,728)	(3,441)
Total applications of capital funding		6,104	14,418	3,143
Surplus (deficit) of capital funding		(2,904)	(3,306)	(866)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Payments to staff and suppliers are higher than Long Term Plan due to Picton Sewer Desludge costs being expensed and power costs exceeding budget.
- Finance costs are higher than Long Term Plan Due to the capital expenditure program in earlier years being accelerated resulting in additional debt and the interest rate being higher than anticipated in the Long Term Plan.
- Development and Financial contributions are lower than long term plan due to reduced subdivision activity at the moment following a period of high activity.
- Decrease in debt is higher than Long Term Plan due to the capital expenditure program for sewer being lower than planned in 2023/24.
- Decrease in other dedicated capital funding is due to lower than anticipated recovery via trade waste charges.
- Capital expenditure is lower than Long Term Plan due to the capital expenditure program due to large projects being deferred.
- Decrease in reserves is lower than Long Term Plan due to lower than anticipated capital expenditure.

Stormwater Drainage



Activities in this Group:

This Activity Group comprises a single Activity: Stormwater Drainage.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Environment, Economy and People. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Council provides a stormwater drainage system to manage stormwater run-off from urban catchments. Collection and disposal of stormwater contributes to:

- minimising the incidence of flooding to protect the community from harm;
- minimising damage to properties from flooding;
- facilitating commercial and residential development;
- protecting the aquatic environment through the management of water quality from urban stormwater run-off; and
- reducing erosion.

The most comprehensive information on this Activity including detail about the individual areas served is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

July and August 2022 Storm events

The Marlborough region suffered significant storm events during July and August 2022. Due to the size of these events, the stormwater networks, predominantly in Blenheim and Picton, were overloaded. However, this resulted in minimal property damage, with only three properties reported to have floodwaters exceeding their habitable floor level. These storms, occurring over a short six-week period, caused groundwater levels to rise as high as they have ever been recorded. Water remained ponded in low-lying areas for weeks, especially noticeable in the lower

terrace at Renwick. Fortunately, similar storm events were not repeated in the last 12 months.

Advancements in Stormwater Management Systems (SMAP) and Infrastructure Development

The SMAP for Springlands was adopted as part of the Blenheim Stormwater Management Strategy. Construction of pipelines set out in this SMAP is now underway, with the first phase of taking place on Aston Street. Design is currently being finalized for a large pipeline extending from near Murphys Creek on Middle Renwick Road to Boyce Street, with the discharge planned near the High Street bridge.

A SMAP is now being developed for the Town Branch Drain system.



The development of the Rose Manor, Wai-iti subdivisions and the Summerset Retirement Village continues to incorporate stormwater retention systems, enabling controlled discharge of stormwater to existing waterways while providing some level of treatment. Applying these methods within already developed catchments is

challenging due to the land area required. Alternative stormwater management strategy for these areas will be considered with the development of Stormwater Management Areas in Blenheim and later extended to other areas in the Marlborough Region.

Stormwater infrastructure upgrades has taken place in Fyffe Street, Blenheim. An 825 mm diameter Helcor corrugated steel pipeline, found to be in poor condition after the 2022 floods, was relined at a cost of \$197,000. Several other projects are currently in the planning and design phases and are expected to proceed in the next two years subject to forthcoming requests for more funding.

Levels of Service 2023-24: Stormwater Drainage					
Performance Targets					
Level of Service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.7	≥ 6.5	6.5	✓
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	1.8	≤ 1.8	1.1	✓
System adequacy Provide a reliable stormwater service.	The number of flooding events that occur in a territorial authority district.	2	Actual number to be reported	0	✓
	For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system.	0.2	≤ 2.6	0.0	✓
Discharge compliance Minimise the environmental risks of stormwater discharge.	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation to those resource consents.	0	0	0	✓
Response times Provide a service that is timely and responsive to customers' needs.	The median response time (in hours) to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (* The statistical median is the time in which half of calls are responded to in less time and half in more time.)	N/A	≤ 1 hour	N/A	✓
Comments: No flooding event during this financial year.					

Funding Impact Statement for 2023-24 for Stormwater Drainage

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		2,306	2,428	2,740
Fuel tax, fines, infringement fees and other receipts		317	313	412
Total operating funding		2,623	2,741	3,152
Applications of operating funding				
Payments to staff and suppliers		320	323	698
Finance costs		5	4	5
Internal charges and overheads applied		406	419	448
Total applications of operating funding		731	746	1,151
Surplus (deficit) of operating funding		1,892	1,995	2,001
Sources of capital funding				
Development and financial contributions	a	893	911	366
Increase (decrease) in debt		(35)	(36)	(36)
Other dedicated capital funding		260	267	46
Total sources of capital funding		1,118	1,142	376
Applications of capital funding				
Capital expenditure to meet additional demand	b	462	2,162	143
Capital expenditure to improve the level of service	b	160	1,074	452
Capital expenditure to replace existing assets		3,126	392	436
Increase (decrease) in reserves	c	(738)	(491)	1,346
Total applications of capital funding		3,010	3,137	2,377
Surplus (deficit) of capital funding		(1,892)	(1,995)	(2,001)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Development and Financial contributions are lower than Long Term Plan due to reduced subdivision activity at the moment following a period of high activity.
- Capital expenditure is lower than Long Term Plan due to delays in the Murphys creek pipeline.
- Increase in reserves is higher than Long Term Plan due to the delays in the town branch drain project.



Water Supply



Activities in this Group:

This Activity Group comprises a single Activity: Water Supply.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Environment, Economy and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Council drinking water supplies are necessary so that larger communities can receive an adequate supply of potable (drinking) water which cost-effectively contributes to:

- the health of the community;
- minimisation of adverse environmental effects;
- community safety through providing for the firefighting capability of the water supply system; and
- industrial and residential development.

Around 82% of the Marlborough population has access to Council's reticulated water supplies. Underground water reticulation systems are expensive to install and maintain, so are only cost-effective with a certain level of population density. Funding upgrades (particularly to meet the New Zealand Drinking Water Standards and depreciation) has been a challenge but this has been partially resolved by the introduction of the Combined Water Scheme Charges Policy in 2017.

The most comprehensive information on this Activity and the assets involved, including detail on each individual scheme, is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Project Expenditure

- \$805,000 for Renwick asbestos cement (AC) Watermain Replacement. The final phase of these watermain replacements commenced in

August 2024 and will be completed by December 2025;

- \$5,100,000 for the completion of the Renwick Water Treatment Plant. Commissioning was finalised in June 2024;
- \$266,000 finalising ground works at the Wairau Valley Water Treatment Plant;
- \$366,000 for Awatere watermains upgrades; and
- \$2,228,000 for McLauchlan Street, Blenheim watermain renewal.

Water Meters

Water meters are now being used for charging purposes across Renwick and Havelock. Residents continue to identify leaks which are then repaired quickly. Following repair, water remissions are applied for water lost through leakage. Considerable water savings have been made across these two networks as a result of private leaks being repaired and AC water mains being replaced throughout Renwick. Renwick winter night time flows have reduced from 15 L/s to 4 L/s.

Water Treatment Investigation and Design Updates

- **Renwick:**
The water treatment plant was commissioned in May/June 2024, and began providing water compliant with the Water Services Act to the Renwick community in July 2024
- **Havelock:**
The existing supply does not comply with the Drinking Water Standards for New Zealand. A preliminary assessment of treatment options recommends cartridge filtration and UV disinfection. Work continues to find a suitable site for a new water treatment plant. Investigation into additional sources of supply, upstream of the existing one, has also been undertaken with positive results.



Renwick Water Treatment Plant

- Wairau Valley Township:**
 The new water treatment plant has been operational since August 2023 providing water to the community compliant with the Water Services Act 2021.
- Riverlands Industrial Estates:**
 An alternate source of water for the Riverlands Industrial areas has been located, the property has been purchased and a bore has been installed. Design for the new treatment plant near completion. The new source and Water Treatment Plant will ensure that supply meets the Drinking Water Standards for New Zealand. Council and Taumata Arowai have commenced discussions with wineries regarding the impact chlorination will have on wine production operations.

Water Main Renewals:

Further AC watermains renewals are being planned for Francis, Mowat, Fulton and Ward Streets, and Colemans and Lakings Roads in Blenheim and Awatere Valley Road. This will occur over the next five years.

Levels of Service 2023-24: Water Supply

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Customer satisfaction: Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.6	≥ 8.0	7.5	—
	The total number of complaints received by the local authority about any of the following, expressed per 1000 connections to the local authority's networked reticulation system ⁷ .				
	(a) drinking water clarity	0.76	≤ 1.10	0.40	✓
	(b) drinking water taste	0.35	≤ 1.90	0.11	✓
	(c) drinking water odour	0.47	≤ 0.65	0.17	✓
	(d) drinking water pressure or flow	0.82	≤ 1.50	0.96	✓
	(e) continuity of supply, and	1.3	≤ 1.30	0.23	✓
(f) the local authority's response to any of these issues	0	≤ 0.65	0	✓	

⁷ Assumes 17,493 connections. Estimated in accordance with DIA recommended option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

Levels of Service 2023-24: Water Supply

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Safety of drinking water: Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	The extent to which the local authority's drinking water supply complies with:				
	(a) Part 4 of the drinking-water standards (bacteria compliance criteria), and				
	Blenheim	complied	Yes	not complied	
	Comment: Refer to Note 1 - Both Blenheim treatment plants meet Bacterial compliance. However Blenheim does not currently have chlorinated supply to show bacterial residual disinfection in the distribution. Chlorination is planned and will be in place mid 2025.				
	Picton	complied	Yes	complied	
	Havelock	not complied	Yes	not complied	
	Renwick	not complied	Yes	not complied	
	Comment: Havelock and Renwick supplies are chlorinated. However, they do not have pH probes to enable the calculation of Free Available Chlorine (FAC). Although chlorine residual was present at all times, the effective concentration of FAC could not be demonstrated. This is considered a technical non-compliance.				
	Riverlands	not complied	Yes	not complied	
	Comment: Refer to Note 2 regarding to Riverlands.				
	Awatere - Rural	not complied	No	not complied	Notes 1 & 2
	Comment: Refer to Notes 1& 2 regarding to Awatere- Rural				
	Seddon	not complied	Yes	complied	
	Wairau Valley	not complied	Yes	complied	
	(b) Part 5 of the drinking-water standards (protozoal compliance criteria).				
	Blenheim	complied	Yes	complied	
	Picton	complied	Yes	complied	
Havelock	not complied	No	not complied	Note 2	
Renwick	not complied	No	not complied	Note 2	
Riverlands	not complied	No	not complied	Note 2	
Awatere - Rural	not complied	No	not complied	Note 2	
Seddon	not complied	Yes	complied		

Levels of Service 2023-24: Water Supply

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
	Wairau Valley	not complied	Yes	complied	✓
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system ⁸ .				
	Blenheim	30%	≤ 37%	34%	✓
	Picton	26%	≤ 28%	40%	✗
	Havelock	23%	≤ 28%	38%	✗
	Renwick	20%	≤ 28%	37%	✗
	Awatere	28%	≤ 15%	38%	✗
	Wairau Valley	21%	≤ 15%	74%	✗
	Comment: The Unavoidable Annual Real Loses (UARL) calculation needs refinement to use only winter nighttime demand, excluding summer irrigation flows that skew total losses,. Water loss has exceeded targets due to aging infrastructure, increased demand, pressure issues, and frequent pipe bursts. The Council has increased the water mains renewal program, focusing on aging asbestos cement mains, to reduce these losses.				
Fault response times:	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:				
Provide a service that is timely and responsive to customer needs.	(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (in hours), and				
	Blenheim	0.30 hrs	≤ 1 hour	0.65 hrs	✓
	Picton	1.50 hrs	≤ 1 hour	2.00 hrs	✗
	Riverlands	0.30 hrs	≤ 1 hour	0.78 hrs	✓
	Renwick	0.16 hrs	≤ 1 hour	0.46 hrs	✓
	Awatere	1.85 hrs	≤ 2 hours	0.45 hrs	✓
	Havelock	0.87 hrs	≤ 2 hours	0.48 hrs	✓
	Wairau Valley	0.66 hrs	≤ 2 hours	0.50 hrs	✓

⁸ The water loss figures shown are based on the best available information and do not include legitimate commercial/industrial night usage, day/night adjustment factor or system specific issues that are not currently monitored. Water loss has been calculated in accordance with Method Option 2 (minimum night flow analysis) recommended by the Department of Internal Affairs guidance for non-financial performance measures for Water Supply.

Note: Riverlands is not measurable due to its industrial usage

Levels of Service 2023-24: Water Supply

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
	(b) resolution of urgent call-outs (in hours): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption .	3.1 hrs	≤ 4 hours	1.8 hrs	✓
	(c) attendance for non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel reach the site, and	0.24 days	≤ 3 working days	0.12 days	✓
	(d) resolution of non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption .	0.5 days	≤ 10 working days	1.1 days	✓
Demand management: Provide a reliable water supply service.	The average consumption (in litres) of drinking water per day per resident within the territorial authority district .	385 litres	≤ 710 litres	281 litres	✓
<p>Comment: The target was set in the LTP 2021-31, while residential water meters were being installed starting in 2020. The impact of these meters wasn't evident at that time. With improved metering across networks, the Council now has a better understanding of household drinking water consumption. As households become more aware of their water usage, their water use behaviours are also improving. Therefore, there is a gap between the target and this year result.</p>					

Note1: Drinking Water Quality Assurance Rules 2022 (DWQAR) and the Water Services (Drinking Water Standards for NZ) Regulations 2022 have been used for financial year 2023-24 which replaced DWSNZ 2018 in November 2022. DWQAR 2022 is reported under differing compliance periods. These can be from 1 Day, 1 Week/Month or 1 year depending upon size of the supply (T1, T2 & T3) and the parameter being reported. A parameter maybe Non-Compliant for 1 day which does not constitute a failure for the whole year.

Please refer to 2023-2024 Marlborough District Council Annual DWQAR Assessment completed by Matt Molloy Consulting Ltd

<https://www.marlborough.govt.nz/repository/libraries/id:2ifzri1o01cxbymxkvwz/hierarchy/documents/services/utilities/water-supplies/MarlboroughDC%20DWQAR%20letter%202024%20FINAL%20v1.pdf>

Note2: As planned the Havelock, Riverlands, and Awatere Rural scheme are not compliant at present.

For Havelock, the current treatment is chlorination. It does not have an effective protozoa barrier. Negotiations and design for a suitable site for a new water treatment plant continues. Investigation into additional sources of supply, upstream of the existing one, has also been undertaken with positive results.

For Riverlands, Council has purchased land and drilled a new well to be used for this water supply. Water treatment design is near completion. There is budget provision in the current Annual Plan and programming is in place to complete the water treatment plant in 2025-26.

For Awatere, Treatment budgeted. Options being researched.

For Renwick, for July 23- June 24 treatment is chlorination. It does not have an effective protozoa barrier. A new treatment plant was commissioned during May and June 2024 and began providing water compliant with the Water Service Act in July 2024.

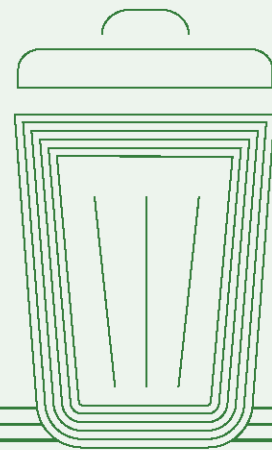
Funding Impact Statement for 2023-24 for Water Supply

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
Targeted rates	a	11,149	11,864	11,201
Fees and charges		94	96	351
Internal charges and overheads recovered		-	-	83
Fuel tax, fines, infringement fees and other receipts		-	-	51
Total operating funding		11,243	11,960	11,686
Applications of operating funding				
Payments to staff and suppliers	b	4,341	4,493	5,017
Finance costs		1,141	1,459	1,263
Internal charges and overheads applied		1,881	1,941	2,190
Other operating funding applications		61	60	121
Total applications of operating funding		7,424	7,953	8,591
Surplus (deficit) of operating funding		3,819	4,007	3,095
Sources of capital funding				
Development and financial contributions		895	912	569
Increase (decrease) in debt	c	9,250	6,463	2,045
Other dedicated capital funding		324	332	272
Total sources of capital funding		10,469	7,707	2,886
Applications of capital funding				
Capital expenditure to meet additional demand		1,209	383	608
Capital expenditure to improve the level of service	d	13,561	15,091	7,312
Capital expenditure to replace existing assets	d	3,488	235	4,007
Increase (decrease) in reserves	e	(3,971)	(3,997)	(5,945)
Total applications of capital funding		14,288	11,714	5,981
Surplus (deficit) of capital funding		(3,819)	(4,007)	(3,095)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 budget contained in the 2021-31 Long Term Plan:

- Targeted rates are less than Long Term Plan due to less capital expenditure so less debt to service.
- Payments to staff and suppliers are higher than Long Term Plan due to general price increases exceeding the inflation allowed for in the Long Term Plan including insurance and power.
- Increase in debt is lower than Long Term Plan due to less capital expenditure, resulting in less debt taken out in the current year.
- Capital expenditure is lower than Longer Term Plan due to some projects being deferred into future years.
- Decrease in reserves is higher than Long Term Plan due to the effects of the above.

Solid Waste Management



Activities in this Group:

This Activity Group comprises a single Activity: Solid Waste Management.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Marlborough District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner, reducing any potential environmental impact and protecting public health. Council is the main source of waste management infrastructure for the district, providing a network of six transfer stations, a central landfill (Bluegums), recovery centre, reuse centre, e-waste collection facility, hazardous waste centre, eight remote transfer stations (with three to be upgraded and three to be constructed), greenwaste acceptance facility and salvage yard. They are all operated under contract to Council.

These facilities are designed and operated to ensure the minimum impact on people's amenity and the environment. By promoting the reduction, reuse, and recycling of waste we will reduce our reliance on landfill for disposal and have the ability to influence the direction of our waste management and minimisation planning. Council also collects refuse and recyclables from the kerbside in Blenheim, Havelock, Seddon, Renwick, Rai Valley, Grovetown, Spring Creek, Fairhall, Tua Marina, Rarangi and Picton through a contract.

The most comprehensive information on this Activity including detail about the individual areas served is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

In addition to the key services targeted in the Levels of Services table, several activities have been performed during the year, summarised as:










- Completed pre-contract audit work associated with changes to level of waste services.



- Consulted the community on proposed changes to level of waste services namely the wheelie bin rollout.
- Adopted changes to level of waste services with the new contract started on 1 July 2024, including introduction to the construction of the first five of the planned 11 remote transfer stations.
- We complete the required work for the new kerbside collection including:
 - The delivery rate was half a collection day, took one week to deliver.
 - Over a four-month period from April to July, nearly 38,000 wheelie bins were distributed to more than 18,500 properties across Blenheim, Picton, Havelock, Rai Valley, Seddon, Spring Creek, Grovetown, Tua Marina, Rarangi, Renwick and Fairhall. These deliveries included both residential and commercial properties.
 - The increase area now includes over 4,000 new properties that are being serviced at the kerbside.
- Recycled 998 items of e-waste, served 44,354 customers at the reuse shops, recovered 419 tonnes of recycling through the rural community recycling service and collected 1,199 tonnes of recycling from the kerbside collection routes in Blenheim and Picton.
- Submitted a feasibility study application to the Waste Minimisation Fund for finding alternatives to the taking of organics to the landfill. This included food organics and collection, a green waste sorting and processing area and unit, and industry organics.
- Completed Stage 9 construction at Bluegums landfill.
- Continued to investigate waste to energy solutions for the region.

Levels of Service 2023-24: Solid Waste Management

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6	≥ 7.0	6.8	
Continue to reduce the amount of waste sent to the landfill by providing and promoting diversion processing.	Tonnage processed at the Resource Recovery Centre.	3,307	≥ 5,000	2,931	
	Comment: The contractor's contract ended, and staff departures led to recycling being incorrectly collected and sent to landfill. With the new contractor, we've seen a significant increase in recycling tonnage at the Recycling Centre.				
	\$ value of sales at the Reuse Shop.	\$365,162	≥ \$285,000	\$413,582	
	Tonnage diverted at the Waste Sorting Centre.	1,712	≥ 1,900	2,316	
	Comment: The products that have been diverted from the WSC products that go directly to be sold, e.g. steel etc, these products do not go to the recycling centre.				
	Tonnage throughput at the Greenwaste Acceptance Facility.	19,304	≥ 22,000	32,700	
Comment: The measure was stated in cubic metres, however with the installation of the new weigh bridge, only tonnage was recorded. Using MfE conversion factor of 0.15, the 4,904 tonnes converts to 32,700m ³ which achieved the target.					
Operate effective waste management and minimisation services.	Number of resident's complaints in regard to Bluegums Landfill operations.	0	≤ 9	4	
	Kerbside Refuse and Recycling Collection Service complaints/missed lifts as a percentage of serviced households.	0.16%	≤ 0.2%	0.01%	
	Number of resident's complaints in regard to Compost operation.	0	≤ 4	0	
	Number of resident's complaints in regard to the transfer stations, reuse centre, resource centre, e-waste facility, coin skips and salvage yard.	25	≤ 30	80	
	Comment: All complaints about the coinskips were due to broken mechanisms. These devices have been removed and replaced with remote transfer stations. The remaining complaints were about rural recycling bins, with residents simply informing the Council that the bins needed emptying.				

Funding Impact Statement for 2023-24 for Solid Waste Management

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,548	1,594	1,945
Targeted rates		1,504	1,564	2,051
Subsidies and grants for operating purposes	c	175	175	897
Fees and charges	d	8,934	9,163	13,600
Fuel tax, fines, infringement fees and other receipts		414	425	519
Total operating funding		12,575	12,921	19,012
Applications of operating funding				
Payments to staff and suppliers	e	7,323	7,510	9,971
Finance costs		231	208	252
Internal charges and overheads applied	f	1,653	1,707	2,232
Other operating funding applications	g	620	630	3,187
Total applications of operating funding		9,827	10,055	15,642
Surplus (deficit) of operating funding		2,748	2,866	3,370
Sources of capital funding				
Increase (decrease) in debt		(565)	(576)	(111)
Total sources of capital funding		(565)	(576)	(111)
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		-	-	804
Capital expenditure to replace existing assets		3,235	3,520	2,735
Increase (decrease) in reserves	i	(1,052)	(1,231)	(280)
Total applications of capital funding		2,183	2,290	3,259
Surplus (deficit) of capital funding		(2,748)	(2,866)	(3,370)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Subsidies and grants for operating purposes are higher than Long Term Plan due to grants received for Recycling being higher than anticipated in the Long Term Plan.
- Fees and charges are higher than Long Term Plan primarily due to dump fees being higher than anticipated in the Long Term Plan at the regional landfill.
- Payments to staff and suppliers are higher than Long Term Plan due to increased contract costs and general price inflation exceeding the inflation levels in the LTP
- Internal charges and overheads applied are higher than long term plan due to higher than anticipated direct overheads and corporate allocation as expenditure has grown.
- Other operating funding applications are higher than Long Term Plan due to increased levy payments.
- Decrease in reserves are lower than the Long Term Plan as a result of the above movements.

Environmental Management



Activities in this Group:

- Environmental Policy.
- Environmental Science and Monitoring.
- Resource Consents.
- Environmental Protection.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity Group About?

Marlborough's social and economic wellbeing relies on the use, development and protection of natural and physical resources. The Environmental Management Activity group is

responsible for enabling appropriate use of land, water, air, indigenous ecosystems and the built environment, while protecting the environment within which resource use occurs. This service is delivered through the implementation of the Resource Management Act (RMA) requirements.

Each Activity delivers separate services under the RMA, but each of these services plays an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor-Review cycle and is represented by the following diagram:



It is important to note that as a unitary authority, the Council has the functions of both a regional council and a territorial authority. This influences the way in which the Environmental Management Activity group delivers its services. It means that the full suite of planning documents required under the RMA must be prepared and that all resource consents required under the planning

documents are processed by one consent authority. This allows the Group to integrate the management of land use (for which territorial authorities are generally responsible) with the management of other natural resources (for which regional councils are responsible), leading to reduced costs to resource users and improved environmental outcomes

Funding Impact Statement for 2023-24 for Environmental Management

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,204	9,448	9,640
Subsidies and grants for operating purposes	456	139	5,975
Fees and charges	2,475	2,615	3,383
Internal charges and overheads recovered	185	190	183
Fuel tax, fines, infringement fees and other receipts	1,269	1,222	1,535
Total operating funding	13,589	13,614	20,716
Applications of operating funding			
Payments to staff and suppliers	9,593	9,478	13,842
Finance costs	13	12	15
Internal charges and overheads applied	3,153	3,260	4,024
Other operating funding applications	90	90	97
Total applications of operating funding	12,849	12,840	17,978
Surplus (deficit) of operating funding	740	774	2,738
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	159
Increase (decrease) in debt	(19)	(19)	(18)
Total sources of capital funding	(19)	(19)	141
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	348	425	148
Capital expenditure to replace existing assets	-	-	221
Increase (decrease) in reserves	373	328	2,510
Total applications of capital funding	721	755	2,879
Surplus (deficit) of capital funding	(740)	(774)	(2,738)
Funding balance	-	-	-

Explanation of Variances

Explanations for this Activity Group are included in the individual Activity Funding Impact Statements.



Activity: Environmental Policy

Related Community Outcomes

This Activity contributes primarily to the Community Outcome of Governance, Environment, People, Economy, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most up to date information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity is the first of the "Plan-Do-Monitor Review" cycle of Activities that play an integral role in a wider system of environmental management.

The Environmental Policy Activity involves the development and review of policy and planning provisions under the Resource Management Act (RMA) in response to resource management issues for Marlborough. These provisions are aimed at the sustainable use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment. Many of the provisions are mandatory under the RMA. Council is required to prepare a Regional Policy Statement, a Regional Coastal Plan and a District Plan. It may also develop other regional plans, as necessary.

Council's four core RMA policy and planning documents are:

- Marlborough Regional Policy Statement (RPS);
- Marlborough Sounds Resource Management Plan (MSRMP);
- Wairau/Awatere Resource Management Plan (WARMP); and
- Proposed Marlborough Environment Plan (PMEP).

When the PMEPE is made operative (see below), it will replace the other RMA plans and they will become defunct.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

The Proposed Marlborough Environment Plan (MEP)

The PMEPE was notified by the Council on 9 June 2016 and decisions on the Plan were publicly notified on 21 February 2020. All decisions were subject to appeal to the Environment Court and 51 notices of appeal were received by the Court involving 1,307 appeal points.

The Environment Court manages all appeal processes in accordance with their Practice Note 2014.

