Council Meeting
14 May 2026

Separately Circulated Agenda Items

Record No: 2695075

7. Proposed Budget for Annual Plan 2026-27

(The Mayor) (Report prepared by Geoff Blake) **F230-A26-10**

Purpose of report

1. To provide Council with an overview of the budgets proposed for inclusion in Council's 2026-27 Annual Plan.

Executive Summary

2. The proposed budgets maintain existing levels of service and a Capital Expenditure programme that in the main focuses on core infrastructure.

3. Council undertook targeted community engagement to inform the development of the proposed Annual Plan (**AP**), including seeking feedback and ideas from residents on priorities and affordability. The feedback received has been considered alongside the financial and strategic framework set out in the Long Term Plan (**LTP**) in shaping the proposed budget adjustments.

4. It is further proposed for consideration to make some changes to the budget relative to three key areas set out in the 2024–34 LTP. These changes reflect the deferral or re-phasing of funding rather than any reduction in planned investment or levels of service, and are not expected to adversely impact residents or ratepayers over the life of the LTP. The proposed adjustments are to:

   a. delay the start of funding, via rates, for the increase in depreciation for revalued three waters assets until the 2027–28 financial year;

   b. split the final year of the Covid rates relief adjustment between the 2026–27 and 2027–28 financial years; and

   c. defer the start of rates funding for the rebuilding of the Emergency Events Reserve until 2027–28.

5. In developing the proposed AP Council considered a range of options, including retaining full alignment with the LTP, undertaking formal consultation, and adopting the proposed timing adjustments.

6. The recommended approach is to adopt the AP with these changes, as it maintains the levels of service and overall investment intent set out in the LTP while moderating the rates increase for 2026–27.

7. Council also considered whether additional consultation should be undertaken in light of the recommended approach. Having regard to the nature of the changes, which relate primarily to the timing of funding rather than changes to services or overall investment, Council considers that these do not represent significant or material differences from the LTP. On that basis, additional consultation is not required, and the recommended approach is considered proportionate, responsive to affordability considerations, and consistent with Council's statutory obligations.

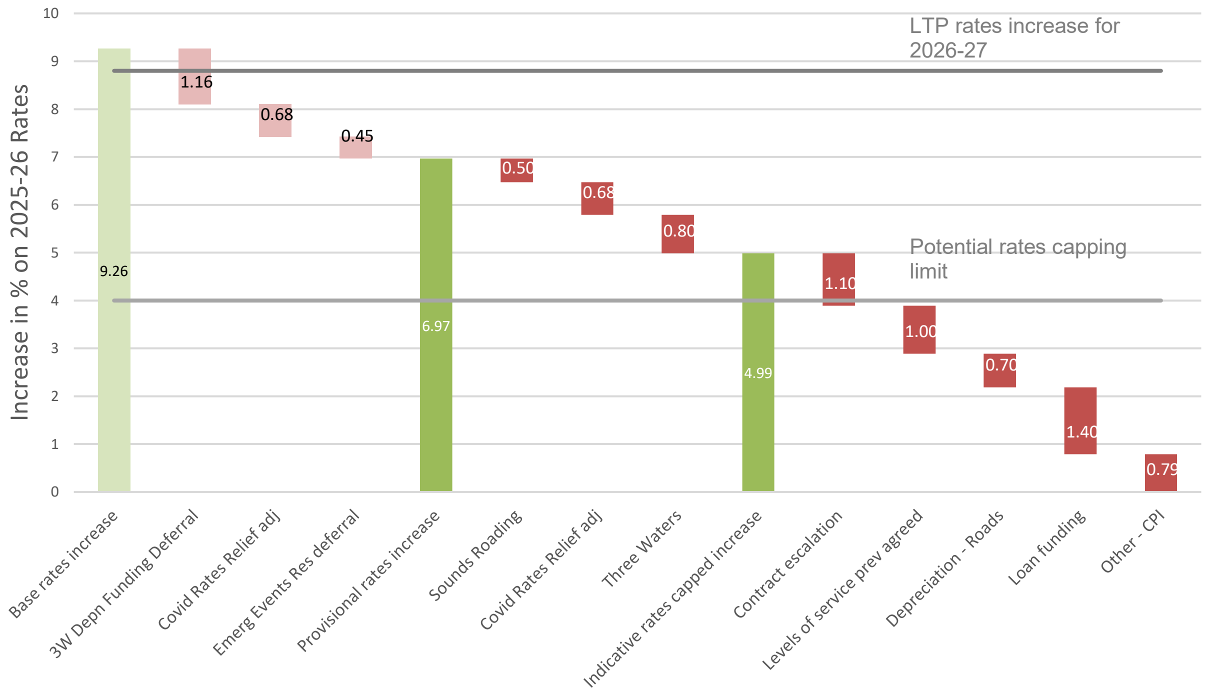
8. For 2026-27 the LTP identified an average rates increase of 8.80%, however with changing conditions and requirements the 2026-26 baseline and starting point is now 9.26%.

9. Subject to Council decisions in this agenda a potential reduction to this increase has been identified of 2.29% with changes to be considered to prior LTP decisions as identified above.

10. After considering these decisions a provisional rates increase for **2026-27 of 6.97%**, on average is achieved, which includes 0.68% relating to the impact of recovering from the COVID Rates Relief discount and 0.40% for the increase in the Rate to fund the recovery of the roads in the Marlborough Sounds.

11. Key reasons for the increase are identified in the chart below, with more information provided at Table 2.

Chart 1: Reasons for Rates Increase

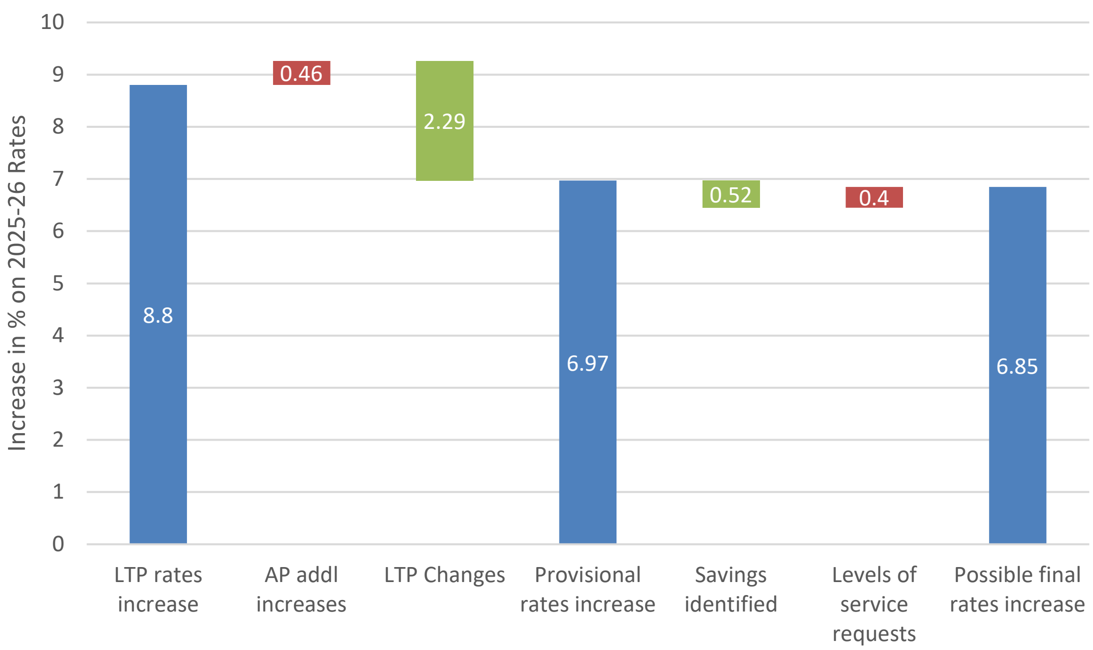


12. In addition to the proposed increase Council staff after careful consideration are submitting Level's of Service papers elsewhere in this agenda which are summarised at paragraph 62. If all requests are approved a further increase in Rates of 0.4% would be required.

13. Offsetting these levels of service increases are savings identified that have yet to be factored into the budget process. This equates to a reduction in the increase of 0.52%.

14. Chart 2 below illustrates the impact on the provisional rates increase of the savings identified in paragraph 42 and the levels of service requests shown in paragraph 62. Overall if all recommendations in this agenda item are accepted including all levels of service requests approved an increase of 6.85% will result.

Chart 2: Movement in rates from LTP including possible changes



15. Council has previously agreed that the Rates Cap remains at LGCI + 3%, which for 2026-27 gives a cap of 5.60%. Although the cap is still exceeded the increase is a strong improvement on the LTP.

16. One of the key considerations in not consulting on the Annual Plan this year was the use of the LTP for 2026-27 as the baseline. Departures from this baseline are being proposed, subject to Council decisions in this agenda item, and it is considered that if all these changes are approved, a significant departure from the LTP does not result.

17. Other changes to the LTP for 2026-27 are:

    a. Total Revenue has decreased by 3.0% or $7.4M. There are many offsetting items here, as can be seen in the Financial Statements in Attachment 3 with the notable ones being income projected from Subsidies and Grants and Development Contributions.

    b. Total Operating Expenditure is increased by $8.9M. Depreciation as a result of an unplanned increase in the valuation of local roads is the main reason for this increase. This is partly Rates funded.

    c. Capital expenditure for the year is increased on the 2026-27 LTP by $7.3M as a result of resetting of the overall capital project programme. Individual projects have been deferred or brought forward with an overall "timing" adjustment processed in order to ensure a budget set that is more accurate. Delays to projects in recent years have resulted in some required project timeframes being compressed in order to meet regulatory deadlines.

    d. As a result of reduced capital spend in recent years Council debt levels are reduced significantly on the LTP. Council gross debt, net of MDC Holdings borrowing, at the end of 2026-27 is $160M which is a reduction of $72M on the LTP for the same period. All debt caps and covenants are comfortably achieved.

    e. Reserve balances are broadly consistent with the expectation of the LTP, with more information provided in Attachment 2.

RECOMMENDATIONS

That Council:

1. Receive the information contained in this Budget Summary Paper and adopt it as supporting information to the 2026-27 Annual Plan.

2. Resolve to defer the start of funding for the Depreciation on Revalued Three Waters Assets until the 2027-28 financial year.

3. Resolve to split the final year of the Covid Rates Relief adjustment between 2026-27 and 2027-28.

4. Resolve to defer the start of rates funding for the Emergency Events Reserve for one year to the 2027-28 financial year.

5. Approve the cost savings identified by Council staff.

Background

18. For each of the two years between Long Term Plans (**LTP**) Council is required to prepare an Annual Plan (**AP**).

19. The year 2025-26 was the first year after Council adopted the 10 year 2024-34 LTP and agreed to take a different approach to that AP as compared to prior years. The 2026-27 budget in this AP is heavily based on year 3 of the LTP, with the intention to deviate as little as possible from that baseline.

20. However, there are some key departures proposed which are discussed further on in this agenda item.

21. Council determined not to undertake formal consultation on the AP in 2025 for the 2026/2027 AP. In accordance with section 95(2A) of the LGA, the Council formed the view that the proposed AP does not include significant or material differences from the LTP. Targeted community engagement has nevertheless been undertaken to inform Council's decision-making.

22. This year's AP has been prepared in an environment that is subject to continual and ongoing change. These changes include:

   a. Council determined in 2025 to establish a water services council controlled organisation (**CCO**) in accordance with the Local Government (Water Services) Act 2025 (**LGWSA**). This decision was made to transition water services to manage the ongoing water operations. The only financial implication for this AP is the $5m establishment budget created and the ongoing spend against this scheduled for 2026-27. This $5m once incurred will be transferred to the new organisation on 1 July 2027.

   b. Interest rate volatility has been evident in recent months. Following earlier reductions Council's internal interest rate decreased from 5.0% for 2025-26 AP to 4.5% for the 2026-27 AP.

   c. Headline inflation remains close to Reserve Bank limits and whilst there continue to be pockets of higher inflation Council is experiencing cost increases at much lower levels than recent years. Despite these lower levels of inflation valuation adjustments impacting the Rates funding of depreciation continue.

   d. An announcement was made in March 2025 for the acquisition of two new rail enabled ferries to replace the ageing Interislander fleet. Council is presently consulting with the public on whether to advance $110 million under commercial terms to Port Marlborough for it to invest in the development of ferry infrastructure. No decision has been made as to the future of this funding and even in the event of approval, no funding is expected to be advanced before 2028 so no allowance has been included in the AP for 2026-27. The LTP has noted this potential investment of $110 million.

   e. Climate change continues to be a consideration for Council and our communities. There is one level of service request included in this meeting for budget adjustments to enable Council to continue to develop our understanding of climate related impacts.

   f. In recent years economic conditions have resulted in a slow down in building consents and a consequent reduction in the value of development contributions received. However, there are indications that development is improving. Council's budget for 2026-27 reflects a conservative assessment of development contributions based on known factors.

