

Annual Plan

2020 - 2021

Te Kaunihera ā-Rohe o Wairau





**MARLBOROUGH
DISTRICT COUNCIL**



Only Marlborough

Vision

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

Mission Statement

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

Community Outcomes

Governance
Environment
People
Economy
Connectivity
Living

Values

We are open, transparent and collaborative
We partner with tangata whenua iwi
We involve and respect our many cultures
We are innovative and strive for excellence
We are adaptive and responsive to community needs
We work in an environmentally sustainable manner

Annual Plan

This Annual Plan explains what Council plans to do in the 2020-21 financial year; how much Council intends to spend on its activities and services and how this will be funded – including the expected impact on rates.

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Part 1: Executive Summary

- Mayor's message
- Elected Council members
- Results of consultation
- Financial overview
- Annual Plan disclosure statement for the period commencing on 1 July 2020



Mayor's message

When we consulted the public earlier this year, we made two commitments:

- our rates increase this year would be less than 2.2%; and
- our programme of important capital works would continue.

Following Council's consideration of the 193 submissions made as part of the consultation process, we have met both commitments. This year's rates increase will be 1.88%. This is a significant reduction on the 5.92% increase that was originally forecast in the 2018-28 Long Term Plan. The Council also confirmed its funding priorities for this Annual Plan, including capital works.



Every year it is challenging to manage the community's desire for increased levels of service and project funds, whilst also constraining rates increases. This task has been made much more difficult for us by the COVID-19 emergency, which has also brought a reduction in some Council revenue streams.

As part of Marlborough's COVID-19 economic recovery programme, it's important that the Council continues to support key community projects where possible. Due to prudent management, this Council has enjoyed a solid financial foundation for some years and we are able again this year to fund some excellent community projects that will provide a material improvement to our quality of life.

However, a number of worthy projects proposed by the public this year did not receive our support. Like almost every other business in New Zealand, we have had to tighten our belts and this year support only a small number of initiatives, with much of the funding for them coming from the Forestry and Land Development Reserve.

Council opted to defer the implementation of kerbside recycling for Renwick until the 2021-22 financial year. Councillors were conscious of the financial impact of a recycling rate on Renwick residents, particularly with the wider economic impact of COVID-19 on the community.

Councillors supported funding the completion of the Link Pathway (\$169,565), upgrades to the hall, public toilets and septic system in Carluke Domain, Rai Valley (\$153,913), the upgrade of the Awarua Park rugby and community facilities in Spring Creek (\$140,000) and a vision to develop a Wairau River Regional Park concept and management strategy (\$30,000).

We will also consider proposed new destination attractions for Picton, including a mountain bike park and thermal spa pools, which will be investigated as part of the redevelopment plan for the town. A number of other requests were referred to our committees for further consideration.

Council has a number of capital expenditure projects underway this year, including the new District Library and Art Gallery, the Blenheim sewerage scheme upgrade, sports facilities at A&P Park and Lansdowne Park, and solid waste disposal and flood protection initiatives.

A campaign for Marlborough to 'support local and buy local' and another to get some early domestic visitors back to the region were included in a package of COVID-19 economic recovery projects announced in early May by The Economic Action Marlborough (TEAM) group. The \$865,000 package includes free parking in Blenheim and Picton and a contingency fund to support commercial and community events. As a direct result of COVID-19, the Council has also set aside \$1.2 million to ensure community organisations and facilities like Marlborough Lines Stadium 2000 can remain viable. The funds will come from the Emergency Events Reserve and have no impact on rates.

Thank you to all submitters for taking the time to participate in this process, particularly during this very challenging lockdown period. I'd also like to thank our 'team of 50,000' for their sacrifice in supporting Marlborough and New Zealand through the COVID-19 response and recovery.



John Leggett
Mayor



Elected Council members



Mayor John Leggett



Deputy Mayor Nadine Taylor
Marlborough Sounds Ward



Councillor Barbara Faulis
Marlborough Sounds Ward



Councillor Brian Dawson
Blenheim Ward



Councillor Cynthia Brooks
Wairau-Awatere Ward



Councillor David Croad
Blenheim Ward



Councillor David Oddie
Marlborough Sounds Ward



Councillor Francis Maher
Wairau-Awatere Ward



Councillor Gerald Hope
Wairau-Awatere Ward



Councillor Jamie Arbuckle
Blenheim Ward



Councillor Jenny Andrews
Blenheim Ward



Councillor Mark Peters
Blenheim Ward



Councillor Michael Fitzpatrick
Blenheim Ward



Councillor Thelma Sowman
Blenheim Ward

Results of consultation

At its 2 April 2020 meeting Council adopted the document “Have Your Say Annual Plan Update – 2020-2021”. This was a high level summary outlining Council’s approach to the impacts of the COVID-19 pandemic. The document signalled:

- Council’s intention for a rates increase of less than 2.2%;
- that some new initiatives would not proceed; and
- that major capital projects would continue to keep the economy moving and prepare us for the other side of COVID-19.

There were no significant variations from Council’s 2018-28 LTP.

The document encouraged members of the public to make submissions on the Annual Plan and also to raise initiatives, projects or ideas that they would like Council to consider further.

The period for submissions was open until 4 May 2020 and a total of 193 submissions were received. This number is an over 60% increase on last year’s 118. This increase was driven by the high number of submitters on Kerbside Recycling for Renwick.

The topics covered by the submissions were very wide ranging and included comment on a number of Council-funded activities and proposals as well as funding requests for new and existing projects around the region.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 2-3 June 2020. Just under 60 oral submissions were made at the hearings, compared with just over 80 in 2019.

Councillors considered all submissions at a meeting held on 8 June 2020.

Following Council’s decisions on submissions the total Rates and Charges across the district will rise by **1.88%**, compared with the **5.92%** initially forecast in the LTP for 2020-21 and the **4.86%** forecast at Council’s 27 February 2020 Budget Meeting.

Councillors supported funding the following projects (all are GST exclusive):

- \$10,000 to control wattle trees from Waikawa to Queen Charlotte Sound;
- Up to \$7,000 for Picton Little Theatre earthquake strengthening;
- Up to \$162,897 to complete the Renwick Community Memorial Hall;
- \$153,913 for upgrades to the hall, public toilets and septic system in Carluke Domain, Rai Valley;
- \$140,000 for the upgrade of the Awarua Park rugby and community facilities in Spring Creek;
- \$169,565 to complete the Link Pathway;
- \$30,000 for developing a Wairau River Regional Park concept and management strategy; and
- \$2,000 to the Picton Resource Centre.

Councillors also signalled they will consider proposed new destination attractions for Picton, including a mountain bike park and thermal spa pools, which will be investigated as part of the long term planning and economic recovery work underway for the town. A number of other submission requests were referred to Council committees for further consideration.

Council decided to defer the implementation of kerbside recycling for Renwick for the immediate future. Councillors were conscious of the financial impact of a kerbside recycling rate on Renwick residents, particularly with the wider economic impact of COVID-19 on the community.

Financial overview

Council has prepared its 2020-21 Annual Plan with the objectives of:

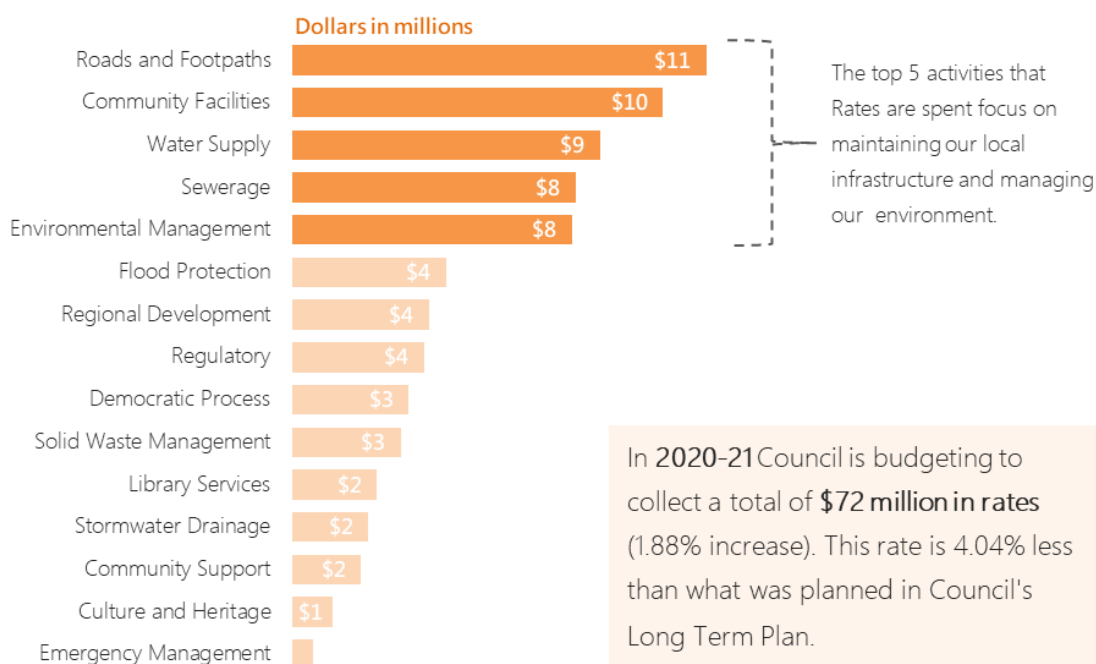
- balancing the wider economic impact of COVID-19 on the community while maintaining the direction, priorities and levels of service contained in the 2018-28 Long Term Plan (LTP);
- responding to community and central government requirements for essential infrastructure and improved levels of service; and
- keeping rates increases and debt levels low. While debt can be used to minimise rates increases, it transfers the financial burden to future generations.

Council believes that it has met these objectives:

- budgets have been prepared on the basis of maintaining levels of service;
- budgets include Council's responses to the impact of COVID-19 on our community while meeting Government requirements, e.g. compliance with New Zealand Drinking Water Standards and considering many of the community's requests for improved service levels/funding as shown in the next section "Results of Consultation";
- Council has retained its S&P Global AA+ (positive credit watch) rating. This rating is only one step below that of the NZ Government and held by only seven councils in New Zealand.
- reduced the forecast level of net debt shown in the LTP for 30 June 2021 from \$87.8 million to \$83.3 million; and
- after careful consideration, reduced the rates increase shown in the LTP for 2020-21 of 5.92% to 1.88%. This is below the local government cost index (inflation) forecast movement of 2.2%.

The Rates collected by Council are spent on delivering services under the following broad activity groupings. As can be seen, the vast majority is spent in the operation and maintenance of core infrastructure and in managing our environment.

How will my Rates contribute to our community in 2020-21:



The Rates reduction from the LTP (as well addressing the forecast drop in revenue), has required an across Council effort with all Departments making a contribution in one way or another.

A summary of the reductions follows:

- deferral of some levels of service improvements contained in the 2018-28 Long Term Plan (LTP). This involved reducing budgeted operating expenses and deferring the recruitment of some of the additional staff agreed to in the 2018-28 LTP;
- stopping or slowing the implementation of a number of Community Facility initiatives that had previously been agreed at the 27 February budget meeting;
- delaying the implementation of Kerbside Recycling for Renwick to July 2021 which was signalled in the Consultation Document;
- applying a sinking lid policy for the replacement of important, but not immediately required staff who resign or retire over the next year;
- reducing by 1% the assumed increase in staff remuneration. The final outcome is still subject to the outcome of collective contract negotiations;
- applying expected 2019-20 operating expenditure savings to the 2020-21 Budget. It is expected that the remaining carry forwards will still enable partially completed projects to be completed in 2021-22;
- reducing the estimate of external interest costs for 2021-22 to take account of the lower than expected level capital expenditure for 2019-20; and
- the use of Tax loss offsetting subvention payments from Port Marlborough to mitigate the financial impact of a potentially reduced dividend in 2020-21.

Also as a result of COVID-19 Council has also launched a number of initiatives to help the community transition through the economic impacts of COVID-19. These initiatives include:

- the package of initiatives costing an estimated \$865,000 launched under the TEAM umbrella including amongst other things a campaign for Marlborough to 'support local and buy local', another campaign to get some early domestic visitors back to the region and two hour free parking.
- setting aside an additional \$1.2 million to ensure community organisations and facilities like Marlborough Lines Stadium 2000 can remain viable.
- providing for the remission of rates penalties on the 10 June Rates instalment and partial remission of rates penalties outstanding at 30 June if paid by 20 July.
- establishing payment plans for those rate payers struggling to meet their rates obligations

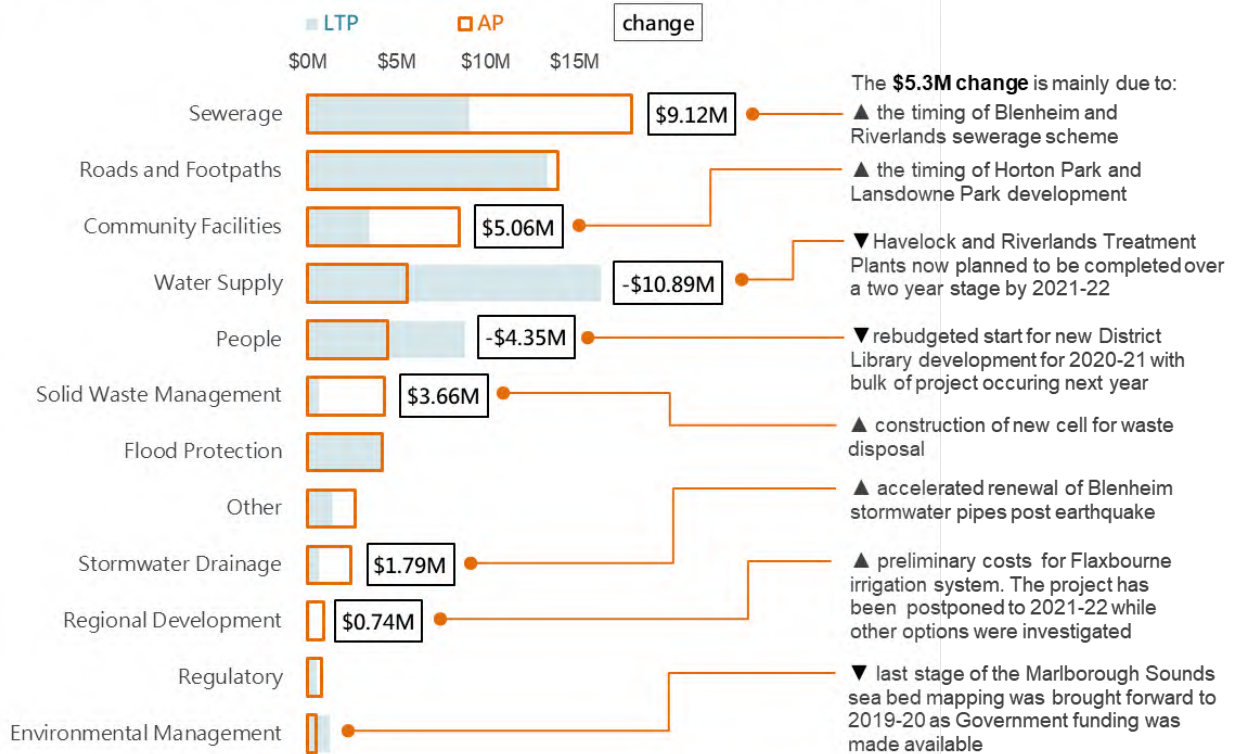
These funds will come from the Emergency Events Reserve and have no impact on rates.

For more detail on Council's expenditure please refer to the remainder of this document.

In 2020-21 Council is also implementing a number of capital expenditure projects. These include the new District Library and Art Gallery, the Blenheim sewerage scheme upgrade, sports facilities at A&P Park and Lansdowne Park, waste disposal and flood protection initiatives. Below in graphical representation of Council's proposed Capital Expenditure by Activity compared to that of the LTP.

2020-21 planned capital expenditure

In the 2018-28 Long Term Plan Council approved \$60M of capital expenditure for 2020-21. The 2020-21 Annual Plan is now planning \$65.3M. The main changes are highlighted below.



Annual Plan disclosure statement for the period commencing on 1 July 2020

What is the purpose of this statement?

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

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

Benchmark		Government Quantified limit	Council Planned 2019 20	Met
Rates affordability				
(a) income	≤	101.2M	72.0M	Yes
(b) increases	≤	4.25%	1.88%	Yes
Debt affordability				
(c) net debt / total revenue	<	250%	68%	Yes
(d) net interest / total revenue	<	20%	2%	Yes
(e) net interest / rates income	<	30%	3%	Yes
(f) liquidity	>	110%	121%	Yes
Balanced budget				
(g) revenue / operating expenditure	≥	100%	102%	Yes
Essential services				
(h) capital expenditure / depreciation	≥	100%	234%	Yes
Debt servicing				
(i) borrowing costs / total revenue	≤	10%	3%	Yes

Rates affordability benchmark

For this benchmark:

(a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the Financial Strategy included in Council's Long Term Plan;

(b) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the Financial Strategy included in Council's Long Term Plan.

The Council meets the rates affordability benchmark if:

- (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
- (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in in the Financial Strategy included in Council's Long Term Plan.

The Council meets the debt affordability benchmark if:

- (c) its planned net debt as a proportion of total planned revenue for the year is less than the quantified limit; and
- (d) its planned net interest as a proportion of total planned revenue for the year is less than the quantified limit; and
- (e) its planned net interest as a proportion of total planned rates income for the year is less than the quantified limit; and
- (f) its planned liquidity for the year is less than the quantified limit.

Balanced budget benchmark

(g) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

(h) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

(i) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.