The formal mediation process commenced in February 2021 and concluded in May 2023.

In the past year, a further 13 consent orders to resolve appeals have been issued by the Environment Court. The Court has now issued 56 consent orders and the provisions of the PMEPE are updated. Details can be found on the Council website:

<https://eservices.marlborough.govt.nz/programme/ListProgrammeEvents?id=2621046>

Over the past year, a further 11 notices of appeal have been resolved. Twenty-two appeals have now been resolved in full and five appeals have been withdrawn. There are a total of 29 notices of appeal remaining. However, there are a limited number of appeal points that remain unresolved for most of these appeals and the majority are linked to appeals on Variation 1 (see below). Only two appeal points are currently on track to be determined by the Environment Court.

The resolution of appeals and therefore making the PMEPE operative is a priority for the Environmental Policy Group. The objective is to make the PMEPE operative, at least in part, in the current calendar year to provide greater certainty to plan users and the community.

Review of the Operative Marine Farming Provisions

This review was re-commenced by Council in March 2017. This process has involved Council appointing an Aquaculture Review Working Group.

Council publicly notified two variations to give effect to the outcome of the review process and the recommendations of the Aquaculture Review Working Group on 2 December 2020. These were:

- Variation 1: Marine farming; and
- Variation 1A: Finfish farming.

A hearing of submissions and further submissions to the Variations occurred over two weeks in November 2021. The appointed Hearings Panel publicly notified its decision for Variation 1 on 28 April 2023. All decisions were subject to appeal to the Environment Court and 32 notices of appeal were received by the Court, predominantly by marine farmers.

The Environment Court manages all appeal processes in accordance with their Practice Note 2014.

The formal mediation process commenced in February 2024 and is ongoing in accordance with Court directions.

PMEP Maintenance

Resource use will change the environment and new sustainability issues and challenges will emerge over time, in response to new technology, management practices and environmental data. It is therefore necessary to ensure that the currency of the PMEP is maintained over time.

In the past year, five variations to the PMEP have been publicly notified or have continued to be processed, as follows:

- Variation 2: Ecologically Significant Marine Sites;
- Variation 3: Meretoto/Ships Cove;
- Variation 4: Road stopping rezoning;
- Variation 6: Kerepi rezoning; and
- Variation 7: Medium density housing.

Following public notification in March 2023, Variations 2, 3 and 4 have proceeded through the First Schedule process, in terms of receiving and

hearing submissions, and a decision has been publicly notified. The content of the variations has now merged with the provisions of the PMEP.

Variations 6 and 7 were publicly notified for submission on 17 April 2024 and submissions will be heard later this year.

Sea Level Rise Assessment

An initial coastal inundation assessment for Marlborough looking out 100 years has been completed by the National Institute of Water and Atmospheric Research (NIWA), based on its national inundation assessment. The results of the assessment were reported to Council in October 2023 and can be accessed here:

<https://www.marlborough.govt.nz/environment/climate-change/marlborough-district-sea-level-rise-assessment>

The next step in the assessment process is to further refine the inundation extent where required via more complex methods and studies. The NIWA study has identified the Lower Wairau River Plain for priority assessment due to the complexity of the managed waterways which are likely to affect inundation extent and likely to be overestimated in this initial assessment. This work is underway and ongoing.

National Policy Statement for Freshwater Management 2020

Council is required to give effect to the NPS through the PMEP. Work in the 2023/24 year involved ongoing community engagement on freshwater visions, values and environmental outcomes. A second round of consultation occurred in November and December 2023.

The coalition government elected in 2023 intends to replace the NPS. At the completion of the community engagement above, policy development has been paused pending certainty as to the future nature of national direction on freshwater management.

This Council, Nelson City Council and Tasman District Council have continued to engage with Te Tau Ihu iwi to continue Te Puna Kōrero, a collective process for determining Te Mana o te Wai in a Top of the South context. Council has also commenced engagement with Ngāi Tahu/Ngāti Kuri with respect to Te Mana o te Wai within the Ngāi Tahu takiwā.

The National Policy Statement for Urban Development 2020

This NPS was gazetted on 20 July 2020 and commenced on 20 August 2020. Council is required to give effect to the NPS through the PMEPE.

Council is required to monitor a range of indicators for housing and business quarterly and publish the results at least annually. In the 2023/24 year, Council launched a real time housing indicator dashboard. The dashboard can

be accessed from the Council website here:

<https://www.marlborough.govt.nz/your-council/resource-management-policy-and-plans/national-policy-statements/national-policy-statement-on-urban-development-cap>

Central Government RMA Reform

The Government elected in 2023 has a programme of RMA reform. Council has continued to respond to central government reform initiatives.

Levels of Service 2023-24: Environmental Policy					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Create a second generation resource management framework for Marlborough.	PMEPE made operative, including resolution of appeals on MEP decisions.	not achieved	30/06/2024	not achieved	X
	Comment: PMEPE to be made operative in part in 2024-25 calendar year. Resolution almost complete for appeals not linked to Variation 1. Appellants with appeals on matters linked to Variation 1 unwilling to reach settlement before mediation on Variation 1 occurs. The Environment Court has accepted both the link and the delay.				

*This target has been revised to better reflect the actual progression.

Funding Impact Statement for 2023-24 for Environmental Policy				
	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,643	1,689	1,796
Subsidies and grants for operating purposes		-	-	316
Fuel tax, fines, infringement fees and other receipts		226	218	270
Total operating funding		1,869	1,907	2,382
Applications of operating funding				
Payments to staff and suppliers		1,472	1,500	1,586
Internal charges and overheads applied		397	407	482
Other operating funding applications		-	-	-
Total applications of operating funding		1,869	1,907	2,068
Surplus (deficit) of operating funding		-	-	314
Sources of capital funding				
Total sources of capital funding		-	-	-
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	313
Total applications of capital funding		-	-	314
Surplus (deficit) of capital funding		-	-	(314)
Funding balance		-	-	-

Activity: Environmental Science and Monitoring

Related Community Outcomes

This Activity contributes to achievement of Council's Vision by ensuring the natural environment is healthy. It also contributes to the Community Outcomes of Governance, Environment, Economy, People and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

The Activity involves establishing and maintaining an efficient environmental resource information base to allow Council to properly discharge its resource management functions and to provide advice to the community on environmental resources and on issues affecting the resources of the district. The Activity includes the investigation, monitoring and analysis of the district's natural and physical resources, (eg, land, air, fresh water and coast).

This Activity is also responsible for implementing a number of non-regulatory resource management methods and programmes to promote the sustainable management of our natural and physical resources. This includes education, advocacy and support for flood and other environmental emergency responses.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

State of the Environment Monitoring

Council published State of the Environment Reports for the following natural resource domains: Freshwater, Land, Air Quality, Biodiversity, Coastal. These reports can all be viewed at

<https://www.marlborough.govt.nz/environment/>



Freshwater

The Council has a monitoring network measuring more than 300 sites, including 100 telemetered sites measuring 163 parameters for the state of the environment of our region's freshwater, air, land and coastal resources. In addition, a total of 261 river flow site gaugings occurred and we visited 956 telemetered site visits during the year to ensure network stability.

Climatic events triggered a below average rainfall for the year to 30 June. Blenheim recorded 374mm of rain, the third lowest annual rainfall in 94 years. River flows were lower than average across the region. Average flow in the Wairua was 54m³ compared to a long-term average of 100m³.

Surface water quality monitoring measured a network of 35 long-term sites, and 20 new sites with 2,522 water quality samples collected for the year. Most waterways have good or fair water quality status.

In summer, Council monitored the most popular river sites and beaches for the health risks to swimmers from waterborne diseases. At most sites, more than 90% of samples taken have safe

indicator bacteria concentrations. An increase in safe bacteria levels from 2022-23 (80%) was a direct consequence of low rainfall events over the region. Monitoring results can also be viewed on the LAWA website (www.lawa.org.nz).

The monitoring of coastal water quality at 22 sites across Te Hoiere/Pelorus Sound and Tōtaranui/Queen Charlotte Sound occurred monthly. The region continued to suffer from ongoing marine heatwaves in 2023/24.

Integrated Catchment Management

The Te Hoiere Kaitiaki Charitable Trust restoration project has achieved several important milestones. This includes the opening of the Titiraukawa native nursery and the start of key projects led by the forestry industry. These projects aim to test methods for managing sediment risk after harvesting and explore riparian management techniques. Additionally, various geospatial tools have been developed to guide decisions on catchment interventions and priorities.

Fish passage barrier assessments have continued with landowners receiving customised reports for their individual properties. To date, three fish passage barriers have been replaced along with the completion of a native fish distribution survey in Te Hoiere catchments.

Within Te Hoiere a total of 69.71 km of riparian fencing has been installed complimented by 166,431 of riparian plants.

The Catchment Care Program within the Linkwater Stream since 2020 in Are Are Creek, Tuamarina, Flaxbourne catchments has seen 45,526 native plants and 17.58km of fencing installed. In addition, 12 packs of dung beetles have been released.

The Hill Country Erosion programme focused on our more hill and high-country areas and had 20,157 natives, 2,917 poplar and willow poles (110ha) and 19ha of exotic forestry (eucalyptus) planted on eroding pastureland during the year. In addition, 10.5km of retirement fencing has been installed.

Land Management

Soil quality was monitored at 29 sites, include four pasture sites, four cropping sites, fourteen

vineyards, five exotic forestry, one dairy and one native bush site. While many sites show good soil quality, most farmed soils show the effects of human land use with soil quality indicators for many of these falling outside target ranges.

Air Quality

Monitoring of the Blenheim air shed showed concentrations of PM10 that exceeded the National Environment Standard (NES) for air quality on one separate occasion. The NES allows for one exceedance per year means the standard was not breached for this financial year.

Biodiversity

The Significant Natural Areas (SNA) terrestrial programme has mapped a total of 782 sites along with 166 Recommended Areas of Protection.

The programme has provided funding to the protection of 167 sites, with 32 project sites having active management intervention this year.

The SNA monitoring programme visited 38 sites including 24 managed and 14 un-managed. The managed sites were in better condition and trend than un-managed sites. The most obvious threats to sites in the north of the region are possums and ungulates while in the south pest plants such as Old Man's Beard is a continuous threat.

The Working for Nature/Mahi mō te Taiao environmental grant scheme effective from July 2023 attracted 24 applications, 10 for the Habitat Marlborough component, 12 for the Protecting Marlborough category and 2 for Environmental advocacy. Fourteen of the 24 applicants received funding.

The ecologically significant marine site programme provided information to the policy team to inform variation 2 of the Proposed Marlborough Environment Plan. Variation 2 lead to the addition of 64 new sites to the Proposed Marlborough Environment Plan.

State of the environment monitoring was completed at Havelock/ Motuweka and Nydia Bay estuaries. The monitoring at Havelock/ Motuweka found a 95% reduction in the extent of seagrass since 2014. Likely due to smothering by macroalgae and sediment. The monitoring of Nydia Bay suggested that the intertidal areas are generally in 'good' to 'very good' condition.

Levels of Service 2023-24: Environmental Science and Monitoring

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Monitor, investigate, gather and analyse information and report on the state of Marlborough's natural resources including: Fresh Water, Land, and Air.	Timeliness of completion data integrity audits and quality coding (in accordance with National Environmental Monitoring Standards (NEMS)).	30-Jun-23	30-Jun-24	30-Jun-24	✓
	Number of technical SoE monitoring report cards completed. ⁹	6	≥ 6	8	✓
	Comment: The Council published State of the Environment Reports for the following natural resource domains: Freshwater, Land, Air Quality, Biodiversity, Coastal.				
	Timeliness completion of resource investigations and reporting to Council.	30-Jun-23	30-Jun-24	30-Jun-24	✓
Operate an effective real time environmental monitoring network.	Percentage availability of the environmental monitoring network.	98.7%	≥ 99%	99.7%	✓
Promotion of resource management programmes to help maintain or improve the condition of the environment.	Number of sites classified as Significant Natural Areas on private land that are either protected by management interventions or legal covenants.	156	≥ 120	167	✓
Encourage and enable the community and industry to look after and restore the environment through education, advocacy and assistance.	Number of planned communication events with Industry/Community sector groups annually.	29	≥ 20	24	✓
	Marlborough Environment Community Grants made annually and percentage of grant contact requirements met.	95%	100%	100%	✓

⁹ The Completion of State of the Environment reports is defined as being ratified on the date of the Environment and Planning Committee.

Funding Impact Statement for 2023-24 for Environmental Science and Monitoring

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		5,305	5,479	5,745
Subsidies and grants for operating purposes	a	456	139	5,659
Fees and charges		5	5	-
Internal charges and overheads recovered		67	69	65
Fuel tax, fines, infringement fees and other receipts		730	707	917
Total operating funding		6,563	6,399	12,386
Applications of operating funding				
Payments to staff and suppliers	b	4,557	4,314	8,947
Internal charges and overheads applied		13	12	15
Other operating funding applications	c	1,381	1,428	1,993
Total applications of operating funding		90	90	95
Surplus (deficit) of operating funding		6,041	5,844	11,050
Sources of capital funding				
Subsidies and grants for capital expenditure		522	555	1,336
Increase (decrease) in debt		-	-	159
Total sources of capital funding		(19)	(19)	(18)
Applications of capital funding				
Capital expenditure to meet additional demand		(19)	(19)	141
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		345	425	148
Increase (decrease) in reserves		-	-	221
Total applications of capital funding	d	158	110	1,108
Surplus (deficit) of capital funding		503	536	1,477
Funding balance		(522)	(555)	(1,336)

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Subsidies and grants for operating purposes is higher than Long Term Plan due to funding from the government received for projects under Jobs for Nature and other environmental programs.
- Payments to staff and suppliers is higher than Long Term Plan due to the expenditure relating to programs funded by the grants received above.
- Internal charges and overheads applied is higher than Long Term Plan due to the increased activity above.
- Increase in reserves is greater than Long Term Plan due to the effect of the above.

Activity: Resource Consents

Related Community Outcomes

This Activity primarily contributes to the Community Outcomes of Governance, Environment, Economy and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

- discharge permits;
- subdivision consents; and
- coastal permits.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What is this Activity About?

This Activity involves discharging Council's statutory obligations under the Resource Management Act 1991 (RMA). The RMA sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for a resource consent. Consistent with the RMA's purpose, this Activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds and the Wairau/Awatere Resource Management Plans and the Proposed Marlborough Environment Plan.

Specifically, this Activity processes five different types of resource consents:

- land use consents;
- water permits;

What We Did in 2023-24

Received 1,086 applications for resource consent, more than the 954 applications received in 2022-23. Of these:





- 1,011 were for new resource consents.
- 66 were for variations to resource consent conditions.
- 9 were for extension to lapse dates.

Issued 982 decisions, 3.3% more than the 951 decisions issued in 2022-23. Of these:

- 900 were for new applications for resource consent.
- 71 were for variations to resource consent conditions.
- 11 were for extension to lapse dates.



Levels of Service 2023-24: Resource Consents

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.2	≥ 6.0	5.4	
Provide a consent service that is fair, consistent, cost effective, timely and responsive to customers' needs.	% of resource consent applications processed within statutory timeframes.	84%	100%	90%	
	% of objections under section 357(b) compared to total number of applications processed ¹⁰ .	0.20%	≤ 0.2%	0.00%	
Provide consistent, appropriate and timely information to applicants and the public on the Resource Management Act 1991 (RMA), resource consent and approval process.	% of incomplete applications rejected under the requirements of section 88 of the RMA.	2.0%	≤ 5%	1.6%	

Funding Impact Statement for 2023-24 for Resource Consents

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,269	1,323	1,213
Fees and charges	1,648	1,685	1,977
Internal charges and overheads recovered	118	121	95
Fuel tax, fines, infringement fees and other receipts	175	171	214
Total operating funding	3,210	3,300	3,499
Applications of operating funding			
Payments to staff and suppliers	2,231	2,293	1,903
Internal charges and overheads applied	765	793	884
Total applications of operating funding	2,996	3,086	2,787
Surplus (deficit) of operating funding	214	214	712
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	3	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	211	214	713
Total applications of capital funding	214	214	712
Surplus (deficit) of capital funding	(214)	(214)	(712)
Funding balance	-	-	-

¹⁰ RMA, section 357(b) - Right of objection in relation to imposition of additional charges or recovery costs.

Activity: Environmental Protection

Related Community Outcomes

This Activity primarily contributes to the Community Outcomes of Governance, Environment, People, Living and Economy. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

information to enable other objectives to be met; and

- to integrate programmes with Environmental Science & Monitoring and align with anticipated environmental outcomes set in the Proposed Marlborough Environment Plan (MEP).

What is this Activity About?

The primary purpose of this section is to implement statutory responsibilities under section 35 of the Resource Management Act 1991 (RMA) which contribute towards the sustainable management of our natural and physical resources. This includes the monitoring and enforcement of activities within the district.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

Council monitors the effect of implementing its resource management plans by monitoring compliance with the conditions of resource consent conditions and permitted Activity standards.

What We Did in 2023-24


Complaints - received 524 local government bylaw and RMA complaints regarding coastal, land use, land and water body disturbance, water take, discharge to air, land and fresh and marine water. This is slightly (3.8%) more than 505 received last year.

The key objectives for the Activity are:

- to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural and physical resources;
- to provide feedback and information on resource use and sufficient environmental

Monitoring Resource Consents –monitored 2,710 individual resource consents comparing to 2,837 last year. This is in addition to any consents which were monitored as part of a complaints investigation. A number of consents required follow up monitoring due to non-compliance with conditions of consent.

Enforcement – issued 40 abatement notices and 45 infringements notices, comparing to 28 and 20 respectively last year.

Levels of Service 2023-24: Environmental Protection					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.2	≥ 6.0	5.3	

Levels of Service 2023-24: Environmental Protection

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Monitor activities that have either a greater environmental impact warranting special consideration or are activities that generate community concern or are related to trends highlighted through the State of the Environment Report.	Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consent conditions.	1-Sep-22	31-Aug-23	24-Aug-23	✓
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level ¹¹	✓
	Report on waste from wineries for compliance with resource consent conditions (wastewater and grape marc).	24-Nov-22	30-Nov-23	16-Nov-23	✓
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	✓
	Report on Water monitoring for compliance with resource consent conditions, MEP and RM (Measurement and Reporting of water takes) Regulations 2010.	7-Oct-21 ¹²	31-Oct-23	1-Feb-24	✗
		Comment: The reporting timeframe has been adjusted to align with the irrigation season from FY2023-24, instead of reporting in October.			
		NA	Improved or unchanged compliance level	Not Available	✗
	Report on resource consents for forestry in the district	Comment: The water monitoring portfolio was vacant in 2022-23, so there is no comparison available between 2022-23 and 2023-24.			
		24-Nov-22	30-Nov-23	16-Nov-23	✓
		Improved or unchanged compliance level	Improved or unchanged compliance level	Improved or unchanged compliance level	✓

¹¹ Thirty-nine wineries that discharge winery wastewater and grape marc to land were monitored according to their resource consent conditions and/or permitted activity standards under the PMP (Proposed Marlborough Environment Plan). Seventeen (44%) wineries were fully compliant with all conditions or rules assessed as compliant. This was an increase from 15 (38%) out of 39 wineries in 2022.

The period reported on is for the 2023 vintage, with reporting occurring in the 1 July 2023-30 June 2024 financial year. Based on the information provided to date for Council's compliance reports for the 2022/2023 season, there has been an improvement in record keeping for the entire reporting period. Pounding remains an area that still requires better management, and one winery exceeded their consented grapes authorised to crush. The 2023 harvest was less challenging compared to the 2022 year for wineries in terms of COVID, labour shortages and weather events. The Compliance and Monitoring Group is continuing to take a proactive and constructive partnership approach to monitoring the discharge of winery wastewater and grape marc with education, relationship building, and graduated enforcement when required with the key objective being the mitigation of adverse environmental effects.

¹² The actual result for 2022-23 should be 7/10/2022, which was a typo in last year's annual report. The result here is copied from the previous annual report.

Levels of Service 2023-24: Environmental Protection

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Monitor and investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	83%	≥ 90%	98%	✓

Funding Impact Statement for 2023-24 for Environmental Protection

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	987	957	886
Fees and charges	822	925	1,406
Internal charges and overheads recovered	-	-	23
Fuel tax, fines, infringement fees and other receipts	138	126	134
Total operating funding	1,947	2,008	2,449
Applications of operating funding			
Payments to staff and suppliers	1,333	1,371	1,406
Internal charges and overheads applied	610	632	665
Other operating funding applications	-	-	2
Total applications of operating funding	1,943	2,003	2,073
Surplus (deficit) of operating funding	4	5	376
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	4	4	376
Total applications of capital funding	4	5	376
Surplus (deficit) of capital funding	(4)	(5)	(376)
Funding balance	-	-	-



Regulatory



Activities in this Group:

- Biosecurity.
- Building Control.
- Environmental Health.
- Animal Control.
- Harbours.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living.

Government. These responsibilities are devolved to Local Government by statute. The Regulatory Group contains a diverse range of Activities driven by various statutes which often have very little in common with each other.

What is this Activity Group About

Council is charged with carrying out a number of statutory functions on behalf of Central

The most comprehensive information on this Activity Group is contained in the 2024-34 Long Term Plan.

Funding Impact Statement for 2023-24 for Regulatory

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,930	4,137	4,385
Targeted rates	101	102	134
Subsidies and grants for operating purposes	-	-	2,199
Fees and charges	4,959	5,067	5,625
Internal charges and overheads recovered	51	53	187
Fuel tax, fines, infringement fees and other receipts	6,644	1,526	1,320
Total operating funding	15,685	10,885	13,850
Applications of operating funding			
Payments to staff and suppliers	12,711	7,813	10,223
Finance costs	31	31	31
Internal charges and overheads applied	2,599	2,687	2,924
Other operating funding applications	87	87	65
Total applications of operating funding	15,428	10,618	13,243
Surplus (deficit) of operating funding	257	267	607
Sources of capital funding			
Increase (decrease) in debt	61	(58)	36
Gross proceeds from sales of assets	-	-	53
Total sources of capital funding	61	(58)	89
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	72	-	-
Capital expenditure to replace existing assets	201	266	221
Increase (decrease) in reserves	46	(54)	476
Total applications of capital funding	318	209	696
Surplus (deficit) of capital funding	(257)	(267)	(607)
Funding balance	-	-	-

Explanation of Variances:

Explanations for this Activity Group are included in the individual Activity Funding Impact Statements.

Activity: Biosecurity

Related Community Outcomes

This Activity contributes to Community Outcomes of Environment, Economy, People and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

Under the Biosecurity Act 1993 the Council has leadership responsibilities to prevent, reduce, or eliminate adverse effects from harmful organisms which are in New Zealand but not Marlborough, or are present in the region and are a significant threat. Marlborough has a long history of pests impacting on our economy and the environment, and the potential of new pest threats is ongoing and requires an active regime in order to understand and manage those threats.

The ways in which Council undertakes its activities include:

- promoting the alignment of pest management in the region;
- facilitating the development and alignment of regional pest management plans and regional pathway management plans in the region;
- promoting public support for pest management and facilitating communication and cooperation among people involved in pest management activities to enhance the effectiveness, efficiency, and equity of programmes;
- monitoring to determine whether or not pests are present and undertaking surveillance of pests, and unwanted organisms; and
- investigating, eradicating or managing pests in accordance with relevant pest management plans.

The guiding framework and principles for biosecurity are outlined in the Marlborough District Council Biosecurity Strategy. A key component in the Strategy is the use of a Regional Pest Management Plan (RPMP). The RPMP highlights the priority programmes and sets clear, achievable objectives for specific harmful organisms.

The RPMP defines programmes for a number of plant and animal species. These organisms are declared pests in accordance with the Biosecurity Act 1993. The programme for each species is clearly outlined and has both objectives and outcomes that align with the National Policy Direction for Pest Management.

Council also provides a range of non-regulatory biosecurity services through the facilitation of community partnerships, conducting research, supporting biological control initiatives and promoting voluntary control of a range of other harmful organisms.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan and the RPMP.

What We Did in 2023-24

A summary of key deliverables is given below. Further details on what occurred during the implementation of the Regional Pest Management Plan and other initiatives in 2023-24 will be outlined within the Biosecurity Operational Plan Report 2023-24. The Report is due to be tabled with Council's Environment Committee in October 2024.

High Threat Invasive Pest Plants

A number of RPMP programmes see Council delivering services aimed at managing pest plant species that are in the early stages of establishment but carry significant risks to Marlborough. Examples include saffron thistle, moth plant, purple loosestrife and woolly nightshade.

All of the RPMP programmes for high threat pest plants were successfully delivered in 2023-24, with majority of the internal operational targets achieved. However, while many operational targets were achieved, the overall programme outputs (eg, number of sites, number of plants destroyed) demonstrate some of the challenges constantly faced from a biological perspective.

Outside the RPMP, investigations determined a limited extent of wilding kiwifruit and bomarea infestations, a combination of the Biosecurity

Team and support from the Restoring and Protecting Flora project which got underway with early intervention management operations.

Jobs for Nature – Restoring and Protecting Flora

A seconded Biosecurity staff member continued to oversee the operational planning and delivery of the Restoring and Protecting Flora Project in Marlborough on behalf of The Nature Conservancy/Kotahitanga mo te Taiao Alliance. 2023-24 was the final year of the project that got underway part way through 2021-22.

This year saw continuing work undertaking pest plant control and supplementary planting at areas of significant biodiversity value. Additionally, the project team also provided a weed-led boost to allow control work to begin on a number of wild kiwifruit sites.

Site-led work included undertaking work in the Hinepango wetland complex and significant natural areas in Boons Valley.

Mediterranean fanworm

Council's operational response to new marine pest threats is being delivered through the implementation of the RPMP programme for





Mediterranean fanworm (fanworm). In 2023-24 the intensive ongoing surveillance programme has continued to focus on key vessel hub areas and other locations where fanworm has been detected on vessels within the region.

While the threat is ever present, it does seem that Council's decision to instigate intensive surveillance and response activities since the first detection on a vessel in February 2014 has continued to prevent Mediterranean fanworm from establishing throughout Marlborough.

Wilding Conifers

Council is continuing to coordinate the National Wilding Conifer Control Programme (NWCCP) investment into numerous programmes managing wilding conifers across Marlborough. In addition, Council continues to support (by way of a core annual grant) both the Marlborough Sounds Restoration and South Marlborough Landscape Restoration Trusts.

This year has seen another large programme of work delivered; led by Council, its delivery partners and contractors alongside capable community trusts. In total, the 2023-24 programme successfully delivered \$2.5 million in operations funded mainly by grants.