23. In accordance with section 95(2A) of the Local Government Act 2002 (**LGA**), Council has undertaken an assessment of the proposed differences between the 2026–27 Annual Plan and the corresponding year of the 2024–34 LTP, being the deferral of certain funding streams relating to three waters depreciation, the phasing of the Covid rates relief adjustment, and the delayed commencement of funding for the Emergency Events Reserve (together, the **Differences**). This assessment has been carried out having regard to the statutory definition of "significance" in section 5 of the LGA and the criteria set out in Council's Significance and Engagement Policy, including the likely impact of the Differences on the social, economic, environmental and cultural wellbeing of the district, the extent to which particular persons or communities are affected, and the implications for Council's financial position and capacity to perform its role.

24. Having undertaken this assessment, Council considers that the Differences, both individually and in aggregate, do not constitute significant or material differences from the LTP for the 2026–27 financial year. In particular, the Differences represent timing or phasing adjustments to funding rather than the cancellation or substantive alteration of projects, levels of service, or overall investment intent, and therefore do not give rise to adverse impacts on residents or ratepayers over the life of the LTP. Further, the financial effects are limited to the smoothing of rates impacts between years and do not alter the underlying costs to be met.

25. Accordingly, and having regard to section 95(2A) of the LGA, Council considers that formal consultation on the Annual Plan is not required. Notwithstanding this, Council has sought community feedback through targeted engagement to inform its decision-making.

Budget Approach

26. The budgets presented have been prepared on the basis of maintaining existing levels of service (LoS).

27. Over the year of the Annual Plan these budgets include adjustments made for:

- known and expected movements in contract prices (e.g. insurance and the retendering of Reserves Contracts),
- the impact of previous and current year Council investment and funding decisions (e.g. Sounds Roads recovery and new water schemes in Seddon, Renwick and Havelock);
- the change in internal interest to 4.5% from 5% in 2025-26.
- known levels of fee increases excluding LIMs and Waste charges which are both subject to items elsewhere in this agenda.

28. Where additional or increased LoS are proposed, a separate paper has been prepared as part of this meeting Agenda.

29. All revenue sources are taken into account with Rates and Charges being the greatest proportion. Additionally income is received from Grants, development contributions, sale of Council assets and interest.

30. The provisional percentage increase in total Rates and Charges for the 2026-27 year is 6.97%, including the Rates funding for the Marlborough Sounds Roads recovery (6.47% excluding Marlborough Sounds roads), but prior to additional LoS requests and identified potential savings. This compares to the 8.8% as set in the 2024 LTP for 2027-28.

31. Council notes that, while the targeted community engagement was undertaken to inform the development of the proposed Annual Plan, that engagement did not determine whether formal consultation was required. Rather, in accordance with section 95(2A) of the LGA, the requirement to consult turns on whether the proposed Annual Plan contains significant or material differences from the LTP. Having assessed the Differences against the statutory criteria and Council's Significance and Engagement Policy, Council has determined that those thresholds are not met. Accordingly, the engagement undertaken is supplementary in nature and does not replace, nor is it intended to constitute, consultation for the purposes of the LGA.

Drivers for Rates Increases

32. One of the biggest drivers for increases in Rates is inflation (Local Government Cost Index)- (**LGCI**), which includes the cost of personnel, and affects capital expenditure.

33. For 2026-27 the increase again reflects the discontinuation of the Covid Rates Relief, which in 2023-24 provided a "subsidy" of $4.5M.

    a. A decision was taken as part of the LTP for 2024-34 to sell carbon credits held by Marlborough Regional Forestry to spread the impact on Rates over three years, 2024-25, 2025-26 and 2026-27.

    b. The result of this sees an effect of $1.5M (approx. 1.5%) increase in Rates for each of the three years, including this budget year.

    c. For this AP it is proposed that this $1.5M rates impact be mitigated by splitting this final adjustment in two and spreading half to the next financial year, resulting in a further $0.75m, plus interest, impact on rates for 2027-28.

34. The Marlborough Sounds roads future access programme has increased funding costs of $0.6M for 2026-27 equivalent to a Rates increase of 0.6%, as set in the 2024-34 LTP. This increase represents the total rating for Councils share of the 2026-27 costs projected to be incurred. The allocation of this to individual rating areas and sounds zones will occur once the budget is finalised and the rating allocation process is run.

35. As stated above, the LGCI is forecast each year by BERL and used by the majority of Local Authorities to forecast likely inflation movements. The forecast for 2026-27 is 2.6% (Table 1.1 below).

36. This index forecasts the increase in Local Authority costs assuming no changes in the level and quantum of service delivered. The index attempts to forecast the price movements for items such as pipes, bitumen, diesel etc as compared to the CPI which measures increases in household costs such as food, housing and clothing. In a small number of cases a more specific inflationary adjustment has been applied reflecting known information.

Table 1 Inflationary Factors

Annual average % change, June Year	2025 Actual	2026 Forecast	2027 Forecast	2028 Forecast
CPI*	2.7	2.4	2.2	2.1
Hourly wages (annual % change)*	4.5	2.6	2.6	2.9
LGCI	2.4	3.4	2.6	2.4

* Treasury 2025 Half Year Economic and Fiscal Update

37. One of the other main drivers is financing Capital Expenditure. Over the past five years actual Capital Expenditure has ranged from $74M in 2021 to a high of $107M, including road reinstatement of $27.4M, in 2022 with an average of $70.0M, or $68.7M excluding the road reinstatement. The budget for 2026-27 is $105M excluding the Marlborough Sounds roads recovery investment. This value includes timing adjustments outside specific project budgets because it is highly unlikely that the full list of identified projects, and associated budgets, is able to be delivered.

38. Key reasons for the increase in capital budget from 2025-26 are detailed further in this agenda item.

Savings, deferrals and cost offsets identified in budget process

39. Deferral of staffing positions in Information Systems

40. Council consistently holds vacancies of between 7 and 10%. The allowance for these has been maintained at $0.75M.

41. Items contained in the LTP, for 2026-27, that deferrals could be considered for:

a. Funding of depreciation on revaluation of three waters assets.

i) Council in the LTP decided to phase in funding of this increased depreciation from 2026-27, with an increase of $1.27M in rates projected from this time.

ii) It would be possible to defer the start of this phasing in noting that doing so would delay the introduction of this funding reducing the amount in the depreciation reserve by approximately $1.27M at 2034.

iii) Note: Three Waters assets and depreciation will become the responsibility of Marlborough Waters Ltd from 1 July 2027.

iv) The LTP contains the following statement:

"Depreciation on the revaluation impact of Three Waters assets in the 2024-25 and 2025-26 years which is not being funded. From 2026-27 Council begins to progressively fund the depreciation impact and by 2034 we will be fully funding depreciation."

b. Covid rates relief adjustment

i) In the LTP Council decided to phase the $4.5M adjustment relating to the Covid Rates Relief action taken. This meant $1.5M per year additional rates increase from 2024-25 to 2026-27.

ii) An option to be considered is splitting this final year of increase over 2026-27 and 2027-28, resulting in a $0.75Mk rates increase in both years. This would result in some minor financing cost recovery shortall which will require rates funding in 2027-28 lifting the increase to $0.785M in that year.

iii) The LTP contains the following statement

"In 2021 Council introduced the concept of the COVID Rates Relief Reserve which was (page 173) to be funded by unallocated revenue from river leases and subsidiary dividends that would have become available had the previous Government's Three Waters reforms occurred. As the nature of water reform is now unclear Council needs to repay the ensuing funding deficit of $12.8 million and is proposing to create a 20 year loan for this purpose, to be serviced by rates. Council has elected to spread the impact of the removal over three years, 2024-25 to 2026-27, by a phased partial sale of NZ Units, which Council holds, as majority partner in Marlborough Regional Forestry, as part of the New Zealand's Emissions Trading Scheme."

c. Emergency Events Reserve funding

i) The LTP contains funding of the rebuilding of the Emergency Events Reserve with $0.5M added to rates for each year from 2026-27 through to 2024-34 resulting in an $18m increase in this reserve.

ii) 2026-27 is the first year of the rating for this reserve and a consideration is to defer the start of this to a future year. Under this scenario the LTP targeted reserve balance of $23M would not be achieved until one year later, 2035.

iii) There is reference to this reserve in the LTP in the Financial Summary of the LTP:

"The rebuilding of the Emergency Events reserve funded by general rates from 2026-27 onwards"

42. Further cost savings have been identified but have not yet been considered in the financials presented within this paper. These savings, identified below, are put forward for Council consideration.

Table 2: Cost Savings Identified but not included

	Cost Savings $K	Rates increase reduction
All Savings – Rates benefit		**0.52%**
Specific Items - Rates benefit		**0.30%**
Solid waste items	100	0.09%
Finance audit	30	0.02%
Office Services	10	0.01%
Communications reduced media monitoring	15	0.01%
Town Branch Drain capex $3m deferred to 27-28	126	0.11%
IT hardware rationalisation	10	0.01%
Road safety promotion - Unsubsidised	47.5	0.04%
Additional Items in Public Excluded	**269**	**0.23%**

43. In addition to the above identified items there are cost savings, totalling $269K, that will be discussed in the Public Excluded section of this meeting. The rates benefit of these additional savings is estimated at 0.23%.

44. Overall savings identified by Council staff carry a total rates benefit of 0.52%. These items will be adjusted following this meeting and prior to finalisation of the budget and adoption of the Annual Plan

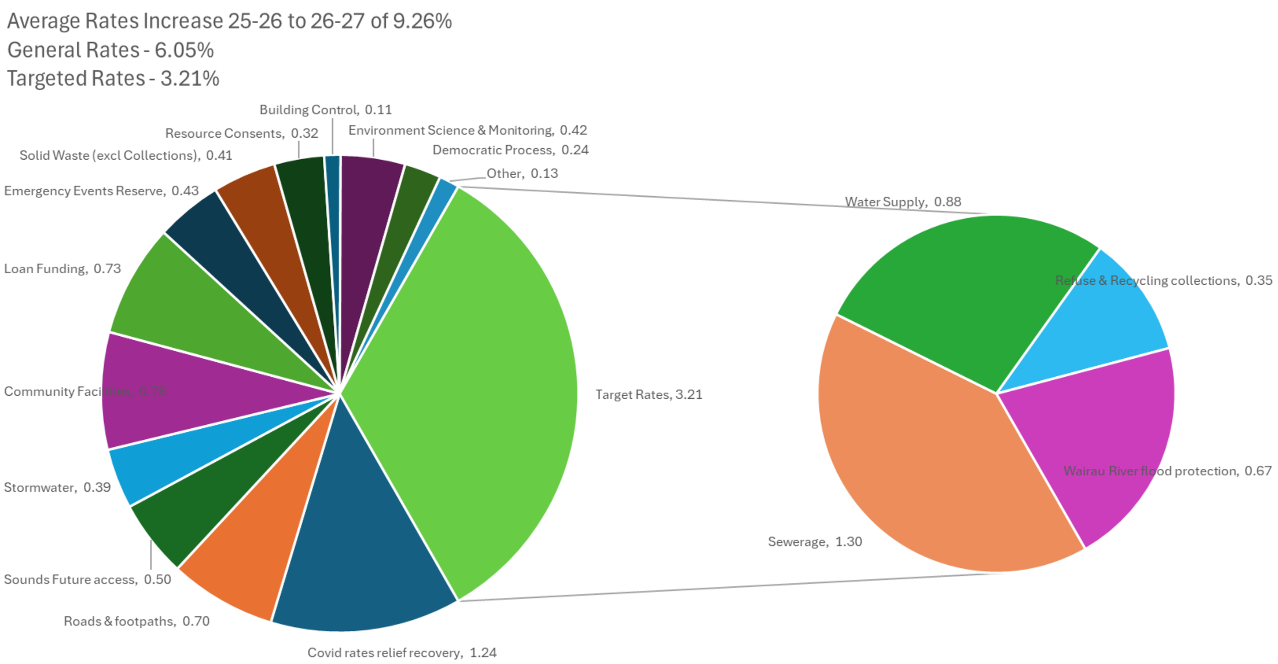
The proposed 2026-2027 Increase in Rates and Charges

45. The information is this section reflects the baseline increase in rates as shown in chart 1 of 9.26%. Decisions regarding deferral of LTP approved items are pending and not considered in the following analysis.

46. Chart 3 identifies the activities that have the greatest impact on the proposed increase in rates and charges and the following table summarises the reasons why. It should also be noted that some of the increase results from the flow on effects of previous year's decisions, particularly if in prior years expenditure was funded from reserves for a period of time but this year is fully rate funded.

47. Investment in infrastructure intensive activities such as sewerage, water, flood protection and community facilities have a similar effect. These projects are now incurring a full year's charge for depreciation, increases in valuations, interest on loans and, for some, increased operating costs. Conversely, if budgeted Capital Expenditure has been deferred or delayed, then the corresponding depreciation and interest will not eventuate.