Part 2: Our Business

Activity Groups and Activities

People

- Democratic Process
- Culture and Heritage
- Housing for Seniors
- Community Support
- Library Services
- Emergency Management

Community Facilities

Roads and Footpaths

Flood Protection and Control Works

Sewerage Including Treatment and Disposal

Stormwater Drainage

Water Supply

Solid Waste Management

Environmental Management

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

Regulatory

- Biosecurity (Pest Management)
- Building Control
- Environmental Health
- Animal Control
- Harbours

Regional Development



Democratic Process

What is this Activity about?

Marlborough District Council is a unitary authority with the functions, duties and powers of both a regional council and a territorial authority, as conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being: to enable democratic local decision-making and action by, and on behalf of, communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses.

Marlborough District Council's Local Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Local Governance Statement and associated policies and documents can be viewed at Council Service Centres, Libraries and on the Council's website.

While considering the range and diversity of the communities in Marlborough, the Council recognises the special relationship it has with tangata whenua, and acknowledges the specific responsibilities it has to Māori under the Local Government Act 2002 and the Resource Management Act 1991 and is taking steps to further improve its current relationships with Iwi.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Public communications

Although there remains significant uncertainty for many media businesses in New Zealand, Marlborough is fortunate to have three newspaper publishers competing for readers. In addition, the initiative by the Government in mid-2019 to fund a Local Democracy Reporter (LDR) in Marlborough has provided more certainty that there will be a sustained Council news reporting service here. This had looked unlikely just two years ago. LDR coverage appears on the Stuff website and in its print publications, and is also made available to other community newspapers and a national audience on RNZ, TVNZ and in the New Zealand Herald.

To better match community expectations and reduce its reliance on print, the Council has reviewed and evolved its communication channels since 2017, increasing the use of online platforms to share news and information, notably through Facebook and via the Antenna app. Through organic growth, Council's Facebook page now has 4,000 followers. Council also moved its advertorial news and events page from the Marlborough Express to the Marlborough Midweek, which significantly increased readership, and it now also advertises online on the Marlborough App. It continues to publish a news page in the Blenheim Sun.

Since July 2019 the Council has also published a 'Sounds News' page in the Saturday Express, and at the beginning of the COVID-19 lockdown in March 2020, when most local newspapers had to cease publication, we launched a weekly e-newsletter, Marlborough Matters, which fills a desired gap requested by the public and will continue post-lockdown as a direct communication channel for the Marlborough community.

By 'going where the people are' in its channel strategy, the Council has achieved a high satisfaction score for its communications in the annual resident satisfaction survey. It is important that in future it continues to keep abreast of community expectations and trends in print and online communications, and adjusts its approach accordingly.

Levels of Service: Democratic Process

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, 10 = "service delivered extremely well".	6.7	6.7
Provide a service that is timely and responsive to residents' needs.	Percentage of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%
Public contribution to decision making process.	% of Council items of business open to the public.	90%	90%

Funding Impact Statement for 2020-21

Democratic Process

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,149	3,241	3,159
Fuel tax, fines, infringement fees and other receipts	318	215	254
Total operating funding	3,467	3,456	3,413
Applications of operating funding			
Payments to staff and suppliers	1,707	1,712	1,636
Internal charges and overheads applied	1,754	1,737	1,796
Other operating funding applications	6	7	6
Total applications of operating funding	3,467	3,456	3,438
Surplus (deficit) of operating funding	-	-	(25)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(0)	-	(25)
Total applications of capital funding	(0)	-	(25)
Surplus (deficit) of capital funding	0	-	25
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	3,467	3,456	3,438
Expenditure as per statement of comprehensive revenue and expense	3,467	3,456	3,438

Culture and Heritage

What is this Activity about?

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

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

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

These include:

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

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

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

Further information about this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Funding

The Heritage and Arts sectors continue to be under stress due to limited funding sources and a need to invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of arts being practised in Marlborough. Expansion and maintenance of museum facilities is an ongoing challenge.

Council recognises the importance of heritage and the arts to Marlborough and will assist organisations in accessing support beyond the current levels from other funding agencies. Support is being provided to protect current collections, particularly from fire.

A new art gallery is planned in Blenheim as part of the library development.

Levels of Service: Culture and Heritage

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9
Oversee Council's grants and third party providers to ensure service quality and value.	% of contract and grant requirements met.	100%	100%

Funding Impact Statement for 2020-21 Culture and Heritage

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,166	1,186	1,116
Fuel tax, fines, infringement fees and other receipts	91	78	89
Total operating funding	1,257	1,264	1,205
Applications of operating funding			
Payments to staff and suppliers	68	8	39
Finance costs	-	60	-
Internal charges and overheads applied	200	137	184
Other operating funding applications	1,086	1,062	1,020
Total applications of operating funding	1,355	1,267	1,243
Surplus (deficit) of operating funding	(98)	(3)	(37)
Sources of capital funding			
Increase (decrease) in debt	-	2,052	-
Total sources of capital funding	-	2,052	-
Applications of capital funding			
Capital expenditure to replace existing assets	10	2,083	-
Increase (decrease) in reserves	(108)	(34)	(37)
Total applications of capital funding	(98)	2,049	(37)
Surplus (deficit) of capital funding	98	3	37
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,355	1,267	1,243
plus - Depreciation and amortisation	6	17	6
Expenditure as per statement of comprehensive revenue and expense	1,360	1,284	1,248
Operating expenditure			
Arts	755	774	765
Heritage	606	510	483
Capital expenditure			
Arts	-	2,083	-
Heritage	10	-	-

Housing for Seniors

What is this Activity about?

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

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Financial sustainability

Emerging issues within this Activity are:

- the age of the units and their increasing maintenance costs;
- the increasing proportion of older people in Marlborough;
- the fixed incomes of many tenants;
- the affordability of rents;
- meeting the requirements of the Healthier Homes Standard;
- an increase in demand for the current units; and
- an increase in the use of mobility scooters and the need for secure storage of them. This will be considered if developing new complexes.

An ongoing programme of refurbishments is required to maintain the quality of the units.

Levels of Service: Housing for Seniors			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	7.0
	Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.1	8.0
Provide up-to-date record of occupancy levels.	Minimum occupancy in units to be maintained.	98%	98%
Provide Housing for Seniors reactive maintenance service in two categories.	¹ Urgent Unplanned Maintenance - Percentage of unplanned maintenance completed within 24 hours of notification.	97%	98%
	² Non-Urgent Unplanned Maintenance - Percentage of unplanned non-urgent maintenance completed within 20 working days of notification.	97%	90%

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

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

Levels of Service: Housing for Seniors

	Indicator	Baseline	2020-21
Provide an annual checklist of planned maintenance/projects as set out in budget and from Committee meetings.	Percentage of planned maintenance/projects completed in financial year.	65%	98%

Funding Impact Statement for 2020-21

Housing for Seniors

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
Rent, fuel tax, fines, infringement fees and other recei	1,435	1,584	1,469
Total operating funding	1,435	1,584	1,469
Applications of operating funding			
Payments to staff and suppliers	921	1,075	1,016
Internal charges and overheads applied	184	176	189
Other operating funding applications	20	14	16
Total applications of operating funding	1,125	1,265	1,221
Surplus (deficit) of operating funding	309	319	248
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	162	160
Increase (decrease) in reserves	309	157	88
Total applications of capital funding	309	319	248
Surplus (deficit) of capital funding	(309)	(319)	(248)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,125	1,265	1,221
plus - Depreciation and amortisation	330	329	338
Expenditure as per statement of comprehensive revenue and expense	1,455	1,594	1,560

Community Support

What is this Activity about?

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

Community safety

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

Council has reviewed its role in community safety and has resolved to commit to longer term arrangements with the police and central government wherever possible.

The Safer Communities Marlborough section of Council contributes to community well-being. This is presently with Restorative Justice initiatives. These have resulted in positive outcomes at minimum direct cost to Council as the majority of the Safer Communities activities are self-funding via Government grants.

The security camera network in the Blenheim and Picton CBD is managed by Council’s Support Services Department and is funded by rates.

Community support and development

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council has worked in partnership with key organisations to establish the Positive Ageing Accord to identify the aspirations of this sector and take actions to achieve these. The Accord has come to the end of its term and plans are underway to work with key agencies to develop an Age Friendly Community Strategy. Monthly Older Persons Forums and regular Picton Regional Forums are held to give a voice to this sector and enable issues to be raised and addressed.

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

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

Advocating for the needs of the community sector is an ongoing issue, particularly given the changes being experienced in the age and ethnicity of the community. Strengthening relationships with key organisations, and providing training and support are key elements of building the capacity of the sector. Council is working in partnership with Rata Foundation, DIA and Volunteer Marlborough on a Strengthening Community Governance project to assist with this work.

Council also assists by providing community grants. Criteria for these grants have been set to target specific needs in the community and relationships with other funding providers have the potential to maximise the funds available. Council has increased its funding to community organisations to support them through the impacts of COVID-19.

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

Council contracts the Youth Trust to deliver youth services and Volunteer Marlborough to build the capacity of the voluntary sector through training.

Events management

Free community based events make a positive contribution to the well-being of the community by enhancing cultural identity, physical activity and social cohesion. Events also have a role to play in attracting visitors to Marlborough, along with showcasing and promoting the area.

Energy efficiency

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

Solar power was introduced in April 2019 and 52 installations have been approved in the first 8 months. In total over 1200 funding applications have been received with 866 currently funded. Further significant uplifts in this activity are expected in 2020-21. Also 2020-2021 is the tenth year of funding with the first year's funding to be completely repaid on 30 June 2020.

Passenger transport and total mobility scheme

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

These activities are part funded by the NZ Transport Agency. In addition, Bayleys Marlborough provides sponsorship funding for the bus service.

Smart and connected communities

Council has supported the establishment of community-led groups in some of our larger communities (Havelock, Picton, Renwick and Seddon) via the Smart+Connected process. These groups have developed a strategic plan and a number of working groups to implement their plans through their own efforts, and by working with key partners including Council, other public providers and businesses. The Smart+Connected groups have successfully galvanised a large number of people in each community to participate in the groups and to achieve agreed actions.

Further information on what this Activity is about is contained in the 2018-28 LTP.

Emerging issues and expected changes

Changing demographics

The changing age structure of the Marlborough community will pose some challenges for future infrastructure provision and the delivery of services such as health and education services, along with housing, transport (including passenger transport and mobility) and recreation. That is because in the coming years our community is going to be "older" — 2018 population projections by Statistics NZ indicate 23% of the population is over 65 and this is projected to increase to 34% by 2043.

Another change is a significant increase in the ethnic diversity of the Marlborough community. It is already apparent that the population is becoming more ethnic and culturally diverse and this trend is expected to continue. This along with Marlborough being selected as a new centre for Refugee Resettlement commencing 2020 will impact on local services. However, it will also add a welcome richness of diversity.

Events management

The main challenges are to keep events relevant and interesting in times of changing population demographics, and to access external funding and sponsorships.

Community safety

Safer Communities Marlborough has always operated in an environment of potential change due to its reliance on central government for the majority of its funding.

Smart and connected communities

Support to the operation of the Smart+Connected community groups will be limited due to temporary reduction in staff resources until at least January 2021. Administrative support to the groups will be maintained.

Passenger transport and total mobility scheme

Public transport services give people access to economic and social opportunities. Council currently operates an urban bus service in Blenheim and a district-wide mobility scheme. These activities are part funded by the NZ Transport Agency. In addition, Bayleys Marlborough provides sponsorship funding for the bus service.

Options to expand bus services to Picton and Renwick as well as a commuter service for Blenheim have been approved for an 18 month trial period. The Picton service commenced in August 2019 and the Renwick and Blenheim commuter services commenced in February 2020. If the trials are successful, an expanded scope of services could eventually become permanent.

Levels of Service: Community Support

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".		
	• Community Support.	6.8	6.8
	• Community Safety.	7.3	7.3
	• Events Management.	7.0	7.0
Manage Council's community grants and third party providers to ensure service quality and value.	Contract and grant requirements met.	100%	100%
Manage third party providers to ensure service quality and value of community events.	Compliance with contract requirements.	100%	100%
	Participation numbers match targets in contracts.	98%	98%
Implement the Positive Ageing Accord.	Number of Older Persons Forums held annually (minimum 10).	100%	100%
	Frequency of Seniors Expo.	Biennial Seniors Expo	Biennial Seniors Expo
	Complete an Age Friendly Community Strategy	New Target	30 June*
Implement Youth Initiatives Plan.	Number of Youth Forums held annually (minimum 9).	100%	100%
	% of actions in Youth Initiatives Plan completed each year.	97%	97%
Build capacity of the Volunteer Sector through provision of training in partnership with key service providers.	Number of training courses provided per annum where attendance numbers meet targets.	3	3
Provide quality service that meets and exceeds the expectations of the funding ministries and thus providing quality service to the community.	% of compliance with Ministry of Justice contract conditions met.	100%	100%
Provide a well-used and affordable bus service in Blenheim and to Picton and Renwick that is timely and responsive to community needs.	Increase levels of customer patronage by 3% per annum (total patronage for 2016-17 year was 22,691).	3% > previous year	3% > previous year
	Resident satisfaction as measured by survey, where 10 = "service delivered extremely well".	6.5	6.8
	Improve infrastructure to support bus service by adding a minimum of three bus shelters per year (as funding allows).	3	3

*Target was revised as part of the 2020-21 Annual Plan process

Funding Impact Statement for 2020-21

Community Support

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,356	1,447	1,327
Targeted rates	403	450	589
Subsidies and grants for operating purposes	457	370	332
Fees and charges	33	18	12
Fuel tax, fines, infringement fees and other receipts	107	148	106
Total operating funding	2,356	2,433	2,366
Applications of operating funding			
Payments to staff and suppliers	1,508	1,382	1,889
Finance costs	14	11	11
Internal charges and overheads applied	380	361	406
Other operating funding applications	706	612	878
Total applications of operating funding	2,608	2,366	3,184
Surplus (deficit) of operating funding	(252)	67	(817)
Sources of capital funding			
Subsidies and grants for capital expenditure	10	11	10
Increase (decrease) in debt	(9)	(7)	(10)
Lump sum contributions	100	-	150
Total sources of capital funding	102	4	150
Applications of capital funding			
Capital expenditure to improve the level of service	20	21	20
Increase (decrease) in reserves	(170)	50	(687)
Total applications of capital funding	(150)	71	(667)
Surplus (deficit) of capital funding	252	(67)	817
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,608	2,366	3,184
plus - Depreciation and amortisation	13	12	10
Expenditure as per statement of comprehensive revenue and expense	2,621	2,378	3,194
Operating expenditure			
Community Safety	261	278	129
Community Support and Development	986	943	1,207
Events Management	219	255	224
Energy Efficiency	360	308	904
Passenger Transport	646	426	600
Smart and Connected Communities	150	168	129
Capital expenditure	-	-	-
Passenger Transport	20	21	20

Library Services

What is this Activity about?

This Activity provides the community with a professional library service. The purpose of the library is to help customers help themselves by encouraging a joy of reading and the pursuit of knowledge, through the provision of a wide range of current resources in various formats in a safe and accessible environment. Resources include authoritative databases, and access to wifi, computers and educational programmes.

The Council provides library services to all Marlborough residents through a network of library facilities. These comprise a District Library in Blenheim and a Branch Library in Picton (a joint Library and Service Centre) which are both open seven days a week. Council also supports school based community libraries in Ward and Havelock, along with a community library in Renwick.

Further information on what this Activity is about is contained in the 2018-28 LTP.

Emerging issues and expected changes

Library facilities

Planning is underway by Council to build a new combined District Library and Art Gallery facility to replace the present two inadequate buildings. This project will be partially funded from Reserves and the sale of the old library and Council's Queen Street property.

The Picton Library and Service Centre Waitohi Whare Mātauranga celebrated its second year in its new facility validated by increases in issues and visitors to the facility.

Levels of Service: Library Services			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
An overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6
A range of current resources supporting the tastes, interests and reading levels of users is provided.	Average age of resources.	8 years or less	8 years or less
	Frequency of items being taken out (turnover rate).	4 times per year	4 times per year
	Number of overdue items not returned 28 days after due date.	130 items	<130 items
A range of programmes or training opportunities that meet or exceed customers' expectations.	Evaluate the satisfaction of courses and programmes offered by the libraries by survey, where 1 = Unsatisfactory, 3 = Good and 5 = Excellent	>4	>4
Access to information electronically.	Number of e-book and e-audio loaned.	10,934	10% increase on baseline

Funding Impact Statement for 2020-21

Library Services

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,404	2,428	2,307
Fees and charges	6	6	4
Internal charges and overheads recovered	113	-	112
Fuel tax, fines, infringement fees and other receipts	309	285	294
Total operating funding	2,831	2,719	2,717
Applications of operating funding			
Payments to staff and suppliers	1,718	1,651	1,641
Finance costs	100	250	142
Internal charges and overheads applied	624	561	644
Total applications of operating funding	2,443	2,462	2,427
Surplus (deficit) of operating funding	389	257	290
Sources of capital funding			
Increase (decrease) in debt	(59)	3,665	1,888
Total sources of capital funding	(59)	3,665	1,888
Applications of capital funding			
Capital expenditure to meet additional demand	-	6,250	4,000
Capital expenditure to improve the level of service	26	28	27
Capital expenditure to replace existing assets	314	306	293
Increase (decrease) in reserves	(10)	(2,662)	(2,143)
Total applications of capital funding	330	3,922	2,178
Surplus (deficit) of capital funding	(389)	(257)	(290)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,443	2,462	2,427
plus - Depreciation and amortisation	490	489	433
less - Internal charges and overheads recovered	(113)	-	(112)
Expenditure as per statement of comprehensive revenue and expense	2,820	2,951	2,748

Emergency Management

What is this Activity about?

Council is a key member and the sole funding agency of the Marlborough Civil Defence Emergency Management (CDEM) Group, with responsibility for the administration and implementation of the CDEM Group Plan.