Levels of Service 2023-24: Biosecurity					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.1	≥ 6.5	6.0	
Implement the Regional Pest Management Plan (RPMP).	% of Operational Plan targets relating to the RPMP met.	100%	≥ 95%	96%	
Deliver non-RPMP biosecurity services and/or initiatives.	% of Operational Plan targets relating to non-RPMP biosecurity services and/or initiatives met.	100%	≥ 95%	100%	
Prepare an annual report on the Operational Plan.	Date Operational Plan report provided to the Environment Committee.	12-Sep-22	31-Oct-23	5-Oct-23	

Funding Impact Statement for 2023-24 for Biosecurity

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,602	1,659	1,687
Subsidies and grants for operating purposes	a	-	-	2,199
Fees and charges		3	3	1
Internal charges and overheads recovered		-	-	100
Fuel tax, fines, infringement fees and other receipts	b	6,046	924	329
Total operating funding		7,651	2,586	4,316
Applications of operating funding				
Payments to staff and suppliers	c	7,221	2,145	3,671
Internal charges and overheads applied		437	453	603
Other operating funding applications		60	60	30
Total applications of operating funding		7,718	2,658	4,304
Surplus (deficit) of operating funding		(67)	(72)	12
Sources of capital funding				
Total sources of capital funding		-	-	-
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		-	-	-
Increase (decrease) in reserves		(68)	(71)	13
Total applications of capital funding		(67)	(72)	12
Surplus (deficit) of capital funding		67	72	(12)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Subsidies and grants for operating purposes are higher than Long Term Plan due to the Wilding Conifer Program being considered other revenue in the LTP. It was also assumed at the time to be at a reduced level and is offset below.
- Fuel tax, fines, infringement fees and other receipts are lower than Long Term Plan due to the Wilding Conifer Program being considered other revenue in the LTP and Grants in the Annual Report. It was also assumed at the time to be at a reduced level and is offset above.
- Payments to staff and suppliers are higher than Long Term Plan due to the Wilding Conifer Program spend (and revenue) being at higher levels than was anticipated in the Long Term Plan.

Activity: Building Control

Related Community Outcomes

This Activity contributes to the Community Outcomes of Economy and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity is important for the health and safety of the residents, workers and visitors to the Marlborough District because the main purpose of the Building Act and Regulations is the health and safety of building users. The efficient processing of building consents is a key focus of this Activity to ensure we are responsive to customer needs.

This Activity involves giving effect to the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories: as a Territorial Authority (TA) and as a Building Consent Authority (BCA). Council's role is to ensure compliance and to meet the requirements of the relevant Acts and Regulations.

The most significant component of this Activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing Code Compliance Certificates. The standard of compliance required is set out in the Building Regulations and means of compliance are outlined in the New Zealand Building Code. Council has received confirmation of its continued Accreditation as Building Consent Authority on 27th August 2024 and has next reassessment scheduled for May 2026.

This Activity also involves other functions under separate legislation including:

- monitoring swimming pool fencing under the Building (Pools) Amendment Act 2016;
- investigating building related complaints under the Local Government Act 2002 and the Building Act 2004;

- administering the requirements in the Earthquake Prone Buildings Amendment Act 2016;
- administering the Building (Dam Safety) Regulations 2022; and
- responding to emergency responses under the Civil Defence Emergency Management Act 2002.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.



What We Did in 2023-24

Building Consent Authority Activity:

- **1,080 Building Consents issued** (last year: 1,276; five-year average: 1,318).
Of these 91.2% were within the statutory timeframe of 20 working days with an average processing time of 11 working days. The dollar value of the consent issued was \$225 million (last year: \$272 million).
- **4,928 including 4,317 On-site Building Inspections and 611 Remote Inspections** (last year: 4,982 inspections, five-year average: 4,536 inspections)
- **1,144 Code Compliance Certificates** (last year: 1,234) were issued for completed projects, of which 95% were within the statutory time frame of 20 working days.

Building Warrant of Fitness (BWoF) and Compliance Schedule Role

Levels of service require 20% of all buildings with BWoF's to have site audits completed each year. This year 8% were audited. During the 2023-24 financial year 26 new compliance schedules have been issued, 35 amended compliance schedules issued, and 14 compliance schedules have been cancelled.

Site Audits for the Fencing of Swimming Pools

Residential swimming pools are required to be inspected at least once every three years, i.e. 33% each calendar year. During the 2023-24 financial year 35% of all residential pools had site inspections completed. Although a number of pools continue to fail audit there was an increased level of compliance in the 2023-24 inspection round. This can largely be attributed to the work of the pool compliance team over previous years.

Levels of Service 2023-24: Building Control					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.2	≥ 6.2	5.7	—
Provide a service that is responsive to customer needs and minimise risks to public safety.	% of Building Consent applications granted within 20 working days of receipt of the application.	81%	100%	91%	—
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	96%	100%	95%	—
	% of swimming pools inspected annually.	33.3%	≥ 33.3%	35.0%	✓
	% of Building Warrants of Fitness audited annually.	10.0%	≥ 20%	8.0%	✗
	Comment: The Building Compliance Officer role was vacant and has since been filled, with the new staff being in training since employment into the role who hasn't been able to undertake the required number of audits. This situation is expected to improve in the next financial year.				
	% of CRMs (Customer Complaints - Building Act 2004) responded to in 72 hours	100%	100%	99%	—

Funding Impact Statement for 2023-24 for Building Control

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	777	858	950
Targeted rates	101	102	134
Fees and charges	3,470	3,549	3,845
Internal charges and overheads recovered	51	53	37
Fuel tax, fines, infringement fees and other receipts	158	162	192
Total operating funding	4,557	4,724	5,158
Applications of operating funding			
Payments to staff and suppliers	3,004	3,117	3,421
Internal charges and overheads applied	1,505	1,559	1,610
Other operating funding applications	21	21	-
Total applications of operating funding	4,530	4,697	5,031
Surplus (deficit) of operating funding	27	27	127
Sources of capital funding			
Total sources of capital funding	-	-	43
Applications of capital funding	-	-	43
Capital expenditure to meet additional demand			
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	42
Total applications of capital funding	28	28	128
Surplus (deficit) of capital funding	27	27	170
Funding balance	(27)	(27)	(127)



Virtual building inspections - way of the future

Activity: Environmental Health

Related Community Outcomes

This Activity primarily contributes to the Community Outcomes of Governance, People, Economy, and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity protects public health through registration, inspection and verification of operators, and the investigation of complaints, as required by the Health Act 1956 and Food Act 2014. The Activity also promotes public health and food safety by undertaking education activities and providing written information to the public.

The Environmental Health Officers also administer the Sale and Supply of Alcohol Act 2012, which requires the issuing of alcohol licences, monitoring of compliance with licence conditions and licensing of Class 4 venues under the Gambling Act 2003. Staff also investigate nuisance complaints such as noise, smoke, odours, pests, poor living conditions and hazardous substances.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Registrations of businesses under the Health Act 1956 and the Food Act 2014 continued.

- All hair salons, campgrounds, offensive trades and funeral directors were inspected in accordance with the requirements of the Health Act 1956.
- Food businesses were verified in accordance with the method and time frames required under the Food Act 2014 along with any investigation required for unsafe or unsuitable food. This involved verifying 289 premises.
- Educational materials, including quarterly newsletters, were developed and made available to our customers.

The Inspectoral role under the Sale and Supply of Alcohol Act 2012 was also carried out. This included:

- enquiring into, and reporting on, the impacts of issuing/renewing On, Off, Club or Special Licences under the Act;
- actively monitoring On licences with over 93% receiving a compliance visit, similar to 94% last year;
- interviewing all new applicants for a Manager's Certificate to ascertain their suitability and reporting on new and renewed applicants for these Certificates; and
- developing newsletters and making available to our licence holders when there were matters they needed to be advised about.

Nuisance and unsanitary living complaints were also investigated and dealt with.

Levels of Service 2023-24: Environmental Health

Performance Targets

Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%	100%	✓
	Number of annual inspection of markets and events with 10 or more food stalls.	15	≥ 14	14	✓
	% of complaints of critical nature (e.g. food poisoning) actioned within one working day.	100%	100%	100%	✓
	% of complaints of a non-critical nature assessed within seven working days.	100%	100%	100%	✓
Administer Food Control Plans under the Food Act 2014.	% of businesses registered in Food Control Plans and National Programmes - of those that are required to be registered under Food Act 2014.	100%	100%	100%	✓
	% of registered business as scheduled in the Food Act 2014 and Regulations audited.	100%	100%	100%	✓
Carryout the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse.	% of "On Licences" ¹³ inspected once a year.	94%	≥ 90%	93%	✓
Provide a service for investigation of noise complaints.	Timely provision of a report on performance of noise control contract.	31-Jul-22	31-Aug-23	24-Aug-23	✓
	Assess complaints concerning unreasonable noise within one working day.	100%	≥ 90%	100%	✓

¹³ An "on-licence" allows the sale or supply of liquor to any person present on the premises, for consumption on the premises.

Funding Impact Statement for 2023-24 for Environmental Health

Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	203	214	287
Fees and charges	407	416	473
Internal charges and overheads recovered	-	-	1
Fuel tax, fines, infringement fees and other receipts	28	28	45
Total operating funding	638	658	806
Applications of operating funding			
Payments to staff and suppliers	443	456	502
Internal charges and overheads applied	277	286	293
Total applications of operating funding	720	742	795
Surplus (deficit) of operating funding	(82)	(84)	11
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	4	4	-
Increase (decrease) in reserves	(85)	(88)	10
Total applications of capital funding	(82)	(84)	11
Surplus (deficit) of capital funding	82	84	(11)
Funding balance	-	-	-



Photo credit: MarlboroughNZ

Activity: Animal Control

Related Community Outcomes

This Activity contributes primarily to the Community Outcomes of Governance, Environment, People, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

The objective for the Activity is to encourage responsible dog ownership which allows owners to enjoy their dogs without infringing on the enjoyment and safety of others. This involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs. The Dog Control Act 1996 (DCA) is the primary legislative tool used in this Activity, together with related regulations including the Impounding Act 1955 and Council Dog Control Bylaws.

This Activity also provides services in relation to wandering livestock on public land and roads.



Council's Animal Control function has been contracted out to Maataa Waka Ki Te Ihu Trust since 1998. Council retains the administration of the contract and makes decisions on classification of dogs and owners and objections to infringements. Council's Enforcement and Prosecution Panel makes decisions on undertaking prosecutions and hear any objections to classifications.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Dogs and Owners

As at:	30 June 2024	30 June 2023	30 June 2022
Non-working dogs	7,908	7,992	7,935
Working dogs (including disability assistance and Police)	2,787	2,779	2,823
Unaccounted dogs	0	126	0
Total active dogs	10,695	10,897	10,758

As at:	30 June 2024	30 June 2023	30 June 2022
Menacing dogs	92	98	100
Dangerous dogs	12	12	13

Pro-active Activities by Animal Control during the year include:

- A dog safety education course is available free of charge to schools and groups of primary school and pre-school-aged children. The purpose of this course is to promote safety around dogs as well as responsible dog ownership and care. There were 53 presentations this year (last year: 39). There were also five presentations (last year: 3) to adults on dog safety and dog behaviour.
- An information sheet on dog registration, responsible ownership and dog owner obligations was sent to all dog owners with their dog registration forms.
- Information on relevant topics such as barking dogs and roaming dogs is distributed to owners of dogs that come to Animal Control's attention.
- Animal Control is also involved in a collaborative, interactive safety programme that has developed from within the Marlborough Child Safety Group and is based on the "Clued Up Kids" project developed in Strathclyde, Scotland (2001).

Microchipping

By 30 June 2024, the total number of dogs microchipped in the Marlborough District was 8,723 with 487 dogs still needing to be microchipped.




Complaints and Infringements

A total of 2,336 complaints were received (last year: 2,478). All were attended to and investigated.

The majority of complaints received related to roaming, found or lost dogs or dog nuisance barking. A total of 513 dogs were reported to Animal Control as found (last year: 521). It seems that a number of found dogs are now posted on social media sites to try and reunite them with their owners before contacting Animal Control.

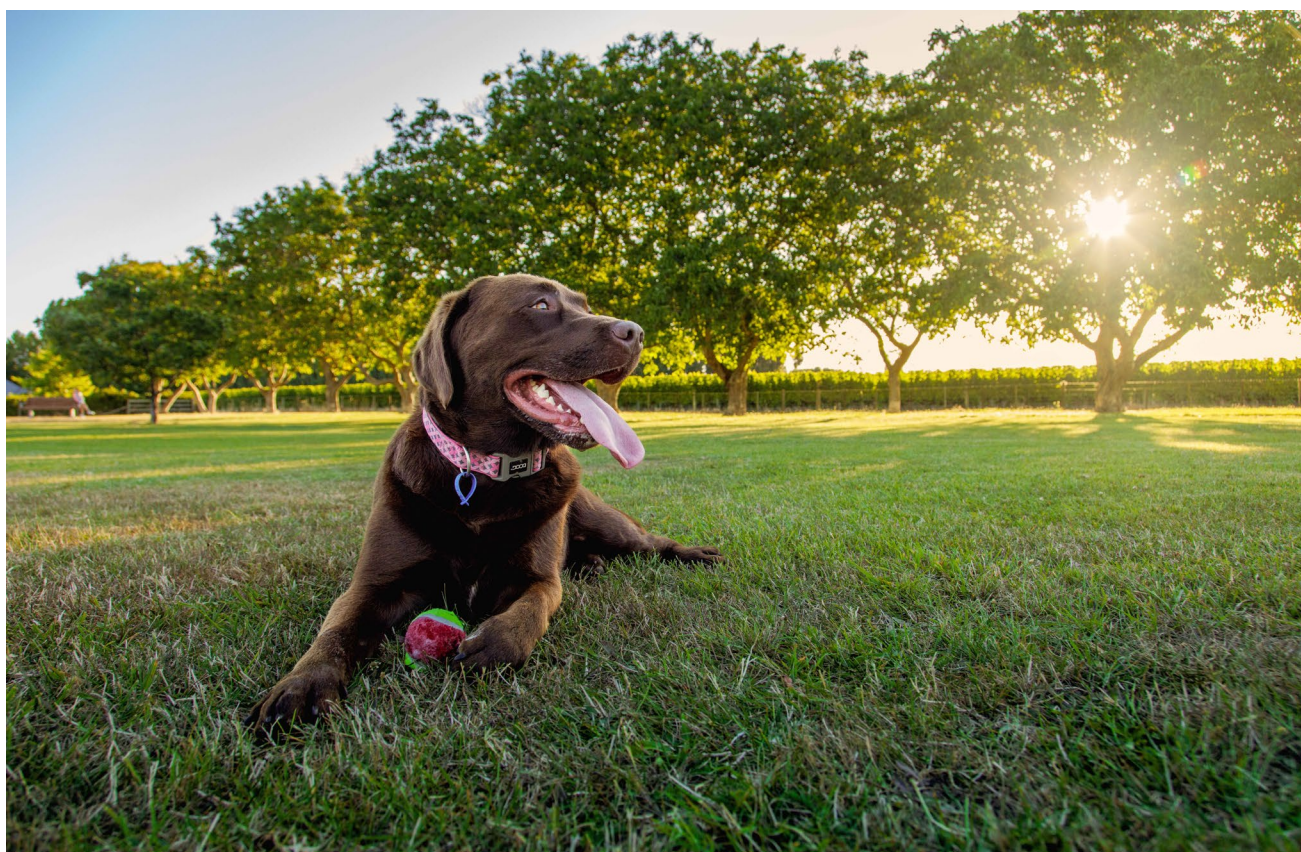
There were 88 complaints related to a dog attack, bite or rushing at a person/animal (last year: 69).

A total of 243 infringement notices were issued (last year: 190).

Levels of Service 2023-24: Animal Control					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.7	≥ 7.2	7.0	
Provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	Level of compliance with Animal Control contract.	Not achieved	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	
	Annual report preparation and publicising.	24-Aug-22	30-Sep-23	22-Aug-23	

Funding Impact Statement for 2023-24 for Animal Control

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		150	155	147
Fees and charges		605	615	693
Fuel tax, fines, infringement fees and other receipts		95	96	107
Total operating funding		850	866	947
Applications of operating funding				
Payments to staff and suppliers		750	768	722
Internal charges and overheads applied		86	89	97
Other operating funding applications		6	6	33
Total applications of operating funding		842	863	852
Surplus (deficit) of operating funding		8	3	95
Sources of capital funding				
Total sources of capital funding		-	-	-
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		-	-	-
Capital expenditure to replace existing assets		-	-	-
Increase (decrease) in reserves		8	3	96
Total applications of capital funding		8	3	95
Surplus (deficit) of capital funding		(8)	(3)	(95)
Funding balance		-	-	-



Activity: Harbours

Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, Economy, People, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

The purpose of the Harbours Activity within the Nautical and Coastal Team is to ensure Council meets its statutory obligations as a Harbour Authority to ensure maritime safety in the region.

As provided for under the Maritime Transport Act, Council has appointed a Harbourmaster to meet its responsibility for maritime safety in the port and harbour.

The Harbourmaster leads the Harbours Activity and is supported by a team of four full-time staff and one part time staff member including a Deputy Harbourmaster, a Harbour Protection officer, two full time and one part time Maritime Officers. The function is also supported by the Nautical and Coastal Team Co-ordinator. Additional personnel are employed in the summer months on a casual basis to support safer boating initiatives.

In addition to maritime safety, the Harbours Activity is responsible for ensuring the region maintains an adequate Oil Spill Response Capability as required under the Maritime Transport Act 1994. As with maritime safety, this requires close collaboration with Maritime New Zealand.

The foundation of all Harbours Activity is the Harbour Safety Management System. This is a risk-based approach to managing all known hazards and risks in the harbour and the system constantly evolves to meet the changing risk profile of the harbour.


The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

- Harbours continued to develop workstreams to ensure that safe operations are conducted and pilotage where appropriate is resumed in Tory Channel/Kura Te Au. This is to be able to provide greater oversight of the ferry operations. Work on this is being conducted in partnership with Port Marlborough and with Maritime New Zealand.
- Continued to embed the revised Harbour Safety Management System (SMS) and Harbour Safety Plan into daily operations. These new systems underpin all harbours activity to ensure we can effectively manage maritime risk in the region. Documentation describing the SMS, and the Plan is provided on the MDC website. Work has begun on a high level of detail within the internal SMS to guide the team in a more standardised methodology of work.
- The SMS was subjected to an annual self-assessment review to ensure Marlborough is managing maritime safety in a manner consistent with the Port and Harbour Safety Code.
- The Marlborough Common Passage Plan continues to be developed and continues to progress with a collaborative review of shipping risk in Tory Channel/Kura Te Au. This work is being developed in conjunction with Port Marlborough NZ Ltd and ferry operators. The plan is expected to be implemented early in the 24 – 25 financial year. This work aims to ensure appropriate measures for controlling risk are in place and will influence regulatory controls on Tory Channel/Kura Te Au as related to ships and shipping.

- Launched and completed phase six of the digital Harbour Incident Management System intended to continue to develop the existing platform beyond minimum viable product status. The system now integrates more fully with wider Council systems and facilitates staff efforts to share information and work together to respond effectively to incidents, accidents and assets.
- Work has begun on a digital platform to visualise and manage the various activities that will occur with the harbour. The intention is to provide a platform for the Nautical and Coastal Team and Port Marlborough teams to see the overlapping work activities within the harbour and manage the risks associated. There is an intended plan to make an interface of the system open to the public.
- The Tory Channel / Kura Te Au tide and current model was completed and made publicly available. This product allows the public to view the actual tide and current flow and includes the ability to forecast and hindcast the model by 24 hours.
- Aids to Navigation continued to be maintained to the operational standard as specified by the International Association of Lighthouse Authorities.
- Summer patrols were undertaken from Labour weekend through to Easter 2024 with daily patrols being implemented from the week before Christmas through to the end of January. As in the previous year, extra patrols were carried out in the Havelock/Pelorus Sound/Te Hoiere area.
- Close collaboration with Maritime New Zealand was continued through the 'no excuses' campaign which promotes a common compliance approach across New Zealand. This year funding was secured from Maritime New Zealand to support safer recreational boating in Marlborough during the 23/24 summer.
- Council's Boat Safety and Tides brochure was published and a total of 7,000 were distributed.
- Marine farm audits are currently conducted by the Marine Farming Association and self-auditing by the marine farmers. Work has begun to develop efficient processes and cohesion between the Nautical and Coastal Team and Council's Compliance Team to ensure that required audits and checks are timely and efficient for all parties.
- Oil spill response exercises continued to be undertaken in accordance with Maritime New Zealand requirements and to ensure sufficient response capability remains in the region.
- The Marlborough Regional Oil Spill Response Plan was reviewed to ensure consistency with New Zealand's National Oil Spill Response Strategy. The regional plan was reviewed and approved by Maritime New Zealand. The plan is valid until 2026 and will be subject to an annual internal review to ensure it remains current.
- The expanded Harbours Team has been rebranded to become the Nautical and Coastal Team to acknowledge the collaboration with Council's Coastal Scientist. The team has expanded and now includes three scientists based in the Picton office. The team dynamic is now enabling a collaborative, innovative and efficient option to deliver on navigation safety and environmental management projects within the Coastal Marine Area.
- A review of the Navigation Bylaw was conducted, and a new bylaw was proposed in June 2023. The bylaw was made by Council in December 2023. Further review work is expected to take place in 2024–25 in response to some of the submissions received during the bylaw consultation.

Levels of Service 2023-24: Harbours

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.9	≥ 7.4	7.0	
Provide a safe environment for all users through effective public education.	Number of Marlborough Safe Navigation and Tides Brochures distributed.	7,000	≥ 7,000	7,000	✓
	Annual % increase of Cruise Guide App users.	1%	≥ 5%	1%	✗
	Comment: Development of the Cruise Guide has been postponed due to resource availability and the prioritization of other key projects. Future enhancements are anticipated to boost Cruise Guide usage. Current user statistics are positive.				
	Number of safe boating surveys completed through face to face on water interactions.	Numbers not obtainable	≥ 1,000	377	✗
	Comment: Noticeable change in boating traffic this summer, with more activity concentrated around the Christmas and New Year's period. Compared to previous years, there has been less movement during the shoulder seasons.				
	Number of targeted 'no excuses' enforcement days undertaken in high risk areas.	5	≥ 15	10	✗
Comment: Only 10 days are funded by Maritime NZ.					
Maintain compliance with the Harbours Maritime Transport Operators Plan (MTO) as certified by Maritime New Zealand.	Review.	Annually	Annually	Annually	✓
Ensure that Port and Harbour Safety Code requirements are met.	Completion of self-assessment and review of the Safety Management System (SMS), Risk Assessment, General Direction, and Harbourmaster Notices.	Annually	Annually	Annually	✓
	Number of risk review meetings undertake with Port Marlborough Marine Services.	15	≥ 2	15	✓
	Safety Management System verified by as compliant with the Code.	Annually	Annually	Annually	✓
	Remove Wrecks and provide navigation warnings when necessary.	All wrecks removed in a reasonable timeframe (in days) .	30	≤ 30	30
Audit Marine Farm.	Number of marine farm lighting audited each year.	226	≥ 150	230	✓
	Audit mooring arrangements on all Fin Fish farms annually.	Annually	Annually	Annually	✓
Regulate Pilotage activity.	Review of the Certified Marlborough Pilot Exemption Certificate (PEC) Training Program.	Annually	Annually	Annually	✓
	Check of Pilot and PEC Master Currency	Quarterly	Quarterly	Quarterly	✓

Levels of Service 2023-24: Harbours

Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide navigation aids to International Light House Authority (IALA) standard.	% availability				
	• Cat 1	100%	≥ 99.9%	100%	✓
	• Cat 2	99.9%	≥ 99.0%	99.9%	✓
	• Cat 3	100%	≥ 97.0%	100%	✓
Maintain an Oil Spill Response capacity.	Meet all annual requirements as specified by the Maritime New Zealand Oil Spill Response Service.	Annually	Annually	Annually	✓

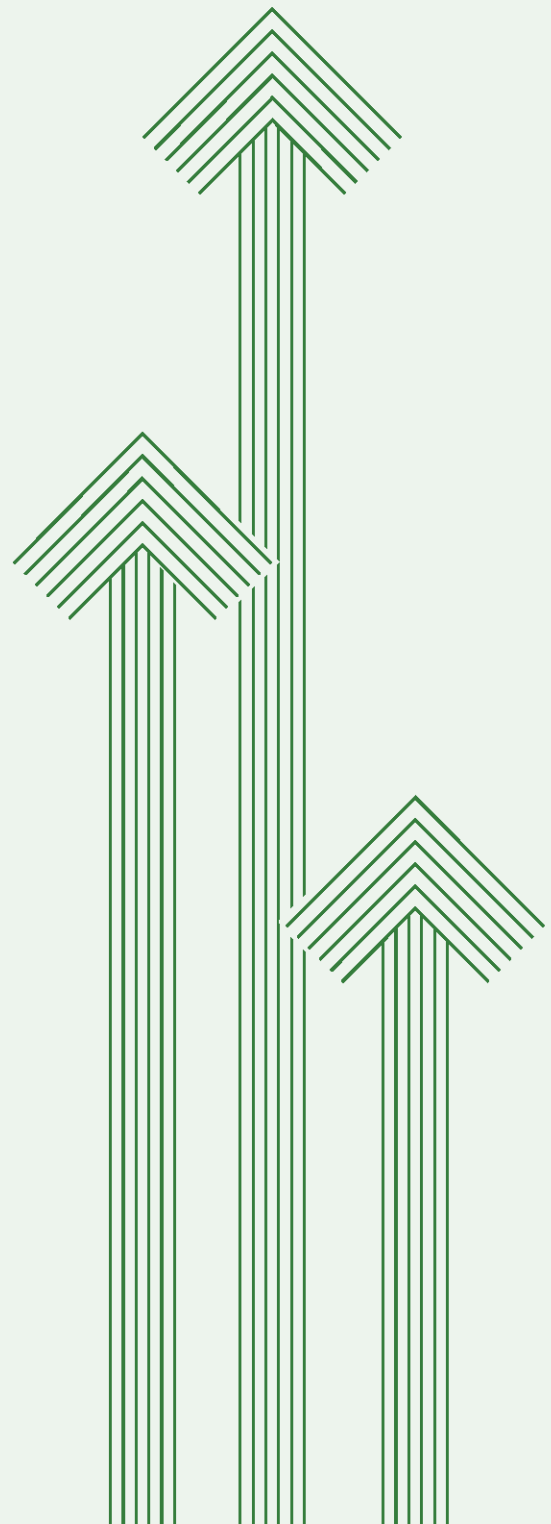
Funding Impact Statement for 2023-24 for Harbours

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,216	1,270	1,314
Fees and charges		474	484	613
Internal charges and overheads recovered		-	-	49
Fuel tax, fines, infringement fees and other receipts		299	298	647
Total operating funding		1,989	2,052	2,623
Applications of operating funding				
Payments to staff and suppliers	a	1,293	1,327	1,907
Finance costs		31	31	31
Internal charges and overheads applied		294	300	321
Other operating funding applications		-	-	2
Total applications of operating funding		1,618	1,658	2,261
Surplus (deficit) of operating funding		371	394	362
Sources of capital funding				
Increase (decrease) in debt		61	(58)	36
Gross proceeds from sales of assets		-	-	10
Total sources of capital funding		61	(58)	46
Applications of capital funding				
Capital expenditure to meet additional demand		-	-	-
Capital expenditure to improve the level of service		72	-	-
Capital expenditure to replace existing assets		197	262	179
Increase (decrease) in reserves		163	74	229
Total applications of capital funding		432	336	408
Surplus (deficit) of capital funding		(371)	(394)	(362)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

Payments to staff and suppliers are higher than long term plan due to costs associated with the disposal of a wreck in Picton, which insurance will be reimbursing Council for, and additional costs relating to the grounding of the 'Aratere', which will look to be recovered from KiwiRail.