Chart 3: 2026-27 Activity contribution to Rates increase



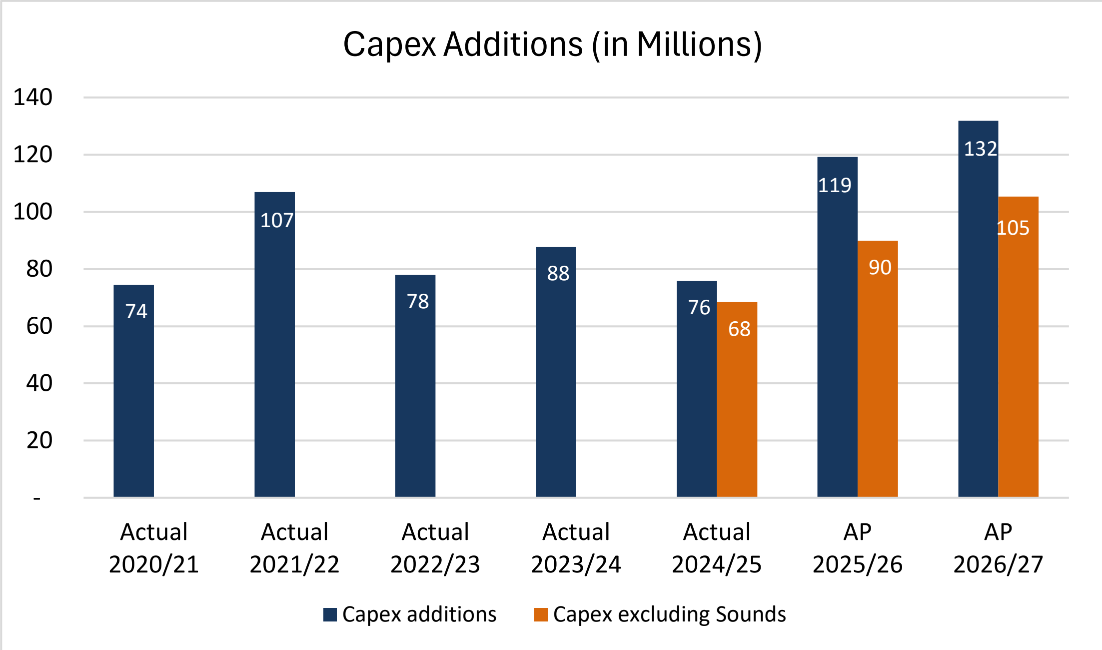
48. The total value of the rates increases from 2026-27 is $10.76M, with the table below identifying the main reasons for the increase.

Table 3: Rates increase reasons

Change Categories	Total $M Increase	Potential Adjustment $m	LOS approved in LTP	Contract escalation	Loan Funding	Depreciation	Other
Covid rates relief recovery	1.44	-0.75	1.50	-	-0.06	-	-
Roads & footpaths	0.81		- 0.68	-	0.10	1.22	0.16
Sounds Future access	0.59		-	-	0.45	-	0.13
Stormwater	0.45		-	-	-0.01	0.17	0.30
Community Facilities	0.89		0.55	0.35	0.10	-0.36	0.25
Loan Funding	0.85		-	-	0.71	-	0.15
Emergency Events Reserve	0.50	-0.50	0.50	-	-	-	-
Solid Waste (excl Collections)	0.48		-	0.25	-0.03	-0.10	0.36
Resource Consents	0.38		-	-	-	0.01	0.37
Building Control	0.12		-	0.04	-	0.01	0.08
Environment Science & Monitoring	0.49		-	-	-	0.03	0.46
Democratic Process	0.28		-	-	-	-	0.28
Other	0.15		-	-	0.07	-0.38	0.47
Targeted Rates and Charges:	-		-	-	-	-	-
Sewerage	1.52	-0.90	-	-	-0.25	1.11	0.66
Water Supply - combined	1.03	-0.25	-	-	0.04	0.41	0.58
Southern Valley Irrigation	-0.40		-	-	-0.48	0.03	0.05
Refuse & Recycling collections	0.41		-	0.25	-	-0.03	0.19
Wairau River flood protection	0.78		-0.30	0.39	0.74	-0.03	-0.02
Rates Increase 2026-27 $m	10.76	-2.40	1.57	1.28	1.38	2.08	4.46
Average Rates Increase 2026-27	9.26%	-2.06%	1.35%	1.10%	1.18%	1.79%	3.84%

Planned Capital Expenditure

Chart 4: Historic and Forecast Capital Expenditure



49. The Capital Expenditure forecast has been set at a project level and reviewed to confirm the "do ability" of the amounts planned. Some timing adjustments were required resulting in the Capital Expenditure plan represented in charts 4 and 5. This review is appropriate given that our individual project aspirations are often not achievable when combined with all other projects.

50. The LGA requires Council to separately report under the following headings for Capital expenditure, as represented in the chart below. Capital expenditure is split into:

a. Improvements to Level of Service

b. The meeting of additional demand for an activity (Growth); and

c. The replacement of existing assets (Renewals)

Chart 5: Capital Expenditure by Demand Type

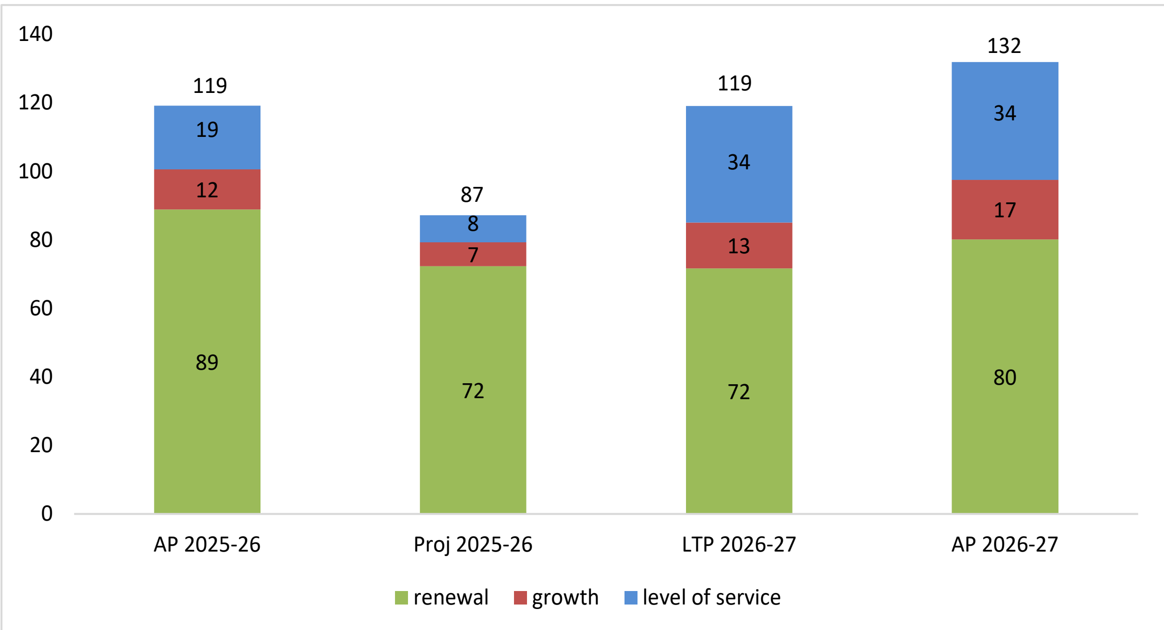
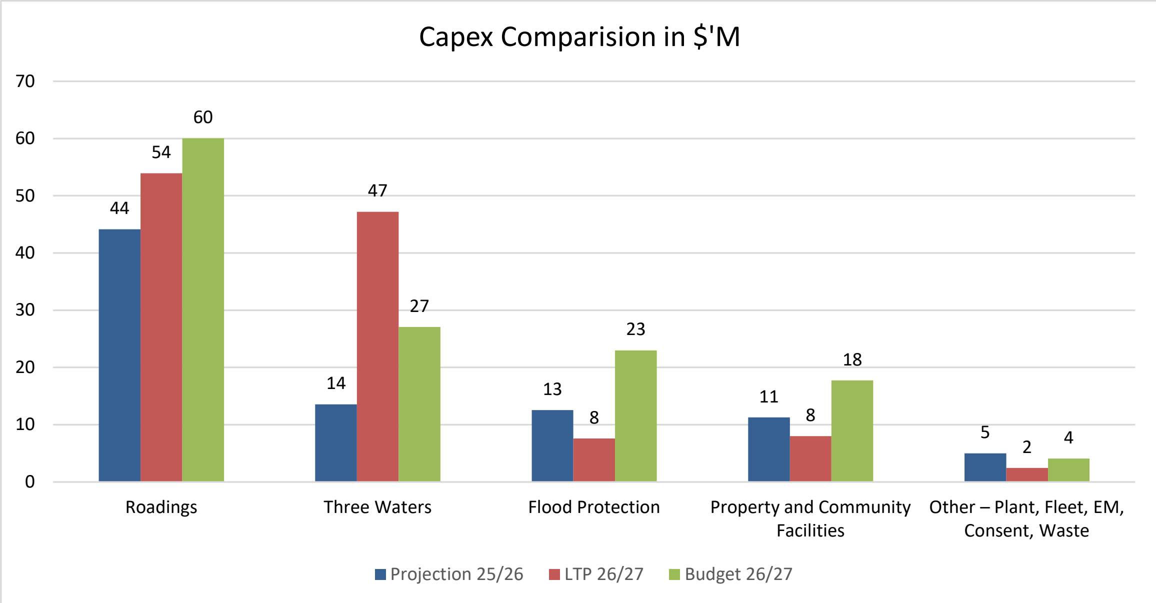


Chart 6: Capital Expenditure comparison by Activity



51. Our draft capital budget provided in this report shows a total of $132M including the continuing investment in the recovery of the roads in the Marlborough Sounds. This is an increase of $45M on the projection for 2025-26 with the primary differences relating to:

a. Roading investment which is in line with the balance remaining in the three year NLTP to be spent.

b. Sounds roading recovery investment utilising the remaining budget. Both roading items are funded by a combination of NZTA grants, depreciation, rates and rates funded loans.

c. Rivers and flood protection investment in the stopbank at Peninsula Road, Spring Creek with an additional $5M invested in this project over 2025-26. In addition, it is anticipated that other Crown funded or flood recovery works occur in 2026-27, which is additional to 2025-26, and the LTP. These projects are partly third party funded, by in Government Grant, Insurance or NEMA funding.

d. Water and sewer capital investment in levels of service changes (treatment plants for both including Blenheim chlorination completion) and renewals.

e. Reserves capex (Property and Community Facilities) funded from Land Subdivision reserve is overstated by $1.7M, and Land Development capex (Other) will be reduced by $2.9M reflecting changes in timing of expected development projects. Both items have no rates impact and will be adjusted subsequent to this meeting.

52. The above budget does not include the adjustment related to Town Branch drain identified earlier in this agenda.

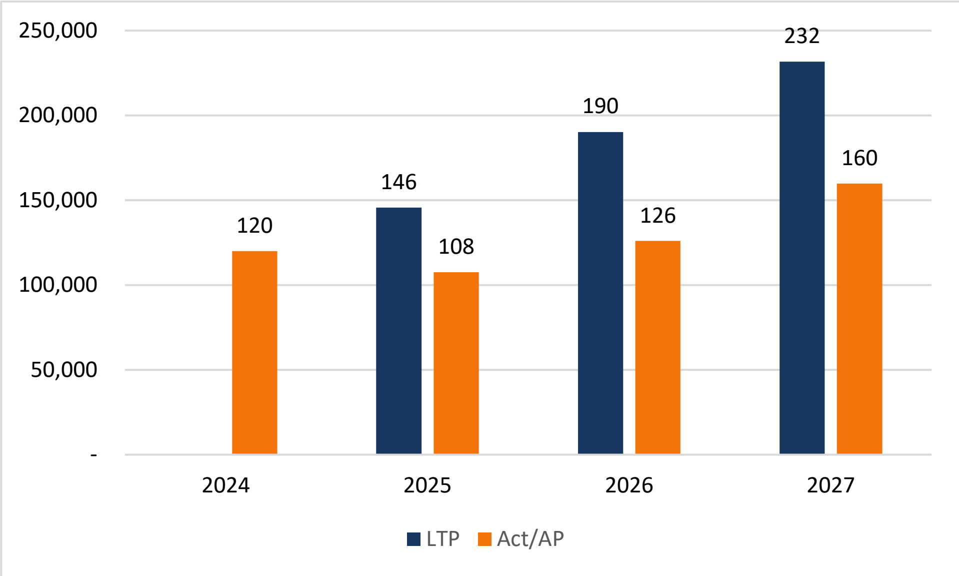
53. A more detailed capex schedule is included as Attachment 1 illustrating the planned capex by activity.

Debt

54. The 2026-27 projection of net debt (i.e. net of cash and investments) is $160M taking into account currently projected levels of income, operating expenditure and capital expenditure.