The operative CDEM Group Plan describes:

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

Marlborough also needs to have plans in place to manage a number of other hazards such as drought and electricity failure.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

COVID-19

The Civil Defence and Emergency Management Unit has played a key role in responding to the effects of COVID-19. This is likely to continue into 2020-21 but on a reduced scale.

National Emergency Management Agency (NEMA)

In December 2019 Ministry of Civil Defence Emergency Management staff were transferred into the new NEMA with a new Director. During 2020 the NEMA organisational strategy, design and operating model will be developed and implemented as phase 2 of the establishment of the new government department. Once the new legislation is enacted NEMA will be more operationally focussed and will develop regulations to ensure that Groups retain or develop high levels of training and have the necessary capability to deliver consistent levels of service across NZ. This will be challenging for smaller Groups and Unitary Authorities such as Gisborne and Marlborough.

Training

In response to the national changes Marlborough Emergency Management (EM) plans to invest significantly in training senior Incident Management Team members particularly in the Controller, Response Manager, Lifelines Coordinator and Recovery Manager roles. This will be funded through the NEMA training fund. MDC staff who could be available during an emergency have also been identified and will receive basic

training to assist with the operation of the Emergency Operations Centre. New electronic information gathering and management tools have been developed and these will also require an investment in training to get the best from them.

Director’s guidelines

NEMA continues to develop new Director’s Guidelines (DGL) for Groups to abide by. Recently released DGL’s include guidance around natural hazard risk management, recovery preparedness and damage (structures and buildings) assessments. We are still looking to identify the best way to address this shortfall and will look to make a budget bid in the 2021-31 LTP.

Māori involvement in emergency management

Marlborough EM expects to work more closely with Te Taihū iwi and marae in 2020, particularly as Te Puni Kōkiri now have a staff member in Marlborough. Stronger relationships with Marae and Māori Wardens will be developed and training opportunities will be provided at no cost. There is significant benefit for the entire community in marae being far more resilient when disaster strikes.

AF8

The Alpine Fault project will no longer be financially supported by NEMA. South Island Groups will contribute \$100,000 per annum to retain a coordinator of which \$5,000 will come from MDC. In 2020-21 Groups will look to focus on response and recovery planning, community engagement and risk communication across the South Island. NEMA has begun work on a national earthquake response plan and this will need to dovetail into the existing S.I. plans. A Tier 4 national exercise is planned for 2020 which will build on the Tier 3 S.I. exercise held in 2019 and will include the participation of all sixteen Groups.

Fire and Emergency restructuring

The District Manager will be based in Nelson and it appears likely that the current Marlborough permanent staff (particularly rural) roles will be reduced in number and skills required. What that means for the current close working relationships in Marlborough between FENZ and Marlborough EM has yet to become clear.

Levels of Service: Emergency Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents’ expectations.	Resident satisfaction with this service as measured by survey, where 10 = “service delivered extremely well”.	8.2	8.2
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	The CDEM Group Plan and Group Welfare Plan fully comply with the Ministry of Civil Defence Director’s Guidelines.	comply	comply
	The Coordinating Executive Group, the Readiness & Response Committee and Welfare Coordination Group each meet at least three times per year.	3x3 meetings	3x3 meetings
	Regional Incident Management Team train/exercise at least 10 times per year.	≥10	≥10
	Activate the Emergency Operations Centre (EOC) within 30 minutes of an event or post a national warning being received from MCDEM if an active response is required.	100%	100%

Funding Impact Statement for 2020-21 Emergency Management

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	514	538	588
Fuel tax, fines, infringement fees and other receipts	69	55	66
Total operating funding	583	593	654
Applications of operating funding			
Payments to staff and suppliers	438	410	489
Internal charges and overheads applied	129	151	132
Total applications of operating funding	568	561	621
Surplus (deficit) of operating funding	15	32	33
Sources of capital funding			
Other dedicated capital funding	275	-	-
Total sources of capital funding	275	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	60	9	9
Increase (decrease) in reserves	(45)	23	24
Total applications of capital funding	290	32	33
Surplus (deficit) of capital funding	(15)	(32)	(33)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	568	561	621
plus - Depreciation and amortisation	30	32	33
Expenditure as per statement of comprehensive revenue and expense	598	593	654

Community Facilities

What is this Activity about?

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Building work

Ongoing work is being carried out on community facilities that require seismic strengthening or demolition as a consequence of earthquake activity or to meet national building codes. The strengthening work of Stadium 2000 is complete. The A & P Park Grandstand has been demolished and a replacement pavilion building has been budgeted for in the 2020-21 period. Strengthening and redevelopment of the Awatere Community Hall has been completed, the earthquake damaged Hub building at Seddon has been removed and repair work on the Awatere Pavilion is underway. Funding for strengthening the Ward Hall has been budgeted for in the 2020-21 year. The future of the Flaxbourne Heritage Centre is still being decided and funding for this is not yet budgeted for.

Tree management

The more robust data capture and monitoring system introduced for managing trees continues to result in an improved understanding of our tree portfolio. Along with the development of a tree policy this refined approach supports a more rigorous aspect to management of our trees. This year has seen a higher number of trees removed (or pruned) from our parks and streets in response to significant weather events (drought and wind) and because a number of larger trees are nearing the end of their life. A tree planting programme is in place to replace the trees needing to be removed as well as on streets and in parks to further enhance these environments.

Cemeteries

Master plans are complete and provide guidance for future development, management and operational requirements across Council-run cemeteries. The plans have an implementation programme, with prioritised projects to be reflected in budget allocations.

Marlborough, like other areas around the country, is experiencing an increase in cremations compared to burials. Consequently there is a need to consider the most appropriate options for ashes interments at each of the cemeteries. There is also a trend for self-funerals where the use of funeral directors does not occur. This may see greater staff resources needed to assist the public through the process. There is also increasing demand for access to Council's online cemetery database.

Memorials

A district-wide master plan is being prepared for memorials. Similar to the cemetery master plans, this will guide future development, management, budget and operational requirements relating to memorials.

Public conveniences

Public conveniences asset renewals have continued through the 2019-20 year. Renewals of facilities at Havelock Township, Collins Reserve, Anakiwa, Okiwi Bay, High Street (Picton), Horton Park, Hodder Bridge, London Quay and Oliver Park are either planned or works are underway over the next 12-month period. Capital funding assistance has been received for several of these projects through application to the Ministry of Business Innovation and Employment's *Tourism Infrastructure Fund*.

Further, improvements are planned for existing facilities at Seymour Square and Taylor Dam in the 2020-21 to 2021-22 period and new facilities are planned at Ward and Grovetown Lagoon. Some of these projects will be eligible for *Tourism Infrastructure Funding*. In response to increased use of tracks and trails new public conveniences are being considered at Essons Valley and Wedge Point (both near Picton) and at Wither Road Extension (Blenheim).

Responsible camping

Responsible camping numbers continue to grow significantly in Marlborough, given the presence of the inter-island ferry terminals and our location along State Highway 1. Central government funding was received for increased monitoring at freedom camping sites and to respond to complaints for the 2019-20 summer season.

Central government is actively looking at the impacts of freedom camping on local communities and we are continuing to closely monitor this activity to determine whether changes in our approach may be needed. Funding from central government was also received for half the costs of a feasibility study of the impact of responsible camping in Marlborough ahead of a bylaw review in 2020. The results of the study and the bylaw review may have budgetary considerations.

Climate change and hazard events

Weather events, which are combined with king tides and storm surges have the potential to damage coastal reserves and Council infrastructure. The implications of these events will need to be considered, along with the impacts of anticipated sea level rise. There may be costs associated with managing these impacts, and issues to resolve regarding how the public expects Council to respond to these events.

In particular, weather events are having an effect on the parks and open spaces environment with a noticeable damage and loss of assets, including structures, walkways and tracks. Greater losses of trees are being experienced which may see a need for different responses to species being planted and/or a need for irrigation. There is also an increase in the range and number of pest infestations in Marlborough that will result in greater control or maintenance requirements.

Walking and cycling

There is an increasing demand for the development of more paths and tracks for walking and cycling communities, including locals and visitors. The Walking and Cycling Strategy for Marlborough outlines areas where cycling and walking are to be enhanced and/or new connections made to the network. This is certainly a positive in terms of health, social well-being and the possible economic impact that may occur, however ongoing funding to develop and to maintain these facilities will need to be considered in the longer-term. There is increased use in particular of tracks close to Picton from cruise ship visitors.

New reserves

New reserves have been obtained by Council as a result of subdivision development. These include Rose Manor, Grovetown, Omaka Landing and Oyster Bay. With the exception of the reserve at Oyster Bay, Port Underwood there will be budgetary implications for these new neighbourhood parks related to the maintenance and provision of playground equipment. The Oyster Bay reserve will require maintenance of native plantings.

Development on existing Reserves

There will be cost implications for maintaining the new additions on reserves with the planned upgrades to parks and open spaces currently underway including Neil Street Upgrade in Havelock, Taylor River carparks, Seddon Pump Track, Waterfall Track (Havelock) and widening of the shared path along the Taylor River.

Several upgrades to district playgrounds are planned or currently underway, which include: Renwick Village Green, Omaka Landing, Blackmore Place, Ballinger Park and Victoria Domain.

Small Townships Programme

There will be significant budgetary implications for the new projects identified through the Small Townships Programme. These projects developed from Small Townships Plans in Renwick, Havelock, Wairau Valley, Spring Creek and Ward as well as smaller Community Projects Fund projects have an impact on maintenance costs and subsequent increase in levels of service. Examples include amongst others, the Ward Hall landscaping project, Renwick Village Green, Renwick cycle lanes and tree planting in Renwick, Wairau River picnic area, Canvastown projects, Ward Streetscape, Havelock community pathway. With a growing number of projects identified over the next 10-year period, there will need to be funding provided to ensure these new projects are maintained at a level which meets community expectations.

Lansdowne Park redevelopment

The development of a “Sportsville” facility at Lansdowne will provide for all the potential sport codes that make use of the park. There is an opportunity to further develop the facility to provide for some commercial operations which will help to subsidise the operating expenses. Concept design options and costings are being developed within the 2019-20 year. It is expected the Sportsville facility will cost \$5M.

Outdoor Sports Facilities Plan

The redevelopment of Lansdowne Park has come about as a consequence of opportunities set out in the Council’s Outdoor Sports Facilities Plan. This plan was prepared in 2010, and has achieved a number of other outcomes for sporting facilities in Marlborough. It is important that this plan stays current, and a review is currently underway with the assistance of a consultant.

Contracts and tenders

A number of our larger key maintenance contracts have been renewed in the last two years. These contracts had been in place for about 8-10 years and all contracts went through an open market tender process. The market review resulted in increases to all contracts with costs rising by more than the anticipated 5% to between 20-40% increases on each contract. One further contract renewal will go to the open market in the FY 20/21 and is also likely to increase within the same range of 10-30%. These increases result in part from development of new open spaces and] parks, pressure on current Council facilities, greater expectations for levels of service and increased visitor numbers.

The review of the contracts has allowed the new areas not previously covered by a contract to be included in the maintenance contract. These areas had previously been charged under Council’s repairs and maintenance budgets or as a variation. This review has provided Council with a much more accurate assessment of overall costs in order to maintain our open spaces.

In some cases, the response work was as much as 30% of the addition to the original contract price.

Reserve Management Plans

Parks and Open Spaces have several working documents underway that will assist Council and the community to address planning and budgeting in our parks and open spaces. The Victoria Domain plan is being written in conjunction with Te Ātiawa and the Seddon and Waikawa parks are in the early stages of preparing for public discussion. The Wither Hills Farm Park plan is also in the early stages with some planning and consultation underway.

Levels of Service: Community Facilities

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Community facilities are accessible and maintained to a high standard appropriate to the range and level of use, including: <ul style="list-style-type: none"> • reserves, parks, gardens, civic and open spaces; • cycling and walking tracks and paths; • cemeteries and war memorials; • swimming pools; • sports parks; and • public conveniences. 	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	≥ 7.8	≥ 7.8
Neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	The proportion of residentially zoned houses in urban areas within 500m walking distance of neighbourhood parks.	≥ 98%	≥ 98%
Use and development of reserves is carried out in accordance with Reserve Management Plans.	Reserve management plans are in place for Council reserves and reviewed or prepared as necessary.	New measure	Complete new sports parks and new neighbourhood parks RMP's
A connected network of walking and cycling paths and tracks that is accessible and visible and caters for a range of abilities.	An enhanced and/or extended walking and cycling paths and tracks network	New measure	Enhancements made to existing network and/or new additions to network
Street trees provide an attractive streetscape and are well maintained.	Appropriately planted street trees on new urban roads and renewal of street trees on existing roads.	New measure	100%
	Number of street trees planted per year.	New measure	120
	Condition assessment of each street tree undertaken once every two years (or sooner if necessary).	New measure	100%
Playgrounds are varied and stimulating and are safe and well maintained.	New playgrounds and renewals have incorporated shade (including natural shading) into the design.	New measure	95%
	Playground audits are undertaken and recommendations implemented.	New measure	100%

Levels of Service: Community Facilities

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Cemeteries Provision of well-maintained cemeteries to provide accessible and appropriate sites for the interment needs of the community.	Cemeteries managed and developed in accordance with cemetery master plans.	New measure	Implementation of short term priorities from cemetery master plans.
	Number of burial and ashes plots.	650	650
Sports parks The Council's sports parks: <ul style="list-style-type: none"> • provide for a range of sporting and recreation activities; and • are well maintained, available and accessible and safe to use. 	Review the Council's Outdoor Sports Facilities Plan.	New measure	Review complete
	Develop the Council's Outdoor Sports Facilities Plan.	New measure	Begin development of plan
Public toilets The Council's public toilets are well designed, accessible, clean and safe to use.	Initial response to requests for service actioned within allotted time.	New measure	100%

Funding Impact Statement for 2020-21 Community Facilities

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,720	10,149	10,027
Targeted rates	3	-	3
Subsidies and grants for operating purposes	858	11	386
Fees and charges	174	148	203
Fuel tax, fines, infringement fees and other receipts	854	702	835
Total operating funding	11,610	11,010	11,453
Applications of operating funding			
Payments to staff and suppliers	6,551	6,583	6,877
Finance costs	948	1,038	853
Internal charges and overheads applied	2,076	2,115	2,167
Other operating funding applications	815	579	2,067
Total applications of operating funding	10,391	10,315	11,964
Surplus (deficit) of operating funding	1,219	695	(511)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	120
Development and financial contributions	1,278	1,316	1,316
Increase (decrease) in debt	1,448	495	3,254
Other dedicated capital funding	151	-	150
Total sources of capital funding	2,877	1,811	4,840
Applications of capital funding			
Capital expenditure to meet additional demand	1,433	1,488	1,130
Capital expenditure to improve the level of service	4,199	1,138	4,793
Capital expenditure to replace existing assets	1,738	833	2,598
Increase (decrease) in reserves	(3,274)	(953)	(4,192)
Total applications of capital funding	4,095	2,506	4,329
Surplus (deficit) of capital funding	(1,219)	(695)	511
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	10,391	10,315	11,964
plus - Depreciation and amortisation	1,946	1,961	2,054
less - Internal charges and overheads recovered	-	-	-
less - Internal DC income offset in expenditure	-	-	(120)
less - Internal vested asset income offset in expenditure	-	-	-
plus - Fair value losses	-	-	-
plus - Loss on sale of fixed assets	-	-	-
Expenditure as per statement of comprehensive revenue and expense	12,337	12,276	13,899
Operating expenditure			
Cemeteries	548	586	532
Memorials	129	131	131
Street berms, trees and plots	604	660	688
Halls	476	484	650
Public Toilets	1,097	1,231	1,276
Reserves	7,709	7,360	8,856

Roads and Footpaths

What is this Activity about?

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

As the owner of the local roading network, the Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. In addition, Council is responsible for all roading related assets — bridges, footpaths, kerb and channelling, street lighting and car parks. Some wharves are also owned and maintained by Council. Recently there has been an increased emphasis on alternative modes such as walking and cycling, particularly the provision of high quality pedestrian facilities for an ageing population.

Separate roles

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

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

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

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

Further information on this Activity and the assets involved is contained in the 2018-28 LTP.

Emerging issues and expected changes

Deterioration of bridges and culverts

Council has more than 360 bridges on its transport network. Currently 28 bridges are posted for not meeting Class 1 criteria. All but one of these bridges is posted for restricted speeds and six are posted for restricted weights.

As many bridges as funding permits will be replaced during this LTP period (2018–2028).

Deterioration of unsealed roads and dust control

Unsealed roads require frequent maintenance as they deteriorate rapidly when exposed to increased traffic, such as logging trucks. This rapid deterioration is exacerbated with wet weather.

Council also receives requests for dust control. Dust suppressants will be applied where this is necessary.

Urban growth effects

Proposed new zone developments need to follow planned roading layouts and services plans to ensure good community outcomes and equitable cost sharing. Capital costs are expected to be met by developers, with road costs included in Council Development Contribution levies.

High impact natural events

Over recent years storm events and earthquakes have had a large effect on Council's Roading Budgets and the frequency of these storm events is likely to increase as a result of climate change.

Conflicting road network use

The increase in viticulture, forestry, tourism and an ageing demographic is resulting in the transport network being used for many different purposes.

A key challenge is to provide a safe transport network that affordably meets the needs of all road users.

Network outcomes contract (NOC)

A seven year contract beginning on 1 April 2020 was awarded to a joint venture of Fulton Hogan/HEB for the regional roading network (State Highways and Regional Roads combined). This contract has higher levels of service in a number of areas, and also includes Operational Performance Measures (OPM's) where up to 10% of the monthly lump sum payment can be deducted until audited works are rectified. OPM's in the new NOC are set at a much higher level than the previous contract, so an increase in contract compliance is expected.