Regional Development



Activities in this Group:

This Activity Group comprises a single Activity; Regional Development.

Related Community Outcomes

This Activity Group contributes to the Community Outcomes of Governance, Environment, People, Economy, Connectivity and Living. Council's 2024-34 Long Term Plan provides the most comprehensive information on how this Activity contributes to each outcome.

What is this Activity About?

This Activity supports the regional economy to achieve long term economic growth for the benefit of the Marlborough community. It is about identifying where the direction of growth could be, how we could get there and what needs to be done. It is important to recognise that regional development is not just about supporting businesses, but also about ensuring people have the skills and knowledge to play their part in the development of Marlborough's economy and to benefit from the wealth created.

Local government makes long-term and strategic investment decisions that impact on the nature and structure of the local economy. It undertakes planning and manages regulatory functions, infrastructure and services that impact on business and investment decisions.

Council also directly provides some services for the benefit of the regional economy:

- Economic development, marketing and tourism.
- Regional Events.
- Marlborough Research Centre.
- Parking.
- Irrigation.
- The Small Townships Programme.

The most comprehensive information on this Activity is contained in the 2024-34 Long Term Plan.

What We Did in 2023-24

Economic Development/Regional Events

- Six CIT (Collaboration, Innovation and Technology) industry groups are operating, including two new groups of aerospace and circular wine. Each group supports collaborative work and has progressed in several projects. These include finding solutions for biowaste, increasing the opportunities for aviation engineering training, boosting mussel spat retention.
- A proposal for a tech hub in Marlborough was developed and received funding from Council and government. The hub will be opened in 2025 in central Blenheim.
- Successfully launched and held WinePro at Stadium 2000 that showcased New Zealand wine technology. This project aligns with Marlborough's goal of being a leading Agritech region in Australasia.
- The Future of Work event was held in June 2024 with 2,100 Marlborough students who learned about the diverse career opportunities available in the region.
- Marlborough's screen office supported the development of the sawmill studios, supporting filming in the region, talent development, sponsorship of regional film festivals and connection to the national network of film offices to promote Marlborough as a film location.
- A review of the Marlborough Story and marlboroughnz.com platform took place in partnership with Destination Marlborough. A new story and website were launched in 2024.
- Significant financial support was provided to Marlborough events through Council's Commercial Events. Funding was also provided through MBIE's Te Taihū Regional Events and Regional Events Promotion

Funds, both managed and administered by Council staff.

- Provided wide range of advice and support to regional and national organisers looking to host events in Marlborough.
- Represented Marlborough at national level as regional representative of the New Zealand Events Association.

Marketing and Tourism

- Due to internal changes a significant amount of pressure was placed on the budget which limited the scope of certain activities for Destination Marlborough.
- Destination Marlborough focused on pulling back and achieving the basics due to budget constraints. Work to manage a presence throughout the year was a challenge but focusing on distressed inventory with media outlets and being able to maintain media and trade engagements helped maintain visibility.
- Overall tourism spend was down on FY 2022-23 by 0.09% based on Infometrics data. Total annual spend for tourism in Marlborough achieved \$448 million versus \$451 million. This shift was partly due to the reduction in domestic spend due to inflation, cost of living constraints and an increase in international spend due to a favourable exchange rate and the desire to travel.

Marlborough Research Centre

- The Trust has several achievements for the financial year, however a standout milestone worthy of mention is Te Whenua Tupu – the Living Lab – the official opening of the Living Lab on Budge Street campus by the Minister Mark Patterson on 26 July 2024. The Living lab is a controlled environment facility which will benefit the viticulture and horticulture industry.
- Significant progress has been made in evaluating the potential of adding value to Marlborough's waste streams through insect bioconversion, supported by \$160,500 in grant funding from the Bio-Processing Alliance. As a result, the next stage — establishing a pilot bio-conversion facility in Marlborough — is now being planned.

- Through the support of Sustainable Land Management and Climate Change MPI fund (\$262,300), a Marlborough regional durable hardwood forestry / biomass case study has been completed. The completion of the Marlborough regional case study provides a market- and science-based pathway for developing a sustainable durable hardwood industry and supply chain.

Parking

- In October 2023, the popular Coathanger Marina car park in Picton was resealed over a three week period. In conjunction with the resurfacing project, two new Metro-Max meters were installed, pedestrian thoroughfares were improved, and landscaping items such as garden beds and timber wheel stops were amended to allow for easier boat trailer and caravan manoeuvrability.
- In partnership with the Marlborough Lines EV charging development, Council upgraded the adjacent off-street carpark on Park Terrace. Following the conversion of the P60 parking bays to user-pays EV charging, the previously free parking area was converted to P60 to support nearby business operations. The carpark was resurfaced, line-marked and pedestrian thoroughfares to the Taylor Riverbank were improved, including the installation of wayfinding signage.
- Following the Blenheim Streetscape revitalisation project, the High Street carpark was resurfaced. The new surface rectified long-term water pooling issues and included the construction of a new dish channel through the length of the carpark. Underground stormwater infrastructure was upgraded to improve drainage performance in high rain events.
- In September 2023, Council undertook a parking survey to assess the impact on parking occupancies following a restructure in the Blenheim CBD, including the relocation of the Blenheim Library to upper High Street and the closure of the Clubs of Marlborough. The parking survey determined that there was pressure on the inner Blenheim CBD car parks, whilst the outer carparks consistently showed low occupancy. Zone and tariff

changes to distribute parking more evenly in the Blenheim CBD were proposed and adopted through the 2024-34 Long Term Plan. These changes will take effect from 1 October 2024.

may continue pending resolution of planning and resource consent considerations. Just over 1,200 hectares would be covered if the scheme proceeds with a previously estimated cost of between \$10.5 million and \$16.0 million.

Irrigation

Flaxbourne

Investigation into the proposed irrigation scheme for the Flaxbourne area still remains on hold but

Southern Valley

Provided 4,350,000 cubic metres of water for irrigation through the Southern Valleys Irrigation Scheme.

Levels of Service 2023-24: Regional Development					
Performance Targets					
Level of service	Key performance indicator	2022-23 Actual	2023-24 Target	2023-24 Actual	How did we do?
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).				
	• Economic Development	5.5	≥ 5.7	5.6	—
	• Tourism	6.3	≥ 6.4	6.6	✓
	• Parking	6.1	≥ 6.5	6.4	—
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	• Irrigation	6.2	≥ 6.6	6.3	—
	% funded projects achieved.	97%	≥ 80%	93%	✓
	% of MDC funded projects achieved.	83%	≥ 80%	87%	✓
	% of MDC funded projects from DM Annual Plan achieved.	88%	≥ 80%	67%	—
Effectively promote Marlborough as a visitor destination.	Comment: Due to internal changes a significant amount of pressure was placed on the budget which limited the scope of certain activities for Destination Marlborough.				
	Occupancy rates in Blenheim ¹⁴ :				
Provide convenient and affordable car parks to support CBD businesses.	• On-street	74%	≥ 65%	77%	✓
	• Off street (Zone 2 only)	53%	≥ 65%	59%	—
	• Alfred Street car park building	47%	≥ 45%	69%	✓
Maintain the supply of irrigation water to support land based industries.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	0	≤ 1	0	✓

¹⁴ These three targets reflect the objective of increasing the occupancy rate for the car park building and in turn freeing up parking in the other listed areas.

Funding Impact Statement for 2023-24 for Regional Development

	Notes	2022-23 Long Term Plan \$000s	2023-24 Long Term Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		2,553	2,600	2,345
Targeted rates	a	1,771	1,895	2,483
Subsidies and grants for operating purposes		-	-	-
Fees and charges		1,893	1,930	2,072
Internal charges and overheads recovered		37	38	36
Fuel tax, fines, infringement fees and other receipts	b	447	434	1,181
Total operating funding		6,701	6,897	8,117
Applications of operating funding				
Payments to staff and suppliers		3,911	4,079	4,550
Finance costs		686	763	431
Internal charges and overheads applied		849	873	900
Other operating funding applications		242	246	553
Total applications of operating funding		5,688	5,961	6,434
Surplus (deficit) of operating funding		1,013	936	1,683
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	100
Increase (decrease) in debt	c	8,014	(1,792)	(900)
Other dedicated capital funding		-	-	(8)
Total sources of capital funding		8,014	(1,792)	(808)
Applications of capital funding				
Capital expenditure to meet additional demand		83	85	31
Capital expenditure to improve the level of service		10,007	-	148
Capital expenditure to replace existing assets		688	23	327
Increase (decrease) in reserves	d	(1,751)	(963)	369
Total applications of capital funding		9,027	(856)	875
Surplus (deficit) of capital funding		(1,013)	(936)	(1,683)
Funding balance		-	-	-

Explanation of the funding impact variance between 2023-24 Actual and the 2023-2024 Budget contained in the 2021-31 Long Term Plan:

- Targeted rates are higher than long term plan due to increased revenue from the Southern Valleys Irrigation Scheme.
- Fuel tax, fines, infringement fees and other receipts are higher than long term plan due to the write off of a loan for the Flaxbourne Irrigation Scheme.
- Decrease in debt is higher than long term plan due to the LTP assuming that Flaxbourne Irrigation Scheme debt would have been incurred and would be being repaid in the current year.
- Increase in reserves is higher than long term plan due to the above.



PART 3

Financial Statements

Statement of comprehensive revenue and expense

Statement of changes in net assets/equity

Statement of financial position

Statement of cash flows

Reconciliation of net surplus/ (deficit) after tax to net cash flow from operating activities

Reconciliation of movements in liabilities arising from financing activities

Notes to financial statements

Funding impact statement

Notes to funding impact statement

Statement of Comprehensive Revenue and Expense

for the year ended 30 June

	note:	Group		Council		
		Actual 2024 \$000s	Actual 2023 Restated \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 Restated \$000s
Revenue:						
Rates, excluding targeted water rates	3	83,810	76,592	84,282	82,810	77,045
Targeted rates for metered water supply	3	3,621	2,936	3,936	4,367	3,238
Subsidies and grants	4	52,241	63,174	52,241	57,839	63,174
Development and financial contributions	4	5,299	9,390	5,299	7,469	9,390
Gains	5	3,498	1,396	3,488	1,167	1,296
Finance revenue	7	4,466	4,191	7,994	7,178	6,368
Other revenue	4	109,924	93,627	51,693	46,794	52,161
Total revenue	2	262,859	251,306	208,933	207,624	212,672
Expenditure:						
Personnel costs	6	44,012	40,038	31,492	33,650	28,466
Finance costs	7	12,690	6,877	12,067	11,785	6,963
Depreciation and amortisation		49,141	39,908	44,282	36,376	35,108
Other expenses	8	114,908	154,873	94,949	101,183	117,864
Total operating expenditure	2	220,751	241,696	182,790	182,994	188,401
Surplus before tax		42,108	9,610	26,143	24,630	24,271
Income tax expense/(credit)	9	5,063	(2,055)	-	-	-
Surplus after tax		37,045	11,665	26,143	24,630	24,271
Other comprehensive revenue and expense:						
Gain on investment in Joint Venture		(17)	813	-	-	-
Gain on property revaluations		100,053	359,563	95,615	89,266	359,563
Impairment on property revaluation		-	(171,394)	-	-	(171,394)
Deferred tax on property valuations		(254)	-	-	-	-
Total other comprehensive revenue and expense	22	99,782	188,983	95,615	89,266	188,170
Total comprehensive revenue and expense		136,826	200,648	121,758	113,896	212,441

Statement of Changes in Net Assets/Equity

for the year ended 30 June

	note:	Group		Council		
		Actual 2024 \$000s	Actual 2023 Restated \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 Restated \$000s
Balance at 1 July		2,261,855	2,061,207	2,114,589	2,011,524	1,902,148
Total comprehensive revenue and expenses		136,826	200,648	121,758	113,896	212,441
Balance at 30 June	22	2,398,681	2,261,855	2,236,347	2,125,420	2,114,589

The accompanying notes form part of these financial statements.

For explanations of major variances refer to note 30 – Variances Explanations.

*2023 figures have been restated for the three waters valuation booked as at 30 June 2023. See note 33 – Prior Period Errors for more information.

Statement of Financial Position

as at 30 June

	note:	Group		Council		
		Actual 2024 \$000s	Actual 2023 Restated \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 Restated \$000s
Assets:						
Non-current assets:						
Property, plant and equipment	10	2,438,581	2,275,713	2,288,161	2,204,206	2,150,177
Intangible assets	11	9,801	10,815	9,541	13,684	10,391
Forestry assets	12	20,630	17,735	20,630	17,777	17,735
Other financial assets:						
- Investment in subsidiaries	13	-	-	6,000	6,000	6,000
- Other	13	9,235	12,703	91,491	146,706	84,770
Derivative financial instruments	27	4,437	6,416	3,408	3,514	5,037
Investment property	14	113,391	116,226	12,985	11,500	14,450
Investment in Joint Venture	17	8,074	8,091	-	-	-
Total non-current assets		2,604,149	2,447,699	2,432,216	2,403,387	2,288,560
Current assets:						
Cash and cash equivalents	15	17,784	8,085	7,572	340	5,444
Debtors and other receivables	16	26,483	18,850	21,510	14,826	13,188
Other financial assets	13	21,434	4,176	21,434	12,620	4,176
Derivative financial instruments	27	303	197	147	-	-
Inventory		1,028	716	685	328	397
Total current assets		67,032	32,024	51,348	28,114	23,205
Total assets		2,671,181	2,479,722	2,483,564	2,431,501	2,311,764
Liabilities:						
Non-current liabilities:						
Borrowings	18	157,800	115,442	157,800	220,285	115,442
Provisions	19	4,838	10,808	4,838	4,963	4,972
Derivative financial instruments	27	55	-	-	-	-
Deferred tax liability	9	12,295	12,359	-	-	-
Total non-current liabilities		174,988	138,609	162,638	225,248	120,414
Current liabilities:						
Borrowings	18	45,585	43,085	45,585	55,000	43,085
Provisions	19	9,863	729	585	-	729
Creditors and other payables	20	35,568	29,636	35,147	23,014	29,860
Employee entitlements	21	4,723	4,308	3,262	2,819	3,087
Current tax liabilities	9	1,773	1,500	-	-	-
Total current liabilities		97,512	79,258	84,579	80,833	76,761
Total liabilities		272,500	217,867	247,217	306,081	197,175
Net assets		2,398,681	2,261,855	2,236,347	2,125,420	2,114,589
Equity:						
Accumulated funds	22	904,585	855,218	818,942	767,147	780,459
Other reserves	22	1,494,096	1,406,637	1,417,405	1,358,273	1,334,129
Total equity	22	2,398,681	2,261,855	2,236,347	2,125,420	2,114,589

The accompanying notes form part of these financial statements.

For explanations of major variances refer to note 30– Variance explanations.

*2023 figures have been restated for the three waters valuation booked as at 30 June 2023. See note 33 – Prior Period Errors for more information.

Statement of Cash Flows

for the year ended 30 June

	note:	Group		Council		
		Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Cash flows from operating activities:						
Receipts from rates revenue		86,998	79,319	87,785	87,177	80,071
Receipts from other revenue		155,481	157,232	93,065	104,447	115,002
Goods and Services Tax (net)		(71)	323	(71)	-	323
Interest received		6,396	1,849	9,386	7,178	4,770
Payments to suppliers and employees		(145,672)	(166,301)	(118,918)	(133,560)	(144,002)
Interest paid		(12,694)	(6,563)	(12,067)	(11,709)	(6,963)
Income tax paid		(3,970)	(3,267)	-	-	-
Net cash flow from operating activities		86,468	62,593	59,180	53,533	49,202
Cash flows from investing activities:						
Proceeds from sale of property, plant and equipment		554	133	439	3,500	27
Sale of investments		12,346	11,916	12,346	-	11,916
Advances received		93	7,032	5,518	-	2,434
Dividends received		14	10	3,036	3,916	3,318
Purchase of property, plant and equipment		(103,969)	(70,994)	(81,740)	(93,875)	(66,791)
Purchase of intangible assets		(1,319)	(1,071)	(1,313)	-	(347)
Purchase of investment property		(3,762)	(13,730)	(35)	-	-
Purchase of forestry assets		(638)	(771)	(638)	-	(771)
Acquisition of investments		(23,809)	(12,851)	(23,809)	(60,345)	(12,851)
Advances made		-	(8,001)	(14,577)	-	(8,001)
Net cash flow from investing activities		(120,490)	(88,327)	(100,773)	(146,804)	(71,066)
Cash flows from financing activities:						
Proceeds from borrowings		124,434	45,708	124,434	93,401	45,708
Repayment of borrowings		(80,713)	(24,614)	(80,713)	-	(24,614)
Net cash flow from financing activities		43,721	21,094	43,721	93,401	21,094
Net increase / (decrease)		9,699	(4,640)	2,128	130	(770)
Cash and cash equivalents:						
At the beginning of the year		8,085	12,725	5,444	210	6,214
At the end of the year	15	17,784	8,085	7,572	340	5,444

The accompanying notes form part of these financial statements.

Reconciliation of Net Surplus/(Deficit) after Tax to Net Cash Flow from Operating Activities

for the year ended 30 June

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Surplus after tax	37,045	11,665	26,143	24,271
Add/(less) non-cash items:				
Depreciation and amortisation expense	49,141	39,908	44,282	35,108
Decrease in forestry value due to harvest	-	-	-	-
Vested assets revenue	(3,421)	(8,954)	(3,421)	(8,954)
Carbon credits surrendered	672	718	672	718
Movement in deferred tax	(317)	(6,258)	-	-
Movement in runway seal and rescue fire service provision	3,442	1,109	-	-
Movement in provisions	(278)	964	(278)	964
(Gains) / losses in fair value of biological assets	(2,257)	(1,285)	(2,257)	(1,285)
(Gains) / losses in fair value of investment property	5,765	27,253	1,500	1,372
(Gains) / losses on derivative financial instruments	1,838	(2,319)	1,392	(1,598)
	54,585	51,136	41,890	26,325
Add/(less) items classified as investing or financing activities:				
Movement in capital creditors	123	(3,396)	123	(3,396)
(Gains) / losses on disposal of property, plant and equipment and non-current assets held for sale	(655)	19	(562)	83
Other movements	(1,407)	1,355	(3,036)	(3,318)
	(1,939)	(2,022)	(3,475)	(6,631)
Add/(less) movements in working capital items:				
Movement in debtors and other receivables	(9,250)	(2,150)	(9,516)	1,069
Movement in inventory	(311)	(10)	(288)	(83)
Movement in creditors and other payables	5,647	2,306	4,251	3,865
Movement in income tax (receivable) / payable	276	926	-	-
Movement in employee entitlements	415	741	175	385
	(3,223)	1,813	(5,378)	5,236
Less items reclassified as investing activities	-	(4,322)	-	(4,322)
Net cash inflow from operating activities	86,468	58,271	59,180	44,880

Reconciliation of Movements in Liabilities arising from Financing Activities

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Borrowings				
Opening balance at 1 July	(158,527)	(137,433)	(158,527)	(137,433)
Cash inflows	(124,434)	(45,708)	(124,434)	(45,708)
Cash outflows	80,713	24,614	80,713	24,614
Non-cash changes	(1,137)	-	(1,137)	-
Closing balance at 30 June	(203,385)	(158,527)	(203,385)	(158,527)
Derivatives				
Opening balance at 1 July	6,613	4,352	5,037	3,497
Cash inflows	-	-	-	-
Cash outflows	-	-	-	-
Non-cash changes	(1,928)	2,261	(1,482)	1,540
Closing balance at 30 June	4,685	6,613	3,555	5,037

Notes to Financial Statements

1. Statement of Accounting Policies

Marlborough District Council (the Council) is a unitary authority located in New Zealand that is governed by the Local Government Act 2002 (LGA). The primary legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Marlborough District Council and:

- Council's 88.5% share of the joint operation Marlborough Regional Forestry (MRF);
- Council's wholly owned subsidiary MDC Holdings Ltd (MDCH). The wholly owned subsidiaries of MDCH include:
 - Marlborough Airport Ltd; and
 - Port Marlborough NZ Ltd which in turn has two wholly owned subsidiaries: PMNZ Marina Holdings Ltd and Waikawa Marina Trustee Ltd; and
- Marlborough Housing for the Elderly Trust.

The Council and Group provide local infrastructure, local public services, and provides regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice (NZ GAAP).

These financial statements of the Council and Group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 3 April 2025.

1.1. Basis of Preparation

The financial statements have been prepared on the going concern basis and accounting policies been applied consistently throughout the period.

(i) Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

(ii) Measurement Base

The financial statements have been prepared on a historical cost basis adjusted for the revaluation of certain assets.

(iii) Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000s) unless otherwise stated.

(iv) New Accounting Standards Applied

- 2022 Omnibus Amendments to PBE standards, issued June 2022.

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. The Group has adopted the revised PBE standards, and the adoption did not result in a significant impact on the group financial statements.

(v) **Other Changes in Accounting Policies**

There have been no other changes in accounting policies.

(vi) **Standards Issued and Not Yet Effective**

The standards and amendments below have been issued. However, they are not yet effective and have not been early adopted:

- PBE IFRS 17 Insurance Contracts; and
- Disclosure of Fees for Audit Firms' Services (amendments to PBE IPSAS 1).

Council has not yet assessed the impact of these on the financial statements. They will be adopted for the financial year which they are required.

1.2. **Significant Accounting Policies Summary**

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

(i) **Basis of Consolidation**

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation if material.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

(ii) **Foreign Currency Transactions**

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

(iii) **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST- inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IR, including the GST relating to investing and

financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

(iv) **Budget Figures**

The budget figures are those approved by the Council in its 2023-24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

(v) **Exchange and Non-Exchange Revenue**

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange. Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

(vi) **Critical Accounting Estimates and Assumptions**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings and infrastructure assets – see note 10.
- Estimating the economic lives of PPE and intangible assets – see notes 10 and 11.
- Estimating the fair value of forestry assets – see note 12.
- Estimating the fair value of investment property – see note 14.
- Estimating the landfill aftercare provision – see note 19.
- Estimating the provision for the airport runway reseal – see note 19.
- Estimating the contingent liability for Council's liability as guarantor of a proportion of LGFA's borrowings – see note 24.2.
- Estimating the fair value of derivative financial instruments – see note 27.

2. Cost of Services Summary for Group of Activities

	Council		
	2024 Actual \$000s	2024 Budget \$000s	2023 Actual \$000s
Revenue:			
People	15,939	16,164	18,821
Community facilities	20,797	20,313	15,774
Roads and footpaths	48,836	63,970	61,941
Flood protection and control works	11,329	12,271	10,467
Sewerage	16,034	15,066	16,599
Stormwater drainage	3,681	4,309	4,540
Water supply	12,737	13,106	14,070
Solid waste management	18,719	17,979	15,746
Environmental management	19,242	18,223	15,544
Regulatory	13,021	11,503	15,860
Regional development	7,788	6,702	6,314
Total activity revenue	188,123	199,606	195,676
Plus other revenue (including forestry)*	28,086	15,900	22,651
Less internal revenue	(7,276)	(7,882)	(5,655)
Total revenue	208,933	207,624	212,672
Expenditure:			
People	18,195	16,551	17,719
Community facilities	18,038	15,365	16,780
Roads and footpaths	25,417	46,672	52,126
Flood protection and control works	7,388	10,068	7,683
Sewerage	22,531	13,606	15,131
Stormwater drainage	4,427	3,141	2,972
Water supply	14,517	12,285	11,025
Solid waste management	18,868	18,079	16,924
Environmental management	18,825	18,103	15,589
Regulatory	13,528	11,719	16,222
Regional development	7,221	6,383	6,427
Total activity expenditure	168,955	171,971	178,598
Plus other expenditure (including forestry)*	21,111	18,905	15,458
Less internal expenditure	(7,276)	(7,882)	(5,655)
Total expenditure	182,790	182,994	188,401

*Council's "other revenue" and "other expenditure" in the Summary Cost of Services includes:

	Council		
	2024 Actual \$000s	2024 Budget \$000s	2023 Actual \$000s
Other revenue			
MRF revenue	3	-	5
MRF gain on revaluation of biological assets	2,257	1,078	1,285
Internal interest	7,276	7,882	5,655
General revenues rates contribution (^)	-	(6,900)	-
Insurance claim	1,082	-	579
MDC Holdings Ltd dividend	3,022	2,587	3,308
Commercial property	2,492	1,886	2,243
Other interest	6,702	2,467	4,765
Gain on derivatives	-	-	1,540
Other revenue	5,252	6,900	3,271
Total other revenue	28,086	15,900	22,651

(^) In Budget the General revenues rates contribution, which includes the contribution from the COVID-19 Rates Relief Reserve contribution, is offset in Other revenue while in actuals it is distributed amongst Council Activities.