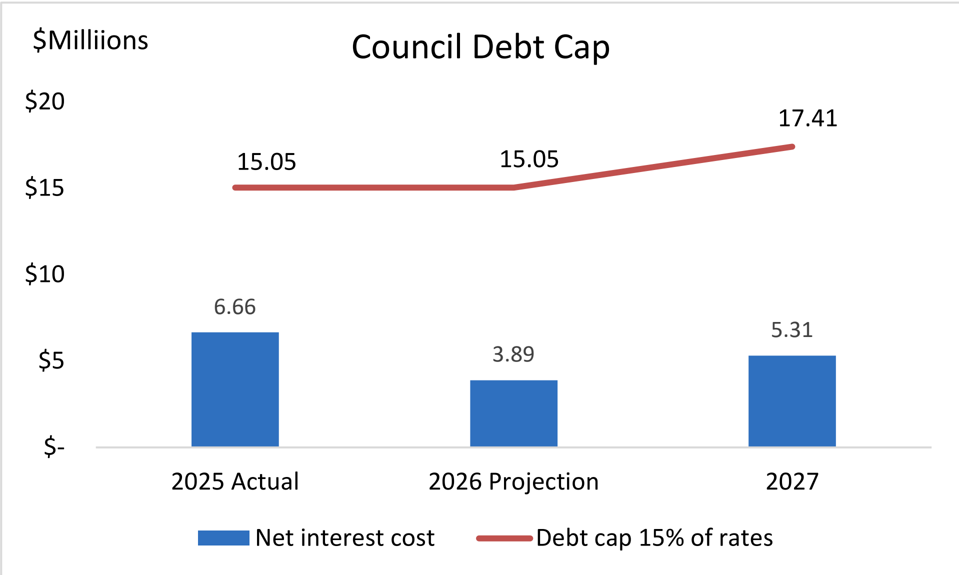
55. This is an increase from 2025's closing $108M and compares to debt in the LTP for 2026-27 of $232M which takes into account the higher level of capex in both 2024-25 and 2025-26 than we are now predicting. Further reduction in this level is possible depending on the capex review outcome mentioned in para 43.c.

Chart 7: Council Debt Trend



56. Despite this increasing debt Council is comfortably within its debt cap, as demonstrated below.

Chart 8: Council Debt Cap



57. Council also remains within the debt covenants set by LGFA as identified in the table below. Whilst liquidity is decreasing borrowing and cash investment strategies are in place to manage this.

Table 4: LGFA Financial Covenants

FINANCIAL COVENANTS	OBAL	PROJ	2027
Net debt / total revenue <250%	50%	54%	65%
Net interest / total revenue <20%	3%	2%	2%
Net interest / annual rates income <30%	7%	3%	4%
Liquidity > 110%	140%	151%	123%

Proposed Council Operating Expenditure

58. The graph below shows the proposed 2026-27 Operating Expenditure levels for each activity compared to the amounts approved for the 2025-26 Annual Plan.

59. As can be seen most of the expenditure is targeted towards providing good quality infrastructure and local public services.

60. The major movements between the AP's are described below:

   a. Roading has increased by $1.4M due to the Sounds Road Recovery with the balance of the increase due to depreciation.

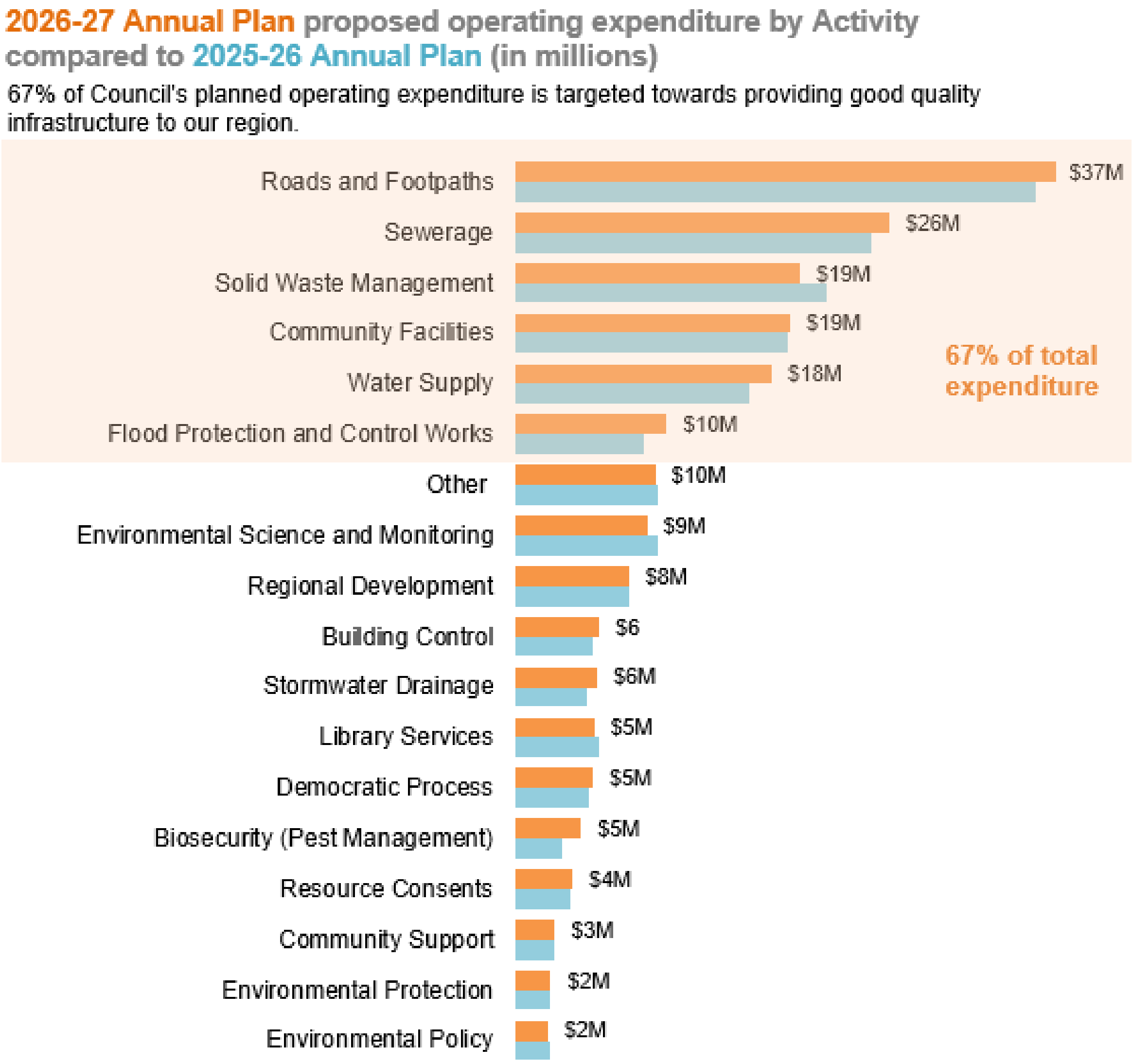
   b. Solid Waste Management is lower than last AP due to the lower landfill volume offset by increasing contractor costs.

   c. Water supply is $1.5m up on last year due to increased depreciation and increased loan servicing costs.

   d. Flood protection up $1.6m on 2025-26 due to emergency works and increased debt servicing due to capital project progression, notably Peninsula Road stopbank.

61. As identified in the Rate increase table in para 48 depreciation and contract escalations are contributing more generally to increased operating expenses and apply to multiple Council activities.

Chart 9: Operating Expenditure



Additional Expenditure Requests

62. A small number of Levels of Service requests are included in the agenda for this meeting. The topics of these requests and the associated cost and estimated rates impact are identified below;

Table 5: Levels of Service requests	**Opex/Rates $ impact**	**Proposed Funding Source**	**Est Rates increase %**
Public Excluded Items	348,000	Rates	0.32%
Climate Change continue work	22,000	Rates	0.02%
Public Art Maintenance	20,000	Rates	0.02%
Marlborough Matariki Event Fund	25,000	Rates	0.02%
Events: Increase funding, or changes	FY27 16,000 FY28 16,000	Rates	FY27 0.02% FY28 0.02%

Reserve Funds

63. The forecast balances ($000) of Council's discretionary Reserves are shown in the table below. More information on Reserve balances and further detail on the allocations already approved shown in Attachment 2.

Table 6: Reserve Balances

Discretionary Reserves	**2024-25 $M LTP**	**2025-26 $M AP**	**2025-26 $M Projection**	**2026-27 $M**	**2027-28 $M**
Forestry and Land Development	0.98	1.70	2.26	2.26	1.71
Infrastructure Upgrade	13.44	15.84	17.23	17.86	17.00
Emergency Events	1.99	2.09	0.51	(0.04)	0.75
Total	**16.41**	**19.63**	**20.00**	**20.08**	**19.46**

Options Analysis

64. Council has considered a range of reasonably practicable options in relation to the proposed adjustments to the 2026–27 AP, including the three funding timing changes identified in this report (the **Differences**). These options are set out below.

Option 1: Adopt the Annual Plan as proposed (Recommended)

Description

65. Adopt the 2026–27 Annual Plan incorporating the proposed timing and phasing adjustments to:

e. defer the commencement of rates funding for increased depreciation on revalued three waters assets to 2027–28;

f. split the final year of the Covid rates relief adjustment across 2026–27 and 2027–28; and

g. defer the commencement of rates funding for the Emergency Events Reserve to 2027–28.

Advantages

a. Reduces the average rates increase for 2026–27 from 8.80% (LTP) to approximately 6.97%, providing short-term affordability relief to ratepayers.

b. Maintains the overall investment programme and levels of service set in the LTP, with changes limited to timing or phasing of funding.

c. Defers, rather than removes, expenditure, ensuring that the long-term intent and financial strategy of the LTP is preserved.

d. Supports intergenerational equity by smoothing rate impacts across financial years.

e. Is assessed as not giving rise to significant or material differences from the LTP under section 95(2A) of the Local Government Act 2002, and therefore does not require formal consultation.

Disadvantages / Risks

a. Defers funding obligations to future years, resulting in higher rates impacts in 2027–28 and beyond.

b. May create perception risk, as changes involve departures from LTP timing assumptions previously consulted on.

c. Reduces short-term reserve funding and depreciation funding levels relative to the LTP trajectory.

Option 2: Retain full alignment with the LTP (No changes)

Description

66. Adopt the 2026–27 Annual Plan on the basis of the LTP assumptions, without implementing the proposed funding deferrals or adjustments.

Advantages

a. Fully aligns with the LTP as consulted on with the community, avoiding any departure from prior decisions.

b. Preserves the original funding pathways for depreciation, reserves, and Covid rates relief recovery.

c. Avoids the need to consider significance or materiality of differences for the purposes of section 95(2A).

Disadvantages / Risks

a. Results in a higher average rates increase (approximately 8.80%), placing greater immediate financial pressure on ratepayers.

b. Does not respond to current affordability considerations or updated financial context.

c. May be inconsistent with Council's stated objective of moderating rates increases where practicable.

Option 3: Alternative mix of deferrals or reductions

Description

2. Adopt a different combination of funding adjustments, including partial deferrals or removal of one or more of the proposed changes, or identification of alternative cost savings.

Advantages

a. Provides flexibility to further reduce or redistribute rates impacts.

b. Enables Council to target specific areas of concern.

Disadvantages / Risks

a. May result in greater divergence from the LTP, increasing the likelihood that differences are significant or material.

b. Could impact levels of service or delay delivery of core infrastructure programmes if not limited to timing changes.

c. May require additional analysis and/or consultation depending on the nature and scale of the alternative approach.

Recommended option

67. Option 1 is recommended as it:

a. achieves a reduction in rates impacts for 2026–27,

b. maintains the integrity of the LTP programme and levels of service, and

c. limits changes to timing and phasing adjustments that have been assessed as not significant or material under the LGA.

68. Council has also considered whether to undertake formal consultation on the proposed AP changes, either through the special consultative procedure or an alternative consultation mechanism.

69. Consideration was given to whether consultation on the proposed AP was required under the LGA. As set out earlier, while consultation was not precluded, the engagement undertaken in late 2025-early 2026 provided an opportunity for community input and engagement. The LGA requires consultation only where there are significant or material differences from the LTP. In light of the feedback from engagement, which is part of this agenda at item 12, and having regard to the nature of the proposed changes, which primarily relate to the timing of funding rather than changes to levels of service or overall investment, Council considers that formal consultation is not required in this instance.

Author	Geoff Blake, Chief Financial Officer
Authoriser	John Boswell, Chief Executive

Summary of decision-making considerations

Fit with purpose of local government

The proposed approach enables the democratic decision-making of Council by taking into account community feedback, while continuing to provide for the current and future social, economic, environmental and cultural wellbeing of the district. It maintains essential services and infrastructure investment in a manner that is efficient, appropriate, and responsive to affordability considerations for the community.

Fit with Council policies and strategies	*Contributes*	*Detracts*	*Not applicable*
LTP / Annual Plan	✓	☐	☐
Financial Strategy	✓	☐	☐
Infrastructure Strategy	✓	☐	☐
Social well-being	✓	☐	☐
Economic development	✓	☐	☐
Environment & RMA Plans	✓	☐	☐
Arts & Culture	✓	☐	☐
3 Waters	✓	☐	☐
Land transport	✓	☐	☐
Parks and reserves	✓	☐	☐

The proposal contributes to the delivery of Council's strategic priorities and financial strategy as set out in the Long Term Plan, including maintaining levels of service and investment in core infrastructure. It is consistent with Council's Significance and Engagement Policy by adopting an approach that is proportionate to the assessed level of impact and supports responsible financial management.

Nature of the decision to be made

The options do not involve a significant decision in relation to land or a body of water. While the Annual Plan includes ongoing investment in infrastructure and services that interact with land and water, the proposed changes are limited to the timing and phasing of funding and do not alter the underlying projects, levels of service, or Council's approach to the management of natural and physical resources. As such, no specific impacts on the relationship of Māori and their culture and traditions with ancestral land, water, sites, wāhi tapu, valued flora and fauna, or other taonga have been identified.