Levels of Service: Roads and Footpaths

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.7	6.5
Road safety Provide a safe transport infrastructure.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	1.0	-1
Road condition Provide a quality transport infrastructure.	Average quality of ride on a local sealed road network measured by ³ Smooth Travel Exposure and classified using ONRC hierarchy		
	Arterial	91%	90%
	Primary Collector	89%	88%
	Secondary Collector	92%	88%
	Access	89%	87%
	Low Volume	94%	87%
	85% average road roughness classified using ONRC hierarchy		
	Arterial	104.2	≤ 110
	Primary Collector	119.0	≤ 120
	Secondary Collector	124.0	≤ 125
Access	135.0	≤ 140	
Low Volume	132.0	≤ 150	
NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel road will have a roughness value higher than 300.			
Road maintenance Provide a sustainable land transport infrastructure.	The percentage of sealed road network that is resurfaced annually. Average chipseal life is 13.5 years.	5.25%	>5.5%
Footpaths To provide footpaths that meet the needs of an ageing community.	% of footpaths that meets the Asset Management Plan rating of better than 4, where 1="Excellent" 2="Good" 3="Average" 4="Poor" 5="Very Poor"	94%	95.25%
Respond to Service Requests	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	87%	90%

³ Smooth Travel Exposure is the percentage of vehicle kilometres travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the roading network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users. The Marlborough values compare favourably with peer agencies.

Funding Impact Statement for 2020-21 Roads and Footpaths

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	10,627	10,924	10,944
Targeted rates	63	63	63
Subsidies and grants for operating purposes	4,452	4,571	4,515
Fees and charges	7	7	7
Internal charges and overheads recovered	-	-	23
Fuel tax, fines, infringement fees and other receipts	1,164	1,316	1,161
Total operating funding	16,314	16,881	16,713
Applications of operating funding			
Payments to staff and suppliers	9,798	10,136	10,132
Finance costs	550	722	404
Internal charges and overheads applied	1,387	1,401	1,418
Other operating funding applications	15	-	20
Total applications of operating funding	11,751	12,259	11,974
Surplus (deficit) of operating funding	4,564	4,622	4,739
Sources of capital funding			
Subsidies and grants for capital expenditure	4,925	4,285	4,709
Development and financial contributions	1,194	677	832
Increase (decrease) in debt	1,438	1,912	1,725
Other dedicated capital funding	820	-	1,513
Total sources of capital funding	8,377	6,873	8,778
Applications of capital funding			
Capital expenditure to meet additional demand	3,365	1,260	1,810
Capital expenditure to improve the level of service	3,175	2,579	2,544
Capital expenditure to replace existing assets	8,727	8,990	9,662
Increase (decrease) in reserves	(2,321)	(1,328)	(498)
Total applications of capital funding	12,945	11,501	13,518
Surplus (deficit) of capital funding	(4,569)	(4,627)	(4,739)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	11,751	12,259	11,974
plus - Depreciation and amortisation	10,390	10,260	10,906
less - Internal charges and overheads recovered	-	-	(23)
less - Internal DC income offset in expenditure	-	-	(40)
less - Internal vested asset income offset in expenditure	-	-	(689)
Expenditure as per statement of comprehensive revenue and expense	22,140	22,519	22,128

Flood Protection and Control Works

What is this Activity about?

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

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

Further information on this Activity and the assets involved can be found in the 2018-28 LTP.

Emerging issues and expected changes

Maintaining the Wairau River alignment and stopbank security

The Wairau River from the Waihopai confluence downstream to State Highway 1 (SH1) has very powerful and erosive river flows. Bank protection in the form of rock rip-rap armouring, tree planting and wide river berms are required to protect the stopbanks from erosion, especially during larger flood events. Regular asset inspections have confirmed the need for continued investment in new works and regular maintenance of existing works to ensure a robust flood protection system remains in place.

A series of moderate flood events in December 2019 damaged existing protection works in a number of places. This damage will require additional expenditure (from reserves) to repair and for Council to consider bringing forward planned capital upgrade alignment protection works.

The main change for this plan is that new edge protection works rock have been identified as being required at Wratts Road and Conders Bend in addition to the already planned upgrades along the south bank for 3.5km below the Waihopai confluence.

Downstream of SH1 edge protection is also important but the current priority is to upgrade some remaining sections of stopbank on the lower Wairau channel to ensure security during a very large flood event. This work was delayed by repairs required after the November 2016 Kaikoura earthquake. Construction of the next section of stopbank upgrade is expected to resume in summer 2020/21 now that earthquake repairs are complete.

Lower Tuamarina River upgrade

The lower Tuamarina River (downstream of the Kaituna-Tuamarina Road bridge just off SH1) runs very close to a section of stopbank that protects the housing and farm land north of the Wairau River. Work is required to halt bank erosion adjacent to the stopbank by creating a wider maintenance berm and rock lining as appropriate. Design work completed before the Kaikoura earthquake is being reviewed and amended as necessary and access discussions with adjacent landowners are underway. Construction is planned for summer 2020/21.

Blenheim stormwater outfall upgrades

Ongoing development of Blenheim including infill housing and expansion into the recently rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations. Budget provision has been included for new/upgraded pump stations and channel upgrades.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Muller Road link, Town Branch drain enlargement, new Snowdens outfall and pump station). Construction of the second and final stage of the Caseys Creek upgrade is underway to provide the necessary additional stormwater outfall capacity for the Blenheim north rezone area. The necessary resource consent application to cover stormwater discharge to the Murphy's Creek and the new Middle Renwick Road stormwater main is being prepared in accordance with the preferred option selected by community consultation.

Pukaka Quarry extension

The Council owned Pukaka Quarry is a key source of rock rip-rap for river protection works on the Wairau River and tributaries. The quarry also supplies a variety of aggregates to the contracting market as a by-product of the rock production.

The rock resource within the existing land boundary is now limited and further land will be required if the quarry is going to continue for a further 50 years. Discussions with the adjacent landowner are continuing.

Pukaka Quarry is self-funding and capital requirements for any extension are proposed to be serviced from operating revenue.

Levels of Service: Flood Protection and Control Works

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.0	7.0
Wairau River scheme - system and adequacy These major flood protection and control works are maintained, repaired and renewed to the standards defined in Rivers and Drainage Asset Management Plan (AMP)	% of floodway and tributary network inspected annually for condition and maintenance requirements.	95%	95%
	% of programmed maintenance and renewal works identified in the Rivers AMP practically completed. ⁴	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
	Timeliness of providing a report to the Assets and Services Committee on the damage to the floodway network and potential problem areas following significant flood events (generally exceeding a 1:2 year return).	<2 months post event	<2 months post event
Wairau Plains Effective drainage provided to the lower Wairau plains.	% of drain network inspected at least annually for condition and maintenance requirements.	100%	100%
	% of drains weed sprayed each year.	90%	90%
	% of drains mechanically cleared each year.	4%	4%
Picton Floodways Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event.	% of floodway network inspected annually for condition and maintenance requirements.	100%	100%
	% of programmed maintenance and renewal works identified in the AMP practically completed.	100%	100%
Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls. ⁵	% of programmed maintenance and renewal works identified in the AMP practically completed.	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	<5	<5

⁴ NZS 3910:2003 defines practical completion as when the contract works or any separable portion is complete except for minor omissions and minor defects.

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

Funding Impact Statement for 2020-21 Flood Protection and Control Works

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	263	303	292
Targeted rates	4,098	4,471	4,186
Fees and charges	619	613	654
Internal charges and overheads recovered	205	214	285
Fuel tax, fines, infringement fees and other receipts	2,900	2,996	2,866
Total operating funding	8,085	8,597	8,283
Applications of operating funding			
Payments to staff and suppliers	3,362	3,493	3,754
Finance costs	181	286	112
Internal charges and overheads applied	1,675	1,829	1,828
Other operating funding applications	26	37	26
Total applications of operating funding	5,244	5,645	5,720
Surplus (deficit) of operating funding	2,841	2,952	2,563
Sources of capital funding			
Increase (decrease) in debt	2,000	2,334	843
Total sources of capital funding	2,000	2,334	843
Applications of capital funding			
Capital expenditure to meet additional demand	550	210	200
Capital expenditure to improve the level of service	1,150	2,764	2,195
Capital expenditure to replace existing assets	2,850	1,145	1,782
Increase (decrease) in reserves	291	1,167	(771)
Total applications of capital funding	4,841	5,286	3,406
Surplus (deficit) of capital funding	(2,841)	(2,952)	(2,563)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,244	5,645	5,720
plus - Depreciation and amortisation	212	207	218
less - Internal charges and overheads recovered	(205)	(214)	(285)
Expenditure as per statement of comprehensive revenue and expense	5,251	5,638	5,652
Operating expenditure			
River Leases	316	298	320
Rivers Outside Wairau Floodplain	230	267	229
Wairau Floodplain Drainage	1,128	1,172	1,157
Wairau Floodplain Rivers	3,577	3,901	3,947
Capital expenditure			
Rivers Outside Wairau Floodplain	20	21	20
Wairau Floodplain Drainage	970	2,292	630
Wairau Floodplain Rivers	3,560	1,806	3,527

Sewerage Including Treatment and Disposal

What is this Activity about?

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

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

Council's 2018-28 LTP provides further information on this Activity and the assets involved, including information on individual schemes.

Emerging issues and expected changes

Reasons for the upcoming projects

- Completion of the Picton trunk main upgrade has reduced and is controlling overflows.
- Gaining renewal of resource consents at Seddon and Havelock wastewater treatment plants has and will result in revised consent conditions. These may include a requirement to recycle effluent or discharge it to land.
- The Main Outfall Pump Station (MOPS) at Riverlands will require major upgrade works to improve its earthquake resistance. Council decided it would be more economical to rebuild the pump station in 2022 to 2024.
- Increasing treatment capacity at the Blenheim Sewage Treatment Plant (BSTP) is necessary to meet continuing growth in trade waste. Associated with this is the review of trade waste charges.
- Infrastructure renewal is necessary across networks due to damage caused by the 2016 earthquakes and as pipelines near the end of their useful life. Rehabilitation works in response to earthquake damage utilising trenchless technologies commenced in November 2018.

Ongoing issues

- The management and control of rainfall derived inflow and groundwater infiltration into the wastewater reticulation.
- Failure of on-site wastewater treatment systems in townships and rural residential areas without municipal sewerage systems.

Levels of Service: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Customer Satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.8	7.7
	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system. 	8.3	8.0
System and Adequacy Provide a level of service quality that minimises environmental risks.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.4	0.4
Discharge Compliance Provide a reliable wastewater service with adequate system capacity and performance.	Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	1.1	0.5
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: <ul style="list-style-type: none"> (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation those resource consents. 	Nil	Nil
Fault Response Times Provide a service that is timely and responsive to customers' needs	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured by:		
	(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	0.6	0.6
	(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	1.7	1.7

Funding Impact Statement for 2020-21

Sewerage

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
Targeted rates	8,465	9,524	8,289
Fees and charges	62	65	62
Fuel tax, fines, infringement fees and other receipts	2,955	3,086	2,015
Total operating funding	11,482	12,675	10,366
Applications of operating funding			
Payments to staff and suppliers	3,162	3,845	3,261
Finance costs	2,444	2,364	2,068
Internal charges and overheads applied	3,063	2,744	3,103
Total applications of operating funding	8,669	8,953	8,432
Surplus (deficit) of operating funding	2,813	3,722	1,934
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	360
Development and financial contributions	570	570	570
Increase (decrease) in debt	7,260	447	7,839
Other dedicated capital funding	120	-	1,251
Total sources of capital funding	7,950	1,017	10,020
Applications of capital funding			
Capital expenditure to meet additional demand	7,360	549	4,915
Capital expenditure to improve the level of service	8,399	5,232	7,106
Capital expenditure to replace existing assets	1,242	3,157	6,163
Increase (decrease) in reserves	(6,238)	(4,199)	(6,230)
Total applications of capital funding	10,763	4,739	11,955
Surplus (deficit) of capital funding	(2,813)	(3,722)	(1,934)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,669	8,953	8,432
plus - Depreciation and amortisation	3,629	4,288	3,575
less - Internal DC income offset in expenditure	-	-	(360)
less - Internal vested asset income offset in expenditure	-	-	(156)
Expenditure as per statement of comprehensive revenue and expense	12,298	13,241	11,491
	-	-	-
Operating expenditure			
Combined Sewerage	9,847	10,871	8,940
Riverlands Sewerage	2,369	2,275	2,456
St.Andrews (new)	27	45	26
Loan units (no lump sum)	56	50	68
Capital expenditure			
Combined Sewerage	16,271	7,923	15,825
Riverlands Sewerage	628	33	2,359
St.Andrews (new)	102	982	-

Stormwater Drainage

What is this Activity about?

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

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

Council's 2018-28 LTP provides further information about this Activity including detail about the individual areas served.

Emerging issues and expected changes

Stormwater strategy

Blenheim's flat topography and sensitive receiving environments provide challenging conditions for stormwater management. In 2012 Council approved a stormwater strategy which provides clear direction and an integrated, catchment based approach for managing Blenheim's stormwater future. This strategy sets out a plan of activity and provides a comprehensive framework to manage both the quality and quantity of stormwater. It identifies eleven distinct stormwater management areas across Blenheim for which Stormwater Management Area Plans or SMAPs will be produced. Through the SMAPs the resource consenting requirements for SMA's are being reviewed and will likely result in a consolidation of existing stormwater discharge consents in line with a catchment based approach.

To be effective the strategy requires clear lines of responsibility, improved integration, rigorous monitoring and a more modern approach to regulation. It will also result in the establishment of SMAPs across Blenheim.

Ongoing investment in the objectives of the strategy will result in functional infrastructure, improved customer experience and minimal impact on the natural receiving environments.

The strategy's goals and approach will be extended to other townships over time.

A resource consent application has been lodged for discharges of stormwater from the Springlands Stormwater Management Area in North West Blenheim. A SMAP for Springlands has been prepared after extensive consultation with the community. This SMAP was filed in support of the Resource Consent application.

Urban growth strategy

Stormwater management is a significant element in planning new urban development pockets as part of the Growing Marlborough Urban Growth Strategy. Early involvement with developers from the outset of the planning process allows structures to manage stormwater quantity and quality to be incorporated into the design of new subdivisions.

Urban growth in Blenheim is largely to the north and west of the town — and it will be important to ensure downstream upgrades are provided in a timely manner. Evaluation and installation of effective stormwater quality control techniques for new subdivisions and retrofit of existing

Climate change

The impact of climate change is likely to become increasingly important in future planning. The current indications are that extreme weather events will become more frequent and more intense. Sea level rise will have implications for the effectiveness of discharge to the sea and from the outfalls of the drainage network. Additional contingencies are being built into new designs but existing infrastructure will be severely tested by changing weather patterns.

The following activities are underway within the Activity:

- implementation of the Blenheim Stormwater Strategy and extension of strategic goals to other townships;
- establishment of effective Stormwater Management Area Plans in Blenheim and other areas;
- review and consolidation of existing stormwater discharge consents;
- urban growth in Blenheim is largely to the north and west of the town – requiring downstream upgrades are provided in a timely manner;
- ensuring good stormwater design is incorporated into the design of new subdivisions;
- evaluate and install effective stormwater quality control techniques for new subdivisions and retro-fit to existing reticulation where required;
- adaption to climate change.

Levels of Service: Stormwater Drainage

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.6	6.6
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	2	2
System adequacy Provide a reliable stormwater service	The number of flooding events that occur in a territorial authority district.	Actual number to be reported	Actual number to be reported
	For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system.	3.0	2.6
Discharge compliance Minimise the environmental risks of stormwater discharge	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders; and (d) convictions received by the territorial authority in relation those resource consents.	Nil	Nil
Response times Provide a service that is timely and responsive to customers' needs.	The median* response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (*The statistical median is the time in which half of calls are responded to in less time and half in a longer time.)	1 hour	1 hour

Funding Impact Statement for 2020-21 Stormwater Drainage

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,058	2,175	2,071
Fees and charges	51	53	51
Fuel tax, fines, infringement fees and other receipts	161	143	166
Total operating funding	2,270	2,371	2,287
Applications of operating funding			
Payments to staff and suppliers	300	333	156
Finance costs	12	11	9
Internal charges and overheads applied	354	450	359
Total applications of operating funding	666	794	524
Surplus (deficit) of operating funding	1,604	1,577	1,763
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	40
Development and financial contributions	25	25	25
Increase (decrease) in debt	(29)	(31)	(32)
Other dedicated capital funding	200	-	525
Total sources of capital funding	196	(6)	558
Applications of capital funding			
Capital expenditure to meet additional demand	251	53	526
Capital expenditure to improve the level of service	530	356	270
Capital expenditure to replace existing assets	2,229	20	1,636
Increase (decrease) in reserves	(1,210)	1,142	(110)
Total applications of capital funding	1,800	1,571	2,322
Surplus (deficit) of capital funding	(1,604)	(1,577)	(1,763)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	666	794	524
plus - Depreciation and amortisation	1,553	1,559	1,712
less - Internal DC income offset in expenditure	-	-	(40)
less - Internal vested asset income offset in expenditure	-	-	(325)
Expenditure as per statement of comprehensive revenue and expense	2,219	2,353	1,871
Operating expenditure			
Blenheim Stormwater	1,563	1,718	1,256
Other Stormwater Schemes	656	635	615
Capital expenditure			
Blenheim Stormwater	2,410	377	2,382
Other Stormwater Schemes	600	52	50

Water Supply

What is this Activity about?

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

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

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

Council's 2018-28 LTP provides further information about this Activity and the assets involved, including detail on each individual scheme.