	Council		
	2024 Actual \$000s	2024 Budget \$000s	2023 Actual \$000s
Other expenditure			
MRF expenses	832	1,140	838
Interest expense	10,585	5,549	6,963
Loss on derivatives	1,482	-	-
Commercial property	4,710	1,300	3,100
Penalties and rates remissions	649	608	506
Insurance	-	804	-
Other expenses	2,853	9,504	4,051
Total other expenditure	21,111	18,905	15,458

Accounting Policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as total expenditure, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

3. Rates Activity

Rates, excluding rates for metered water supply:	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
People	11,412	9,813	11,412	11,465	9,813
Community facilities	12,054	11,129	12,054	12,001	11,129
Roads and footpaths	12,758	11,418	12,758	12,647	11,418
Flood protection and control works	5,637	5,249	5,637	5,611	5,249
Sewerage	9,429	8,755	9,429	9,375	8,755
Stormwater drainage	2,740	2,411	2,740	2,728	2,411
Water supply	8,362	7,707	8,362	7,158	7,707
Solid waste management	3,996	3,496	3,996	3,670	3,496
Environmental management	9,640	9,315	9,640	9,599	9,315
Regulatory	4,519	4,034	4,519	4,366	4,034
Regional development	3,732	3,715	3,732	4,188	3,715
Total activity rates	84,279	77,042	84,279	82,808	77,042
Plus non-activity rates	3	3	3	3	3
Less related party rates eliminated	(472)	(453)	-	-	-
Total gross rates revenue	83,810	76,592	84,282	82,810	77,045
Less rates remissions	(708)	(509)	(708)	(540)	(509)
Rates, excluding targeted metered water rates net of remissions	83,102	76,083	83,574	82,270	76,536
Targeted Rates for Metered Water Supply					
Targeted rates for metered water supply	3,621	2,936	3,936	4,367	3,238

Accounting Policy

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments and the priority attaching to them is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.

4. Subsidies, Contributions and Other Revenue

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Subsidies and grants:					
Waka Kotahi roading subsidies	35,379	46,980	35,379	47,959	46,980
Shovel ready government funding	808	3,617	808	-	3,617
Three waters government funding	-	1,250	-	-	1,250
Wilding conifer government funding	2,199	5,610	2,199	-	5,610
Other donations and grants	13,855	5,717	13,855	9,880	5,717
Total subsidies and grants	52,241	63,174	52,241	57,839	63,174
Development and financial contributions:					
Capital contributions	39	195	39	-	195
Other contributions	159	277	159	50	277
Development contributions	5,101	8,518	5,101	7,319	8,518
Development impact levies	-	400	-	100	400
Total development and financial contributions	5,299	9,390	5,299	7,469	9,390
Other revenue:					
User charges	29,826	25,542	29,827	28,619	25,542
Regulatory revenue	5,645	5,582	6,293	6,150	6,060
Infringements and fines	1,194	944	1,194	1,030	944
Vested assets	3,421	8,954	3,421	1,139	8,954
Rendering of services	36,148	34,409	-	-	-
Rental revenue from investment properties	13,422	12,024	745	742	758
MRF revenue	3	5	3	-	5
Other revenue	20,265	6,167	10,210	9,113	9,898
Total other revenue	109,924	93,627	51,693	46,794	52,161

Accounting Policy

Subsidies and Grants

The Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as non-exchange revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other donations and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Development and Financial Contributions

Development and financial contributions are recognised as exchange revenue when received. Otherwise, development and financial contributions are allocated to the appropriate Reserve until such time Council provides, or is able to provide, the service.

Other Revenue

Provision of Services Partial Cost Recovery/Subsidised

Revenue from a subsidised sale of services is recognised as non-exchange revenue. Revenue from a

contract to provide services is recognised by reference to the outstanding obligations of the contract at reporting date.

Provision of Services Full Cost Recovery

Significant revenue from full cost recovery sale of services is recognised as exchange revenue.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date.

Vested Assets

Assets vested in Council, with or without conditions, are recognised as non-exchange revenue, at fair value, when control over the assets is obtained.

Sales of Goods

Proceeds from sales of goods are included in other revenue and are recognised as exchange revenue when goods are delivered and title has passed.

Insurance Revenue

Insurance receipts are included in other revenue and arise mainly from earthquake and flood related material damage claims. These receipts have been recognised on as exchange revenue when its receipt is considered virtually certain and reliably measured. Refer to note 29 – Natural Disasters.

Dividend Revenue

Dividends are included in other revenue and are recognised when the right to receive payment has been established. Dividends are recognised as revenue unless the dividend clearly represents a recovery of part of the cost of the investment.

5. Gains

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Non-financial instruments gains:					
Property, plant and equipment gains on disposal	1,241	108	1,231	89	11
Forestry revaluation gain (note 12)	2,257	1,285	2,257	1,078	1,285
Other	-	3	-	-	-
Total non-financial instruments gains	3,498	1,396	3,488	1,167	1,296

6. Personnel

6.1. Personnel Costs

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Salaries and wages and related entitlements	43,638	39,867	31,595	33,736	28,722
Defined employer contribution plan	1,823	1,651	1,346	1,392	1,224
Project salaries capitalised	(1,449)	(1,480)	(1,449)	(1,478)	(1,480)
Total personnel costs	44,012	40,038	31,492	33,650	28,466

Accounting Policy

Salaries and Wages

Salaries and wages are recognised as an expense as employees provide services.

Defined Contribution Schemes

Employer contributions to Kiwi Saver and the National Provident Fund are accounted for as defined contribution superannuation schemes and are expensed as incurred.

6.2. Chief Executive

The incumbent Chief Executive received the following remuneration:

	Council	
	Actual 2024 \$000s	Actual 2023 \$000s
Salary	365	344
Vehicle, superannuation and other	20	17
Total Chief Executive compensation	385	361

6.3. Elected Representatives

Elected representatives received the following remuneration:

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Mayor:				
Nadine Taylor*	159	140	146	131
John Leggett*	-	47	-	44
Councillors:		-		
Scott Adams	49	32	49	32
Jenny Andrews	-	12	-	12
Jamie Arbuckle*	52	58	48	49
Sally Arbuckle	46	32	46	32
Cynthia Brooks	-	13	-	13
Allanah Burgess	44	30	44	30
David Croad*	70	61	57	52
Deborah Dalliessi	42	30	42	30
Brian Dawson	49	44	49	44
Barbara Faulls	57	52	57	52
Michael Fitzpatrick	-	13	-	13
Matt Flight	40	29	40	29
Gerald Hope	51	50	51	50
Raylene Innes	51	34	51	34
Francis Maher	-	14	-	14
Ben Minehan	48	33	48	33
David Oddie*	-	19	-	16
Mark Peters*	-	18	-	15
Jonathan Rosene	43	30	43	30
Thelma Sowman	42	41	42	41
Total elected representatives' remuneration	843	832	813	796

Remuneration includes payment for attendance at resource consent hearings.

*The previous Mayor John Leggett, Councillor Mark Peters and Councillor David Oddie were directors of MDCH during the reporting periods and were paid directors' fees by MDCH of \$0 each (2022-23: \$3,471). The current Mayor Nadine Taylor and Councillor David Croad were directors during the reporting period and were paid directors' fees by MDCH of \$12,557 each (2022-23: \$8,626). Councillor Arbuckle stepped down in November 2024 and was paid \$3,794 (2022-23: \$8,626).

6.4. Staff Employed Full Time Equivalent

At balance date the Council employed 246 full time employees (2022-23: 242) with the balance of staff representing 73 (2022-23: 69) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

6.5. Individuals Receiving Total Annual Remuneration of:

	2024		2023
less than \$60,000	127	less than \$60,000	128
\$60,000 to \$79,999	78	\$60,000 to \$79,999	83
\$80,000 to \$99,999	72	\$80,000 to \$99,999	72
\$100,000 to \$119,999	77	\$100,000 to \$119,999	62
\$120,000 to \$139,999	27	\$120,000 to \$139,999	18
\$140,000 to \$159,999	8	\$140,000 to \$159,999	5
\$160,000 to \$199,999	7	\$160,000 to \$179,999	8
\$200,000 to \$259,999	9	\$180,000 to \$239,999	8
\$260,000 to \$379,999	3	\$240,000 to \$379,999	2
Total	408	Total	386

Total remuneration includes the estimated values of non-financial benefits provided to employees.

The disclosure has been updated to include the remuneration of casual employees.

7. Finance Costs and Revenue

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Finance revenue:					
Interest revenue:					
Term deposits and bonds	4,466	1,930	3,771	591	1,554
Related party loans	-	-	4,223	6,587	3,274
Fair value movement on interest rate swaps	-	2,261	-	-	1,540
Total interest revenue	4,466	4,191	7,994	7,178	6,368
Finance costs:					
Interest expense:					
Interest on borrowings	10,762	6,877	10,585	11,785	6,963
Fair value movement on interest rate swap	1,928	-	1,482	-	-
Total finance costs	12,690	6,877	12,067	11,785	6,963

Accounting Policy

Interest rate swaps are measured at fair value with gains or losses on re-measurement recognised through the surplus or deficit.

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

8. Other Expenses

The following items are included in Other expenses in the Statement of Comprehensive Revenue and Expense and are required to be separately disclosed:

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Other expenses:					
Fees to auditors:					
Audit New Zealand for:					
- audit of Council's financial statements	264	218	264	167	218
- audit of the prior year financial statements	45	22	45	120	22
- audit of MDCH financial statements	34	30	-	-	-
- audit of the Long Term Plan	180	120	180	120	-
Deloitte for audit of Port Marlborough NZ Ltd and Marlborough Airport Ltd financial statements	207	145	-	-	-
Grants and donations	5,137	4,382	4,946	3,301	4,284
Insurance premiums	7,381	5,452	4,730	4,460	3,729
Impairment adjustment of receivables (note 16)	20	304	-	(33)	(30)
Directors' fees	292	279	-	-	-
Property plant and equipment loss on disposal	669	94	669	-	94
Direct operating expenses of investment properties generating revenue	5,725	4,649	101	291	127
Loss on Investment property valuation (note 14)	5,671	27,276	1,500	-	1,372
Payments under operating leases	881	462	331	180	360

9. Tax

9.1. Relationship Between Tax Expense and Accounting Profit

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Surplus before tax	42,108	9,610	26,143	24,271
Tax at 25% (2023: 28%)	11,790	2,691	7,320	6,796
Plus/(less) tax effect of:				
Non-deductible expenditure	2,083	1,550	-	-
Non-taxable (income)/expense	(9,700)	(6,372)	(7,320)	(6,796)
Reinstatement of building depreciation	1,013	-	-	-
Deferred tax expense/(credit) not recognised	-	-	-	-
Prior year adjustment	(123)	76	-	-
Income tax expense/(credit)	5,063	(2,055)	-	-
Comprising:				
Current tax expense	4,244	4,203	-	-
Adjustments to current tax in prior years	1,136	-	-	-
Deferred tax expense	(317)	(6,258)	-	-
Total tax expense/(credit)	5,063	(2,055)	-	-
Income tax recognised in comprehensive income				
Deferred tax on property revaluations	(254)	-	-	-

9.2. Current Tax Assets/(Liabilities)

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Tax (payable)/receivable	1,773	1,500	-	-

Any amount of income derived by a local authority is exempt from income tax, except for income derived from Council Controlled Organisations or port activity as per section CW39 Income Tax Act 2007.

9.3. MDC Group Deferred Tax Asset/(Liability)

	Council tax losses \$000s	Property, plant & equipment \$000s	Investment property \$000s	Intangibles	Financial instruments \$000s	Provisions \$000s	Total \$000s
Balance at 1 July 2022	36	(16,175)	(3,915)	(59)	(95)	1,592	(18,616)
(Charged)/credited to surplus	193	655	5,295	14	(357)	458	6,258
Charged to other comprehensive income	-	-	-	-	-	-	-
Balance at 30 June 2023	229	(15,520)	1,380	(45)	(452)	2,050	(12,359)
(Charged)/credited to surplus	246	(719)	1,021	(1,385)	136	1,018	317
Charged to other comprehensive income	-	(254)	-	-	-	-	(254)
Balance on 30 June 2024	475	(16,493)	2,401	(1,430)	(316)	3,068	(12,295)

Due to its non taxable status Council as parent has not recognised a deferred tax asset in relation to tax losses of \$1,695,000 (2022-23: \$818,000). However, the asset has been recognised at Group level.

Accounting Policy

Income Tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted at balance date.

Current and deferred tax are recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

10. Property, Plant and Equipment

	Current year														
	Cost/ Accumulated valuation 1-Jul-2023 \$000s	Carrying amount 1-Jul-2023 \$000s	WIP & other reclassifications Cost \$000s	Accumulated depreciation \$000s	Additions \$000s	Disposals \$000s	Disposals adjustment \$000s	Impairment \$000s	Depreciation \$000s	Transfer adjustment \$000s	Transfers Dpn adjustment \$000s	Revaluation cost adjustment \$000s	Revaluation depreciation adjustment \$000s	Cost/ Accumulated revaluation depreciation 30-Jun-2024 \$000s	Carrying amount 30-Jun-2024 \$000s
2024 MDC Group															
10.1 Infrastructural assets															
Work in progress	28,315	28,315	(18,134)	-	10,263	(9)	-	-	-	-	-	-	-	20,435	20,435
Infrastructure land	21,965	21,965	-	-	-	(3)	-	-	-	-	(473)	-	-	21,489	21,489
Land under roads	142,083	142,083	1,094	-	318	(53)	-	-	-	-	-	-	-	142,348	142,348
Flood protection and controlled works	308,433	308,433	2,378	-	2,619	-	-	-	727	-	-	-	-	312,146	311,419
Road and footpaths	507,034	507,034	2,378	-	37,217	-	-	-	10,952	-	59,818	(10,952)	-	606,447	606,447
Sewerage schemes other	289,251	289,251	-	-	6,137	-	-	-	8,786	-	-	-	-	295,388	286,601
Sewerage treatment and facilities	70,806	70,806	-	-	72	-	-	-	3,154	-	-	-	-	70,878	67,723
Stormwater drainage schemes	113,914	113,914	900	-	1,280	-	-	-	3,274	-	-	-	-	116,084	112,826
Water supply schemes - other	202,119	202,119	4,705	-	3,115	-	-	-	4,950	-	-	-	-	209,939	204,987
Water treatment and facilities	25,238	25,238	8,549	-	6,168	-	-	-	1,372	-	-	-	-	39,955	38,582
Wharf infrastructure	48,025	46,200	119	-	-	(19)	-	-	1,779	-	-	-	-	48,125	44,521
	1,757,183	1,755,358	(389)	-	67,188	(84)	-	-	34,994	-	59,345	(10,952)	-	1,883,236	1,857,379
10.2 Operational assets															
Work in progress	7,475	7,475	(6,622)	-	26,486	-	-	-	-	-	-	-	-	27,339	27,339
Buildings	140,759	139,747	537	-	4,297	(972)	(316)	-	4,260	-	3,655	(4,233)	-	148,276	147,553
Forest crops	991	991	-	-	-	-	-	-	-	-	-	-	-	991	991
Improvements at fair/market value	33,040	32,157	3,883	-	1,308	-	-	-	1,331	-	(278)	(685)	-	37,963	36,444
Land	193,682	178	-	-	586	-	-	-	-	-	18,443	(192)	-	212,711	212,725
Landfill	10,959	6,682	-	-	21	(4,530)	(4,530)	-	1,742	-	-	-	-	6,450	2,556
Library books	2,316	1,230	-	-	284	(465)	(465)	-	239	-	-	-	-	2,135	1,131
Other structures and improvements	58,357	47,234	1,015	-	9,222	-	-	-	1,641	-	-	-	-	68,594	55,830
Office equipment, furniture and fittings	8,902	3,962	178	-	431	(1,085)	(1,085)	-	708	-	-	-	-	8,426	3,863
Plant, machinery and equipment	25,545	15,192	1,383	-	1,246	(476)	(318)	-	2,127	-	-	-	-	27,688	10,683
	482,026	440,787	384	-	43,881	(7,528)	(6,714)	-	12,048	-	21,820	(5,120)	-	540,583	499,125
10.3 Restricted assets															
Buildings	20,381	20,381	5	-	315	-	-	-	438	-	466	(438)	-	21,167	21,167
Land	59,188	59,188	-	-	45	(232)	-	-	1,909	-	1,909	-	-	60,910	60,910
	79,569	79,569	5	-	360	(232)	-	-	438	-	2,375	(438)	-	82,077	82,077
Total operational and infrastructural assets	2,318,778	2,275,714	-	43,065	111,430	(7,844)	(6,714)	-	47,480	-	83,540	(16,510)	-	2,505,896	2,438,581

Prior year restated*

2023 MDC Group	Cost/ Accumulated valuation 1-Jul-2022 \$000s	Accumulated depreciation 1-Jul-2022 \$000s	Carrying amount 1-Jul-2022 \$000s	WIP & other reclassifications Cost \$000s	Accumulated depreciation \$000s	Additions \$000s	Disposals \$000s	Disposals depreciation adjustment \$000s	Impairment \$000s	Depreciation \$000s	Transfer adjustment \$000s	Transfers Dpn adjustment \$000s	Revaluation adjustment \$000s	Revaluation cost adjustment \$000s	Revaluation depreciation adjustment 30-Jun-2023 \$000s	Cost/ Accumulated revaluation 30-Jun-2023 \$000s	Accumulated depreciation 30-Jun-2023 \$000s	Carrying amount 30-Jun-2023 \$000s
10.1 Infrastructural assets																		
Work in progress	13,006	-	13,006	(3,175)	-	18,489	(5)	-	-	-	-	-	-	-	-	26,315	-	26,315
Infrastructure land	23,370	-	23,370	-	44	-	-	-	-	-	-	-	-	(1,449)	-	21,965	-	21,965
Land under roads	140,319	-	140,319	-	1,764	-	-	-	-	-	-	-	-	-	-	142,083	-	142,083
Flood protection and controlled works	218,543	639	217,904	130	2,357	24,292	-	(171,394)	-	13,709	-	-	87,403	6,481	(862)	308,433	-	308,433
Road and footpaths	647,647	-	647,647	7	5,895	24,292	-	-	-	3,147	-	-	149,702	6,481	(13,709)	507,034	-	507,034
Sewerage schemes other	133,649	-	133,649	5	626	5,895	-	-	-	1,103	-	-	16,555	6,481	(3,147)	289,251	-	289,251
Sewerage treatment and facilities	51,225	-	51,225	2,400	2,068	626	-	-	-	1,103	-	-	17,173	6,481	(2,028)	70,806	-	70,806
Stormwater drainage schemes	94,652	-	94,652	21	2,068	626	-	-	-	2,028	-	-	17,173	6,481	(2,028)	113,914	-	113,914
Water supply schemes - other	158,008	-	158,008	71	3,311	3,311	-	-	-	3,691	-	-	40,729	6,481	(3,691)	202,119	-	202,119
Water treatment and facilities	20,893	-	20,893	-	-	-	-	-	-	1,017	-	-	4,345	6,481	(1,017)	25,238	-	25,238
Wharf infrastructure	47,835	-	47,835	-	-	-	-	-	-	1,824	-	-	4,345	6,481	(1,017)	48,205	-	48,205
	1,548,147	639	1,548,508	(541)	-	58,846	(5)	(171,394)	-	26,742	190	-	320,939	(25,357)	1,757,183	1,825	-	1,755,358
10.2 Operational assets																		
Work in progress	22,010	-	22,010	(17,488)	-	8,138	-	-	-	-	(5,185)	-	-	-	-	7,475	-	7,475
Buildings	111,806	3	111,803	17,017	-	8,095	(2,519)	(93)	92	3,853	46	-	6,222	(2,751)	140,759	1,012	-	139,747
Forest crops	991	-	991	-	-	-	-	-	-	-	-	-	-	-	991	-	-	991
Improvements at fair/market value	28,785	-	28,785	-	-	-	-	-	-	-	-	-	66	-	33,040	883	-	32,157
Land	193,686	-	193,686	-	-	3,772	(2,004)	-	-	1,742	4,189	-	(1,778)	-	193,682	178	-	193,504
Landfill	10,947	4,940	6,007	-	12	-	-	-	-	1,742	-	-	-	-	10,959	6,682	-	4,277
Library books	2,408	1,391	1,017	-	-	2,77	(369)	(369)	-	208	-	-	-	-	2,316	1,230	-	1,086
Other structures and improvements	55,535	9,591	45,944	671	-	2,153	(2)	(1)	-	1,533	-	-	-	-	58,357	11,123	-	47,234
Office equipment, furniture and fittings	6,747	4,608	2,139	-	-	2,545	(390)	(385)	-	717	-	-	-	-	8,902	4,940	-	3,962
Plant, machinery and equipment	23,980	13,677	10,303	-	-	1,430	(625)	(439)	-	1,954	760	-	-	-	25,545	15,192	-	10,353
	456,895	34,210	422,685	200	-	26,422	(5,509)	(1,287)	92	11,067	(190)	-	4,510	(2,751)	482,026	41,240	-	440,787
10.3 Restricted assets																		
Buildings	18,625	-	18,625	341	-	123	(59)	-	-	367	-	-	1,351	(367)	20,381	-	-	20,381
Land	54,972	-	54,972	-	137	137	(10)	-	-	-	-	-	4,089	-	59,168	-	-	59,168
	73,597	-	73,597	341	-	260	(69)	-	-	367	-	-	5,440	(367)	79,569	-	-	79,569
Total operational and infrastructural assets	2,079,640	34,849	2,044,791	-	-	85,528	(5,983)	(1,287)	(171,302)	38,176	-	-	330,889	(28,675)	2,318,779	43,065	-	2,275,714

Prior Year Restated*

2023 Council	Cost/ Accumulated valuation 1-Jul-2022		WIP & other reclassifications Cost	Accumulated depreciation	Additions	Disposals depreciation adjustment	Disposals	Impairment Depreciation adjustment	Transfer adjustment	Transfers Dpn adjustment	Revaluation cost adjustment	Revaluation depreciation adjustment	Cost/ Accumulated revaluation 30-Jun-2023	Carrying amount 30-Jun-2023
	\$'000s	\$'000s												
10.1 Infrastructural assets														
Work in progress	13,006	(3,175)			18,489	(5)							28,315	28,315
Infrastructure land	23,370	-			44						(1,449)		21,965	21,965
Land under roads	140,319	-			1,764								142,083	142,083
Flood protection and controlled works	218,543	639	130	223	2,357			223			87,403	(862)	308,433	308,433
Road and footpaths	647,647	7	7		24,292		(171,394)	13,709			6,481	(13,709)	507,034	507,034
Sewerage schemes other	133,649	5	5		5,895			3,147			149,702	(3,147)	289,251	289,251
Sewerage treatment and facilities	51,225	2,400	2,400		626			1,103			16,555	(1,103)	70,806	70,806
Stormwater drainage schemes	94,652	21	21	2,068	2,068			2,028			17,173	(2,028)	113,914	113,914
Water supply schemes - other	158,008	71	71	3,311	3,311			3,691			40,729	(3,691)	202,119	202,119
Water treatment and facilities	20,893							1,017			4,345	(1,017)	25,238	25,238
	1,501,313	639	(541)	24,918	58,846	(5)	(171,394)	24,918	-	-	320,939	(25,557)	1,709,196	1,709,196
10.2 Operational assets														
Work in progress	17,878	(17,488)			2,216								2,606	2,606
Buildings	98,511	17,017			8,048	(2,411)	(92)	2,843			6,222	(2,751)	127,387	127,387
Forest crops	991												991	991
Improvements at fair/market value	920										66		986	986
Land	167,323				3,765	(2,003)		192			(1,778)		167,307	167,115
Landfill	10,947	4,940			12			1,742					10,959	10,959
Library books	2,408	1,017			277	(369)	(369)	208					2,316	1,086
Other structures and improvements	55,549	45,958	671		2,153	(2)	(1)	1,533					58,371	47,248
Office equipment, furniture and fittings	6,747	4,608	2,139		2,545	(390)	(385)	721					8,902	3,958
Plant, machinery and equipment	11,623	5,801	5,822		1,018	(90)	(61)	1,015					12,551	5,796
	372,897	26,331	200	8,254	20,034	(5,265)	(908)	8,254	-	-	4,510	(2,751)	392,376	361,450
10.3 Restricted assets														
Buildings	18,625	341			123	(69)		367			1,351	(367)	20,381	20,381
Land	54,972				137	(10)					4,089		59,188	59,188
	73,597	341	341	367	260	(69)	-	367	-	-	5,440	(367)	79,569	79,569
Total operational and infrastructural assets	1,947,807	26,970	-	33,539	79,140	(5,339)	(908)	(171,394)	-	-	330,889	(28,675)	2,181,103	2,150,177

10.1. MDC Group Assets Under Construction

Property, plant and equipment in the course of construction by class of asset are detailed below:

MDC Group	2024 \$000s	2023 \$000s
Asset Class		
Roads and footpaths	811	3,188
Sewerage treatment and facilities	2,780	4,274
Sewerage other	544	27
Water other	4,629	9,883
Water treatment and facilities	6,307	1,109
Stormwater	574	82
Flood protection and control works	2,483	2,460
Buildings	5,193	1,857
Landfill	5,508	2,795
Other structures and improvements	1,504	585
Land	84	86
Wharf infrastructure	7,380	710
Plant machinery and equipment	425	11,834
Fair value improvements	2,789	3,663
Total	47,774	35,790

The larger 2023-24 items include:

- Sewerage treatment – Seddon and Havelock sewer upgrade projects;
- Water other – Koromiko water pipeline and Wairau Valley water upgrade;
- Buildings – Senior Housing development project;
- Landfill – Stage 9 of the Regional Landfill;
- Wharf infrastructure – tug berth and Waimahara fenders; and
- Plant machinery and equipment – tugboat

10.2. Council Depreciation and Amortisation by Group of Activities

	2024 \$000s	2023 \$000s
People	1,626	1,065
Community facilities	3,289	2,958
Roads and footpaths	10,775	13,526
Flood protection and control works	783	231
Sewerage	11,941	4,250
Stormwater drainage	3,277	2,030
Water supply	6,009	4,309
Solid waste management	2,091	2,058
Environmental management	991	934
Regulatory	471	440
Regional development	822	886
Total	42,075	32,687

The above information is provided to meet the requirement of section 5(4) of the Local Government (Financial Reporting Regulations 2014). It does not include all of Council's depreciation and amortisation expense eg; MRF and investment activities.

10.3. Council Core Infrastructure Asset Disclosures

2024 Council

2024	Closing	Additions	Vested	Most Recent
	Book Value	Constructed		Replacement
	\$000s	\$000s	\$000s	Cost
				\$000
Asset Class				
Flood protection and control works	311,419	3,488		338,199
Road and footpaths	606,447	14,353	795	1,194,401
Sewerage schemes-other	286,601	5,027	1,626	367,289
Sewerage treatment and facilities	67,723	1,566		288,388
Stormwater drainage	112,826	1,243	529	220,744
Water schemes-other	204,987	5,285	293	260,428
Water treatment and facilities	38,582	6,494		158,360

Flood Protection and Controlled Works do not include additional assets held in other classes, for example land.

Impairment

Impairment losses/reversals of \$0M were recognised this year for Roads and Footpaths (2022-23: \$171.4 million impairment losses recognised through Other Comprehensive Revenue and Expense). The closing balance of the impairment provision as of this year for Roads and Footpaths is \$247.8M (2022-23: \$247.8M).