Financial considerations

The proposed approach reduces the rates requirement for 2026–27 through the timing and re-phasing of funding, providing short-term affordability benefits for ratepayers. This deferral will result in increased funding requirements in subsequent years and some delay in achieving targeted reserve and depreciation funding levels; however, these impacts remain within the broader financial framework of the Long Term Plan and are not expected to affect Council's financial sustainability or ability to deliver planned services and infrastructure.

Significance

The proposed changes have been assessed as not having a high degree of significance, as they do not alter levels of service, the overall investment programme, or Council's strategic direction as set out in the Long Term Plan. In reaching this view, regard has been had to the criteria in the Local Government Act 2002 and Council's Significance and Engagement Policy, including the scale, distribution and duration of impacts on the community. On that basis, the decision is considered to be of low significance.

Summary of decision-making considerations
Engagement Targeted community engagement was undertaken to inform the development of the proposed Annual Plan, including feedback on priorities and affordability. This engagement has been considered alongside the Long Term Plan framework in shaping the proposed adjustments. Having regard to the assessment that the proposed changes are not significant or material, the level and form of engagement undertaken is considered appropriate and proportionate, consistent with Council's Significance and Engagement Policy.
Risks: Legal / Health & Safety etc The key risks associated with the proposed approach are legal, financial and reputational. Legal risk arises from the decision not to undertake formal consultation but is mitigated by the assessment that the proposed changes are not significant or material and are consistent with statutory requirements and Council policy. Financial risks relate to the deferral of funding and resulting future cost impacts, which are considered manageable within the Long Term Plan framework. The proposed changes do not give rise to additional health and safety risks, as they do not affect service delivery. Reputational risk is managed through clear communication and transparency.
Climate Change Implications There are no known climate change implications to this decision. In assessing the preferred option, staff have considered the effects of climate change and note that the proposed changes relate solely to the timing and phasing of funding, and do not affect the scope or delivery of projects or activities that contribute to climate resilience, mitigation, or adaptation.

Attachment 1: Capital Expenditure Schedule - Draft

Inflated Capital Expenditure ($000's)	2026-27 Annual Plan		
	Projection	2026-27	2027-28
Housing for Seniors			
Housing for Seniors	-	210	-
Housing for Seniors	-	210	-
Community Support			
Passenger Transport	45	23	23
Community Support	45	23	23
Library Services			
Library Services	534	374	389
Library Services	534	374	389
Emergency Management			
Emergency Management	9	96	9
Emergency Management	9	96	9
People Total	**588**	**702**	**421**
Community Facilities			
Cemeteries	255	95	62
Memorials	47	103	8
Street berms, trees and plots	38	38	39
Halls	69	20	20
Public Toilets	495	811	1,199
Reserves	5,619	9,016	4,286
Swimming Pools	-	30	-
Small Townships	699	745	2,160
Community Facilities	7,222	10,859	7,774
Community Facilities Total	**7,222**	**10,859**	**7,774**
Roads and Footpaths			
Roading	46,686	62,774	78,474
Roads and Footpaths	46,686	62,774	78,474
The Provision of Roads and Footpaths T	**46,686**	**62,774**	**78,474**
Flood Protection and Control Works			
Rivers Outside Wairau Floodplain	67	66	21
Wairau Floodplain Drainage	1,855	3,910	656
Wairau Floodplain Rivers	10,566	18,900	3,529
Flood Protection and Control Works	12,488	22,876	4,206
Flood Protection and Control Works Tot	**12,488**	**22,876**	**4,206**
Sewerage			
Combined Sewerage	4,174	10,117	21,901
Riverlands Sewerage	210	962	4,674
Sewerage	4,384	11,079	26,576
Sewerage Total	**4,384**	**11,079**	**26,576**
Stormwater Drainage			
Blenheim Stormwater	645	2,218	13,377
Other Stormwater Schemes	732	551	53
Stormwater Drainage	1,377	2,770	13,430
Stormwater Drainage Total	**1,377**	**2,770**	**13,430**
Water Supply			
Awatere Water	969	2,979	2,439
Combined Water	6,826	9,727	7,516
Riverlands Water	1	501	9,965
Water Supply	7,796	13,206	19,920
Water Supply Total	**7,796**	**13,206**	**19,920**
Solid Waste Management			
Landfills	450	500	103
Transfer Stations	270	100	-
Waste Minimisation	50	-	-
Solid Waste Management	770	600	103
Solid Waste Management Total	**770**	**600**	**103**

Inflated Capital Expenditure ($000's)	2026-27 Annual Plan		
	Projection	**2026-27**	**2027-28**
Environmental Science and Monitoring			
Environmental Science & Monitoring	586	400	194
Environmental Science and Monitoring	586	400	194
Environmental Protection			
Environmental Protection	43	-	-
Environmental Protection	43	-	-
Resource Consents			
Resource Consents	41	-	-
Resource Consents	41	-	-
Environmental Management Total	**670**	**400**	**194**
Building Control			
Building Control	41	-	-
Building Control	41	-	-
Environmental Health			
Environmental Health	3	3	4
Environmental Health	3	3	4
Biosecurity			
Biosecurity	42	-	84
Biosecurity	42	-	84
Harbours			
Harbours	308	1,123	1,035
Harbours	308	1,123	1,035
Regulatory Total	**395**	**1,127**	**1,123**
Regional Development			
Economic Development	-	10	-
Irrigation Schemes	-	-	-
Parking	170	190	195
Regional Development	170	200	195
Regional Development Total	**170**	**200**	**195**
Corporate Management	51	-	-
Information Services	2,990	1,217	1,018
Office Services	60	260	61
Property	757	450	-
Land Development	-	2,895	-
Regional Development	336	-	-
Assets + Services Management	101	316	39
Plant Operations	402	176	358
Other Total	**4,697**	**5,314**	**1,476**
Grand Total	**87,242**	**131,908**	**153,891**

Attachment 2: Reserve Balances - Draft

1. Emergency Events Reserve

Balance at year end

2025-26 $M Projection	2026-27 $M	2027-28 $M
0.51	(0.04)	0.75

The reserve anticipated to be in surplus due to income from flood damage insurance claim exceeds the claims. A decision taken in last year's meeting sets up a new general rate from 2026-27 with an additional $0.5M added annually to this reserve.

The budget provides for:

Projection 2025-26

- $0.98M annually for Council's share (net of NZTA subsidy) of roading flood damage
- $0.48M flood damage claims net of insurance refunds
- $0.20M climate change and natural hazard, council approved in AP 2025-26

2026-27

- $0.98M annually for Council's share (net of NZTA subsidy) of roading flood damage
- $0.77M flood damage claims, insurance claim yet to identify

2027-28

$0.98M for Council's share (net of NZTA subsidy) of roading flood damage

Councillors should note that the forecast balance of this Reserve excludes the impact of any unforeseen drawdowns.

2. Forestry and Land Development Reserve

Balance at year end

2025-26 $M Projection	2026-27 $M	2027-28 $M
2.3	2.3	1.71

The significant revenue sources are:

- Distribution from Marlborough Regional Forestry which is dependent on harvesting targets being achieved and current log prices being maintained. Harvesting has ceased in 2020-21 with budgeted income starting again in 2031-32.

The current criteria are for one-off projects, to enable Rates to be smoothed, or where the revenue is uncertain.

The budget provides for:

Projection 2025-26

- $01.M Picton Innovative streets
- $0.50M Riverside Park resurfacing
- $0.70M Maritime smart monitoring
- $0.10M Cook's lookout project
- $0.20M River Rating Review
- $0.27M for the Remote Transfer Stations

2026-27

- $0.41M Maritime smart monitoring
- $0.45M Awatere rural water supply
- $0.10M for the Remote Transfer Stations

2027-28

$0.51M Awatere rural water supply

3. Wairau Rivers Operating Reserve

Balance at year end

2025-26 $M Projection	2026-27 $M	2027-28 $M
(3.02)	(3.48)	(3.67)

This Reserve is primarily used to assist with maintaining Council's rivers and flood protection system and for land purchases for river protection works.

The significant revenue sources are:

- River Leases
- Gravel Extraction

The Reserve will be used for greenscape contracts, rock & gabion protection, drainage channels, road maintenance and to maintain the stopbanks on the lower Wairau. This Reserve went into deficit in 2020-21 and will remain so for these budget periods.

4. Land Sub Reserve

Balance at year end

2025-26 $M Projection	2026-27 $M	2027-28 $M
3.19	(0.84)	(1.29)

The funding source for this Reserve is the Reserves and Community Facilities Development Contributions - $1.0M in 2025-26 and $1.9M in 2026-27. The Local Government Act 2002 requires these funds to finance growth driven capital expenditure.

The budget provides for:

Allocations

- Minor allocations for various parks and reserves
- $1.92M Horton Park new pavilion in 2026-2028

Unspecified allocation averaging $2.26M per year

5. Depreciation Reserves

Balance at year end

2025-26 $M Projection	2026-27 $M	2027-28 $M
7.13	10.28	20.87

These amounts represent the depreciation funded to Reserves from each activity of Council net of any transfers funded from the Reserve (*e.g.: funding of capital or debt repayment*). Depreciation Reserves have built up because of activities funding their Depreciation Reserves without major capital expenditure being planned within the 2-year plan. This occurs when assets are new and won't have to be upgraded or renewed for some time. The Infrastructure Strategy identifies that renewals will become an increasingly important issue over time. It was agreed in last years budget meeting that Council would move progressively to fund additional depreciation on Three Waters assets from year 2026-27.

6. Infrastructure Upgrade Reserve

The Reserve has the following income streams:

- MDC Holdings Limited dividend (full value) - $4.1M for the 2026-27 year and $3.30M for 2027-28.
- Property lease income - $2.57M for both 2026-27 and 2027-28 years based on projections supplied by APL.

The property lease income is derived from three leases at Conders Bend with varying review frequencies (five or six years) and differing bases for calculation, consistent with the Long-Term Plan.

This Reserve and its associated income streams have been set up to service debt.

The balance is therefore sensitive to changes in Council's internal interest rates.

The reserve balance over the three years of the plan is as below:

1.

2025-26 $M Projection	2026-27 $M	2027-28 $M
17.2	17.86	17.0

By way of comparison for the 2024-34 LTP the 2026-27 balance was forecast to be $13.44M.

For Council's information, previous Council decisions have provided the following guidance as to the use of Infrastructure Upgrade Reserve:

- that it is applied to essential infrastructure.
- that it assists funding new assets (to a maximum of 50%) after taking account of subsidies provided by Central Government; and
- that it assists significant capital upgrades required to increase the targeted level of service supplied to the community (to a maximum of 50%) after taking account of other subsidies supplied by Central Government.

Below is a table of all items that have been approved to be funded by the Infrastructure Upgrade reserve. The borrowed column shows the funds that have already been borrowed from this fund, while the other column shows the amounts approved, that have not yet been taken up.

Project	Borrowed	Allocated but not yet borrowed
Lansdowne Park	$2.50M	-
Blenheim Library	$6.25M	$0.08M
Library Picton	$1.82M	-
Marlborough Event Centre	$1.35M	$0.04M
London Quay Picton	-	$1.10M
Combined sewer	$34.59M	$11.99M
Awatere Water	-	$0.96M
Combined water	$14.89M	$5.90M
Aquatic Centre	$4.00M	-
General Roading	$1.83M	-
Grovetown Sewer	$0.51M	-
St Andrews Sewer	$0.11M	

Attachment 3: Forecast Financial Statements - Draft

Marlborough District Council

Forecast Statement of Comprehensive Revenue and Expense

for the year ending 30 June:	Notes	2026 (AP) $000s	2027 (LTP) $000s	2027 $000s
Revenue:				
Rates, excluding targeted water rates	2	105,256	115,400	116,107
Targeted rates for metered water supply	2	4,200	4,736	4,326
Subsidies and grants	4	58,024	47,212	58,844
Interest revenue	3	6,163	9,728	9,548
Development and financial contributions	4	4,639	8,790	5,893
Other revenue	4	51,278	49,443	47,673
Gains	4	1,033	1,051	1,093
Total revenue	1	**230,593**	**236,360**	**243,484**
Expenditure by function:				
People		18,970	18,791	18,917
Community Facilities		18,624	18,754	18,780
Roads and Footpaths		35,574	35,807	36,939
Flood Protection and Control Works		8,808	8,665	10,362
Sewerage		24,334	28,603	25,564
Stormwater Drainage		4,944	5,018	5,614
Water Supply		16,047	18,566	17,512
Solid Waste Management		21,342	20,190	19,458
Environmental Management		18,298	17,051	17,675
Regulatory		12,873	13,638	14,448
Regional Development		7,772	7,052	7,772
Corporate		7,681	8,189	14,224
	5	**195,267**	**200,324**	**207,265**
less internal interest eliminated	3	1,389	4,102	6,015
Total expenditure by function		**196,656**	**204,426**	**213,280**
Surplus		**33,937**	**31,934**	**30,204**

Forecast Statement of Other Comprehensive Revenue and Expense

for the year ending 30 June:	Note	2026 (AP) $000s	2027 (LTP) $000s	2027 $000s
Surplus for the year		**33,937**	**31,934**	**30,204**
Other comprehensive revenue:				
Gain on property revaluations	8	73,455	50,506	56,997
Total other comprehensive revenue and expense		73,455	50,506	56,997
Total comprehensive revenue and expense		**107,392**	**82,440**	**87,201**