Emerging issues and expected changes

Compliance with the DWSNZ

Compliance with the DWSNZ continues to require significant capital expenditure. The affordability issues for smaller communities (Awatere, Renwick, Wairau Valley, and Havelock) have largely been resolved with the adoption of the Combined Water Schemes Charging Policy in 2017. However, upgrades to treatment plants to meet the DWSNZ have been delayed beyond the target dates in the Health Amendment Act (2007), due to the issues commonly associated with all major capital expenditure projects. The Seddon Water Treatment Plant was completed in 2018.

Treatment plants

Upgrades to treatment plants to provide compliance with drinking water standards are planned as follows:

Renwick	new supply bores; new reservoir; upgraded treatment plant	Completion in 2020-21
Havelock	new treatment plant	Completion 2021-22
Riverlands	new bore and treatment plant	Completion 2021-22
Wairau Valley	new bore and treatment plant	Completion 2022-23

Havelock North drinking-water contamination inquiry

The recommendations of the Havelock North Drinking-Water Contamination Inquiry will have far reaching consequences for water suppliers. The Government's response to date has been to put forward the Taumata Arowai legislation in the House for its first reading in mid December 2019. The bill will set up a Regulator to establish consistent national drinking water standards. A second bill will be introduced in the near future identifying the entity's role and functions with greater clarity. There are likely to be recommendations to include the revocation of 'secure bore' status (affecting the Riverlands supply), chlorination of all supplies, more training and accreditation of staff and more monitoring of water quality.

A consequence of changes to the Drinking Water Standards will be that communities managing water supplies for themselves may find it increasingly more difficult to meet the compliance criteria. This could result in these communities seeking assistance from Council.

Renewal of infrastructure

Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life, particularly for older networks such as the Awatere. Renewals are underway in many networks in particular Renwick where all asbestos cement pipes are being replaced.

Demand management

Growth in demand for water in Renwick and Havelock has caused supply capacity issues. The residents have agreed to fit meters to all properties to help suppress peak demand and delay the need for investment in new water sources. Other demand management techniques such as pressure zone management and leakage control are being implemented where practicable. This project is due to be completed mid 2020 with metered water charges being implemented from July 2021. Residents will have at least 12 months to assess their water demand before charging commences.

Traditionally many people in New Zealand have regarded water as an unlimited resource and for many it is a commodity purchased at such a low cost it is virtually free. The water supply for residents in all areas except Awatere and Wairau Valley is unmeasured and generally unrestricted. It is supplied at a pressure to meet every reasonable domestic need. It also provides a primary source of water in urban areas for firefighting.

Daily water consumption in Blenheim is around 600 litres per person as an average throughout the year, but on peak days during the summer consumption is more than double the average. The demand in other settlements is similar to Blenheim. The summer peak is almost entirely due to irrigation of domestic gardens and other leisure uses (this compares with the city of Melbourne for example, which has been actively encouraging water conservation and achieved a daily average domestic consumption in 2010–11 of 140 litres/person).

Many of the costs associated with water supply are 'fixed' and are incurred irrespective of the volumes pumped. A small proportion of operational costs such as power and chemicals are related to the volume of water pumped into the supply. However, savings can be achieved by delaying the need for major capital upgrades to meet increased demand for water. A particularly relevant example of this is the current position of the Havelock water supply. Elevated levels of chloride can be detected in the supply bores during periods of peak demand which coincide with low aquifer and river flows. This is an indication the demand is outstripping the supply capacity of the bores. The nearest reliable source of water is in the Pelorus Valley. A pipeline from the new source would cost an estimated \$4.5M.

In the past the Council has adopted a 'passive' leak detection policy. Leaks were not actively identified, but service crews would respond to leaks reported by customers and those detected by the reticulation monitoring systems. More recently the Council has also instigated an 'active' leakage programme in Renwick, Seddon, Picton and Havelock. Specialist contractors are employed to search for and locate leaks in underground pipes that are not obvious from the surface. These projects have helped to reduce the volume of unaccounted for water but are relatively costly because of the specialist equipment and skills required. Crews attend to all reported and detected leaks within a given timeframe, depending on an assessment of how serious the leak is. We aim to attend major leaks in 30 minutes, serious leaks within 60 minutes and respond to all reported leaks within three working days, with a median response time of 13 hours.

Considerable care is required to ensure active leak detection projects return good value for money. It is likely these techniques will be used more in future along with other demand management techniques such as pressure control, district leakage management, public education and voluntary restraint measures. Water demand management is a particularly important technique in areas where the water sources are limited in times of high demand.

Firefighting capacity in some industrial/commercial areas is lower than the capacity sought by the Fire and Emergency New Zealand (FENZ). Upgrades to the reticulation have been programmed over the next 10 years.

Levels of Service: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.2	8.3
	The total number of complaints received by the local authority about any of the following: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues ⁶ Expressed per 1000 connections to the local authority's networked reticulation system.		
Safety of drinking water Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	The extent to which the local authority's drinking water supply complies with:	Blenheim a)Y b)Y	a)Y b)Y
		Picton a)Y b)N	a)Y b)Y
		Havelock a)Y b)N	a)Y b)Y
	(a) Part 4 of the drinking-water standards (bacteria compliance criteria), and	Renwick a)Y b)N	a)Y b)Y
	(b) Part 5 of the drinking-water standards (protozoal compliance criteria).	Riverlands a)Y b)N	a)Y b)Y
		Awatere a)N b)N	a)N b)Y
		Wairau Valley a)N b)N	a)Y b)Y
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system. ⁷	Blenheim ≤ 44%	37%
		Picton ≤ 48%	30%
		Havelock ≤ 51%	30%
		Renwick ≤ 50%	30%
		Awatere ≤ 28%	15%
		Wairau Valley ≤ 42%	15%
Fault response times Provide a service that is timely and responsive to customers' needs	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:		
	(a) attendance for urgent call-outs:	30 minutes	Blenheim,

⁶ Assumes 15,591 connections. Estimated in accordance with DIA recommended option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

⁷ The water loss figures shown are based on the best available information and do not include legitimate commercial/industrial night usage, day/night adjustment factor or system specific issues that are not currently monitored. Water loss has been calculated in accordance with Method Option 2 (minimum night flow analysis) recommended by the Department of Internal Affairs guidance for non-financial performance measures for water supply.

Levels of Service: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
(The target figures are the 'median' time ie half of all call-outs will be responded to/resolved in less time, half will be greater)	from the time that the local authority receives notification to the time that service personnel reach the site, and		Picton, Riverlands, Renwick - 60 minutes; Awatere, Havelock, Wairau Valley - 120 minutes*
	(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	3hours	4 hours*
	(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	8 hours	3 working days*
	(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	13 hours	10 working days*
Demand management Provide a reliable water supply service	The average consumption of drinking water per day per resident within the territorial authority district.	800 litres	770 litres

*Target has been revised as part of the 2019-20 Annual Plan consultation process.

Funding Impact Statement for 2020-21

Water Supply

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
Targeted rates	8,636	9,698	9,005
Fees and charges	163	170	163
Internal charges and overheads recovered	388	-	94
Total operating funding	9,187	9,868	9,262
Applications of operating funding			
Payments to staff and suppliers	2,817	3,350	3,024
Finance costs	1,188	1,512	957
Internal charges and overheads applied	2,052	1,703	1,848
Other operating funding applications	33	41	33
Total applications of operating funding	6,090	6,606	5,863
Surplus (deficit) of operating funding	3,097	3,262	3,399
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	240
Development and financial contributions	285	285	285
Increase (decrease) in debt	1,374	8,903	113
Other dedicated capital funding	195	-	325
Total sources of capital funding	1,854	9,188	963
Applications of capital funding			
Capital expenditure to meet additional demand	1,758	5,425	700
Capital expenditure to improve the level of service	2,948	9,264	4,085
Capital expenditure to replace existing assets	2,982	1,557	777
Increase (decrease) in reserves	(2,737)	(3,796)	(1,200)
Total applications of capital funding	4,951	12,450	4,362
Surplus (deficit) of capital funding	(3,097)	(3,262)	(3,399)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	6,090	6,606	5,863
plus - Depreciation and amortisation	3,492	3,823	3,782
less - Internal charges and overheads recovered	(388)	-	(94)
less - Internal DC income offset in expenditure	-	-	(240)
less - Internal vested asset income offset in expenditure	-	-	(130)
Expenditure as per statement of comprehensive revenue and expense	9,194	10,429	9,181
Operating expenditure			
Water: Awatere Rural	737	888	901
Water: Riverlands	318	658	407
Combined Water	8,139	8,883	7,875
Capital expenditure			
Combined Schemes	7,316	7,174	2,480
Water: Awatere Rural	218	1,561	1,703
Water: Riverlands	155	7,511	1,380

Solid Waste Management

What is this Activity about?

Marlborough District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner, reducing any potential environmental impact and protecting public health. Council is the main source of waste management infrastructure for the district, providing a network of seven transfer stations, a central landfill, waste sorting centre, resource recovery centre, reuse centre, e-waste collection facility, hazardous waste storage facility, rural community recycling stations and salvage yard. They are all operated under contract to Council.

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Product stewardship

The introduction of product stewardship schemes could have a significant impact on the cost of managing waste and recycling. Product stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimising the product's environmental impact throughout all stages of the product's life cycle, including end of life management. There are two types of product stewardship schemes, voluntary and mandatory. To date the approach has focused on voluntary schemes set up by interested parties. In future the focus is likely to be on mandatory schemes through the Government's declaration of 'priority products'. Council supports the costs associated with managing waste products being redistributed to the producer/consumer and away from the ratepayer. We will continue to participate in policy discussions and development of product stewardship at a national level as a means of achieving this.

Waste sorting centre fire

A fire occurred at the waste sorting centre in January 2019. The facility reinstatement costs will be covered by insurance with the exception of a \$10k excess. The facility is scheduled to re-open by July 2020.

Recycling markets

Recycling markets continue to deteriorate. This has caused councils and central government to have a fundamental rethink on how we manage our recycling. The main concern is the containment of materials within a secure waste management system, i.e. no leakage into the surrounding environment. This may involve some processing capacity being established within New Zealand as opposed to exporting recycling offshore.

Waste disposal levy

The waste disposal levy is currently charged at \$10 per tonne excluding GST on landfill waste. The levy rate is set by central government. The revenue generated from the levy is distributed back into the waste sector to improve resource efficiency and reduce the harm to the surrounding environment from waste. Council receives back up to 33% of the collected levy which it uses to part fund the Resource Recovery Centre. The remainder of the levy is used by central government to support infrastructure and service development via the Waste Minimisation Fund.

The waste disposal levy is reviewed every three years by central government through the Ministry for the Environment. In December 2019 the Government released a consultation document entitled *Reducing waste: a more effective landfill levy*. In summary this document proposes to expand the levy to all landfills and increase the size for the levy by steps over a three year period from the current \$10 amount to \$60. The additional funding raised will then be used in support of resource recovery infrastructure and service provision. Council has provided a submission generally in support of this approach.

Blue Gums landfill

Council operates one active landfill site in the region known as Bluegums. This site acquired additional land in 2018 to act as a buffer between the operational landfill site and the housing sub-division development in the Taylor Pass area of Blenheim. The site now comprises some 97ha with approximately 18ha designated for actual landfilling of waste. The remainder of the land is a mixture of hill blocks used for grazing, forestry and vineyards.

The landfill is divided into 13 stages and is currently developed up to stage 7. Design work for stage 8 is currently underway and construction will commence from July 2020 onwards. Stage 8 will commence filling operations by October 2021.

Renwick recycling

Council considered the introduction of kerbside recycling to Renwick during the 2020-21 Annual Plan process. Due to the impacts of COVID-19 on the community and our economy this decision has been deferred for a minimum 12 month period.

Levels of Service: Solid Waste Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6
Reduce the amount of waste sent to the landfill.	% growth in diverted material throughput at the Resource Recovery Centre (RRC).	5,000 tonnes	7.5% growth from 2017-18
	% growth in sales at the Reuse Shop.	\$225K(incl. GST)	7.5% growth from 2017-18
	% growth in tonnage diversion from the Waste Sorting Centre (WSC).	3,000 tonnes	7.5% growth from 2017-18
	% growth in greenwaste material throughput at the Greenwaste Acceptance Facility (GAF).	16,500 cubic metres	7.5% growth from 2017-18
Effective operation of waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	12	<12
	% of Kerbside Refuse and Recycling Collection Service complaints/missed lifts.	13,200 households	<1% of 2017-18
	Number of resident's complaints in regards to Compost operation.	12	<12
	Number of resident's complaints in regards to the transfer stations, reuse centre, resource centre, e waste facility, coin skips and salvage yard.	36	<36

Funding Impact Statement for 2020-21
Solid Waste Management

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,320	1,653	1,618
Targeted rates	1,484	1,524	1,439
Subsidies and grants for operating purposes	345	154	462
Fees and charges	7,761	7,436	8,294
Fuel tax, fines, infringement fees and other receipts	281	296	318
Total operating funding	11,191	11,063	12,131
Applications of operating funding			
Payments to staff and suppliers	7,683	7,725	7,627
Finance costs	388	321	288
Internal charges and overheads applied	1,406	1,224	1,492
Other operating funding applications	565	491	615
Total applications of operating funding	10,042	9,761	10,023
Surplus (deficit) of operating funding	1,149	1,302	2,108
Sources of capital funding			
Increase (decrease) in debt	(502)	(594)	(635)
Total sources of capital funding	(502)	(594)	(635)
Applications of capital funding			
Capital expenditure to improve the level of service	82	59	-
Capital expenditure to replace existing assets	851	564	4,286
Increase (decrease) in reserves	(299)	85	(2,813)
Total applications of capital funding	647	708	1,473
Surplus (deficit) of capital funding	(1,149)	(1,302)	(2,108)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	10,042	9,761	10,023
plus - Depreciation and amortisation	744	772	1,141
Expenditure as per statement of comprehensive revenue and expense	10,786	10,533	11,163
Operating expenditure			
Landfills	4,425	4,260	4,882
Refuse Collections	1,720	1,754	1,660
Transfer Stations	3,173	3,055	2,841
Waste Minimisation	1,468	1,464	1,780
Capital expenditure			
Landfills	64	430	4,286
Refuse Collections	-	193	-
Transfer Stations	800	-	-
Waste Minimisation	82	-	-

Environmental Policy

What is this Activity about?

This Activity is the first of the cycle of Activities that play an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor Review cycle as described in the rationale for the delivery of the Environmental Management Group of Activities.



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

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

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

Further information on this activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Proposed Marlborough Environment Plan (MEP)

The MEP is progressing through the First Schedule process of the RMA. The hearing of submissions commenced in November 2017 and concluded in April 2019. One thousand three hundred and twenty two submissions and over seventeen thousand submission points have been considered by the Hearings Panel. Decisions on MEP were publicly notified on 20 February 2020.

Any submitter to the proposed MEP was able to appeal Council's decision to the Environmental Court. The Environment Court received fifty one notices of appeal. Resolving the appeals, through either Environment Court mediation or hearing will be a significant priority for the Environmental Policy Activity for the 2020-21 year (and subsequent years).

Once appeals are resolved, the MEP can be made operative. This means that the current operative framework consisting of the Marlborough Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan will cease to have effect. This will, in turn, simplify the task of other activities, particularly Resource Consents and Environmental Protection.

Review of aquaculture provisions

In notifying the proposed MEP, Council decided not to notify marine farming provisions, opting instead to continue the review process. This review commenced in March 2017 and Council was assisted by an Aquaculture Review Working Group consisting of industry members, members of the local community and central government agencies. The recommendations of the Group were reported to the Planning, Finance and Community Committee in July 2019. A variation to the MEP will be progressed through the First Schedule process in the 2020-21 year.

Central Government initiatives

Government initiatives (such as legislative change or the introduction of national policy statements or national environmental standards) can influence the nature, scope and timing of the Environmental Policy Activity work programme. In particular, Council is required to give effect to the provisions of national policy statements, while the provisions of Council's resource management framework cannot duplicate or conflict with national environmental standards.

There are currently five national policy statements and six national environmental standards. In most cases these were given effect to through the review of the resource management framework.

During the 2019-20 year, central government consulted on three new national policy statements covering highly productive land, urban development and indigenous biodiversity and a review of the national environmental standard for air quality. There was also consultation on a package of freshwater reform called "Essential Freshwater". This involved a new national policy statement on freshwater management and multiple national environmental standards. The implication of each of the proposed changes has been reported to the Planning, Finance and Community Committee previously. The proposals are expected to be confirmed at some point in 2020 or 2021. The implications for the Environmental Policy Activity could be significant and would involve variations to the MEP to give effect to the national policy statements and align to the national environmental standards. However, until the proposals are confirmed, it is not possible to anticipate future planning commitments, and therefore budget implications, to give effect to the new national direction. The new national policy statements will be reported to the Planning, Finance and Community Committee once they are confirmed.

National Policy Statement for Freshwater Management

In the case of the National Policy Statement for Freshwater Management 2014, Council has adopted a staged implementation programme to establish a minimum aquifer level for the Wairau Aquifer in 2019 and to establish freshwater quality limits through to 2024. These programmes set out the various actions that will be taken by Council to establish those limits, including technical investigations, community consultation and planning. Budget provision is included in the Environmental Policy and Environmental Science and Monitoring budget to establish a minimum aquifer level for the Wairau Aquifer.

National Policy Statement on Urban Development Capacity

In the case of the National Policy Statement on Urban Development Capacity 2016, Council is required to monitor a range of indicators for housing and business development capacity in Blenheim on a quarterly basis. A housing and business development capacity assessment is also likely in the 2020-21 year.

Transitioning to the Marlborough Environment Plan

Until the MEP is made operative itself, the operative resource management framework still has legal status and therefore requires maintenance.