Impairment losses/reversals of \$0M were recognised this year for Flood Protection and Control Works (2022-23: \$0M). The closing balance of the impairment provision as of this year for Flood Protection and Control Works is \$9.6M (2022-23: \$9.6M).

Marlborough was impacted by flooding events in 2021 and 2022. The impairments relate to damage to the Council's roading network and Flood Protection and Control assets. The impairment losses, calculated using the restoration cost approach, were recognised through the appropriate revaluation reserve and through Other Comprehensive Revenue and Expense in accordance with the accounting policy.

Flood Damage Costs to Repair

The below table gives a summary of the estimated work remaining to restore the infrastructure.

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Roads and Footpaths				
Opening estimate at 1 July	(211,048)	(48,989)	(211,048)	(48,989)
Adjustment to estimate	-	(171,394)	-	(171,394)
Spend for the year	22,845	9,334	22,845	9,334
Remaining estimate at 30 June	(188,203)	211,048	(188,203)	(211,048)
Flood Protection and Control Works				
Opening estimate at 1 July	(6,906)	(7,981)	(6,906)	(7,981)
Adjustment to estimate	-	-	-	-
Spend for the year	430	1,075	430	1,075
Remaining estimate at 30 June	(6,476)	(6,906)	(6,476)	(6,906)

For further information on the impact of the flood damage please refer to note 29– Natural Disasters.

Infrastructural Assets

Roads, bridges, carparks, wharves, street lighting, street berms and street furniture assets were independently valued at optimised depreciated replacement cost as at 30 June 2024 by WSP New Zealand Ltd.

River control and drainage assets were valued at depreciated replacement cost as at 30 June 2023. The river control and drainage valuation was performed by WSP New Zealand Ltd.

Water, sewer and stormwater assets were valued at depreciated replacement cost and optimised depreciated replacement cost where possible as at 30 June 2023. The valuation was performed WSP New Zealand Ltd.

As a relatively small Council, there are few construction contracts upon which to base unit costs. Adding to the complexity, contracts are now based on output specifications rather than the more traditional input pricing methodology. As a result of this we were unable to provide sufficient evidence that the unit costs used in the valuation reflect current contracts in the 2023 Annual Report, leading to a qualified audit opinion.

Council has now addressed this with WSP New Zealand Ltd valuing the water, sewer and stormwater assets. A significant uplift in asset value has occurred as a result of this and the prior year closing balances have been restated. For more information see note 33 – Prior Period Error.

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method. These include:

- estimating any obsolescence or surplus capacity of the asset;
- estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets from which unit rates are determined. Where recent contract costs are not available, indexing is used. Unit rates can vary based on asset location, topography and ground conditions;
- estimates are made when determining the remaining useful life over which the assets will be depreciated. These estimates can be affected by local conditions, for example, weather patterns, and traffic growth. If useful lives do not reflect the consumption of the benefits of the asset, then Council could be under or overestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense.

To minimise this risk Council has determined the infrastructural asset useful lives with reference to NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over the useful life estimates; and

- the physical deterioration and condition of the assets, for example Council could be carrying an asset at an amount that does not reflect its physical condition. This is particularly so for those assets, which are not visible for example stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a number of physical inspections and condition modelling assessments of assets.

Land under roads was independently valued on a fair value basis as at 30 June 2009 by Lex Hayward of Alexander Hayward Ltd.

Land and Buildings Including Restricted Land and Buildings

Land assets were independently valued by QV Valuations (Registered Valuers) as at 30 June 2024. The basis of valuation is fair value with reference to highest and best use as at 30 June 2024.

Properties in the course of construction for production, rental or administrative purposes, or otherwise, are carried at cost, less any recognised impairment loss. Cost includes professional fees and other costs incurred to bring the asset into use.

Council's small forest (soil erosion prevention) was independently valued at 30 June 2019 by Merrill & Ring New Zealand Ltd.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Buildings were independently valued by Alexander Hayward Ltd (Registered Valuers) as at 30 June 2024. The basis of valuation for commercial and Council property buildings was fair value using comparable sales. Assets acquired subsequent to valuation are shown at cost less depreciation.

Other buildings including halls, museums, memorials and public conveniences were valued at fair value using depreciated replacement cost because no reliable market data is available. Replacement cost is determined using a number of significant assumptions.

Significant assumptions include:

- the replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity;
- the replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information;
- for Council's earthquake-prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- the remaining useful life of assets is estimated after considering such factors as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings; and
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates are applied to reflect market value. These valuations include adjustments for estimated building strengthening costs for earthquake-prone buildings and the associated lost rental during the time to undertake the strengthening work.

Improvements on Land

These are generally in the nature of playground equipment and other similar recreational structures on Council land and MRF improvements. MRF improvements are stated at fair value while other assets are stated at cost less any accumulated depreciation and impairment losses.

Landfill

Council has amortised the cost of the Blenheim landfill development over its remaining 24 year life and charged the amortisation to operating costs. The amortisation rate is based on volume utilisation divided by the estimated capacity of the landfill site.

Library Books and Parking Meters

These are stated at cost less accumulated depreciation plus additions at cost.

Accounting Policy

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and any impairment losses. Council's property, plant and equipment consist of:

- **infrastructural assets** - these are fixed utility systems such as road networks, sewer systems and water systems. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.
- **operational assets** – these assets enable the ongoing operations. These include land, buildings, landfill, library books, plant and equipment and motor vehicles.
- **restricted assets** – these are mainly parks and reserves that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

Additions in the periods between valuations are recorded at cost, except for vested assets. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended use. Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation which is their deemed cost. Vested infrastructural assets are initially valued based on the actual quantities of infrastructural components vested and the current "in the ground" cost of providing identical services and this is their deemed cost.

Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the surplus or deficit.

When revalued assets are sold the amounts included in the asset revaluation reserve in relation to those assets are transferred to accumulated funds.

Revaluation of Property, Plant and Equipment is Accounted for on a Class of Asset Basis

The net revaluation results are included in Other Comprehensive Revenue and Expense and are accumulated to an asset revaluation reserve in equity for that class of asset. When the net revaluation decrease exceeds the asset revaluation reserve balance, this decrease is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the

surplus or deficit up to the amount previously expensed and then credited to the revaluation reserve for that class of asset.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation of these assets commences when the assets are ready for their intended use. Depreciation rates and useful lives are reviewed annually. Depreciation on assets is expensed.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructural Assets	Life (in years)	Rate
Flood protection and controlled works (pump stations, dams)	1 - 100	1 - 100%
Roads and footpaths	1 - 110	0.9 - 100%
Sewerage network including treatment	2.5 - 100	1 - 40%
Stormwater drainage schemes	1 - 100	1 - 100%
Water supply schemes – other	1 - 100	1 - 100%
Water treatment and facilities	1 - 100	1 - 100%

Operational Assets	Life (in years)	Rate
Buildings	1 - 100	1 - 100%
Landfill	3.68 - 40	2.5 – 27.2%
Library books including audio books	5 – 13.34	7.5 - 20%
Other structures and improvements	3.23 - 100	1 - 31%
Office equipment, furniture and fittings	3.01 - 13.33	7.5 – 33.2%
Plant, machinery and equipment	2.23 - 100	1 - 45%

Restricted Assets	Life (in years)	Rate
Buildings	5 - 100	1 - 20%

Assets Not Depreciated

The following assets are not depreciated in line with Council's depreciation policy:

- **infrastructural assets** - assets under construction, infrastructure land, sewerage oxidation ponds and roading infrastructure including land under roads, roads and carpark formation, sealed roads subbase and street berms.
- **operational assets** - assets under construction, forest crops, and land.
- **restricted assets** - land.

Impairment of Assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For operational assets the recoverable amount is the higher of its fair value less costs to sell and its value in use. For infrastructure assets the recoverable amount is the assets value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued

assets, the impairment loss is recognised against the revaluation reserve for that class of asset. When the impairment loss exceeds the balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to Other Comprehensive Revenue and Expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

11. Intangible Assets

	Group			Council		
	Group total \$000s	Carbon credits \$000s	Software \$000s	Council total \$000s	Carbon credits \$000s	Software \$000s
Cost:						
Balance at 1 July 2022	22,200	3,312	18,888	20,804	3,312	17,492
Additions	911	-	911	687	-	687
Disposals	(1,073)	(734)	(339)	(1,058)	(734)	(324)
Balance at 30 June 2023	22,038	2,578	19,460	20,433	2,578	17,855
Additions	1,518	-	1,518	1,512	-	1,512
Disposals	(3,405)	(816)	(2,589)	(2,287)	(816)	(1,471)
Balance at 30 June 2024	20,151	1,762	18,389	19,658	1,762	17,896
Accumulated amortisation and impairment:						
Balance at 1 July 2022	9,506	87	9,419	8,473	87	8,386
Amortisation expense	1,732	-	1,732	1,569	-	1,569
Balance at 30 June 2023	11,223	87	11,136	10,042	87	9,955
Amortisation expense	1,661	-	1,661	1,491	-	1,491
Disposals	(2,534)	-	(2,534)	(1,416)	-	(1,416)
Balance at 30 June 2024	10,350	87	10,263	10,117	87	10,030
Carrying amount:						
Balance at 1 July 2022	12,694	3,225	9,469	12,331	3,225	9,106
Balance at 30 June 2023	10,815	2,491	8,324	10,391	2,491	7,900
Balance at 30 June 2024	9,801	1,675	8,126	9,541	1,675	7,866

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events (for example, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets) are expected.

11.1. Carbon Credits

Carbon credits have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

11.2. Intangible Assets Under Construction

Council had a total of \$639,000 in intangibles under construction (2022-23: \$581,000).

Accounting Policy

Software Acquisition and Development

Software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, maintenance and web related costs are recognised as expenditure when incurred.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of computer software, the major classes of intangible assets have been estimated as follows

Computer software	5 to 10 years	10% to 20%.
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Impairment of Intangible Assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in note 10. The same approach applies to the impairment of intangible assets.

12. Forestry Assets (including jointly held assets)

Forestry assets are predominantly owned and managed by MRF. The forestry estate is managed through a joint committee of Marlborough District Council (88.5%) and Kaikoura District Council (KDC) (11.5%). The MRF estate covers 3,518 stocked hectares as at 30 June 2024 (2022-23: 3,518).

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Balance at 1 July	17,735	15,679	17,735	16,699	15,679
Increase due to additions	639	771	639	-	771
Gains/(Losses) arising from changes attributable to physical changes (note 8)	1,667	(123)	1,667	1,078	(123)
Gains/(Losses) arising from changes attributable to log price changes (note 8)	589	1,408	589	-	1,408
Balance at 30 June	20,630	17,735	20,630	17,777	17,735
Balance at 1 July	17,735	15,679	17,735	16,699	15,679

Council's share of jointly controlled assets and any liabilities incurred jointly with KDC are recognised on a proportionate basis and classified according to their nature.

The estate consists of seven forest blocks - Para, Pukaka, Strachan Peak, Koromiko, Waikakaho, Speeds and Sunhill. The planted area consists predominantly of radiata pine with small areas planted with other species. As of 30 June 2024, the weighted average age of the forest estate is 13 years old. (2022-23: 12)

Independent registered valuer Colliers has valued MRF's land and improvements as at 30 June 2024. Forme Consulting Group Ltd has prepared the forestry crop valuations as at 30 June 2024 based on methodology recommended by the New Zealand Institute of Forestry. For this valuation a discount rate of 6.5%, applied to pre-tax cash flows, has been used in line with rates used by similar forest valuations within New Zealand. The sensitivity of crop value to discount rate is shown below:

	as at 30 June 2024			as at 30 June 2023		
	6%	6.5% (as used)	7%	6%	6.5% (as used)	7%
Discount rate:	6%	6.5% (as used)	7%	6%	6.5% (as used)	7%
Tree crop value (\$000s)	25,376	23,311	21,444	22,834	22,362	17,573
MDC Group 88.5% share (\$000s)	22,458	20,630	18,978	20,208	19,790	15,552

Key financial risks arise from increase in costs associated with logging/loads, cartage harvesting costs, sale price for forestry and risks of changing demand from export markets.

Accounting Policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in expenditure when incurred.

Where Council transacts with the joint operation, unrealised profits and losses are eliminated to the

extent of Council's share in the joint operation, except to the extent that unrealised losses provide evidence of impairment of the asset.

MRF Joint Operation	Council and Group	
	2024 \$000s	2023 \$000s
Current assets	1,841	52
Non-current assets	38,314	35,173
Current liabilities	89	98
Non-current liabilities	3,338	1,996
Income	4,029	3,066
Expenses	873	876

Accounting Policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control.

The Council and Group recognise its direct right to the assets, liabilities, revenues and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council's interest in a joint operation are accounted for in line with Council's accounting policies and included in the relevant line items of the Council and Group financial statements.

13. Other Financial Assets

	Group		Council		
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
Current portion:					
Term deposits and bonds with maturities of 4-12 months	21,434	4,176	21,434	12,620	4,176
Total current portion	21,434	4,176	21,434	12,620	4,176
Non-current portion:					
Term deposits and bonds with maturities 12 months plus	4,060	9,303	4,060	418	9,303
Community loans	2	6	2	2	6
Loan to joint operation MRF	-	-	-	1,416	-
Unlisted shares in subsidiaries (investment in subsidiaries)	-	-	6,000	6,000	6,000
Advance to MDCH	-	-	82,256	142,408	72,067
LGFA borrower notes	4,887	3,108	4,887	2,461	3,108
Other unlisted shares	286	286	286	1	286
Total non-current portion	9,235	12,703	97,491	152,706	90,770
Total other financial assets	30,669	16,879	118,925	165,326	94,946

The carrying value of term deposits and bonds approximates their fair value.

Financial assets are classified into the following categories for the purpose of measurement:

- term deposits and community loans which are amortised cost;
- advance to MDCH which is amortised cost;
- LGFA borrower notes which are fair value through other comprehensive income (FVTOCRE); and
- other unlisted shares which fair value through other comprehensive income (FVTOCRE).

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Accounting Policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent Measurement of Financial Assets at Amortised Cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit loss (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent Measurement of Financial Assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses which are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as

Accounting Policy

they are strategic investments that are intended to be held for the medium to long-term.

Subsequent Measurement of Financial Assets/Liabilities at FVTSD

Financial assets/liabilities in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and Group have no instruments in this category.

Expected Credit Loss Allowance (ECL)

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and forward-looking information.

The Council and Group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and Group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in Subsidiaries (At Cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

14. Investment Property

	Group		Council		
	Actual 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Balance at 1 July	116,225	128,625	14,450	11,500	11,500
Additions from acquisition	2,994	10,513	-	-	-
Additions arising from assets that were under construction	35	-	35	-	-
Transfer from property plant and equipment	-	4,322	-	-	4,322
Fair valuation gains/(losses) (note 5 and 8)	(5,863)	(27,234)	(1,500)	-	(1,372)
Balance at 30 June	113,391	116,226	12,985	11,500	14,450

14.1. Valuation Basis

The fair value of investment property at 30 June 2024 has been arrived at on the basis of a valuation carried out at that date by the following independent registered valuers:

- Port Marlborough NZ Ltd - Crighton Anderson Property and Infrastructure Ltd trading as Colliers International (2022-23: Crighton Anderson Property and Infrastructure Ltd trading as Colliers International);
- Marlborough Airport Ltd - Alexander Hayward Ltd (2022-23: Alexander Hayward Ltd); and
- Council - Alexander Hayward Ltd (2022-23: Alexander Hayward Ltd).

The fair value of investment property has been determined using the capitalisation of net income, discounted cash flow methods and comparable sales approach. These methods are based upon assumptions including future rental income, anticipated maintenance costs and appropriate discount rates.

The rates adopted are post-tax and range between 6.5% and 9.00% (2022-23: 7.25% and 10.00%) for Council and 5.50% and 10.80% (2022-23: 7.00% and 8.75%) for Port Marlborough NZ Ltd and 7.00% (2022-23: 7.00%) for Marlborough Airport Ltd.

Accounting Policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in revenue or expenditure.

15. Cash and Cash Equivalents

	Group		Council		
	Actual	Actual	Actual	Budget	Actual
	2024	2023	2024	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Cash at bank and on hand	17,784	8,085	7,572	340	5,444
Total cash and cash equivalents	17,784	8,085	7,572	340	5,444

Cash and cash equivalents included in the Statement of Cash flows comprise of the following Statement of Financial Position amounts:

	Group		Council		
	Actual	Actual	Actual	Budget	Actual
	2024	2023	2024	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Cash on hand and balances with banks	17,784	8,085	7,572	340	5,444
Short term investments	-	-	-	-	-
Total as per statement of cash flows	17,784	8,085	7,572	340	5,444

Although cash and cash equivalents at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial. Cash and cash equivalents are held at amortised cost.

Accounting Policy

Cash and cash equivalents include cash on hand, balances with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

16. Debtors and Other Receivables

16.1 Debtors and Other Receivables from Non-Exchange Transactions

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
Rates receivables	1,882	1,449	1,882	1,449
GST	1,983	2,018	2,033	1,962
Waka Kotahi roading subsidy	8,907	2,585	8,907	2,585
Other	255	306	255	306
Total non-exchange debtors and other receivables	13,027	6,358	13,077	6,302

16.2 Debtors and Other Receivables from Exchange Transactions

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
Trade receivables	4,941	4,185	4,941	4,185

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
Related party receivables	-	0	-	0
Prepayments and other sundry receivables	8,900	8,672	3,492	2,701
Gross exchange debtors and other receivables	13,841	12,857	8,433	6,886
Less allowance for expected credit losses	(385)	(365)	-	-
Total exchange debtors and other receivables	13,456	12,492	8,433	6,886

16.3 Total Debtors and Other Receivables

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
Gross total debtors and other receivables	26,868	19,215	21,510	13,188
Less allowance for expected credit losses	(385)	(365)	-	-
Total debtors and other receivables	26,483	18,850	21,510	13,188

Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options subject to meeting certain criteria. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Council has not recognised an allowance for expected credit losses as required under PBE IPSAS 41 for other receivables held at amortised cost as these are considered trivial.

The ageing profile below does not include rates receivable as these are excluded from PBE IPSAS 41.

16.4 Ageing Profile of Total Receivables

	2024			2023		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Group						
Not past due	21,615	-	21,615	16,066	-	16,066
Past due 1-30 days	1,039	-	1,039	495	-	495
Past due 31-90 days	267	-	267	244	-	244
Past due >90 days	1,096	385	711	961	365	596
Total	24,017	385	23,632	17,766	365	17,401
Council						
Not past due	17,498	-	17,498	10,862	-	10,862
Past due 1-30 days	469	-	469	343	-	343

	2024			2023		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Past due 31-90 days	202	-	202	57	-	57
Past due >90 days	490	-	490	477	-	477
Total	18,659	-	18,659	11,739	-	11,739

There is no concentration of credit risk with respect to receivables as the MDC Group has a large number of customers (refer to note 27.3 – Financial Instrument Risks).

Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses.

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s Rates Remission Policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

17. Investment in Joint Venture

	Group		Council		
	Actual	Actual	Actual	Budget	Actual
	2024	2023	2024	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Marlborough Inland Hub	8,074	8,091	-	-	-
Total investment in Joint Venture	8,074	8,091	-	-	-

Marlborough Inland Hub Ltd, represents a 50/50 partnership between Centreport Ltd and Port Marlborough NZ Ltd. Port Marlborough NZ Ltd owns a 32-hectare site at Riverlands, Blenheim. The initiative will provide an inland cargo hub, enabling freight movement via road rail to coastal and international shipping.

During the year, Port Marlborough NZ Ltd provided a secured and interest bearing long-term shareholder loan to Marlborough Inland Hub Limited of \$500K. Interest is payable on 30 June each year or as otherwise provided by agreement at an interest rate of the OCR from time to time plus a margin of 1.5%. Income from the loan for the year ended 30 June 2023 was \$18K. The loan is repayable on demand.

	Group	
	Actual	Actual
	2024	2023
	\$000s	\$000s
Carrying amount at beginning of year	7,591	6,750
Equity acquisitions	-	-
Share of profit/(loss)	-	28
Gain/(loss) on revaluation of PPE	(17)	813
Balance at end of the year	7,574	7,591
Advance (non-current)	500	500
Balance at end of the year	8,074	8,091

Summarised Financial Statements	Group	
	Actual	Actual
	2024	2023
	\$000s	\$000s
Income	1,026	1,293
Expenses	955	1,236
Current assets	876	971
Non-current assets	15,368	15,373
Current liabilities	36	117
Non-current liabilities	1,059	1,045
Equity	15,147	15,182

Equity accounted share of entity's financial information	Group	
	Actual	Actual
	2024	2023
	\$000s	\$000s
Net assets	15,147	15,182
Advance (non-current)	500	500
Proportion of Group's interest	50%	50%
Carrying amount	8,074	8,091

Accounting Policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control.

The Council and group recognise its investment in Joint Venture using the equity method.

18. Borrowings

18.1. Council

Council raises loans either using a Westpac facility or through the New Zealand Local Government Funding Agency Ltd. The loans are secured via security stock issued by Council under a Debenture Trust Deed.

MBIE Loan

Council has a loan of \$0.0M from MBIE (2022-23 \$0.6M) for the Flaxbourne Irrigation Scheme.

Westpac Facility

Secured loans can be raised under a \$20 million (2022-23: \$20 million) wholesale advance facility agreement with Westpac New Zealand Ltd (Westpac). Council has the option to renew the facility in March 2024.

Council has utilised \$0.0 million as at 30 June 2024 (2022-23: \$6.0 million).

New Zealand Local Government Funding Agency Ltd (LGFA)

Total borrowing with the LGFA is \$203.4 million (2022-23: \$151.9 million). The breakdown is provided in the table below.

LGFA borrowings	2024		2023	
	\$000s	Interest rate	\$000s	Interest rate
Current portion	45,585	\$45.6 million variable at 5.87%-6.20%	37,085	\$37.1 million variable at 5.75%-6.05%
Non-current portion	157,800	\$129.8 million variable at 5.91%-6.39% \$28 million fixed at 2.82%-5.58%	114,800	\$99.8 million variable at 5.96%-6.48% \$15 million fixed at 2.82%-5.58%
Total	203,385		151,885	

Council holds \$98.5 million in interest rate swaps (2022-23: \$73 million) fixed at a weighted average rate of 3.31% (2022-23: 3.61%) and with the following maturities: \$14 million in 2025, \$10 million in 2026, \$20 million in 2027, \$14 million in 2028, \$20.5 million in 2029, \$10 million in 2030, and \$10 million in 2031.

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

18.2. MDCH

During the year interest rates ranged between 0.10% and 4.27% (2022-23: 0.05%-5.21%).

18.3. Internal Borrowings

Group of activity	2024				
	Opening 2024 \$000s	Advanced \$000s	Repaid \$000s	Closing 2023 \$000s	Interest expense \$000s
People	8,460	235	(313)	8,382	425
Community facilities	20,504	2,497	(1,204)	21,797	1,057
Roads and footpaths	14,909	1,181	(678)	15,412	783
Flood protection	3,110	4,221	(208)	7,123	287
Sewerage	43,599	2,456	(3,091)	42,964	2,250
Stormwater drainage	659	-	(57)	602	5
Water supply	23,747	3,928	(1,883)	25,792	1,263
Solid waste management	4,964	441	(551)	4,854	252
Environmental management	313	-	(18)	295	16
Regulatory	591	87	(51)	627	31
Regional development	9,081	450	(1,350)	8,181	428
Other non-activity	10,706	-	(672)	10,034	479
Total Internal Borrowings 2024	140,643	15,496	(10,076)	146,063	7,276

Accounting Policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

19. Provisions

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Current portion:				
Riskpool	100	100	100	100
Runway reseal provision	9,278	-	-	-
Rates postponement provision	3	3	3	3
Carbon credits	482	626	482	626
Total current portion	9,863	729	585	729
Non-current portion:				
Landfill aftercare provision	4,838	4,972	4,838	4,972
Runway reseal provision	-	5,836	-	-
Total non-current portion	4,838	10,808	4,838	4,972
Total provisions	14,701	11,537	5,423	5,701

Provision movements	Group	Runway reseal	Rescue Fire Service	Council	Riskpool	Carbon credits	Landfill after-care	Rates postponement
Balance at 1 July 2023	11,537	5,836	-	5,701	100	626	4,972	3
Additional provisions made	4,385	3,442	-	943	-	481	462	-
Unused amounts reversed	-	-	-	-	-	-	-	-
Amounts used	(1,221)	-	-	(1,221)	-	(625)	(596)	-
Balance at 30 June 2024	14,701	9,278	-	5,423	100	482	4,838	3

Accounting Policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted to present value where the effect is material.

Riskpool

This provision recognises \$100,000 for a final New Zealand Mutual Liability Riskpool call before its wind up which is anticipated to be in 2024. The Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation period expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implication of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Carbon Credits

This provision recognises an additional provision of \$481,000 (2022-23: \$625,000) for the Emission Trading Scheme units cost for landfill use for the six months to 30 June 2024.

Landfill Closure and Aftercare Liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements and an inflation factor between 1.89% and 2.00% (2022-23: 1.9 – 3.4%) and a discount rate of between 3.29% and 5.49% (2022-23: 4.89% closed and 4.30% open landfills).

Council has responsibility under the consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. Post-closure responsibilities include: treatment and monitoring of leachate, groundwater and surface monitoring, gas monitoring and recovery, implementation of remedial measures such as needling for cover and control systems, ongoing site maintenance

for drainage systems, and final cover and vegetation. The uninflated cash outflows for landfill post-closure monitoring and maintenance are estimated at an average of \$56,900 for closed landfills and \$389,880 per annum for the open landfill (2022-23: \$56,900 closed and \$162,380 open).

Council renewed the resource consent in 2009 for seven of its closed landfill sites. The remaining site was consented in 1998.

Current Landfill

Council gained the resource consent in November 1995 to operate the Bluegums landfill. Closure responsibilities occur at the closure of each stage of the landfill and upon final closure. Due to the increased quantity of waste delivered to the landfill, Council's recent landfill capacity review has provided an updated closure of the stage currently in use and closure of the entire landfill for 2048. A number of waste minimisation initiatives are planned to reduce the amount of waste being sent to landfill, including increased kerbside recyclables collection, diversion of food waste from landfill and the Waste Sorting Facility. For more information refer to the Solid Waste Management Activity section.

The cash outflows for landfill post-closure are expected to occur in 25 to 55 years' time. The estimated liability for closure and post-closure is \$5.70 million (2022-23: \$5.30 million).