Forecast Statement of Changes in Net Assets / Equity

for the year ending 30 June:	2026 (AP) $000s	2027 (LTP) $000s	2027 $000s
Balance at 1 July	2,288,310	2,334,169	2,448,117
Total comprehensive revenue and expense for the year	107,392	82,440	87,201
Balance at 30 June	**2,395,702**	**2,416,609**	**2,535,318**

Marlborough District Council

Forecast Statement of Financial Position

as at 30 June:	Notes	2026 (AP) $000s	2027 (LTP) $000s	2027 $000s
Assets:				
Non-current assets:				
Property, plant and equipment	8	2,491,055	2,613,102	2,655,698
Intangible assets	8	10,299	11,986	9,851
Forestry assets		22,570	21,619	19,885
Other financial assets	7			
- Investments in subsidiaries		6,000	6,000	6,000
- Other		105,292	175,790	198,151
Derivative financial instruments		3,408	5,045	322
Investment property	11	11,329	14,450	13,850
Total non-current assets		**2,649,953**	**2,847,992**	**2,903,757**
Current assets:				
Cash and cash equivalents		4,862	5,030	6,438
Debtors and other receivables	6	17,716	14,132	20,554
Other financial assets	7	24,150	30,255	15,198
Inventory		723	424	698
Total current assets		**47,451**	**49,841**	**42,888**
Total assets		**2,697,404**	**2,897,833**	**2,946,645**
Liabilities:				
Non-current liabilities:				
Borrowings	10	216,369	320,088	321,174
Provisions		6,525	6,333	6,048
Employee entitlements		217	238	227
Total non-current liabilities		**223,111**	**326,659**	**327,449**
Current liabilities:				
Creditors and other payables	9	36,221	32,019	28,720
Employee entitlements		3,153	3,084	3,676
Borrowings	10	39,217	119,462	51,482
Total current liabilities		**78,591**	**154,565**	**83,878**
Total liabilities		**301,702**	**481,224**	**411,327**
Net assets		**2,395,702**	**2,416,609**	**2,535,318**
Equity				
Accumulated funds		823,905	814,464	852,472
Asset revaluation reserves		1,518,156	1,550,654	1,638,299
Other reserves	13	53,641	51,491	44,547
Total equity		**2,395,702**	**2,416,609**	**2,535,318**

Forecast Statement of Cash Flows

as at 30 June:	2026 (AP)	2027 (LTP)	2027 (AP)
	$000s	$000s	$000s
Cash flows from operating activities:			
Receipts from rates revenue	109,456	120,137	120,433
Sale of inventory	112	-	136
Receipts from other revenue	106,403	100,070	106,481
Interest received	6,163	9,728	9,548
Payments to suppliers and employees	(137,306)	(133,033)	(141,368)
Interest paid	(10,420)	(18,790)	(14,857)
Net cash flow from operating activities	**74,408**	**78,112**	**80,373**
Cash flows from investing activities:			
Receipts from sale of property, plant and equipment	172	12	165
Movement in investments	2,769	(32,023)	(26,523)
Dividends received	3,223	3,855	4,112
Purchase of property, plant and equipment	(115,581)	(123,420)	(131,461)
Net cash flow from investing activities	**(109,417)**	**(151,576)**	**(153,707)**
Cash flows from financing activities:			
Proceeds from borrowings	59,901	173,569	89,483
Repayment of borrowings	(32,871)	(99,269)	(21,578)
Net cash flow from financing activities	**27,030**	**74,300**	**67,905**
Net increase / (decrease)	**(7,979)**	**836**	**(5,430)**
Cash, cash equivalents and bank overdrafts:			
At the beginning of the year	12,841	4,194	11,868
At the end of the year	**4,862**	**5,030**	**6,438**

Marlborough District Council
Financial Statement Notes
1. Revenue by Group of Activity

for the year ending 30 June:	2026 (AP)	2027 (LTP)	2027
	$000s	$000s	$000s
Revenue:			
People	18,755	18,562	18,625
Community Facilities	19,011	21,134	20,865
The Provision of Roads and Footpaths	69,039	63,394	63,272
Flood Protection and Control Works	17,484	13,312	23,349
Sewerage	16,756	22,704	20,316
Stormwater Drainage	4,645	4,982	5,250
Water Supply	15,047	17,809	15,899
Solid Waste Management	20,661	20,167	18,807
Environmental Management	18,038	16,980	17,584
Regulatory	12,958	13,736	14,535
Regional Development	7,928	7,020	7,260
Corporate	10,271	16,562	17,722
Total activity revenue	**230,593**	**236,360**	**243,484**

2. Rates revenue

for the year ending 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
People	14,049	14,606	14,421
Community Facilities	14,931	16,215	17,532
The Provision of Roads and Footpaths	16,101	17,238	18,048
Flood Protection and Control Works	7,496	8,020	8,342
Sewerage	11,922	14,615	13,437
Stormwater Drainage	3,626	3,788	4,191
Water Supply	13,749	15,926	14,246
Solid Waste Management	5,073	4,909	6,029
Environmental Management	11,161	12,345	12,990
Regulatory	5,274	6,000	5,354
Regional Development	4,808	4,671	4,099
Corporate	1,266	1,803	1,744
Total activity rates	**109,456**	**120,136**	**120,433**
less rates remissions	(797)	(691)	(963)
Rates revenue net of remissions	**108,659**	**119,445**	**119,470**

3. Finance revenue and finance costs

for the year ending 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Finance revenue - interest revenue:			
Term deposits and investments	6,163	9,728	9,548
Total finance revenue	**6,163**	**9,728**	**9,548**
Finance costs - interest expense:			
Total activity related interest expense	9,114	14,762	8,925
(less)/plus net external interest	1,389	4,102	6,015
Total finance costs	**10,503**	**18,864**	**14,941**
Bank charges on borrowings	83	74	83
Net finance costs	**4,257**	**9,062**	**5,310**

4. Other revenue including gains

for the year ending 30 June:	2026 (AP) '$000s	2027 (LTP) '$000s	2027 '$000s
Other revenue:			
User charges	32,440	33,838	29,857
Regulatory revenues	6,170	6,176	6,301
Infringements and fines	1,014	1,074	1,091
Vested assets	1,139	1,192	1,139
Rental income from investment properties	660	774	934
Marlborough Regional Forestry distribution	-	-	-
Capital contributions	-	-	-
Subdivisional Works	50	52	50
Other revenue	9,805	6,337	8,301
Total other revenue	**51,278**	**49,443**	**47,673**
Subsidies and grants:			
Waka Kotahi roading subsidy	50,098	44,213	43,658
Other donations and grants	7,926	2,999	15,186
Total subsidies and grants	**58,024**	**47,212**	**58,844**
Development and financial contributions:			
Development Contributions (Land subdivisior	4,539	8,686	5,893
Development impact levies	100	104	-
Total development and financial contributior	**4,639**	**8,790**	**5,893**
Gains			
Gain on sale of fixed assets	39	7	99
Forestry revaluation gain	994	1,044	994
Total gains	**1,033**	**1,051**	**1,093**

5. Expenditure

for the year ending 30 June:	2026 (AP) '$000s	2027 (LTP) '$000s	2027 '$000s
Expenditure disclosures:			
Total expenditure in the Statement of Comprehensive Revenue and Expense includes the following amounts which are required to be disclosed separately:			
Fees to principal Auditor:			
Audit fees for the Annual Report	353	330	353
Audit fees for the LTP	-	208	200
Depreciation	50,704	51,042	54,526
Amortisation	941	677	858
Personnel costs	39,437	39,948	41,303
Grants and donations	3,017	3,766	3,078
Insurance premiums	6,003	7,003	6,210
Councillors remuneration	800	835	885
Operating leases payments	255	264	247
Loss on disposal of fixed assets	3	0	-
Investment properties direct operating expenses	94	72	96
Other operating expenses	94,262	99,549	104,791
Marlborough Regional Forestry	787	733	733
Total expenditure disclosures	**196,656**	**204,426**	**213,280**

6. Debtors and other receivables

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	$000s	$000s	$000s
Non-exchange receivables:			
Rates receivables	1,944	1,559	2,442
Other	260	323	4,037
GST (net)	2,078	2,083	932
Total non-exchange receivables	**4,282**	**3,965**	**7,411**
Exchange receivables:			
Trade receivables	5,083	4,494	4,551
Other	7,351	4,708	7,155
Prepayments	1,000	964	1,436
Total exchange receivables	**13,434**	**10,167**	**13,143**
Less provision for impairment	-	-	0
Total debtors and other receivables	**17,716**	**14,132**	**20,554**

7. Other financial assets

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Current portion:			
Term deposits and bonds with maturities of 4-12 months	24,150	30,255	15,198
Total current portion	**24,150**	**30,255**	**15,198**
Non-current portion:			
Term deposits and bonds and community loans with maturities 12 months plus	1,343	1,126	1,448
Community loans	2	0	20
Loan to joint venture Marlborough Regional Forestry	-	-	-
Loan to subsidiary MDC Holdings Ltd	98,773	171,270	188,345
Unlisted shares in subsidiaries	6,000	6,000	6,000
LGFA borrower notes	4,888	3,108	8,052
Other shares	286	286	286
Total non-current portion	**111,292**	**181,790**	**204,151**
Total other financial assets	**135,442**	**212,045**	**219,349**

8. Property, plant and equipment and Intangible assets

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Capital additions by activity:			
Opening value	**2,360,458**	**2,501,698**	**2,531,401**
People	421	641	702
Community Facilities	8,211	6,533	10,859
Roads and Footpaths	69,480	57,212	62,774
Flood protection and control works	7,568	7,967	22,876
Sewerage	7,747	34,641	11,079
Stormwater Drainage	6,125	4,048	2,770
Water Supply	12,721	10,254	13,206
Solid Waste Management	720	105	600
Environmental Management	610	437	400
Regulatory	1,590	319	1,127
Regional Development	288	794	200
Corporate	3,739	1,657	5,314
Total capital expenditure	**119,220**	**124,608**	**131,908**
Disposal	(133)	(5)	(66)
(Less)/plus carryovers movement	-	-	-
Depreciation and amortization by activity:			
People	(2,250)	(1,864)	(1,671)
Community Facilities	(3,706)	(3,564)	(3,343)
Roads and Footpaths	(15,474)	(14,689)	(17,968)
Flood protection and control works	(949)	(522)	(933)
Sewerage	(12,477)	(13,947)	(13,145)
Stormwater Drainage	(3,449)	(3,598)	(3,986)
Water Supply	(6,803)	(7,086)	(7,649)
Solid Waste Management	(1,994)	(1,585)	(1,229)
Environmental Management	(1,079)	(1,130)	(1,140)
Regulatory	(462)	(403)	(446)
Regional Development	(898)	(836)	(926)
Corporate	(2,105)	(2,496)	(2,255)
Revaluation	73,455	50,506	56,997
Closing value	**2,501,354**	**2,625,088**	**2,665,549**

9. Creditors and other payables

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Trade payables	21,660	17,480	9,532
Accrued expenses	4,021	3,838	10,149
Income in advance	4,825	5,568	4,111
Deposit	1,258	1,604	1,016
Related party payables	4,457	3,527	3,911
Total creditors and other payables	**36,221**	**32,019**	**28,720**

10. Borrowings

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
People	7,727	7,380	7,424
Community Facilities	31,962	33,335	32,389
The Provision of Roads and Footpaths	30,519	45,849	36,636
Flood Protection and Control Works	13,945	24,023	26,894
Sewerage	45,709	95,031	45,806
Stormwater Drainage	350	343	343
Water Supply	28,232	53,936	29,960
Solid Waste Management	3,859	3,410	3,344
Environmental Management	257	236	236
Regulatory	1,576	1,619	681
Regional Development	5,739	5,267	4,787
Corporate	98,898	196,319	215,105
Total loans	**268,773**	**466,748**	**403,604**
less internal loans	**(13,187)**	**(27,198)**	**(30,948)**
Total borrowings (external loans)	**255,586**	**439,550**	**372,656**

11. Investment property

	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Balance at 1 July	11,329	14,450	13,850
Balance at 30 June	**11,329**	**14,450**	**13,850**

12. Exchange and non-exchange revenue

for the year ending 30 June:	2026 (AP)	2027 (LTP)	2027
	'$000s	'$000s	'$000s
Non-exchange revenue:			
General rates and charges	105,256	115,401	116,107
Donations, subsidies and grants	58,024	47,212	58,844
Fees and charges	27,002	27,083	24,568
Other revenue	17,556	19,402	25,830
Total non-exchange revenue	**207,838**	**209,098**	**225,350**
Exchange revenue:			
Metered water	4,200	4,736	4,326
Rentals and leases	9,169	9,287	8,719
Marlborough Regional Forestry distribuiton	-	-	-
Interest and dividends	9,386	13,240	13,660
Total exchange revenue	**22,755**	**27,263**	**26,705**
Total revenue	**230,593**	**236,360**	**252,055**

13. Other reserves

as at 30 June:	2026 (AP)	2027 (LTP)	2027
	$000s	$000s	$000s
13.1 Reserve funds - Council wide			

Emergency Events Reserve

Purpose: Council's Emergency Events Reserve, which is part of Council's risk management strategy, exists to:
- protect Council's infrastructural assets;
- make a provision for restoration of Council's roading network in the event of extraordinary flood damage; and
- provide for the restoration of Council's Wairau floodplain river protection assets;

Activities to which it relates: Infrastructural Assets including the roading network and rivers.