Plan change requests to the operative resource management framework made by members of the public, which cannot be anticipated, have a similar effect on the environmental policy work programme as central government initiatives. Any new plan change request has to be processed in accordance with statutory processes and timeframes. The costs of plan change requests are borne by the person who has made the request (unless Council adopts the plan change as its own). Two plan change requests were being processed at the time of preparing this annual plan.

Following notification of decisions on the MEP, and subject to appeals on the relevant plan provisions, the Environmental Policy Activity will commence coordinating the implementation of the non-regulatory methods and monitoring of anticipated environmental results contained in the MEP. This will influence the work programme and budgets of other activities. This will be reflected in subsequent annual plan processes.

Levels of Service: Environmental Policy			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
A second generation resource management framework for Marlborough	A variation to the MEP providing for and managing the effects of marine farming activity is publicly notified.	N/A	31 December*

*Target was revised as part of the 2020-21 Annual Plan consultation process.

Funding Impact Statement for 2020-21 Environmental Policy			
	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,329	1,326	1,176
Fuel tax, fines, infringement fees and other receipts	104	87	94
Total operating funding	1,433	1,413	1,270
Applications of operating funding			
Payments to staff and suppliers	1,219	1,128	950
Internal charges and overheads applied	313	285	320
Total applications of operating funding	1,533	1,413	1,270
Surplus (deficit) of operating funding	(100)	-	(0)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	(100)	-	(0)
Total applications of capital funding	(100)	-	(0)
Surplus (deficit) of capital funding	100	-	0
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,533	1,413	1,270
Expenditure as per statement of comprehensive revenue and expense	1,533	1,413	1,270

Environmental Science and Monitoring

What is this Activity about?

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

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Additional investment

The Marlborough Environment Plan will set the future direction and resourcing for State of Environment (SoE) monitoring, natural resource investigations and resource management programs in the District.

Additionally, the Government is increasingly directing the level of Council services through legislative change consisting of a number of National Policy Statements and National Environmental standards. For example, the National Policy Statement (NPS) for Freshwater Management is expected to impact on the levels of service for setting of catchment based limits, monitoring and the requirement for contaminant accounting systems and land management programs to improve water quality. While the NPS for Indigenous Biodiversity will impact on our level of service managing the restoration and protection of significant habitats.

The Council is investing in the following key areas or projects in 2020-21:

- There will be progressive increases in the funding for Council's environmental science and monitoring activities from 2019-20 to implement the MEP as well as the range of National Environmental Policy Standards and Regulations. In particular, additional resources have been allocated for environmental monitoring, coastal monitoring, biodiversity, riparian management, Taylor River enhancement, implementation of the National Environmental Standard for Assessing and Managing Contaminants in Soil, monitoring of air pollutants and implementation of the National Policy Statement for Freshwater Management.
- A multi-beam survey of the entire seabed of Pelorus Sound/Te Hoiere is being carried out as part of a co-funded partnership with Land Information New Zealand is expected to be completed in 2020. This investment is to provide a better understanding of the different habitats and their values which will enable Council and the community to help improve management of marine ecosystems in this extensive area. The data collection of this project is anticipated to be complete by 30 June 2020. A business case for additional funding requirements for the interpretation of science data continues to be advocated for funding through partnerships.
- Council is continuing to capture LIDAR data using a remote sensing method to measure the land surface area across the entire district. This project is in partnership with Land Information New Zealand. The data is to be collected by Aerial Survey Ltd and is anticipated to take until 2023 to complete.

Environmental information

There is also an increasing expectation from Government, the community and the regional sector that resource information will be readily available for national environmental reporting and the community in an open digital format.

Water quality

Diffuse pollution, sediment runoff and discharges to land as a consequence of intensive urban and rural land use will remain as the main human induced threat to water quality in the district. Monitoring programmes focused on determining the effects of diffuse pollution and sediment runoff are immediate options to help us better understand and mitigate these effects.

A national research project over the next five years is intended to investigate the connection between the Wairau River and the main aquifer on the plains. The research will help us better understand the drivers that determine the long-term decline in aquifer water levels, potential impacts from sea level rise and climate variability on river processes.

Land resources

The implementation of catchment based enhancement plans will involve collaborative action to help mitigate diffuse pollution and sediment runoff. Catchment enhancement plans developed with stakeholders are intended to be solution focused to manage diffuse pollution and sedimentation in catchments that are defined as degraded or at risk.

Council has funding up until 2023 under the Ministry of Primary Industries Hill Country Erosion Fund to help target investment and build capacity in the region focusing on working closely with landowners to support mitigations to reduce sediment loss in at risk catchments. The Hill Country Erosion programme is closely aligned to the Council Catchment Care programme which is targeted at improving water quality in degraded catchments.

Council has an obligation to ensure the most up to date information exists on sites that are potentially contaminated, and these sites recorded as HAIL. A focused program systemically surveying sites and reviewing the level of risk is being carried out.

Air quality

Agriculture spray drift and the effects on air quality in the district are little known. Advice for a monitoring programme to address cumulative effects is currently being drafted. A program to determine air quality risks in Picton is also underway.

Biodiversity

The MEP terrestrial biodiversity programme has an objective to halt the decline in biodiversity values. Additional resourcing has been allocated to address the protection of high value significant sites. The community also expects more investment in broad scale biodiversity interventions such as pest control, and this will be achieved through implementation of a Biodiversity Strategy and the Regional Pest Management Plan. Opportunities are being developed for a contestable environmental fund to help support and encourage community participation.

Council under the umbrella of Kotahitanga mō te Taiao Alliance in partnership with the Department of Conservation and Ngāti Kuia are co-designing a restoration project for the Te Hoire/Pelorus catchment. A strategic business case is likely to be completed in 2020-21 and submitted to Government for funding of this project. Interim funding sources have been provided for project management and scaling up catchment condition monitoring and water quality investigations.

Coastal

Council continues to increase our knowledge of the complex nature of our marine environment. Opportunities exist for additional resourcing including collaborative approaches with stakeholders. An integrated approach with agencies and iwi working together to help shape research priorities and management interventions is progressing including options for co-designing a programme with the assistance of the National Science Challenge.

An improved understanding of our coastal water quality and the effects from human induced effects and natural processes can be measured more efficiently and effectively by investments in real time monitoring instruments. Opportunities to measure change in the environment with better technology off-setting existing manual sampling regimes require ongoing review which could potentially be funded in the long term through mechanisms such as coastal occupancy charging.

Climate change

It is important that we better understand the longer term consequences of climate change so we can factor in to our planning and the work that we do. Council has prepared an Action Plan and as part of this Plan Council intends to prepare a Council emission inventory in 2020/21 and prepare a climatic change impact report that will provide regional predictions for our climate..

Levels of Service: Environmental Science and Monitoring			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Monitoring, investigations, gather and analyse information, and report on the state of Marlborough's natural resources including:	Timeliness of completion data integrity audits and quality coding (In accordance with National Environmental Monitoring Standards).	30 June	30 June
Fresh Water, Land, Air and Coastal.	Number of technical SoE monitoring report cards completed.	6	6
	Timeliness completion of resource investigations and reporting to Council.	30 June	30 June
Effective real time environmental monitoring network is operated.	Percentage availability of the environmental monitoring network.	99%	99%
Promotion of resource management programmes to help maintain or improve the condition of the environment.	Increase in the number of sites classified as Significant Natural Areas on private land that are either protected by management interventions or legal covenants.	92	104
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Marlborough Environment Awards are held biennially.	Awards held 2016/17	Awards held
	Number of planned communication programmes with Industry/Community sector groups completed annually.	5	5

Funding Impact Statement for 2020-21 Environmental Science and Monitoring

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,907	4,484	4,342
Subsidies and grants for operating purposes	-	42	-
Fees and charges	5	5	-
Internal charges and overheads recovered	65	68	65
Fuel tax, fines, infringement fees and other receipts	306	295	432
Total operating funding	4,283	4,894	4,840
Applications of operating funding			
Payments to staff and suppliers	2,995	3,738	3,310
Finance costs	21	19	16
Internal charges and overheads applied	1,073	948	1,155
Other operating funding applications	1	1	0
Total applications of operating funding	4,089	4,706	4,481
Surplus (deficit) of operating funding	193	188	358
Sources of capital funding			
Increase (decrease) in debt	(14)	(15)	(16)
Total sources of capital funding	(14)	(15)	(16)
Applications of capital funding			
Capital expenditure to improve the level of service	1,000	1,092	304
Capital expenditure to replace existing assets	180	157	150
Increase (decrease) in reserves	(1,001)	(1,076)	(112)
Total applications of capital funding	179	173	342
Surplus (deficit) of capital funding	(193)	(188)	(358)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,089	4,706	4,481
plus - Depreciation and amortisation	279	260	292
less - Internal charges and overheads recovered	(65)	(68)	(65)
Expenditure as per statement of comprehensive revenue and expense	4,303	4,898	4,708

Resource Consents

What is this Activity about?

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

Specifically this Activity processes five different types of resource consents:

- land use consents;
- water permits;
- discharge permits;
- subdivision consents;
- coastal permits.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

The challenges for this activity are centered on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents and providing a fair, cost effective and consistent service to the community. As a unitary authority, Council is responsible for processing a constantly fluctuating work flow, including a number of applications of a complicated nature, particularly those involving the allocation of water and coastal space.

Over the last three years, despite the COVID-19 lockdown the number of resource consent applications received has remained constant but the complexity has increased primarily due to operating under multiple planning documents including two Operative Plans and the Proposed Marlborough Environment Plan, and an increasing number of national instruments to implement. Due to the Duty Planner service being stretched beyond its capacity by the number of enquiries being received, a review has been undertaken and the service refreshed with a focus on streamlining the service so that it can better meet customer expectations. In 2019 the Resource Consent team started producing a quarterly newsletter to improve information to our customers on updates with policy and process changes, frequently asked questions and to advise customers of current consenting issues.

Retention and recruitment of qualified and skilled planning staff is an on-going challenge reflecting national trends in the planning profession. Council is committed to the enhancement of individual capability through education, mentoring and training to ensure resources are appropriate to meet Council's levels of service and statutory requirements.

Levels of Service: Resource Consents

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6	6
Provide a consent service that is fair, consistent, cost effective, timely and responsive to customers' needs.	% of resource consent applications processed within statutory timeframes.	100%	100%
	% of objections under section 357(b) compared to total number of applications processed. ⁸	<0.5%	<0.5%
Provide consistent, appropriate and timely information to applicants and the public on the RMA, resource consent and approval process.	% of incomplete applications rejected under the requirements of section 88 of the RMA.	<15%	<5%

⁸ RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Funding Impact Statement for 2020-21 Resource Consents

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	921	962	1,185
Fees and charges	1,819	1,751	1,334
Internal charges and overheads recovered	46	24	46
Fuel tax, fines, infringement fees and other receipts	72	63	95
Total operating funding	2,858	2,800	2,659
Applications of operating funding			
Payments to staff and suppliers	1,958	1,936	1,901
Internal charges and overheads applied	815	864	674
Total applications of operating funding	2,773	2,800	2,575
Surplus (deficit) of operating funding	84	(0)	84
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	3	3	3
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	81	(3)	81
Total applications of capital funding	84	(0)	84
Surplus (deficit) of capital funding	(84)	0	(84)
Funding balance	-	-	-
<u>Reconciliation</u>			
Total applications of operating funding	2,773	2,800	2,575
plus - Depreciation and amortisation	84	1	84
less - Internal charges and overheads recovered	(46)	(24)	(46)
Expenditure as per statement of comprehensive revenue and expense	2,812	2,777	2,613

Environmental Protection

What is this Activity about?

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

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

The key objectives for the Activity are:

- to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural and physical resources;
- to provide feedback and information on resource use and sufficient environmental information to enable other objectives to be met;
- to integrate programmes with Environmental Science & Monitoring and align with anticipated environmental outcomes set in the Proposed Marlborough Environment Plan (MEP).

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Resource consent numbers

A significant challenge facing the section is the sheer volume of resource consents, as there are more than 35,000 current resource consents. A number of annual monitoring programmes are undertaken of activities which have been identified as a monitoring priority. The number of monitoring programmes which can be delivered is restricted by the team's resources.

As noted previously in this Group Activity, the Council is increasing its investment in funding for environmental protection.

Proposed Marlborough Environment Plan

As a result of the notification of the Proposed Marlborough Environment Plan (MEP) the status and rules relating to many activities have changed — and the team's monitoring programmes are under continual review to reflect these changes as and when they have legal effect.

Water

Water is a valuable commodity in Marlborough, both environmentally and economically. Increasing water takes are putting pressure on Marlborough's aquifers and waterways. The introduction and transition of water takes to the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 has placed increased functions and responsibilities on both Council and the holders of water permits. Active monitoring of water takes is critical to the sustainability of Marlborough's aquifers and waterways.

Enforcement

Identification of breaches of the RMA and escalated enforcement due to their significance can have a substantial effect on the Environmental Protection team's work programme by diverting staff and other activities into enforcement proceedings.

Managing complaints

Council receives over 500 complaints (excluding excessive noise complaints) on an annual basis in regard to alleged breaches of the RMA, all of which require investigation. The follow up involved in resolving a complaint can vary from a relatively simple desktop exercise to a complex investigation and Court action. Prioritising resources is a continual issue for the team to achieve efficient and effective monitoring while meeting customer expectations and achieving environmental outcomes.

National direction

Legislative change or the introduction of national environmental standards can influence the nature, scope and timing of the Environmental Protection team's work programme. Any increased statutory functions and responsibilities places increased demands on the team's resources.

Cost recovery

Budgetary levels restrict the available resources to undertake the team's activities. While some activities are identified as of private benefit (with monitoring charges applied) many activities undertaken by the team are for public benefit and cannot be cost recovered, such as incident investigation and enforcement. Implementation and review of monitoring charges for resource users is ongoing, to ensure as much cost recovery as possible for the team's active monitoring programmes.

Database

Current database functionality impacts on the efficiency of the team's activities and reporting for monitoring and compliance activities. Development plans and a preliminary budget is in place for a replacement system.

Quality Management System

The section is continuing to experience increased demands from statutory requirements. To ensure the section fulfils these functions the Regulatory Department operates under a Quality Management System (QMS). Control and suitability of the QMS is reliant on Regulatory Department managers and staff resourcing. Increasing resource demands limit the Department's ability to maintain and continually improve the QMS.

Levels of Service: Environmental Protection

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.5
Monitor activities that have either a greater environmental impact warranting special consideration, or are activities that generate community concern or are related to trends highlighted through the State of the Environment Report.	Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consent conditions.	31 Aug Improved or unchanged compliance level	Annually by 31 August Improved or unchanged compliance level
	Report on waste from wineries for compliance with resource consent conditions (waste water and grape marc).	30 Nov Improved or unchanged compliance level	Annually by 30 November Improved or unchanged compliance level
	Report on resource consents for forestry in the district.	30 Nov Improved or unchanged compliance level	Annually Improved or unchanged compliance level
Monitor and investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	86%	80%

**Funding Impact Statement for 2020-21
Environmental Protection**

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	826	940	878
Fees and charges	597	617	712
Fuel tax, fines, infringement fees and other receipts	67	64	73
Total operating funding	1,490	1,621	1,663
Applications of operating funding			
Payments to staff and suppliers	1,037	1,149	1,117
Internal charges and overheads applied	453	472	546
Total applications of operating funding	1,490	1,621	1,663
Surplus (deficit) of operating funding	(0)	-	(0)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	(0)	-	(0)
Total applications of capital funding	(0)	-	(0)
Surplus (deficit) of capital funding	0	-	0
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,490	1,621	1,663
Expenditure as per statement of comprehensive revenue and expense	1,490	1,621	1,663

Biosecurity (Pest Management)

What is this Activity about?

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

The ways in which Council undertakes its activities include:

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

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

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

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

Further information on this Activity is contained in the 2018-28 LTP and the RPMP.

Emerging issues and expected changes

The Regional Pest Management Plan (RPMP) was made operational in 2018 and has now entered the implementation phase. While the Plan is in the implementation phase there are ongoing emerging issues.

The number of vessels being detected carrying the invasive marine pest Mediterranean fanworm has been increasing and commonly linking back to established infestations in northern areas of New Zealand. The response to these detections is both costly and time consuming given the complexities of operating in the marine environment and at times, with larger scale vessels.

The ongoing threat from the invasive pest plants Chilean needle grass and wilding conifers continue to put pressure on the community and agencies. The programme for Chilean needle grass is continuing to deliver a sustainable level of control and a good community understanding. However, new infestations on affected properties and new infested properties continue to be discovered. The majority of these finds are due to historical activities so early detection and reporting is key.

Major progress continues in the management of the wilding conifer threat with Council's role as part of the National Wilding Conifer Control Programme (NWCCP) and the community's significant involvement in major programs in the Marlborough Sounds and South Marlborough. This national collaborative programme

continues to demonstrate success, but needs to grow substantially to address the ongoing threat in Marlborough. As the programme matures it is expected that Council will need to play a critical role alongside key partners providing regional leadership, oversight, facilitation, and in doing so, ensuring NWCCP investment is directed appropriately to achieve the best possible outcomes. As the NWCCP investment grows in scale, the role of Council overseeing regional implementation may also require capacity building. Ensuring the NWCCP is delivered effectively also means the RPMP programme for pest conifers can also be implemented successfully.

The D'Urville Island/Rangitoto ki te Tonga community-led stoat eradication project (Rangitoto Birdsong) is planning a staged implementation in 2020-21. Council has committed resources toward the eradication project and will be working in close collaboration with the D'Urville Island Stoat Eradication Charitable Trust, the Department of Conservation (DOC) and other key funders such as Predator Free NZ 2050 Ltd and the Rata Foundation. This is a new investment for Council is committed in principle to work with DOC and the community with respect to enhanced and ongoing island biosecurity.