The following major assumptions have been made in calculating the provision:

- the remaining capacity of the site is 1.67 million cubic metres (2022-23: 1.72 million cubic metres) (refuse, clean fill and cover);
- the estimated remaining life is 24 years (2022-23: 25 years) based on historical volume information; and
- the granting of resource consent renewals.

To provide for costs of aftercare of the currently used regional landfill, a charge is made each year based on the net present value of the estimated after care cost which it is estimated will be incurred following the closure of the landfill.

Runway Reseal

Provision is made to reflect MAL's obligation to maintain the hard surfaces (including the Runway, Taxiway and Apron) under their licence agreement with New Zealand Defence Force.

The cash outflows are expected to occur in early 2025. The provision has been estimated taking into account technology changes and is discounted using a discount rate of 5.3%.

The following major assumptions have been made in calculation of the provision:

- The pricing estimate is based on tenders received in October 2024 and is reflective of the information available at 30 June 2024.
- The cash outflows for the runway, taxiway and apron areas will all occur in early 2025.
- An inflation rate, as specified by Treasury, of 2.9%.

The undiscounted cost of the reseal is estimated at \$9.386 million.

An adjustment has been made in the 2024 group accounts to reflect an updated scope and calculation method for the provision.

20. Creditors and Other Payables

Creditors and other payables from exchange and non-exchange transactions	Group		Council		
	Actual 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Trade and other payables	25,790	20,093	21,060	10,527	16,349
Accrued expenses	3,893	3,567	3,893	3,477	3,567
Income in advance	4,666	4,485	4,661	3,840	5,175
Deposits	1,219	1,491	1,219	1,313	1,491
Related party payables	-	-	4,314	3,857	3,278
Total creditors and other payables	35,568	29,636	35,147	23,014	29,860

Accounting Policy

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

21. Employee Entitlements

	Group		Council		
	Actual 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Current portion					
Accrued pay	305	362	305	225	362
Annual leave and sick leave	4,208	3,726	2,747	2,339	2,505
Retirement and long service leave	210	220	210	255	220
Total current portion	4,723	4,308	3,262	2,819	3,087
Total employee entitlements	4,723	4,308	3,262	2,819	3,087

Accounting Policy

Provision is made in respect of the Council and Group liability for retiring gratuity allowances, annual and long service leave and sick leave. The retiring gratuity liability and long service leave liability are assessed using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

Council has a sick leave gifting policy. The value of Council's sick leave gifting has been assessed but no material impact or changes have been made to the current level of provision.

Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities that are expected to be settled within 12 months of balance date are classified as current.

22. Equity and Capital Management

	Group		Council		
	Actual	Actual	Actual	Budget	Actual
	2024	2023	2024	2024	2023
	\$000s	Restated \$000s	\$000s	\$000s	Restated \$000s
Accumulated funds					
Balance at 1 July	855,218	827,676	780,459	742,517	741,124
Transfers (to)/from Reserves	10,459	14,899	10,459	(732)	14,899
Transfers (to)/from Restricted Reserves	1,114	(1,347)	1,114	732	(1,347)
Transfers from Property Revaluation Reserves on disposal	767	1,511	767	-	1,511
Surplus for the year	37,027	12,478	26,143	24,630	24,271
Balance at 30 June	904,585	855,218	818,942	767,147	780,459
Ordinary and Council created Reserves					
Balance at 1 July	32,355	47,254	29,739	44,775	44,638
Transfers (to)/from accumulated funds	(10,459)	(14,899)	(10,459)	732	(14,899)
Balance at 30 June	21,896	32,355	19,280	45,507	29,739
Restricted Reserves					
Balance at 1 July	4,321	2,974	4,321	(1,984)	2,974
Transfers (to)/from accumulated funds	(1,114)	1,347	(1,114)	(732)	1,347
Balance at 30 June	3,207	4,321	3,207	(2,716)	4,321
Restricted Reserves consists of:					
Development Contribution Reserve	(1,823)	(2,092)	(1,823)	(5,023)	(2,092)
Land Subdivision Reserve	5,030	6,413	5,030	2,307	6,413
Property Revaluation Reserve					
Balance at 1 July	1,369,961	1,183,303	1,300,070	1,226,216	1,113,412
Net revaluation gains	100,053	188,170	95,615	89,266	188,170
Deferred tax recognised directly in other comprehensive revenue and expense	(254)	-	-	-	-
Transfers to accumulated funds on disposal of property	(767)	(1,511)	(767)	-	(1,511)
Balance at 30 June	1,468,993	1,369,961	1,394,918	1,315,482	1,300,070
Total Reserves	1,494,096	1,406,637	1,417,405	1,358,273	1,334,130
Total equity	2,398,681	2,261,855	2,236,347	2,125,420	2,114,589

*2023 figures have been restated for the three waters valuation booked as at 30 June 2023. See note 33 – Prior Period Errors for more information.

22.1. Ordinary Reserves

Ordinary Reserves	Activities to which the reserve is applied	Opening Balance at 1 July 2023 \$000s	Transfer to reserve \$000s	Transfer from reserve \$000s	Closing Balance at 30 June 2024 \$000s
Emergency events	Infrastructural assets including roading network and Wairau floodplain river protection.	3,730	1,888	(2,948)	2,670
Port Marlborough NZ Ltd special dividend	All activities in the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas.	3,704	185	(185)	3,704
Infrastructure upgrade	Infrastructure such as water and sewerage and other activities as determined by Council from time to time.	14,906	5,594	(4,338)	16,162
Forestry and land development	All activities.	8,673	1,422	(3,851)	6,244
Covid19 - Rates Relief Reserve	All activities	(8,300)	-	(4,500)	(12,800)
People	People focused services including youth, elderly, community services, housing and energy efficiency, democratic participation, safety and learning.	(3,309)	1,726	(3,552)	(5,135)
Community facilities	Community facilities.	494	1,766	(168)	2,093
Roads and footpaths	Roads and footpaths.	10,207	6,686	(7,822)	9,071
Flood protection	Flood protection.	(352)	1,230	(885)	(7)
Sewerage	Sewerage.	(5,794)	5,574	(5,267)	(5,487)
Stormwater drainage	Stormwater drainage.	8,477	2,229	(466)	10,241
Water supply	Water supply.	(3,262)	4,668	(9,332)	(7,926)
Solid waste management	Solid waste management.	(1,434)	5,221	(6,046)	(2,259)
Environmental management	Environmental management.	(215)	1,134	(718)	201
Regulatory	Regulatory.	945	555	(195)	1,305
Regional development	Regional development.	(571)	951	(292)	88
Other non-activity	All activities.	1,840	3,247	(3,972)	1,115
Total Ordinary Reserves 2024		29,739	44,077	(54,535)	19,280

Restricted Reserves	Activities to which the reserve is applied	Opening Balance at 1 July 2023	Transfer to reserve	Transfer from reserve	Closing Balance at 30 June 2024
		\$000s	\$000s	\$000s	\$000s
Development contributions					
Reserve and Community Facilities		6,414	1,850	(3,234)	5,030
Roads and Footpaths	Growth driven capital expenditure	447	236	0	683
Sewerage		(5,425)	2,071	(1,576)	(4,930)
Stormwater		1,292	360	(548)	1,104
Water Supply		1,593	516	(789)	1,320
Total Restricted Reserves 2024		4,321	5,033	(6,147)	3,207

Purpose of Council's Reserves

Special Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

For further information about Council's Reserves see pages 282-285 of Council's 2024-2034 Long Term Plan.

Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprises accumulated funds and reserves. Equity is represented by net assets.

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place an infrastructure strategy and asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Accounting Policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds;

- restricted reserves;
- ordinary and council created reserves; and
- property, plant and equipment revaluation reserve.

Restricted Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Ordinary and Council Created Reserves

There are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Property, Plant and Equipment Revaluation Reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

23. Capital Commitments and Operating Leases

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Capital commitments:				
<i>Property, plant and equipment</i>	-	-		
Buildings	1,102	3,641	797	3,183
Flood protection and control works	1,148	896	1,148	896
Landfill	28	2,990	28	2,990
Office equipment, furniture and fittings	59	8	59	8
Other structures and improvements	245	3,998	245	3,998
Roads and footpaths	270	2,953	270	2,953
Sewerage schemes other	94	2,395	94	2,395
Sewerage treatment and facilities	1,632	1,153	1,632	1,153
Stormwater drainage systems	663	-	663	-
Water supply schemes other	431	550	431	550
Water treatment and facilities	24	5,036	24	5,036
Land	-	332	-	332
Fair value improvements	216	1,773	-	-
Wharf infrastructure	897	-	-	-
Property Plant and Equipment	2,332	361	-	-
<i>Investment property</i>	616	5,427	-	-
Total capital commitments	9,757	31,512	5,391	23,493

Operating Leases as Lessee

MDC Group leases motor vehicles in the normal course of its business. All operating lease contracts contain market review clauses in the event that the option to renew is exercised. MDC Group does not have an option to purchase the leased asset at the expiry of the lease period.

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Operating leases as lessee:				
Not later than one year	117	75	37	38
Later than one year and not later than five years	428	388	5	21
Later than five years	2,979	1,298	-	-
Total non-cancellable operating leases	3,524	1,761	42	59

Operating Leases as Lessor

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Operating leases as lessor:				
Not later than one year	13,196	16,745	5,624	5,689
Later than one year and not later than five years	39,499	36,450	18,263	19,239
Later than five years	28,617	31,226	24,562	26,630
Total non-cancellable operating leases	81,312	84,421	48,449	51,558

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. All operating lease contracts contain review clauses in the event that the MDC Group exercises its option to renew. The lessee does not have an option to purchase the property at expiry of the lease period.

Rentals payable under operating leases are charged to revenue on a straight-line basis over the term of the relevant lease, this includes the COVID-19 lease discounts provided by Council.

MDC Group operating leases relate to rental property owned by Port Marlborough NZ Ltd with lease terms of up to 30 years, with provision for renewal. All operating lease contracts contain market review clauses in the event that Port Marlborough NZ Ltd exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

MDC Group leases some land and buildings held for service delivery purposes under operating leases. The majority of these leases have a non-cancellable term of more than five years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are detailed above.

24. Contingent Assets and Liabilities

24.1. Contingent Assets

Natural Disaster Revenue

There is an unquantifiable contingent asset for revenue from central government subsidies relating to the November 2016 Kaikoura earthquake of \$220,000.

At 30 June 2024 there is an unquantifiable contingent asset for flood damage insurance claims and central government subsidies claims relating to weather events in 2021 and 2022. Subsequent to year end, NZTA approved a work program for phase 3 of repair expenditure.

Please refer to note 29– Natural disasters.

24.2. Contingent Liabilities

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
Uncalled capital in MDCH	-	-	70,000	70,000
Uncalled capital in LGFA	200	200	200	200
Total contingent liabilities	200	200	70,200	70,200

Contingent liabilities are liabilities that may or may not occur as they are dependent on another uncertain event. Judgement is exercised in determining whether the uncertain event is probable, possible or remote.

New Zealand Local Government Funding Agency Ltd (LGFA)

Council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a local currency credit rating from Standard and Poor's of AA+ and a foreign currency rating of AA.

Council is one of 77 Local Authority Council's and five Council-Controlled Organisation participating of the LGFA. When Council's LGFA uncalled capital is aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified.

Also, together with the other shareholders and guarantors, Council is a guarantor of a proportion of LGFA's borrowings. This is based on Council's rates as a proportion of the total rates for all guaranteeing Local Authorities. At 30 June 2024 LGFA had borrowings totaling \$23.0 billion (2022-23: \$17.7 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low and has not recognised a liability for this amount. This is on the basis that it is not aware of any local authority debt default events in New Zealand, local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required, and the LGFA have a billion dollar facility with the NZ Government.

Financial Guarantees

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

During the year Council served as a guarantor on a loan facility of \$2.8 million for the Marlborough Research Centre Trust (MRC) to enable it to build the new Bragato Research Institute building. Council is obligated under the guarantee to make loan payments in the event that the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent on the financial stability of the organization. At balance date, Council expects it will not be called upon by the bank for this financial guarantee. The possibility of any call on this guarantee is remote. Also the MRC has provided Council with adequate security (2022-23: \$2.8 million for the Marlborough Research).

Local Authority Protection Programme (LAPP)

Council is a member of the Local Authority Protection Programme (LAPP). The Trust Deed of LAPP provides that the Trustees may adopt or determine such methods of setting extra contributions for coverage for any part of portion of a year. Council has not received any formal request for extra contributions from LAPP in the current year.

25. Related Parties Transactions

Transactions between the Council and the entities within the Group have been disclosed below.

	Council	
	Actual 2024 \$000s	Actual 2023 \$000s
<u>MDC Holdings Ltd</u>		
Amounts paid to		
Interest on advance	106	84
Swap valuation fee reimbursement	1	1
Amounts payable to		
Advance	4,314	3,278
Amounts received from		
Dividends	3,022	3,308
Interest on loans	4,109	2,835
Amounts receivable from		
Loans	81,615	71,515
Interest on loans	643	552
<u>Port Marlborough NZ Ltd</u>		
Amounts paid to		
Services received during the year	101	116
Amounts payable to		
Services received during the year	-	-
Amounts received from		
Harbour and navigational levies	600	430
Rates and other services	889	835
Subvention payment	-	-
Amounts receivable		
Subvention payment	-	-
<u>Marlborough Airport Ltd</u>		
Amounts paid to		
Services received during the year	-	3
Amounts payable to		
	-	-
Amounts received from		
Services provided during the year	290	263
Subvention payment	-	-
Amounts receivable from		
Services provided during the year	-	-

Transactions between Council and Key Management Personnel have been disclosed below.

	Council	
	Actual 2024 \$000s	Actual 2023 \$000s
Key management personnel		
Councillors including the Mayor:		
Remuneration	813	796
Full-time equivalent members	15.0	14.7
Senior management team including the Chief Executive:		
Remuneration	2,941	2,711
Full-time equivalent members	12.0	12.0
Total remuneration	3,754	3,507
Total full-time equivalent members	27.0	26.7

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, purchase of rubbish bags etc.). These goods and services were supplied on normal commercial terms.

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2021-22: Nil).

26. Severance Payments

For the year ended 30 June 2024 Council made no severance payments (2022-23: One of \$16,894).

27. Financial Instruments

27.1. Financial Instrument Categories

The accounting policies for financial instruments have been applied to the financial instrument asset categories of term deposits, cash and cash equivalents, debtors and other receivables, shares and community loans and to the financial instrument liability categories of derivative financial liability/asset instruments, creditors and other payables and secured loans.

The carrying amount is the approximate fair value for each of these classes of financial instruments, as shown in the Statement of Financial Position.

27.2. Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

Quoted Market Price (Level 1) – financial instruments with quoted prices for identical instruments in active markets. There are no financial instruments held at fair value classified under this category.

Valuation Technique Using Observable Inputs (Level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable. Financial derivatives valued as observable inputs (level 2) for the MDC Group are \$4.7 million (2022-23: \$6.3 million) and for Council are \$3.6 million (2022-23 \$5.0 million).

Valuation Techniques With Significant Non-Observable Inputs (Level 3) – financial instruments valued using models where one or more significant inputs are not observable. Financial instruments with significant non-observable inputs for Council and the MDC Group are unlisted shares \$0.3 million (2022-23: \$0.3 million) and LGFA borrower notes \$4.9 million (2022-23: \$3.1M).

There were no transfers between the different levels of the fair value hierarchy.

27.3. Financial Instrument Risks

(a) Credit Risk

Credit risk is the risk that a third party will default on its obligation to MDC Group causing it to incur a loss. Financial Instruments which potentially subject Council to credit risk principally consist of bank accounts, local authority stock and accounts receivable.

Council (both itself and through its funds manager) places its cash and short term deposits in high rating financial institutions. Council's Treasury Policy requires a spread of investments with limitations placed on the level of credit exposure to any one financial institution.

Accounts receivable balances are spread over a large customer base, therefore, minimising exposure to credit risk in respect of these debtor.

Council has a series of policies to manage the risks associated with financial instruments. These policies can be found on the Council website. The web address is: <https://www.marlborough.govt.nz/your-council/long-term-and-annual-plans-policies-and-reports/treasury-management-policies>

MDC Group holds no other collateral or credit enhancements for financial instruments that give rise to credit risk.

The MDC Group maximum credit exposure for each class of financial instrument is as follows:

	Group		Council	
	Actual 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
i) Maximum exposure to credit risk				
Cash at bank and term deposits and bonds	43,278	21,564	33,066	18,923
Debtors and other receivables	21,577	14,535	16,604	8,873
Community and related party loans	2	6	2	6
Derivative financial instrument assets	4,685	6,416	3,555	5,037
Advance to MDCH			82,256	72,067
Financial guarantees	-	-	-	-
Total credit risk	69,542	42,521	135,483	104,906
ii) Credit quality of financial assets				
Counterparties with credit ratings - cash at bank, term deposits and derivatives:				
AA	-	-	-	-
AA-	47,963	27,980	36,621	23,960
Total	47,963	27,980	36,621	23,960

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
iii) Counterparties without credit ratings - existing counterparty with no defaults in the past:				
Term deposits	-	-	-	-
Community and related party loans	2	6	2	6
Total	2	6	2	6

(b) Liquidity Risk

(i) Management of Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

MDC Group manages its liquidity in accordance with its funding and financial policies, which include cash flow forecasting, maintaining its financial market investments in liquid instruments, and a debt maturity policy to avoid concentrations of debt maturity dates. The Council has an AA negative credit rating with S&P Global and banks have indicated that they want to do business with Council.

The Council is exposed to liquidity risk as a guarantor of a defined portion of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due.

These policies are reviewed and updated with each Long Term Plan and can be found on the Council website.

(ii) Contractual Maturity Analysis of Financial Liabilities

This table analyses MDC Group financial liabilities into maturity groupings based on the remaining period at the balance date to the contractual maturity date. The contractual cash flow includes the principal and any interest component.

	Carrying amount	Contractual cash flow	< than 1 year	1-2 years	2-5 years	5+ years
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Group 2024						
Creditors and other payables	30,902	30,902	30,902	-	-	-
Secured loans	203,385	232,657	56,475	108,914	64,210	3,059
Interest rate swaps	391	-	-	-	-	-
Total financial liabilities	234,678	263,559	87,377	108,914	64,210	3,059
Group 2023						
Creditors and other payables	25,151	25,151	25,151	-	-	-
Secured loans	158,527	251,750	47,070	53,336	123,432	27,912
Total financial liabilities	183,678	276,901	72,221	53,336	123,432	27,912
Council 2024						
Creditors and other payables	30,486	30,486	30,486	-	-	-
Secured loans	203,385	232,657	56,475	108,914	64,210	3,059
Total financial liabilities	233,871	263,143	86,961	108,914	64,210	3,059

	Carrying amount \$000s	Contractual cash flow \$000s	< than 1 year \$000s	1-2 years \$000s	2-5 years \$000s	5+ years \$000s
Council 2023						
Creditors and other payables	24,685	24,685	24,685	-	-	-
Secured loans	158,527	251,750	47,070	53,336	123,432	27,912
Total financial liabilities	183,212	276,435	71,755	53,336	123,432	27,912

(iii) **Contractual Maturity Analysis of Financial Assets**

The table following analyses MDC Group financial assets into maturity groupings based on the remaining period to the contractual maturity date as at the balance date.

	Carrying amount \$000s	Contractual cash flow \$000s	< than 1 year \$000s	1-2 years \$000s	2-5 years \$000s	5+ years \$000s
Group 2024						
Cash and cash equivalents	17,784	17,784	17,784	-	-	-
Debtors and other receivables	21,626	21,626	21,626	-	-	-
Interest Rate Swaps	4,685	4,685	156	421	3,593	368
Other financial assets:						
Term deposits	25,494	26,291	23,235	3,056	-	-
Local Authority stock and government bonds	5,173	5,580	762	2,697	2,021	101
Community loans	2	2	2	-	-	-
Total financial assets	74,764	75,968	63,565	6,174	5,614	469
Group 2023						
Cash and cash equivalents	8,085	8,085	8,085	-	-	-
Debtors and other receivables	14,478	14,478	14,478	-	-	-
Interest Rate Swaps	6,613	6,613	197	350	368	5,698
Other financial assets:						
Term deposits	13,479	14,031	5,011	9,020	-	-
Local Authority stock and government bonds	3,309	3,700	270	844	2,318	268
Community loans	6	6	6	-	-	-
Total financial assets	45,970	46,913	28,047	10,214	2,686	5,966
Council 2024						
Cash and cash equivalents	7,572	7,572	7,572	-	-	-
Debtors and other receivables	16,603	16,603	16,603	-	-	-
Interest Rate Swaps	3,555	3,555	147	421	3,001	(14)
Other financial assets:						
Term deposits	25,494	26,291	23,235	3,056	-	-
Local Authority stock and government bonds	5,173	5,580	762	2,697	2,021	101
Community loans	2	2	2	-	-	-
Advance to MDCH	82,256	86,304	24,667	7,757	46,723	7,157
Total financial assets	140,655	145,907	72,987	13,931	51,745	7,244
Council 2023						
Cash and cash equivalents	5,444	5,444	5,444	-	-	-
Debtors and other receivables	8,872	8,872	8,872	-	-	-
Interest Rate Swaps	5,037	5,037	-	-	348	4,689

	Carrying amount \$000s	Contractual cash flow \$000s	< than 1 year \$000s	1-2 years \$000s	2-5 years \$000s	5+ years \$000s
Other financial assets:						
Term deposits	13,479	14,031	5,011	9,020	-	-
Local Authority stock and government bonds	3,309	3,700	270	844	2,318	268
Community loans	6	6	6	-	-	-
Advance to MDCH	72,067	83,654	36,313	11,916	20,894	14,531

(c) **Sensitivity Analysis**

The following table illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) impact for reasonable possible market movements, with all other variables held constant, based on MDC Group financial instrument exposures at balance date.

	2024		2023	
	-50bps Surplus \$000s	+50bps Surplus \$000s	-50bps Surplus \$000s	+50bps Surplus \$000s
Interest rate risk:				
Group				
Financial assets				
Cash and cash equivalents - term deposits	-	-	-	-
Other financial assets - term deposits	(149)	149	(83)	83
Interest rate swaps	(1,599)	1,702	(1,141)	1,134
Financial liabilities				
Borrowings:				
Bank overdraft	-	-	-	-
Secured loans	312	(312)	124	(124)
Interest rate swaps	-	-	(556)	579
Total sensitivity to interest rate risk	(1,436)	1,539	(1,657)	1,673
Council				
Financial assets				
Other financial assets - term deposits	(127)	127	(67)	67
Interest rate swaps	(1,110)	1,101	(1,141)	1,134
Financial liabilities				
Borrowings:				
Secured loans	652	(652)	428	(428)
Total sensitivity to interest rate risk	(586)	577	(781)	774

(d) **Cash Flow Interest Rate Risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The MDC Group's exposure to changes in market interest rates primarily arises from borrowings issued at variable interest rates.

Generally, the MDC Group raises long-term borrowings at floating rates. The Council's liability management policy requires it to maintain a percentage of its borrowings at fixed rates of interest.

	Minimum Fixed Rate	Maximum Fixed Rate
0-2 years	40%	100%
2 years to 5 years	25%	80%
5 years to 10 years	0%	60%

To achieve this, the MDC Group uses interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date.

	Average contract fixed interest rate		Notional principal amount		Fair value	
	2024 %	2023 %	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Outstanding fixed for floating:						
Group						
Less than one year	3.82%	0.00%	26,250	17,400	256	197
1 to 2 years	2.98%	3.83%	10,000	26,250	421	350
2 to 5 years	2.67%	2.60%	64,000	48,000	3,929	368
Greater than 5 years	4.24%	3.36%	38,000	35,500	79	5,698
Total sensitivity to interest rate risk	3.34%	2.84%	138,250	127,150	4,685	6,613
Council						
Less than one year	4.05%	0.00%	14,000	-	147	-
1 to 2 years	2.98%	4.05%	10,000	14,000	421	-
2 to 5 years	2.65%	2.47%	49,000	44,000	3,001	348
Greater than 5 years	4.31%	3.61%	25,500	15,000	(14)	4,689
Total sensitivity to interest rate risk	3.31%	3.01%	98,500	73,000	3,555	5,037

(e) **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

At times MDC Group purchases plant and equipment associated with the construction of certain assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises. When these transactions are significant MDC Group manage foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means that the Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

(f) **Fair Value Interest Rate Risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of

interest expose the Council and group to fair value interest rate risk. The MDC Group is not able to actively manage fair value interest rate risk.

28. Insurance

Council has estimated its maximum probable loss from either earthquake, tsunami or flood to be \$562 million (2022-23: \$548 million).

Council has taken the mitigation approach of a mix of full insurance, risk sharing and self-insurance for any applicable excess taking into account the following:

- i. Not all assets are likely to be impacted on one event, given their diverse nature and location.
- ii. Immediate replacement of all damaged assets will not be required, immediately following an event.
- iii. The balance between premium costs and risk.; and
- iv. Councils do not generally insure roads or other land. Roads reinstatement is subject to NZTA subsidies.

Council has an Emergency Events Reserve, currently at \$2.7 million (2022-23: \$3.7 million).

The following information relates to the insurance of Council assets as at 30 June:

	note:	2024		2023 Restated	
		Assets Value at Cost	Maximum cover	Assets Value at Cost	Maximum cover
		\$000s	\$000s	\$000s	\$000s
Council insurance					
Total value of assets covered by insurance contracts and maximum amount to which they are insured	(a)	373,136	1,199,237	349,192	799,225
Total value of assets covered by financial risk arrangements and the maximum available under these arrangements	(b)	933,568	68,000	738,110	60,000
Total value of self-insured assets and value of any fund held for that purpose		662,251	2,670	764,310	3,730
Land	(c)	408,544	-	335,884	-
TOTAL		2,377,499	1,269,907	2,187,496	862,955

Note:

(a) **Community Assets:** with a few exceptions, this replacement cover is for community assets on Council or Council controlled land, for example water treatment plant, WIP, sewerage treatment plant, buildings, library books, computers and office equipment.

Vehicles: All vehicles including the leased fleet, mowers, trucks, mobile pumps are insured at replacement value for \$4.4 million (2022-23: \$4.3 million).

Council has an 88.5% share in the MRF. Their assets and standing timber are insured at replacement/reinstatement value of \$22.1 million (2022-23: \$18.7 million).

(b) **Underground Reticulation and Flood Protection Assets:** These assets are covered by the financial risk sharing arrangement, the Local Authority Protection Programme, with the replacement value of \$693 million (2022-23: \$860 million). The cover is for \$68 million (2022-23: \$60 million) for a first event. A further 60% of central government funding is available for eligible events.

(c) **Land:** includes MRF land valued at \$20.0 million (2022-23: \$19.7 million) and land under roads \$142 million (2022-23: \$142 million).