	2026 (AP)	2027 (LTP)	2027
Opening balance	**2,050**	**1,459**	**509**
Transfer to reserve	1,701	2,081	1,292
Transfer from reserve	(1,665)	(1,550)	(1,840)
Capex transfer from reserve	-	-	-
Closing balance	**2,086**	**1,990**	**(38)**

Forestry and Land Development Reserve

Purpose: Receives revenue from Marlborough Regional Forestry and from the sale of non-activity assets for funding any projects approved by Council.

Activities to which it relates: Any Activity approved by Council.

	2026 (AP)	2027 (LTP)	2027
Opening balance	**4,900**	**1,626**	**2,259**
Transfer to reserve	-	-	988
Transfer from reserve	(32)	(32)	(29)
Capex transfer from reserve	(3,104)	(615)	(956)
Closing balance	**1,764**	**979**	**2,261**

Infrastructure Upgrade Reserve

Purpose: To be used for essential infrastructure; to assist funding of new assets (up to a maximum of 50%), and to assist the funding of significant capital upgrades which will increase the targeted level of service supplied to the community.

Activities to which it relates: Infrastructure such as Water and Sewerage etc, and other

	2026 (AP)	2027 (LTP)	2027
Opening balance	**15,997**	**14,659**	**17,228**
Transfer to reserve	5,782	6,544	6,671
Transfer from reserve	(5,941)	(7,762)	(6,041)
Capex transfer from reserve	-	-	-
Closing balance	**15,838**	**13,440**	**17,857**

Land Subdivision Reserve

Purpose: To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.

Activities to which it relates: Community Facilities including Reserves, Halls, Swimming

	2026 (AP)	2027 (LTP)	2027
Opening balance	**4,289**	**5,140**	**3,193**
Transfer to reserve	1,950	3,295	1,914
Transfer from reserve	-	-	-
Capex transfer from reserve	(2,147)	(3,183)	(5,950)
Closing balance	**4,092**	**5,253**	**(844)**

Port Marlborough NZ Ltd Special Dividend Reserve

Purpose: Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.

Activities to which it relates: Various.

Opening balance	**3,704**	**3,504**	**3,704**
Transfer to reserve	185	204	158
Transfer from reserve	(185)	(204)	(158)
Capex transfer from reserve	-	-	-
Closing balance	**3,704**	**3,504**	**3,704**

Wairau Rivers Reserve

Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works

Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.

Opening balance	**(700)**	**(2,135)**	**(3,022)**
Transfer to reserve	1,352	1,340	1,226
Transfer from reserve	(491)	(567)	(493)
Capex transfer from reserve	(797)	(309)	(1,191)
Closing balance	**(636)**	**(1,671)**	**(3,480)**

13.2 Reserve funds - Activity specific

These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:

General Reserve: to accumulate targeted rates or other revenue for use in subsequent years.
Depreciation Reserve: to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.

Landfill Aftercare Reserve: to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.

Development Contribution Reserve: to accumulate development and financial contributions to fund qualifying capital expenditure.

Landfill aftercare reserve			
Opening balance	**4,503**	**4,279**	**3,044**
Transfer to reserve	273	163	(318)
Transfer from reserve	-	-	-
Capex transfer from reserve	-	-	-
Closing balance	**4,776**	**4,442**	**2,726**
Development Contribution reserves			
Opening balance	**(1,973)**	**(5,836)**	**(3,818)**
Transfer to reserve	2,694	7,386	7,874
Transfer from reserve	-	-	-
Capex transfer from reserve	(6,855)	(5,005)	(7,037)
Closing balance	**(6,134)**	**(3,455)**	**(2,981)**
Operational (General and Depreciation) reserves			
Opening balance	**6,385**	**(231)**	**7,127**
Transfer to reserve	39,200	40,740	44,674
Transfer from reserve	(12,673)	(12,672)	(16,575)
Capex transfer from reserve	(26,287)	(17,102)	(24,948)
Closing balance	**6,625**	**10,737**	**10,278**
Road Funding reserves			
Opening balance	**(114)**	**-**	**-**
Transfer to reserve	31	144	139
Transfer from reserve	-	-	-
Capex transfer from reserve	(139)	(144)	(139)
Closing balance	**(222)**	**-**	**-**
WSO Reserve			
Opening balance			**(1,000)**
Transfer to reserve			-
Transfer from reserve			(3,000)
Capex transfer from reserve			-
Closing balance	**-**	**-**	**(4,000)**
MRF biological assets reserve			
Opening Balance	**22,740**	**15,227**	**19,885**
Transfer to reserve	-	1,140	-
Transfer from reserve	**(994)**	**(96)**	**(822)**
Closing balance	**21,746**	**16,271**	**19,063**
Total movements			
Opening balance	**61,781**	**37,693**	**49,108**
Transfer to reserve	53,168	63,037	64,616
Transfer from reserve	(21,980)	(22,882)	(28,957)
Capex transfer from reserve	(39,328)	(26,357)	(40,220)
Other reserves closing balance as shown in Equity	**53,641**	**51,491**	**44,547**

12. Summary of Annual Plans Received – Attachment 2

Attachment 2 – Table: Proposed Category by Submission

Number of ideas	50
Number of comments	101
Public URL	https://dialogue.marlborough.govt.nz/2026-27-annual-plan-engagement
Categories Applied	1. **Annual Plan Budget** Ideas that may be considered for funding within the 2026–27 Annual Plan. 2. **LTP Levels of Service (LOS) Workshop** Ideas that involve new or changed levels of service and require further work as part of preparation for the next Long Term Plan (2027–37). 3. **Business as Usual (BAU)** Ideas that relate to activities already underway, existing strategies, adopted plans, or current operational programmes. 4. **For Information / No Action Required** Ideas acknowledged where no further action is required at this time. 5. **Not Supported / Out of Scope** Ideas that are not within Council's role, responsibilities, or current funding framework.

Submission Title (As Entered)	Rating	Proposed Category & Comment
New Covers for Seddon Swimming Pool	Avg 0.00 (0 votes)	**Business as Usual (BAU):** Council acknowledges the importance of pool covers for the safe and efficient operation of outdoor swimming pools, including heat retention and operational sustainability. Seddon Swimming Pool is a Council-owned asset, operated in partnership with the local community. This matter relates to the ongoing maintenance and renewal of existing Council assets and will be considered through established operational and asset management processes. Any proposed work will be assessed against Council's strategic priorities, financial sustainability, health and safety requirements, and existing budgets, in line with the Long Term Plan.
Traffic lights at key intersections	Avg 5.00 (3 votes)	**For Information / No Action Required:** Council acknowledges concerns regarding traffic congestion and intersection safety. Grove Road is part of the State Highway network and is therefore the responsibility of Waka Kotahi NZ Transport Agency. Council, through Marlborough Roads, is undertaking region-wide transport modelling to assess traffic demand and levels of service at major intersections. Where issues are identified, these may be considered through future National Land Transport Programme processes. The submission has been referred to Marlborough Roads for awareness and engagement with the relevant agency.
Raising road level Rarangi Road and Woolleys' Crossing	Avg 4.0 (1 vote)	**BAU:** Council acknowledges the community's concerns regarding flood resilience and access. Investigations and design work for improvements at Woolleys' Crossing and sections of Rarangi Road are already underway through an existing low-cost local risk programme. These works align with Council's flood protection and resilience objectives outlined in the Long Term Plan and will proceed through established project delivery and community engagement processes.
Remove crack willows from Waikawa Stream	Avg 4.6 (10 votes)	**LTP Levels of Service Workshop:** Council recognises the environmental aspirations outlined in this submission and the contribution of iwi and community organisations to restoration initiatives. While removal of crack willows is supported in principle, the Waikawa/Endeavour Stream system does not currently sit within an adopted flood management level of service. Consideration of expanded works would require a broader review of service levels, priorities, and funding, which is more appropriately addressed through future Long Term Plan Levels of Service workshops.

Replacement covers for Seddon Swimming Pool	Avg 5.0 (1 vote)	**BAU:** Council acknowledges the operational importance of replacement pool covers and the detailed information provided. As with other submissions relating to Council-owned facilities, this matter will be assessed through existing operational and budget management processes and in accordance with Council's approach to asset sustainability outlined in the Long Term Plan.
Marlborough Sounds Heritage & Culture Centre, Picton Waterfront	Avg 4.6 (3 votes)	**LTP Workshop:** Council acknowledges the long-standing interest in expanding heritage and cultural offerings in Picton. At present, there is no budget provision for a new heritage and culture centre. Heritage facilities, investment priorities, and potential funding options are being considered through ongoing strategic and feasibility work. Any proposal for a new or expanded facility would require further investigation and would be considered through the Long Term Plan process to assess costs, benefits, partnerships, and alignment with Council's role.
Anti Litter Signage on State Highway 1	Avg 4.0 (2 votes)	**BAU:** Council supports initiatives that reduce litter and enhance environmental outcomes. Discussions are underway with community and business groups regarding awareness and waste minimisation initiatives. Any signage on State Highway 1 must be considered in partnership with Waka Kotahi NZ Transport Agency. Opportunities for supporting anti-litter initiatives will continue to be explored through existing waste minimisation programmes and funding settings.
A Town Centre Strategy for Waitohi Picton	Avg 4.3 (3 votes)	**LTP Workshop:** Council agrees that town centre planning and regeneration are strategic matters that influence economic and community wellbeing. Consideration of a Town Centre Strategy for Waitohi Picton represents a potential change or expansion of service levels. This submission will inform future Levels of Service discussions as part of Long Term Plan development, where scope, timing, funding options, and alignment with wider district priorities can be assessed.
Giving Marlborough's Towns Identities	Avg 0.00 (0 votes)	**For Info / No Action:** Council acknowledges the importance of place-making and town identity. Elements of this submission align with existing programmes, including the Small Townships Programme and town centre initiatives already underway or planned. As such, no further action is required at this time beyond existing work programmes and future strategic planning processes.

Stepping stones	Avg 0.00 (0 votes)	**BAU:** Council acknowledges accessibility and safety concerns regarding informal river crossings. The structures referred to are not designated pedestrian infrastructure and were not installed as a formal crossing. Staff will review the site from an operational and health and safety perspective to determine whether any risk mitigation or remedial action is required, consistent with Council's obligations under existing asset management and safety frameworks.
Flat area for the free Tai Chi sessions on Saturday mornings.	Avg 5.0 (2 votes)	**BAU:** Council acknowledges the value of community-led recreation activities that support physical and mental wellbeing. A number of Council reserves already provide flat, accessible areas suitable for group activities. Council staff will engage directly with the group to share information on appropriate reserve locations and booking processes. This matter can be addressed within existing parks and reserves management arrangements and does not require additional funding or changes to levels of service.
Interpretation Panel Display Board at end of Ranui Street	Avg 4.3 (3 votes)	**BAU:** Council recognises the cultural and historical significance of the area identified and the importance of sharing local stories and heritage. Interpretive signage is considered through existing parks, reserves, and reserve management plan processes. Opportunities to incorporate cultural interpretation will be assessed alongside other priorities, within existing budget frameworks and in partnership with mana whenua and the community, consistent with current levels of service.
Removal of Willow Trees – Ranui Street	Avg 4.6 (9 votes)	**LTP Workshop:** Council acknowledges concerns regarding ecological health and cultural values associated with the Waipuna Stream area. While aspects of monitoring and maintenance are undertaken as part of existing operations, large-scale or proactive removal of willows would represent a potential change in service levels. This matter is best considered through a future Long Term Plan Levels of Service workshop, where priorities, costs, risks, and broader catchment management implications can be assessed.
Bike parking in Picton	Avg 4.3 (6 votes)	**BAU:** Council acknowledges the growing popularity of cycling and the importance of secure bike parking in town centres. Bike parking initiatives are already being progressed through existing transport and town centre improvement programmes.