Levels of Service: Biosecurity (Pest Management)			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.5
Implementation of the Regional Pest Management Plan (RPMP).	Operational Plan targets relating to the RPMP are met.	95%	95%
Delivery of non-RPMP biosecurity services and/or initiatives.	Operational Plan targets relating to non-RPMP biosecurity services and/or initiatives are met.	95%	95%
Prepare an annual report on the Operational Plan.	Timeliness completion of annual Operational Plan report to the Environment Committee.	31-Oct	31-Oct

**Funding Impact Statement for 2020-21
Biosecurity (Pest Management)**

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,517	1,596	1,594
Fees and charges	12	13	3
Fuel tax, fines, infringement fees and other receipts	131	117	162
Total operating funding	1,660	1,726	1,759
Applications of operating funding			
Payments to staff and suppliers	1,199	1,343	1,372
Internal charges and overheads applied	395	339	406
Other operating funding applications	60	60	60
Total applications of operating funding	1,654	1,742	1,838
Surplus (deficit) of operating funding	6	(16)	(79)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	6	(16)	(79)
Total applications of capital funding	6	(16)	(79)
Surplus (deficit) of capital funding	(6)	16	79
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,654	1,742	1,838
plus - Depreciation and amortisation	6	2	5
Expenditure as per statement of comprehensive revenue and expense	1,660	1,744	1,842

Building Control

What is this Activity about?

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

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

The most significant component of this Activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing Code Compliance Certificates. The standard of compliance required is set out in the Building Regulations and means of compliance are outlined in the New Zealand Building Code. Council is also required to have Building Consent Authority accreditation.

This Activity also involves other functions under separate legislation including:

- monitoring swimming pool fencing under the Building (Pools) Amendment Act 2016;
- investigating building related complaints under the Local Government Act and the Building Act 2002;
- administering the requirements in the Earthquake Prone Buildings Amendment Act 2016.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

IANZ accreditation

The Group's Building Consent Authority (BCA) accreditation status is audited by IANZ bi-annually. The BCA was audited the week of 11 May with the exit meeting occurring on the 14 May. Eight General Non Compliances were received two of which were completed during the audit. An action plan to clear the GNC's has been submitted to and approved by IANZ. Clearance is underway. Note: The audit was completed (remotely) during COVID-19 Level 3.

Electronic and digital development

During 2019 the Building Control Group successfully introduced and has continued to use the new processing digital tool "Data Scope". Data Scope provides a fully digital environment that links in with the Group's existing online application process and our fully digital inspection process. The system was designed to reduce inconsistencies, provide a better decision tool for the officer and ultimately reduce processing times for each building consent application.

Succession planning

An increasing number of the Building team members are older than 60 years of age. Building Control management team continues to plan ahead to ensure adequate numbers of trained staff are available to meet industry demands and the requirements of the Building (Accreditation of Consent Authorities) Regulations Act 2006. Such succession plans and upskilling of staff were considered as part of the LTP.

Training for Building Control Officers

New Building Control Officers (BCOs) are required under Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006, to either have or be working towards the NZQA diploma level 6 (or gain any of the other recognized qualifications). The Level 6 diploma process requires the candidate to complete 240 units which will include monthly classroom training events (main centers), self-

driven learning and on-site practical training. The employment process will be similar to a cadetship. It is envisaged that this will negatively affect the number of potential candidates for job vacancies and will impact on the training budget for Building Control. The time away from the core activity attending school room training programs will also impact on the day to day output of the team. On a positive note, the diploma ensures that the BCA has fully qualified technical staff who have the competency to make appropriate decisions on compliance and therefore protect Council from future liability. The true cost of this training program is now being felt by many Councils across New Zealand but at this early stage it is too hard to predict if any changes to the regulations will be made by MBIE.

MBIE surveillance

On 20 December 2018 MBIE announced its intention to increase its surveillance on all Councils in New Zealand in regard to compliance with the New Zealand Building Code for residential Swimming Pools and the Earthquake Prone Building Amendment Act. Whilst this Council actively monitors both requirements and follows what it believes to be the requirements as set under the Building Act it is unaware of what impact the surveillance by MBIE will raise. To date the Building Control unit has not yet completed a surveillance program. Note: This is additional to the IANZ accreditation process and deals with activities of the Territorial Authority, not the BCA.

Dam safety program

Under the Building Act 2004 the requirements for a dam safety program was introduced. This Council was part of a working group including MBIE, most other regional and unitary councils to develop a system which was to be consistent across the country. In 2015 Nick Smith, the Minister of Building and Housing, removed the requirement from the Building Act and moved the program to the Resource Management Act 1991. Development on the plan at that stage stalled. In 2018 the new minister of Building and Housing, Hon Jenny Salesa, announced the dam safety program was to be reintroduced back into the Building Act. At the time of writing this report, Council had received no information from MBIE stating what actions are required. During the initial working group's development it was clear that there will be, at the minimum, an administration role to be undertaken by Councils, the cost of which should be able to be passed directly back to the dam owners. No update available, same as 2019-20 report.

Land assessment (Liquefaction and Lateral Spread Project)

During 2019 the Auckland University was commissioned to undertake liquefaction risk assessment based on the MFE guidelines. Early 2020 the report will be handed over to Mason Reed of Fraser Thomas (Geotechnical Chartered Professional Engineer). Mason will assess the report and create a "Planning and Consenting" guidance document. Similar documents have been created for the Canterbury and Hawkes Bay districts. In November 2019 the Ministry of Business, Innovations and Employment (MBIE) announced that all Councils will require liquefaction mapping completed by 28 November 2021.

Tiny home appeal

Council's appeal against the Ministry of Business, Innovation and Employment (MBIE) legal interpretations of the Building Act 2004 (BA04) for the Boyce Street "Tiny Home" determination process (tiny homes) was heard by Judge Zohrab on Friday, 28 May. On that day the Judge reserved his decision. Council is still awaiting that decision.

Council's key points for the appeal:

1. Whether the relocation of a building to site was indeed "Building Work" under the BA04.
2. Whether the addition of support blocks was "building work" under the BA04.
3. Degree of detail and direction required to be included in the Notice to Fix (Ntf) particularly if the detail required invasive inspection. Note: Council continues to work through the best practice for Ntf's documentation.

A counter appeal by Mr Wightman on the issue of whether the structure was a vehicle or a building was also heard.

Levels of Service: Building Control

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.3
Provide a service that is responsive to customer needs and minimise risks to public safety.	% of Building Consents applications granted within 20 working days of receipt of the application.	97%	100%
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	96%	100%
	% of swimming pools inspected annually.	33.3%	33.3%
	% of Building Warrants of Fitness audited annually.	20%	20%
Provision of Land Information Memoranda	Number of liability claims made because of incomplete or inaccurate information supplied.	<3	<3

Funding Impact Statement for 2020-21

Building Control

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	640	505	551
Targeted rates	95	-	97
Fees and charges	3,298	3,265	3,223
Fuel tax, fines, infringement fees and other receipts	94	50	88
Total operating funding	4,127	3,820	3,959
Applications of operating funding			
Payments to staff and suppliers	2,949	2,537	2,617
Internal charges and overheads applied	1,217	1,230	1,338
Other operating funding applications	20	21	20
Total applications of operating funding	4,187	3,788	3,974
Surplus (deficit) of operating funding	(60)	33	(15)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	(60)	33	(15)
Total applications of capital funding	(60)	33	(15)
Surplus (deficit) of capital funding	60	(33)	15
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,187	3,788	3,974
plus - Depreciation and amortisation	0	0	0
Expenditure as per statement of comprehensive revenue and expense	4,187	3,788	3,974
Operating expenditure			
Building Control	3,892	3,581	3,746
LIMs	295	207	228

Environmental Health

What is this Activity about?

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

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Legislative changes

Central government confirmation of the ongoing local government role in Food Act verification services has reinforced the need for current staffing numbers. Any further legislative changes may impact staffing numbers if further requirements are placed on Environmental Health by central government.

Continued professional development of staff

A legal requirement under the Food Act 2014 for all Food Act Verifiers to complete a continued professional development programme is required by the Ministry of Primary Industries. This programme requires staff to attend courses which continue to have a financial impact.

Industry education

Increased education services are required for industries as a result of increased technical knowledge requirements of operators.

Electronic systems

The team continues to work towards making the majority of processes electronic. These changes will provide increased functionality and access to information via web-based systems for the staff, applicants and the public.

Levels of Service: Environmental Health

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%
	Number of annual inspections of markets and events with 10 or more food stalls.	14	≥12
	% of complaints of critical nature (e.g. food poisoning) actioned within one working day.	100%	100%
	% of complaints of a non-critical nature assessed within seven working days.	98%	100%
Administer Food Control Plans under the Food Act 2014.	Register businesses required under Food Act 2014 in Food Control Plans and National Programmes.	100%	100%
	Audit registered business as scheduled in the Food Act 2014 and Regulations.	89%	100%
Carryout the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse.	% of "On Licences" ⁹ inspected once a year.	93%	90%
Provide a service for investigation of noise complaints.	Report on performance of noise control contract.	30 Sep	30 Sep
	Assess complaints concerning unreasonable noise within one working day.	88%	90%

⁹ An "on-licence" allows the sale or supply of liquor to any person present on the premises, for consumption on the premises.

Funding Impact Statement for 2020-21
Environmental Health

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	190	203	120
Fees and charges	359	370	357
Fuel tax, fines, infringement fees and other receipts	15	16	10
Total operating funding	565	589	488
Applications of operating funding			
Payments to staff and suppliers	410	424	316
Internal charges and overheads applied	154	161	169
Total applications of operating funding	565	585	485
Surplus (deficit) of operating funding	0	4	2
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	3	4	3
Increase (decrease) in reserves	(3)	(0)	(1)
Total applications of capital funding	0	4	2
Surplus (deficit) of capital funding	(0)	(4)	(2)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	565	585	485
plus - Depreciation and amortisation	0	1	0
Expenditure as per statement of comprehensive revenue and expense	565	586	486

Animal Control

What is this Activity about?

The Activity involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs. It also provides services in relation to wandering livestock on public land and roads. The Dog Control Act 1996 (DCA) is the primary legislative tool used in this Activity, together with related regulations including the Impounding Act 1955 and Council Dog Control Bylaws.

The Dog Control function has been contracted out to Maataa Waka Ki Te Ihu Trust since 1998. The contractor provides Animal Control Services. The Council retains the administration of the contract. Decisions on classification of dogs and owners, objections to infringements and classifications and prosecution decisions are made by Council's Enforcement & Prosecution Committee.

The objective for the Activity is to encourage responsible dog ownership which allows owners to enjoy their dogs without infringing on the enjoyment and safety of others.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Perceptions of dogs in the community and dog attacks

More than 10,500 dogs are registered in the district and Council receives more than 2,000 dog associated complaints each year. This makes a significant resource demand on the Animal Control contractor and Council's Animal Control Contract Manager.

There is media and public interest in dog attacks which can create fear in the community. However, serious dog attacks are rare. When serious incidents do occur, these are investigated thoroughly so that appropriate enforcement action can be taken.

Education

Education is key to achieving responsible dog ownership and safety for others. Dog experts suggest that 85% of attacks are triggered by the victim's behaviour. To minimize this risk there needs to be continued education of the public, particularly children, on how to behave around dogs. Animal Control provides education sessions on dog safety awareness to pre-schools, schools and workplaces.

Responsible and knowledgeable owners are less likely to have a dog that creates a nuisance or danger to the community. Animal Control encourages early socialization for young dogs and owners to seek advice from professional dog trainers.

Dog parks

Council approved funding in the previous LTP for the establishment of Council-owned dog parks for the region. The establishment and construction of the Renwick Dog Park was completed in 2019. The general reserve fund for Animal Control was used to cover the costs for the establishment of the Renwick Dog Park. A working group has been set up in Picton to look at a suitable location for a dog park in Picton. Land has been designated for a dog park on the Taylor River Reserve in Blenheim.

Pet remembrance park

Investigation into a suitable location for a pet remembrance park in Blenheim will be progressed.

Dog Control Policy and Bylaw review

A full review of the Dog Control Policy and Bylaws is being undertaken in accordance with the Dog Control Act 1996 and the Local Government Act 2002. The special consultative procedure will be utilised to give the public an opportunity to make submissions and provide feedback on the proposed Dog Control Policy and Bylaws. Once the submission period closes, hearings will be conducted if people indicate they want to speak in support of their submissions. This review is likely to involve significant staff resources and time.

Levels of Service: Animal Control			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.2
To provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	Level of compliance with the Animal Control contract.	No significant deviations from contract specification	No significant deviations from contract specification
	Compliance with DCA requirements by preparing and publicising a report annually.	30 Sep	30 Sep

Funding Impact Statement for 2020-21 Animal Control

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	145	150	150
Fees and charges	572	574	572
Fuel tax, fines, infringement fees and other receipts	84	86	85
Total operating funding	801	810	807
Applications of operating funding			
Payments to staff and suppliers	691	716	704
Internal charges and overheads applied	74	66	82
Other operating funding applications	11	11	9
Total applications of operating funding	776	793	796
Surplus (deficit) of operating funding	25	17	11
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	25	17	11
Total applications of capital funding	25	17	11
Surplus (deficit) of capital funding	(25)	(17)	(11)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	776	793	796
plus - Depreciation and amortisation	5	5	7
Expenditure as per statement of comprehensive revenue and expense	781	798	803
Operating expenditure			
Dog Control	693	705	713
Other Animal Control	88	93	90
Capital expenditure			
Dog Control	-	-	-

Harbours

What is this Activity about?

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

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

The Harbourmaster leads the Harbours Activity and is supported by a team of four full-time staff including a Deputy Harbourmaster, two Maritime Officers and an Administration Officer. Additional personnel are employed in the summer months on a casual basis to support safer boating initiatives.

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

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

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

Increased activity levels

Staff

The recent appointment of a new position – Harbour Protection Officer is expected to enable the Harbourmaster to be more effective in achieving regulatory objectives as pertain to the harbours. This includes education and enforcement programmes and community engagement. Reliance on casual staff remains necessary. However over the longer term it is intended that reliance on casual staff will be reduced.

Shared space

Navigation safety issues frequently arise among recreational harbour users when there is a need to share space. Presently, the Harbourmaster has incident files open in relation to navigation concerns associated with vessels left unattended on the foreshore, alongside jetties and at anchor for long periods.

Factors driving the increase in conflicts over shared space include; increased vessel activity, changes in community composition and changes in vessel types (for example jet skis). Finding a solution to these issues and encouraging a safe boating culture in the Sounds will require ongoing engagement across the community and relevant agencies. Momorangi provides a case in point and addressing the concerns developing in this space will require considerable time and effort from the Harbours team.

Jet skis

Jet ski (PWC) activity continues to present a challenge and the popularity and proliferation of PWCs has been well noted by Harbour Patrol Officers over summer. Issues associated with these vessels include high speed close to the shore, a low level of boating knowledge and frequent operation by persons under the legal age.

A new initiative to undertake harbour patrols on-board a jet ski has yielded good results. Advantages include the low cost of running the ski, one person manning and transportability enabling targeted patrol work. Ongoing initiatives being developed over the coming months will focus on creating engagement opportunities with jet skiers, jet ski retailers and safer boating groups. The intention is to work with these groups to promote a safe jet ski culture and leading this line of work is a core project of the Harbour Protection Officer.

Wrecks

An ageing fleet of recreational vessels creates a near constant stream of wrecks and derelict craft. This is particularly relevant in the case of wooden displacement launches and sailing vessels. The MTA enables effective action to be taken by the Harbourmaster and vessel owners are liable for all costs. However, in many cases the ability of the owner to repay costs is limited. This issue is expected to continue to increase.

Pelorus Sound

Interest in Pelorus Sound from the superyacht sector and “adventure” focused cruise ships continues to be expressed. At present, various national regulations both prevent and exclude such vessels from operating in the Pelorus Sound. However, work is underway to enable these ships to visit. This work is being undertaken by the Harbourmaster in conjunction with Maritime New Zealand.

Tory Channel

Introduction of Cook Strait ferries which are significantly larger than the current vessels has been proposed. A risk assessment has been undertaken by GBT International which will advise and recommend risk controls to better manage shipping risk in Tory Channel. The results are yet to be received, but it is expected that the findings will require the Harbourmaster to undertake a range of actions and activities.

Safety buoys

The use of 5 knot buoys to mark high risk areas will continue to expand with 75–100 units expected to be installed by 2024. The initiative is proving effective but regular servicing to maintain buoyancy, visibility and correct location creates significant demands on harbour resources.

Mooring management area

The proposed implementation of a mooring management area in Waikawa Bay will require appointment of a mooring manager. In the first instance, this is likely to be undertaken by the Harbourmaster group. The workload of this mooring management function is as yet unknown.

Council use of the harbours vessels

There is ongoing demand from within Council to use the Harbours vessels for environment, biosecurity, compliance and consenting purposes. The use of Harbours assets for such purposes results in a cost saving for Council and ensures health and safety can be managed to the required standard.

It should be noted that benefits that arise from getting out on the water with staff from other departments are considerable. As understanding develops about the work other departments carry out in the Sounds, opportunities for collaboration arise.

Marine farms

The Harbourmasters team now audits the mooring and securing arrangements on all salmon farms regularly. This has been deemed necessary following a series of incidents which created navigation safety concern. A practical method for achieving a robust audit of these structures is being defined. A contractor has been appointed to help meet the demands of the audit program.

Harbour risk assessment

Compliance with the Port and Harbour Safety Code requires a complete and comprehensive Safety Management System (SMS) including a Harbour Risk Assessment and a ‘living’ risk register to be maintained. In 2020 an externally led review of the Marlborough Harbour SMS will be undertaken by a panel of industry peers appointed by the Port and Harbour Safety Code Working Group.