Roading and Footpath and Carpark Assets Excluding Most Bridges: These activities have a value of \$1,192 million (2022-23: \$1,033 million) and are not insured. Any reinstatement cost would be subsidised by Waka Kotahi at a minimum of 51%.

Bridges: Uninsured bridges have a value of \$66 million (2022-23: \$66 million). Any reinstatement cost would be subsidised by New Zealand Transport Agency at a minimum of 51%.

*2023 figures have been restated for the three waters valuation booked as at 30 June 2023. See note 33 – Prior Period Errors for more information.

29. Natural Disasters

29.1. 2021 and 2022 Flooding Events

The Marlborough Sounds Road Recovery Program, partially funded by the New Zealand Transport Agency (NZTA), has made significant progress in restoring and improving road access following the severe weather events of 2021 and 2022. This program is one of the largest recovery projects for local roads in New Zealand, addressing over 5,600 faults across more than 1,300 kilometres of roads. At 30 June 2024 NZTA was reviewing the Sounds Future Access study with decisions to be made on what the future repair program would look like, including relevant subsidy rates.

There was also damage to Council's flood protection assets following the July 2021 event with much of the damage eligible for central government and Local Authority Funding Program (LAPP) financial assistance, subject to applicable thresholds. Damage from the August 2022 events was much less severe and repairs have been largely completed within the financial year. The Council is continuing to discuss with insurers and central government the level of claims and recoveries. Until discussions with insurers progress sufficiently to provide a higher level of certainty, we are unable to recognise further insurance or central government proceeds. Council has disclosed an unquantifiable contingent asset per note 24.1. Damage assessment work has been completed and eligible repair works are underway.

There were \$0M in asset impairments recognised due to flood damage in 2023-24 (22-23: \$171.4M). See note 10 for further information on this.

	Council and Group	
	2024	2023
	\$'000	\$'000
Flood event related transactions		
Insurance recoveries	629	210
NEMA funding		208
Waka Kotahi roading subsidy	23,999	36,980
Total Revenue	24,628	37,398
Roading repairs	(25,262)	(28,516)
Flood protection repairs	(430)	(1,459)
Other	-	(262)
Total expenditure (capital and operating)	(25,692)	(30,237)
Capitalised reinstatement costs	23,275	10,409
Impairment through revaluation reserves	-	(171,394)
Impact on assets	23,275	(160,984)

29.2. 2016 Kaikoura Earthquake

The 14 November 2016 Kaikoura earthquake caused significant damage in our region, resulting in insurance and central government subsidy claims. Damage assessment work has been completed and eligible repair works are substantially completed.

The final insurance claim was settled during the previous financial year. The Council continues to work with central government (NEMA) regarding financial assistance for three waters reticulation asset damage. Council has recognised a contingent asset per note 24.1 with the final claim to be received in 2024-25.

There were no asset impairments due to earthquake damage in 2023-24 (2022-23: Nil).

	Council and Group	
	2024 \$'000	2023 \$'000
Earthquake related transactions		
Insurance recoveries	-	-
NEMA funding	629	57
Total revenue	629	57
Earthenware sewer pipe relining	(4,202)	(2,454)
Total capital expenditure	(4,202)	(2,454)

30. Variance Explanations

Explanations for major budget variances from the Council budget figures in the Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

	Actual 2024 \$000s	Budget 2024 \$000s	Variance \$000s	Comments
Subsidies and grants	52,241	57,839	(5,598)	Subsidies and grants are lower than budget due to phase two of the roading reinstatement program continuing into the new year.
Other revenue	51,693	46,794	4,899	Total Other revenue is higher by \$4.9 million in several categories with key reasons explained below: - Vested assets: \$2.2 million higher due to the current progress of subdivision work in Marlborough. - Dump Fees: \$0.6M higher than budget This is offset by: - Lower than budgeted insurance revenue \$0.9M.
Depreciation and amortisation	44,282	36,376	7,906	Depreciation costs are higher than budget by \$7.9 million due to the significant uplift in fair value of infrastructure assets as at 30 June 2023 and 1 July 2023 resulting in additional depreciation costs.
Other expenses	94,949	101,183	(6,234)	Other expenditure is lower by \$6.2 million in several categories but primarily due to delays in repairs to roads and flood protections assets damaged in the July 2021 and August 2022 weather events and a higher portion of these costs capitalised than was anticipated in the budget.

	Actual 2024 \$000s	Budget 2024 \$000s	Variance \$000s	Comments
Gain on property revaluations	95,615	89,266	6,349	Higher than anticipated revaluation movement primarily due to the roading valuation which had a significant unit rate review included.

Statement of Financial Position

	Actual 2024 \$000s	Budget 2024 \$000s	Variance \$000s	Comments
Cash and cash equivalents	7,572	340	7,232	Higher than budget due to an account now held in cash specifically for retentions and the use of a high interest account as part of the treasury strategy which contained \$4M and \$1M respectively at 30 June 2024.
Debtors and other receivables	21,510	14,826	6,684	Debtors and other receivables are higher than budget due to transit subsidy of \$4.5M receivable at year end.
Other financial assets - current	21,434	12,620	8,814	Other current financial assets are higher budget due to pre-funding obtained from the LGFA as part of the treasury management strategy.
Property, plant and equipment	2,288,161	2,204,206	83,955	Property, plant and equipment is higher than budget due to higher than anticipated valuation movements in the current year.
Other financial assets - non-current	97,491	152,706	(55,215)	Decrease due to lower than budget advances to MDCH with the cancellation of the IReX project. This is offset by increased longer term deposits
Creditors and other payables	35,147	23,014	12,133	Higher accounts payable and accruals at year end due to timing estimates in the budget not aligning with what happened in reality.
Total borrowings	203,385	275,285	(71,900)	Borrowings have decreased due to lower than budget advances to MDCH caused by the cancellation of the IReX project.

31. Events After the Balance Date

Local water done well reform programme update

The Government is implementing a water services reform programme to address New Zealand's water infrastructure challenges – the Local Water Done Well programme. The programme is being implemented in three stages, each with its own piece of legislation.

The first stage was the Local Government (Water Services Repeal Act 2024) in February 2024, which repealed the affordable waters reform legislation passed into law by the previous Government.

The second stage, the Local Government (Water Services Preliminary Arrangements Act 2024), was enacted on 2 September 2024. This legislation establishes a framework and preliminary arrangements for the delivery of water services. It requires Councils to develop Water Services Delivery Plans to be approved within 12 months of the legislation being enacted.

For the third stage, the Local Government (Water Services) Bill was introduced to Parliament in December 2024 and will establish the enduring settings for the new water services system.

Marlborough District Council has commenced work on its Water Services Delivery Plan in accordance with the Act and will undertake consultation before the Plan is adopted.

The reforms to date have had no effect on the 2024 financial statements or performance information. There is nothing to indicate the need to review the carrying value of assets and liabilities in the 2024 Annual Report as any future change is uncertain.

Sounds Roads Recovery programme update

Since June 30, 2024, the Marlborough Sounds Road Recovery Program, partially funded by the New Zealand Transport Agency (NZTA), has continued to make significant strides in restoring and improving road access following the severe weather events of 2021 and 2022.

The program has entered Phase Three, with the NZTA Board approving \$100 million in funding in September 2024. This substantial financial support will cover 71% of the estimated \$141.4 million required for repairs in the five Sounds zones, allowing for an acceleration of repair work, particularly in the outer Sounds. These efforts are crucial for ensuring long-term resilience and accessibility for residents and businesses. At 30 June 2024 Council has disclosed an unquantified contingent asset for this funding in note 24.1.

The additional funding has enabled the program to address critical repairs and improvements more swiftly.

The recovery efforts have significantly improved the safety and accessibility of roads for residents, property owners, and businesses in the Marlborough Sounds. The ongoing work continues to prioritise the needs of these communities, ensuring long-term resilience and connectivity.

32. Breach of Statutory Deadline

Normally the Council is required under section 98(3) of the Local Government Act 2002 (the Act) to complete and adopt its Annual Report, including audited financial statements and service performance information, by 31 October. As the Council elected to delay signing of the 2024-34 Long-Term Plan, the deadline for 2024 was extended to 31 December 2024 by section 47(2) of Schedule 1AA the Act. This extended timeframe was not met, primarily due to delays in component audits.

33. Prior Period Error

Nature of the Prior Period Error

The financial statements for the year ended 30 June 2022 were qualified due to concerns that the revaluation methodology for the three waters infrastructure assets may not have reflected current contract rates. This issue remained unresolved as of 30 June 2023.

During the financial year ended 30 June 2024, the three waters infrastructure assets were revalued as at 1 July 2023, resulting in a movement of \$239 million. This valuation provided evidence that the value of these assets as at 30 June 2023, as previously reported in our 2023 financial statements, was materially understated.

As a result, we have restated the 2023 comparatives in the parent and group financial statements to reflect the valuation uplift as of 30 June 2023. This has resulted in restatements of the gain on property revaluations within the Statement of Comprehensive Revenue and Expense, the value of property plant and equipment and other reserves within the Statement of Financial Position, and of total comprehensive revenue and expenses within the Statement of Changes in Net Assets/Equity. The comparative information in certain notes to the financial statements has also been restated.

Due to the cost which would be involved in obtaining a further valuation as at 1 July 2022 to restate the opening balances of the comparative financial statements, we have elected not to adjust these. The full revaluation movement has been reflected as a gain on property revaluations in the comparative year ended 30 June 2023.

Impact on Financial Statements

The impact of the correction on the financial statements is as follows:

Summary of errors in the 30 June 2023 Annual Report

	Previously Reported Parent 2023	Previously Reported Group 2023	Change	Restated Parent 2023	Restated Group 2023
Statement of comprehensive revenue and expense					
Other comprehensive revenue and expense					
Gain on property revaluations	120,074	120,074	239,489	359,563	359,563
Statement of Changes in Net Assets/Equity					
Total Comprehensive revenue and expenses	(27,048)	(38,841)	239,489	212,441	200,648
Balance at 30 June	1,875,100	2,022,366	239,489	2,114,589	2,261,855
Statement of Financial Position					
Non current Assets					
Property Plant and Equipment	1,910,688	2,036,224	239,489	2,150,177	2,275,713
Total Non current Assets	2,049,071	2,208,210	239,489	2,288,560	2,447,699
Net Assets	1,875,100	2,022,366	239,489	2,114,589	2,261,855
Equity					
Other Reserves	1,094,640	1,167,148	239,489	1,334,129	1,406,637
Total Equity	1,875,100	2,022,366	239,489	2,114,589	2,261,855

Funding Impact Statement

Marlborough District Council: Funding Impact Statement				
	2022-23 Annual Plan \$000s	2022-23 Annual Report \$000s	2023-24 Annual Plan \$000s	2023-24 Annual Report \$000s
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	51,818	52,138	56,886	57,321
Targeted rates	28,595	28,540	30,606	31,360
Subsidies and grants for operating purposes	56,270	42,500	28,950	19,287
Fees and charges	22,538	23,036	25,261	26,460
Interest and dividends from investments	6,046	8,088	11,095	11,030
Local authorities fuel tax, fines, infringement fees, and other receipts	18,618	14,633	14,316	16,594
Total Operating funding	183,885	168,935	167,114	162,052
Applications of operating funding				
Payments to staff and suppliers	152,403	136,503	126,883	114,651
Finance costs	5,991	7,036	11,785	10,659
Other operating funding applications	6,232	6,523	6,502	8,414
Total applications of operating funding	164,626	150,062	145,170	133,724
Surplus of operating funding	19,259	18,873	21,944	28,328
Sources of capital funding				
Subsidies and grants for capital expenditure	7,451	20,674	28,889	32,954
Development and financial contributions	7,321	9,390	7,469	5,299
Increase (decrease) in debt	52,750	21,094	93,401	44,863
Gross proceeds from sale of assets	-	27	3,500	432
Lump sum contributions	173	170	173	157
Other dedicated capital funding	2,650	1,713	1,673	1,562
Total sources of capital funding	70,345	53,068	135,105	85,267
Applications of capital funding				
Capital expenditure to meet additional demand	15,280	15,065	10,403	5,671
Capital expenditure to improve the level of service	38,194	15,774	30,882	21,532
Capital expenditure to replace existing assets	28,974	40,034	63,155	57,117
Increase (decrease) in reserves	(18,244)	13,552	(23,174)	(11,575)
Increase (decrease) of investments	25,400	14,620	75,783	40,850
Total applications of capital funding	89,604	71,941	157,049	113,595
Deficit of capital funding	(19,259)	(18,873)	(21,944)	(28,328)
Funding balance	-	-	-	-

Marlborough District Council: Funding Impact Statement

	2022-23 Annual Plan \$000s	2022-23 Annual Report \$000s	2023-24 Annual Plan \$000s	2023-24 Annual Report \$000s
Reconciliation				
Total operating funding	183,885	168,935	167,114	162,052
plus - Subsidies and grants for capital expenditure	7,451	20,674	28,889	32,954
plus - Development and financial contributions	7,321	9,390	7,469	5,299
plus - Lump sum contributions	172	170	173	157
plus - Other dedicated capital funding	1,511	1,713	1,673	1,562
plus - Contributions vested assets	1,139	8,954	1,139	3,421
plus - Gain on sale of fixed assets	-	11	89	1,231
plus - Fair value gains	-	-	-	-
plus - Sale of inventory	-	-	-	-
plus - Fair value movement gain on SWAP	-	1,540	-	-
plus - Forestry asset revaluation gain	1,020	1,285	1,078	2,257
Revenue as per Statement of Comprehensive Revenue and Expense	202,499	212,672	207,624	208,933
Total applications of operating funding	164,626	150,062	145,170	133,724
plus - Depreciation and amortisation	31,935	35,108	36,376	44,282
plus - Loss on sale of fixed assets	-	94	-	669
plus - Surrendered New Zealand Carbon Units (NZUs)	1,345	718	1,345	672
plus - Landfill aftercare provision	110	1,047	103	461
plus - Fair value losses	-	1,372	-	1,500
plus - Fair value movement loss on SWAP	-	-	-	1,482
plus - Forestry asset revaluation loss	-	-	-	-
Expenditure as per Statement of Comprehensive Revenue and Expense	198,016	188,401	182,994	182,790
Surplus as per Statement of Comprehensive Revenue and Expense	4,483	24,271	24,630	26,143



Notes to Funding Impact Statement

1. Statement of Accounting Policies

Sources of Operating Funding - includes revenue to the activity, but note:

- i. Grants and contributions received which are specified for funding capital expenditure are not included, they are included in “Sources of capital funding” - whereas under NZ GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Statement of Comprehensive Revenue and Expense.
- ii. Any gain from sale of assets is not included; instead the sale proceeds are included in “Sources of capital funding” - whereas under NZ GAAP any such gain is included in “Gains” in the Statement of Comprehensive Revenue and Expense.
- iii. Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council's Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- iv. The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included. Under NZ GAAP they are included in “Other revenue” in the Statement of Comprehensive Revenue and Expense and added to the value of Fixed assets in the Statement of Financial Position.

Applications of Operating Funding - includes operating expenditure of the activity, but note:

- v. Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under NZ GAAP it is included in Expenditure in the Statement of Comprehensive Revenue and Expense. The value of this expense is shown in the reconciliation section.
- vi. In Council's Statement of Comprehensive Revenue and Expense internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- vii. The "Finance costs" shown are the amount paid by the activity to Council's Investment unit and so are also an internal cost.
- viii. Any loss on sale of assets is not included as it does not involve a cash payment - whereas under NZ GAAP it is included in Expenditure in the Statement of Comprehensive Revenue and Expense.

Sources of Capital Funding - shows direct sources of funding the capital expenditure of the activity, but note:

- ix. Grants and contributions received which are specified for funding capital expenditure are included - whereas under NZ GAAP they are included in either "Development and financial contributions" or "Other revenue" in the Statement of Comprehensive Revenue and Expense.
- x. Any proceeds from the sale of an asset are included in here - whereas under NZ GAAP only the loss or gain on sale would be included in the Statement of Comprehensive Revenue and Expense.
- xi. The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included - whereas under NZ GAAP they are included in "Other revenue" in the Statement of Comprehensive Revenue and Expense.
- xii. Funding from a reserve is included as a negative value of "Increase (decrease) in reserves" in the "Applications of capital funding" section.
- xiii. While loans are included here there are some situations in which a loan is used to fund operating expenditure.
- xiv. Capital expenditure may also be funded from items included as "Sources of operating funding", e.g. activities with low levels of capital expenditure often fund it directly from rates.

Applications of Capital Funding - shows how much funding has been:

- i. Used to fund capital expenditure; and
- ii. Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

Surplus (Deficit) of Operating Funding and Capital Funding - represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differ from a surplus which would be calculated under NZ GAAP and as presented in the Statement of Comprehensive Revenue and Expense.

Council's management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all activity groups will not agree to Council's financial statements. Similarly adding all "Internal charges and overheads recovered" gives a different answer to adding all "Internal charges and overheads applied" as most recoveries are to the management units.

PART 4

Policies

Statement on contributions to decision-making processes by Māori

Council controlled organisations

Statement on Contributions to Decision-making Processes by Māori

Introduction

Council provides a wide range of services which make important contributions to the many communities in Marlborough. People should have the opportunity to participate in decisions about those services that affect them.

Context

Council recognises the uniqueness accorded to Māori as tangata whenua.

There are a wide range of Māori, iwi, hapū, business and community organisations in the Marlborough District as well as social and cultural organisations.

Māori make up more than 13% of the population of the Marlborough region (2018 Census), of which a significant number are mana whenua. Iwi authorities are an increasingly significant component of the Marlborough economy, following Te Taihū Tiriti settlements.

There are eight iwi groups within Marlborough, who have completed Te Tiriti settlements. Most of these iwi have interests across Te Taihū —

- Ngāti Kuaia, Rangitāne o Wairau, and Ngāti Apa ki te Rā Tō (*Kurahaupō waka*)
- Ngāti Koata, Ngāti Rārua and Ngāti Toa Rangatira (*Tainui waka*)
- Te Ātiawa o Te Waka-a-Māui (*Tokomaru waka*)
- Ngāi Tahu (*Uruao waka*)

Council recognises and respects the Crown's responsibility to take appropriate account of



the principles of Te Tiriti, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

Contributions to Decision-Making

Council is charged with the responsibility to promote opportunities for Māori and tauwi (other members of the public) to contribute to its decision-making processes.

These obligations apply to all Māori in the district. Council acknowledges that Māori other than tangata whenua may be resident in the area.

Council engages with the iwi authorities that have settled, for day-to-day business operations.

A number of key themes emerge from the various pieces of legislation including:

- (a) in Council decision-making processes:
 - i. to consider Te Tiriti o Waitangi principles;
 - ii. facilitating iwi participation;
 - iii. recognising and understanding Māori cultural values and perspectives including mātauranga

Māori (Māori knowledge), tikanga Māori (Māori principles and protocols); and kaitiakitanga (Māori guardianship);

- (b) Council's duty to contribute to Māori capacity and to enable and promote Māori well-being as part of a comprehensive and effective long-term strategy of the Council; and
- (c) the Māori contribution to the social, economic, environmental, and cultural well-being of Marlborough.

Council has identified three main areas on which it needs to focus:

- (a) Assist Māori to build capacity to engage with Council:
 - (b) Developing contributions to decision-making processes by iwi:
 - (c) Building Council capacity.

Assist Iwi to Build Capacity

Council needs to find out how it can help with resourcing so that iwi can better engage in Council processes and decision-making.

To do this, Council needs to understand from iwi:

- What are their aspirations?
- What are their expectations of Council?

Council has historically provided assistance to iwi through their Tiriti settlement negotiation processes. Council provides information to iwi on infrastructure provision and various economic development opportunities. However, post-settlement there may be more that Council can do.

Together we can assess what iwi need to be able to fully participate in Council decision-making processes.

Council Decision-Making

There is a need for iwi to be involved in Council decision-making which requires us to

develop relationships of mutual respect, co-operation and goodwill.

Council will engage with iwi to ensure that its decision-making processes provide opportunities for iwi to take part.

Strong on-going personal relationships and structural arrangements can assist with this.

Regular relationship meetings with key iwi stakeholders allow Council and iwi at governance and management levels to focus on long-term strategic engagement, understanding each other's goals and aspirations.

Council will also review how iwi can have influence at the governance level.

In particular, Council continues to:

- (a) invite iwi authorities to take part in its annual and three-yearly strategic planning to develop the Annual Plan and the Long-Term Plan;
- (b) have a Māori Ward established from the 2022 Local Government elections (but this may require a confirmation referendum in 2025);
- (c) have positions available for iwi on Council's main standing committees;
- (d) consult on new and revised bylaws and other regulatory or planning instruments; and
- (e) engage with iwi over Policy statements and Plans under the RMA.

“Kia Kotahi Te Taihū – A Partnership Agreement for a Stronger Te Taihū”

This agreement provides a platform for a stronger Te Taihū by affirming a strong partnership between Ngā Iwi o Te Taihū (the “iwi”) and Ngā Kaunihera o Te Taihū (the “councils” - to enhance the wellbeing of Te Taihū now and in to the future. The Agreement follows and enhances this statement. It will be reviewed annually through a partnership Wānanga where priority outcomes will be aligned.

The agreement can be found on Council's website:

https://www.marlborough.govt.nz/repository/libraries/id:2ifzri1o01cxbymxkvwz/hierarchy/documents/your-council/Te_Tauihu-iwi_2023/Together%20Te%20Tauihu%20Partnership%20Agreement%20-%20B%26W.pdf

Proposed Marlborough Environment Plan (PMEP)

The Proposed Marlborough Environment Plan (PMEP) includes Volume 1 Chapter 3. "Marlborough's Tangata Whenua iwi" developed with Marlborough iwi to determine resource management issues of significance to them. It is a comprehensive chapter providing objectives and policies to address the identified issues. The PMEP can be found on Council's website.

Build Council Capacity

Council needs to have a good understanding of Māori in our community, their aspirations and expectations. Knowing about and respecting tikanga, kawa, tē reo, tē Ao Māori will aid in developing relationships for effective engagement.

Council can do some basic things that will make staff and Councillors more at ease in moving in a Māori world.

Council will:

- employ a Kaihautū – Māori Partnership Manager;
- promote appreciation and understanding of tē Ao Māori;
- develop resources and provide training for Councillors and staff to better engage with iwi and Māori and provide opportunities to understand Council's obligations; and
- facilitate the securing and application of government funds to assist iwi capacity to engage in Council decision making processes.



Council Controlled Organisations

Marlborough District Council operates the following Council Controlled Organisations (CCO's):

- MDC Holdings Ltd.

Marlborough Housing for the Elderly Trust would be a CCO but Council has exempted it under section 7(3-6) of the Local Government Act 2002.

The Local Government Act 2002 (Schedule 10 section 7) requires Council to include in the Long Term Plan information on CCO's, including:

- the nature and scope of the activities to be provided by the CCO;
- Council's significant policies and objectives in relation to the ownership and control of the organisation; and
- the key performance targets and other measures by which performance is to be judged.

MDC Holdings Ltd

MDC Holdings Ltd is 100% owned by Marlborough District Council. Council established MDC Holdings Ltd for the purposes of:

- separating commercial trading activities from the other functions it carries out;
- bringing Council's main trading activities into one structure; and
- obtaining commercial borrowing facilities at the most attractive rate attainable.

MDC Holdings Ltd wholly owns the subsidiaries Port Marlborough New Zealand Ltd and Marlborough Airport Ltd.

Port Marlborough New Zealand Ltd undertakes all the activities typically associated with a port

and also wholly owns subsidiaries PMNZ Marina Holdings Ltd and Waikawa Marina Trustee Ltd. Marlborough Airport Ltd is responsible for the maintenance of the runways and taxiways used by civil aircraft by means of an operating lease from the New Zealand Defence Force. It is also responsible for the provision of a terminal facility and associated minor freight handling.

The significant policies in place for MDC Holdings Ltd are:

- a. that it operate in a commercial manner;
 - b. decisions to:
 - a. acquire assets, the value of which is more than 10% of the value of the company's assets before acquisition;
 - b. dispose of any shares in Port Marlborough New Zealand Ltd and Marlborough Airport Ltd require the prior written approval of Council as the major shareholder; and
- that it distribute by way of dividend, subject to solvency requirements, all the net tax paid profit available.

Consistent with an entity operating in a commercial manner, there is only one significant target which is to generate a long-term tax paid return on opening shareholder funds at 7.0%. The return achieved for 2023-24 was 34% (2022-23: 25%). The average for the past three years was 30%.

Marlborough Housing for the Elderly Trust

Marlborough Housing for the Elderly Trust is a charitable trust that assists in the provision of adequate housing for the elderly people of Marlborough and other members of the community.

PART 5

Statement of Compliance and Audit Report

Statement of Compliance

Responsibility

Council and management of Marlborough District Council accept responsibility for the presentation of the annual report, including the Financial Statements and the Statement of Service Performance including the judgments used in them.

Council and management of Marlborough District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and the Statement of Service Performance.

In the opinion of Council and management of Marlborough District Council, the annual report for the year ended 30 June 2024 fairly reflect the financial position and operations and service performance achievements of the Marlborough District Council and Group except for the value of the Three Waters infrastructure assets where the valuation is still to be finalised.

JOHN BOSWELL
CHIEF EXECUTIVE
Date

NADINE TAYLOR
MAYORs
Date



Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

Appendix

MDC directory

MDC Directory

Contact Details

PO Box 443, Blenheim 7240

Telephone: (03) 520 7400

Email: mdc@marlborough.govt.nz

Web: www.marlborough.govt.nz

Addresses

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

2 Dublin Street, Picton 7220

Harbour Control

Mariner's Mall, Picton

Marlborough Library

15 High Street, Blenheim

Marlborough Emergency Management

4 Wither Road, Blenheim

Reserves Depot

Pollard Park, Blenheim

Works and Operations Depot

Wither Road, Blenheim

Compliance

Council and Management of Marlborough District Council confirm that all the statutory requirements of the Local Government Act have been complied with.

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Julian Tan, Audit New Zealand, Wellington on behalf of the Auditor General

General Statistics

Population (Census count June 2018) 48,700

Inter-Census Population Movement (+) 5.2%

District Area 17,517 square kilometres

as at 30 June 2024

Rateable Land Value \$18,730,249,075

Rateable Capital Value \$32,991,408,675

Number of Rate Assessments 27,493

as at 30 June 2023

Rateable Land Value \$11,658,635,850

Rateable Capital Value \$23,518,294,760

Number of Rate Assessments 27,193

Forecast Number of Total Rateable Properties

Forecast growth in the number of rateable properties has been based on the projection of 170 units per annum in the Development Contributions Policy.