		Council will continue to work with relevant partners to deliver fit for purpose cycling infrastructure within current strategies. Electric bike charging is not currently part of Council's levels of service.
The greastist disservice the council and port marlbrough did for education to aquatic life was to destroy the aquaium at picton the aquaium	Avg 1.0 (1 vote)	**Not Supported / Out of Scope:** Council acknowledges the submitter's strong views regarding marine education and environmental outcomes. The Picton Aquarium was a privately operated facility, and Council has no current programme or budget provision to develop or operate an aquatic education centre. Council continues to support marine education and environmental stewardship through a range of existing strategies, partnerships, and community initiatives. No further action is proposed through the Annual Plan.
An agreed Vision of Marlborough	Avg 5.0 (2 votes)	**BAU:** Council acknowledges the importance of a shared strategic direction to guide long-term decision-making and investment. Development of regional strategic frameworks is an existing responsibility and is currently being progressed through Council's strategy development work programme. This submission aligns with work already underway and does not require separate action through the Annual Plan process.
Information Display Boards	Avg 4.5 (4 votes)	**BAU:** Council recognises the value of information signage in supporting education, environmental awareness, and responsible recreation. Elements of this submission align with existing actions identified in reserve management plans and compliance programmes. Requests for signage and associated bylaw enforcement matters will continue to be managed through existing parks, reserves, and compliance functions, subject to prioritisation and available funding.
Willow Trees Along Waipuna Stream	Avg 4.7 (7 votes)	**LTP Workshop:** Council acknowledges the cultural, environmental, and community concerns raised regarding willow trees along Waipuna Stream. The waterway does not currently sit within an adopted flood protection or watercourse management level of service. Consideration of enhanced intervention, including comprehensive willow removal and restoration, would require further investigation and prioritisation through a Long Term Plan Levels of Service workshop.
Blackmore Place Playground and Green Space	Avg 4.7 (9 votes)	**BAU:** Council acknowledges the community's interest in upgrading the playground and reserve areas at Blackmore Place. The reserve is managed as a neighbourhood park, and

		future improvements will be assessed against established levels of service, asset standards, and available funding. Any further work will be considered alongside other parks and reserves priorities and in the context of wider area development.
Reforesting Picton and Surrounds	Avg 4.8 (19 votes)	**BAU:** Council recognises and values the significant contribution of community groups to native planting, pest control, and ecological restoration. Support for these activities is currently provided through established mechanisms such as environmental grant funding. This submission aligns with existing biodiversity and environmental enhancement programmes. No change to current funding mechanisms or levels of service is proposed at this time.
Support for Biodiversity in Victoria Domain, Picton	Avg 4.8 (17 votes)	**BAU:** Council acknowledges the importance of biodiversity enhancement within Victoria Domain and recognises the significant contribution made by community volunteers. Biodiversity outcomes in the Domain are guided by the Victoria Domain Reserve Management Plan, which identifies actions for pest control and ecological enhancement. Delivery of this work is undertaken within existing parks and reserves budgets and prioritised alongside other district-wide biodiversity needs. Any consideration of increased funding or service levels would be addressed through future planning and budget processes.
Regional Growth via Strategic Process	Avg 4.0 (1 vote)	**BAU:** Council acknowledges the submission's emphasis on the importance of a coordinated regional growth and strategic planning framework. Development of strategic planning and growth direction is an existing Council function and is already underway through current strategy development work. This submission aligns with existing work programmes and will inform ongoing strategic development, without requiring separate consideration through the Annual Plan.
Domestic cat by-law	Avg 4.8 (26 votes)	**LTP Workshop:** Council recognises the concerns raised regarding domestic and feral cat management and associated biodiversity impacts. Development of a new by law and associated delivery programme would represent a new level of service and is not currently provided for within existing budgets. Before any such proposal could be advanced, Council would need to consider policy options, evidence, costs, and community implications through a Long Term Plan Levels of Service workshop.

French Pass Memorial Hall	Avg 0.00 (0 votes)	**BAU:** Council acknowledges the importance of community halls as local assets, particularly in rural communities. Matters relating to maintenance and safety of Council-owned halls are managed through existing operational and asset management processes. Due to the nature of the work identified, including health and safety considerations, this submission will be considered alongside other hall maintenance priorities within existing funding and service frameworks.
Biodiversity Restoration of Victoria Domain	Avg 5.0 (2 votes)	**BAU:** Council recognises the long-term ecological benefits of biodiversity restoration in Victoria Domain and the contribution of volunteer groups. Restoration activities align with existing reserve management objectives. Any proposed increase in funding or expansion of activity would need to be evaluated alongside other biodiversity priorities and within available resources, consistent with current levels of service.
BDO Renwick Sports & Events Centre	Avg 4.0 (1 vote)	**BAU:** Council acknowledges the role of the Renwick Sports & Events Centre as a key community facility. Council is currently reviewing the operation, funding, and levels of service for sports parks and community facilities across the District. Further consideration of funding arrangements will be informed by this wider review to ensure financial sustainability and equitable application of service levels.
Whale Trail Enhancement	Avg 4.6 (11 votes)	**#1 – Not Supported (Out of Scope)** **#2 & 3 – BAU** **#4 – BAU / Not Supported (Out of Scope)** Council continues to work with the Whale Trail Trust and other stakeholders to support the delivery and ongoing quality of the trail within existing strategies and funding frameworks. Specific requests to alter road surfaces or significantly raise levels of service beyond Council's current responsibilities are not supported at this time. Opportunities relating to cultural expression and interpretation will continue to be considered through existing heritage and arts processes, subject to available funding.

Te Ara Tuhono Link Pathway ongoing repair and care	Avg 5.0 (2 votes)	**LTP Workshop:** Council acknowledges the growing regional importance of the Link Pathway. Council has previously provided funding support and continues to work with the Trust and community partners. Future decisions regarding Council's role, funding responsibilities, and service levels for community trails across Marlborough will be considered through a Long Term Plan Levels of Service workshop.
Domestic Cats	Avg 4.7 (17 votes)	**LTP Workshop:** Council acknowledges the issues raised regarding domestic cat management and biodiversity protection. Any proposal to introduce regulatory controls or a new management programme would require policy development, community engagement, and funding consideration. This submission will inform future discussions through the Long Term Plan process, subject to Councillor direction.
Community Hall Maintenance and Repairs	Avg 5.0 (4 votes)	**BAU:** Council recognises the importance of community halls in sustaining rural and local communities. Council is currently reviewing the role, condition, and future of community halls across the District. Maintenance and minor repair needs continue to be managed through existing operational and capital budgets, with further strategic direction to be informed by upcoming Council workshop discussions.
Indoor Family fun - Entertainment place	Avg 3.0 (1 vote)	**Not Supported / Out of Scope:** Council acknowledges the desire for additional indoor recreation and entertainment options for families and young people. However, the development and operation of commercial entertainment facilities sit outside Council's role and responsibilities. Such initiatives are more appropriately led by the private sector. As a result, no further action is proposed through the Annual Plan process.
Pest and Weed Control on Public Land	Avg 4.7 (9 votes)	**BAU:** Council acknowledges the importance of pest and weed management in protecting and enhancing biodiversity on public land. Control of invasive plant and animal species is addressed through existing biodiversity programmes and actions identified in relevant reserve management plans. This work is prioritised within current budgets and delivered as part of Council's ongoing environmental management responsibilities.

GROW LOCAL FOOD – Marlborough producers feeding Marlborough people	Avg 4.9 (63 votes)	**BAU & Not Supported / Out of Scope:** Council recognises the value of local food production in supporting resilience, economic diversification, and community wellbeing. The matters raised align with a range of existing strategic frameworks, including regional development, climate adaptation, and economic wellbeing planning. At this time, Council is not proposing to develop a standalone Local Food Strategy. The ideas raised will continue to be considered through existing strategic planning and partnership programmes rather than through the Annual Plan.
Signs	Avg 4.0 (2 votes)	**BAU:** Council acknowledges concerns regarding the visibility and clarity of dog control signage. A programme to replace and update dog signage is already underway and will be completed in conjunction with relevant town redevelopment projects. Information on dog access areas is also available through existing Council mapping tools. No additional action is required beyond current work programmes.
Carved Pātaka	Avg 4.7 (4 votes)	**BAU:** Council recognises the cultural significance of the proposed pātaka and the importance of celebrating local history and mātauranga Māori. The proposed location relates to a community garden that is not Council-operated. Opportunities for cultural projects of this nature are generally considered through community grant mechanisms and in alignment with existing cultural expression initiatives, subject to funding availability.
Blenheim Gymnastics Club - Not fit for purpose	Avg 4.5 (2 votes)	**LTP Workshop:** Council acknowledges the facility challenges faced by the Blenheim Gymnastics Club and the growing demand for indoor sports spaces. Provision of major sports facilities and hubs represents a significant capital investment and a potential change in service levels. This matter will be considered through a Long Term Plan Levels of Service workshop alongside other district-wide recreation and sports infrastructure needs.
Improve Western Entrance to CBD	Avg 4.0 (3 votes)	**BAU:** Council acknowledges community feedback regarding the appearance of the High Street Bridge. The bridge is scheduled for replacement in a future year, and aesthetic considerations will be incorporated during the design phase. This submission will inform that design process and is addressed within existing project planning.

Birchwood & Waters Avenues	Avg 4.0 (3 votes)	**BAU:** Council acknowledges concerns relating to pedestrian safety and streetscape amenity. The differing standards between streets reflect the planning and subdivision requirements in place at the time of development. Any additional infrastructure improvements requested would require Council funding and will be considered through existing transport and roading prioritisation processes.
Connect fragmented riparian margins	Avg 5.0 (8 votes)	**BAU:** Council recognises the importance of riparian restoration and habitat connectivity for biodiversity and ecosystem resilience. This work aligns with Council's existing biodiversity objectives and catchment-based initiatives. Riparian restoration continues to be progressed through partnerships, voluntary landowner engagement, and existing ecological programmes.
Plant a minimum 10% of Marlborough towns in trees	Avg 4.8 (8 votes)	**BAU:** Council acknowledges the benefits of increased urban tree cover for climate resilience, amenity, and wellbeing. Council already undertakes significant tree planting and management activities through its parks, reserves, and street tree programmes, guided by the adopted Tree Policy. Any proposal to mandate a specific tree-canopy target would require additional policy and funding consideration beyond current levels of service.
Support a run of the river approach to river management	Avg 3.3 (3 votes)	**BAU:** Council acknowledges the importance of regular maintenance and visibility of public reserves to ensure they are safe, welcoming, and well-used. Routine maintenance activities such as mowing, planting, and pathway upkeep are delivered under existing parks and reserves contracts. Requests for enhanced maintenance are prioritised alongside district-wide needs within available funding and established service levels.
A1 Strategic Direction Waitohi-Picton	Avg 0.00 (0 votes)	**BAU & LTP Workshop:** Council acknowledges the importance of a clear and shared strategic direction for the future development of Waitohi-Picton. Strategic planning for towns and settlements is an existing Council responsibility and is being progressed through current spatial planning, transport, and economic development work programmes – including optionality development for an LTP Workshop. This submission aligns with work already underway and will help inform future planning and prioritisation without requiring separate action through the Annual Plan.

A2 Investment Strategy Waitohi-Picton	Avg 0.00 (0 votes)	**LTP Workshop:** Council recognises the need for coordinated and well-sequenced investment to support Waitohi-Picton's growth and role as a regional gateway. Council investment decisions are guided by adopted strategies, asset management plans, and funding constraints. Investment priorities will continue to be assessed within existing long-term planning and budget frameworks to ensure outcomes are affordable and deliver value to the wider district.
B1 - Waitohi-Picton lower High Street upgrade and The Whale Trail	Avg 5.0 (3 votes)	**LTP Workshop:** Council acknowledges the importance of Lower High Street as a key arrival and movement corridor, and its connection to the Whale Trail. Streetscape upgrades and active transport improvements are considered through existing transport and urban development programmes. Any proposal to expand Council's role or significantly increase levels of service associated with the Whale Trail would require further consideration through a Long Term Plan Levels of Service workshop.
Continue support for integrated catchment management	Avg 4.5 (2 votes)	**LTP Workshop:** Council recognises the value of integrated catchment management in improving environmental outcomes, managing flood risk, and supporting biodiversity. This approach aligns with current Council environmental management practices and partnership based initiatives. As external funding for this programme ends, options for ongoing support and statutory responsibilities will be explored for feasibility.
B2 - Nelson Square and unsafe Truck Parking	Avg 4.0 (1 vote)	**BAU:** Council acknowledges concerns regarding amenity and safety impacts associated with heavy vehicle parking in the Nelson Square area. Management of parking and heavy vehicle movements is addressed through existing transport planning, parking management, and enforcement processes. This feedback will inform ongoing assessment and prioritisation within current transport and traffic management frameworks.
C1 - Waitohi-Picton Town Centre Beautification	Avg 5.0 (1 vote)	**LTP Workshop:** Council recognises the role of amenity, landscaping, and urban design in supporting a vibrant town centre. Beautification initiatives are delivered through existing town centre, parks, and transport programmes and are prioritised alongside district-wide needs. Proposals for enhancements will continue to be considered as part of feasibility and optionality in workshop.

Increase protection of Significant Natural Areas on private land	Avg 4.9 (10 votes)	**BAU:** Council acknowledges the importance of protecting Significant Natural Areas (SNAs) on private land. Protection mechanisms are already provided through planning instruments, incentives, and partnership approaches. Further refinement of SNA provisions will continue through statutory planning and policy processes.
Off-road cycle trails - connecting Blenheim, Renwick, Wineries and Whale Trail	Avg 4.6 (13 votes)	**BAU & LTP Workshop:** Council recognises the growing demand for off-road cycle connections for transport, recreation, and tourism. Development and long-term maintenance of new trail networks represent a potential change in service levels and funding commitments. This matter is best considered through ongoing strategy development programme work and a Long Term Plan Levels of Service workshop in the context of wider transport and recreation priorities.
Public–Private collaboration for the growth of Waitohi-Picton	Avg 0.00 (0 votes)	**LTP Workshop:** Council acknowledges the importance of strong partnerships with communities, iwi, organisations, and volunteers in delivering positive outcomes for Marlborough. Collaboration is a core component of Council's operating model and is embedded across many services and programmes. This submission aligns with work already underway through Council's strategy development work programme and does not require separate action through the Annual Plan process.