Harbours incident register and database

Tracking the changes in the risk profile of the harbour over time is essential to ensure appropriate risk management strategies are in place. Collecting data to understand this change has traditionally been achieved through public consultation and review of the harbours incident register. Whilst these methodologies remain integral to risk assessment, new technologies have resulted in new information streams which can enhance understanding of risk. The challenge is in collecting, tracking and analysing the incoming data.

To assist with this work, a digital tool is being developed with the MVP version expected to be completed in mid-2020. However, while the tool will lead to efficiencies over the long term the process of building and implementing the system will place significant demands on the Harbours team in the short to medium term.

Navigation safety bylaws

A revised draft of navigation safety bylaws is expected to be put to Council in mid-2020.

Mass Rescue Plan

A regional Mass Rescue Plan has been developed by Police to deal with an event such as the foundering of a cruise ship. In an event of this scale the initial local response will be critical. The Harbourmaster, the CDEM group and Police have held preliminary discussions on undertaking local and routine training exercises.

Hydrographic survey

An extensive hydrographic survey of Pelorus Sound including Admiralty Bay and French Pass is underway.

Additional survey work may be required in the Havelock Channel due to concerns raised by MFA and PMNZ. Unfortunately, the survey vessels and equipment being used in Pelorus Sound multi beam survey are not compatible with what is required in the Havelock Channel.

AIS and vessel traffic monitoring

Implementation of new networks to increase monitoring and communication capabilities with ships now provide good coverage of Havelock Channel and Tasman Bay. This helps to ensure all ships entering harbour waters are provided with the messaging and information they need for safe passage. It will also enable the provision of virtual aids to navigation in these areas and active monitoring of ships at anchor.

The network supports the implementation of smart lights in Havelock Channel to enable early warning to channel users when large vessel are approaching. Similarly, the network will support a project with the Tasman District Council Harbourmaster to support navigation safety in the top of the south region.

Cruise guide

The cruise guide app has been well received since its launch. However, it is apparent that if it is to perform its intended function as the primary digital portal for communication between the Harbourmaster and recreational harbour users more work is needed. It is intended that the Harbourmaster, IT team and developers will meet in early 2020 to develop a strategy for the ongoing management and evolution of the cruise guide.

Aids to navigation

Aids to Navigation (AtoNs) continue to form a critical component of the Harbour Safety Management System and their operation must comply with international standards set by the International Light House Authority (IALA). Major lights need upgrade in 2020-21 including the Tory Channel Sector light. The external risk assessment of Tory Channel may recommend additional navigation aids and navigation infrastructure for Tory Channel.

Rivers

Changes to the Maritime Transport Act in late 2017 enabled regional councils to take enforcement action on rivers in their regions when a breach of a maritime rule is observed. This ability to take regulatory action on rivers exists despite the exclusion of rivers from the Marlborough Navigation Safety Bylaws. Further, the authority to regulate rivers creates an implied obligation to do so when maritime safety issues are identified. Work is presently underway to better manage risks on the Wairau River and the inclusion of rivers into the draft navigation safety bylaws is likely.

Levels of Service: Harbours

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4
Provide a safe environment for all users through effective public education.	Distribute 7000+ Marlborough Safe Navigation and Tides Brochures.	Annually	Annually
	Increase number of Cruise Guide App users by 5% annually based on Google Analytics.	927 users as of January 2018	1,073
	Complete 1000 safe boating surveys through face to face on water interactions.	New Measure	1,000
	Undertake 15 targeted 'no excuses' enforcement days per year in high risk areas.	New Measure	15
Comply with the Harbours Maritime Transport Operators Plan (HTOP).	Maintain compliance with the MTOP system as certified by Maritime New Zealand. Carry out annual review.	MTOP certificate valid. Annual review completed	Annually
Ensure that Port and Harbour Safety Code requirements are met.	Complete annual self-assessment and annual review of the Safety Management System (SMS), Risk Assessment, General Direction, and Harbourmaster Notices.	Annually	Annually
	Under take a minimum of two risk review meetings with Port Marlborough Marine Services.	2	2
	Safety Management System either self-assessed or verified by external review panel as compliant with the Code, each year.	Last confirmed by review panel on instruction of Code Working Group in 2013	Self-assessment completed*
Removal of Wrecks.	All wrecks removed in a reasonable timeframe (target 30 days) and navigation warnings provided when necessary.	30 Days	30 Days
Marine Farm Audits.	Audit marine farm lighting on minimum of 200 farms annually.	200 farms annually	200
	Audit mooring arrangements on all Fin Fish farms annually.	New Measure	Annually
Pilotage.	Review of the Certified Marlborough Pilot Exemption Certificate (PEC) Training Program.	Annually	Annually

Levels of Service: Harbours

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2020-21
	Check of Pilot and PEC Master Currency.	Quarterly	Quarterly
Provide navigation aids to International Light House Authority (IALA) standard.	Availability of lights must meet or exceed IALA standards. Each category of light has a set availability target.	Cat 1 ≥ 99.8%	≥ 99.8%
		Cat 2 ≥ 99.0%	≥ 99.0%
		Cat 3 ≥ 97.0%	≥ 97.0%
Oil Spill Response.	Meet all annual requirements as specified by the Maritime New Zealand Oil Spill Response Service.	Annually	Annually

*Target has been revised as part of the 2019-20 Annual Plan consultation process.

**Funding Impact Statement for 2020-21
Harbours**

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	864	1,041	1,062
Fees and charges	432	450	462
Fuel tax, fines, infringement fees and other receipts	161	166	213
Total operating funding	1,457	1,657	1,737
Applications of operating funding			
Payments to staff and suppliers	1,184	1,191	1,242
Finance costs	8	36	18
Internal charges and overheads applied	249	216	262
Total applications of operating funding	1,442	1,443	1,522
Surplus (deficit) of operating funding	15	214	215
Sources of capital funding			
Increase (decrease) in debt	(6)	(21)	488
Total sources of capital funding	(6)	(21)	488
Applications of capital funding			
Capital expenditure to improve the level of service	-	73	-
Capital expenditure to replace existing assets	112	424	792
Increase (decrease) in reserves	(103)	(304)	(89)
Total applications of capital funding	9	193	703
Surplus (deficit) of capital funding	(15)	(214)	(215)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,442	1,443	1,522
plus - Depreciation and amortisation	164	195	191
Expenditure as per statement of comprehensive revenue and expense	1,607	1,638	1,713

Regional Development

What is this Activity about?

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

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

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

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

Economic development

In Marlborough, economic development comprises two activities:

- Marlborough Smart + Connected (industry) (S+C).
- Smart Business Marlborough (SBM).

Marlborough Smart+Connected is an industry and community focused initiative to develop strong leadership groups which develop and implement strategies. Council's role is to assist in the establishment, review and maintenance of the groups and to participate in implementation where appropriate. (S+C community is discussed under the 'Community Support' Activity in the People Group.)

Smart Business Marlborough (SBM) consists of a range of specific economic development initiatives to support local businesses as outlined below:

- Development advice.
- Marlborough Food and Beverage Innovation Cluster.
- Business Trust Marlborough.
- Information resources.
- International connections.

Council is working with Nelson and Tasman on establishing a Te Tau Ihu Regional Growth Partnership. Similar partnerships have been established elsewhere in New Zealand, and the Top of the South were invited to commence the process in late 2017. The process will lead to the development of a Top of the South economic strategy, action plan and governance/leadership group. Central government will also appoint a senior representative to ensure focused investment on the identified key priorities.

Small Townships Programme

The Small Townships Programme (STP) provides a strategic planning and design process for improving public amenities in small townships as part of the implementation of the Growing Marlborough Strategy.

The purpose of this programme is to:

- design liveable towns with an attractive central space;
- enable freedom of movement, connectivity and accessibility;
- strengthen a sense of place and unique identity;
- enhance the use, enjoyment and pride in outdoor public spaces.

Regional Events Strategy

Council has developed a Regional Events Strategy with the support of the events sector to identify opportunities for growing events in the region and increasing the commercial return to local businesses. A key focus of the role is to assist communication within the events sector, and to help promote the many events offered in the region to locals and visitors alike. The Follow ME* website is the primary tool alongside targeted promotional documents such as the Summer Events Guide and Marlborough Arts Month. Council has also established the Commercial Events Fund to assist with the development of existing and new events to grow the economic and other benefits of hosting events in the region.

Marketing and tourism

Destination marketing services are undertaken on Council's behalf by the Destination Marlborough Trust Inc. Destination Marlborough exists to grow and support a sustainable visitor economy that contributes to achieving a Smart and Connected economy for Marlborough.

Marlborough Research Centre

This Activity is delivered by the Marlborough Research Centre Trust (MRC), and provides support for public good research, regional prosperity and environmental sustainability in support of Marlborough's primary industries.

Irrigation

Sourcing water for irrigation is of critical importance to our primary industries, particularly in areas of water shortage such as south Marlborough. Council has significant experience in providing water infrastructure in Marlborough, and has developed an irrigation scheme for the Southern Valleys to the south of Renwick for horticultural, farming and rural residential properties which covers an area of approximately 4,500 ha.

A proposed irrigation scheme for the Flaxbourne area, covering just over 1200 hectares and with an estimated cost between \$10.5M and \$16M is under consideration. It will provide similar benefits to the Southern Valley scheme and it will be paid for by the beneficiaries through a targeted rate. Council has agreed to support the development of this scheme subject to a number of conditions:

- Securing sufficient water.
- Satisfactory final design, estimates and funding.
- Securing 100% commitment to fund the scheme from landowners and/or the Crown Irrigation Fund.
- The actual cost of construction being within the funding secured.

In principle the Council supports other community irrigation schemes if environmental effects can be managed and mitigated. The table below provides a summary of the Southern Valleys' Irrigation Scheme assets.

Southern Valleys' Irrigation Scheme (SVIS)	Length/Quantity
Reticulation length	57 km
Service connections	4,500 hectares
Abstraction gallery	2
Distribution pumps	6
Booster pumps	8
Meters	261

Parking

A large number of businesses are located in or close to the main town centres of Blenheim and Picton. The ability for customers, staff and visitors to access these businesses is supported by the provision of convenient and affordable car parks. Council provides, operates and maintains more than 1,900 on and off-street parks in Blenheim and Picton.

This provision of car parking in the Blenheim and Picton town centres is guided by parking strategies for each town, which were updated in 2017.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging issues and expected changes

The following are the emerging issues and expected changes within this Activity:

- Council is leading the economic recovery to Covid-19 in Marlborough 'TEAM' initiative. This seeks to identify and mitigate the impact of Covid-19 on the Marlborough economy.
- Council is working with partners across the Top of the South including councils, Chambers of Commerce, business and iwi to develop the Te Taihu Intergenerational Strategy. When complete the strategy will guide the future development of the Top of the South.
- Council will continue to consider applications to Government's Provincial Growth Fund and support other applications from Marlborough as appropriate.
- Marlborough Research Centre is engaged in discussions relating to the new Bragato Research Institute located next to the MRC Campus. Discussions are focused on co-ordinating the various wine research and education facilities managed by MRC, WRC and NMIT.
- Council is working with other local business support providers to improve collaboration and services available to local businesses. Part of these discussions include a possible Business Hub for Marlborough.
- International visitor growth to New Zealand is heavily impacted by the Covid-19 pandemic. The external influence on travel from events such as the Coronavirus and propensity for Australians to travel at home to support communities post Australian wild fires will have an effect on visitation to Marlborough and New Zealand as a whole. Council has invested in mitigation measures including domestic marketing and 'Make it Marlborough' local spend campaign.
- The increasing reputation of Marlborough as a welcoming and proficient cruise destination had resulted in continuing strong growth in cruise arrivals. Cruise passenger spend in 2018-19 season was \$24M, up from \$8.5M in 2014-15. The Covid-19 pandemic is expected to result in few, if any cruise ship visits to Marlborough in 2020-21.

- Ongoing leverage of post-earthquake MBIE funding to support domestic travel campaigns in Auckland, Wellington, Christchurch and Nelson/Tasman.
- The growth and spread of online booking technology has changed purchasing patterns of i-SITE customers. I-SITEs remain key in providing information and impartial advice, however customers are increasingly making their purchases through online and direct booking channels. This reduction in revenue and government raising the minimum wage affects the ability for the i-SITEs to operate and provide good service to visitors and locals.
- Council has continued to support the development of the Flaxbourne Irrigation Scheme. It is expected that resource consents will be applied for in the near future.
- Drier seasons causing low Wairau River flows necessitated the Southern Valleys Irrigation Scheme to be shutoff for 36 consecutive days in 2019. If this trend continues storage by individuals or community will be necessary to sustain irrigation for viticulture in the southern valleys area.

Levels of Service: Regional Development			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2020-21
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey where 10 = "service delivered extremely well".	Economic Development - 6.4	6.4
		Tourism - 7.2	7
		MRC - 6.8	7.1
		Parking - 6.8	6.5
		Irrigation - 6.9	6.6
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	Implement performance reporting framework reporting.	New Target	30 June*
Manage Marlborough Research Centre contract to ensure service quality and value.	Reporting to Council % of MDC funded projects achieved.	New Target	80%
Effective promotion of Marlborough as a visitor destination.	Implement performance reporting framework reporting.	New Target	30 June*
Provision of convenient and affordable car parks to support CBD businesses.	Occupancy rates of off-street car parks in Blenheim.	Kerbside - 65%	65%
		Off-street - 76% (Queen St. and Clubs only)	65%
		Parking building - 30%	45%
Support for land based industries through the supply of irrigation water.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	≤ 1 event per annum	≤ 1 event per annum

*Target has been revised as part of the 2019-20 Annual Plan consultation process.

Funding Impact Statement for 2020-21 Regional Development

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,069	2,266	2,091
Targeted rates	1,799	1,996	1,739
Fees and charges	1,621	1,528	1,823
Fuel tax, fines, infringement fees and other receipts	251	489	256
Total operating funding	5,740	6,279	5,908
Applications of operating funding			
Payments to staff and suppliers	3,474	3,569	3,597
Finance costs	870	1,638	525
Internal charges and overheads applied	757	744	781
Other operating funding applications	410	413	1,266
Total applications of operating funding	5,510	6,364	6,169
Surplus (deficit) of operating funding	230	(85)	(260)
Sources of capital funding			
Increase (decrease) in debt	5,838	(1,548)	(612)
Total sources of capital funding	5,838	(1,548)	(612)
Applications of capital funding			
Capital expenditure to meet additional demand	80	84	80
Capital expenditure to improve the level of service	7,000	-	816
Capital expenditure to replace existing assets	308	76	6
Increase (decrease) in reserves	(1,321)	(1,793)	(1,774)
Total applications of capital funding	6,068	(1,633)	(872)
Surplus (deficit) of capital funding	(230)	85	260
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,510	6,364	6,169
plus - Depreciation and amortisation	735	852	760
Expenditure as per statement of comprehensive revenue and expense	6,245	7,216	6,929
Operating expenditure			
Economic Development	1,153	1,011	2,076
Marketing and Tourism	1,286	1,280	1,283
Research Centre	351	349	369
Irrigation Schemes	1,714	2,753	1,420
Parking	1,742	1,823	1,781
Capital expenditure			
Irrigation Schemes	7,000	-	816
Parking	388	160	86

Part 3: Forecast Financial Information

- Statement of comprehensive revenue and expense
- Statement of other comprehensive revenue and expense
- Statement of changes in net assets/equity
- Statement of financial position
- Statement of cash flows
- Notes to financial statements
- Statement of accounting policies
- Assumptions, disclosures and compliance
- Financial funding impact statement (FIS)



Statement of comprehensive revenue and expense

for the year ending 30 June:		Notes	2020 (AP)	2021 (LTP)	2021
			\$000s	\$000s	\$000s
Revenue:					
	Rates, excluding targeted water rates	2	67,695	72,495	69,492
	Targeted rates for metered water supply	2	2,339	2,750	2,522
	Subsidies and grants	4	11,024	9,444	10,349
	Interest revenue	3	2,617	2,716	1,720
	Development and financial contributions	4	4,083	3,305	3,572
	Other revenue	4	36,554	32,579	33,575
	Gains	4	9	2,311	4,884
	Total revenue	1	124,321	125,600	126,114
Expenditure by function:					
	Democratic Process		3,467	3,456	3,438
	Culture and Heritage		1,360	1,284	1,248
	Housing for Seniors		1,455	1,595	1,560
	Community Support		2,621	2,379	3,194
	Library Services		2,820	2,952	2,748
	Emergency Management		598	593	654
	Community Facilities		12,337	12,277	13,899
	Roads and Footpaths		22,135	22,515	22,128
	Flood Protection and Control Works		5,251	5,639	5,652
	Sewerage		12,298	13,241	11,491
	Stormwater Drainage		2,219	2,353	1,871
	Water Supply		9,194	10,428	9,181
	Solid Waste Management		10,786	10,531	11,163
	Environmental Policy		1,533	1,413	1,270
	Environmental Science and Monitoring		4,303	4,897	4,708
	Resource Consents		2,812	2,776	2,613
	Environmental Protection		1,490	1,622	1,663
	Biosecurity (Pest Management)		1,660	1,745	1,842
	Building Control		4,187	3,787	3,974
	Environmental Health		565	586	486
	Animal Control		781	798	803
	Harbours		1,607	1,636	1,713
	Regional Development		6,245	7,216	6,929
			111,724	115,719	114,228
	less internal interest eliminated	3	(2,273)	(2,201)	(2,041)
	Total expenditure by function		109,451	113,518	112,187
Non-activity expenditure:					
	Other expenditure	5	4,419	5,414	7,006
	Marlborough Regional Forestry	5	4,942	941	1,108
	Total non-activity expenditure		9,361	6,355	8,114
	Total expenditure	5	118,812	119,872	120,301
	Surplus		5,509	5,728	5,813

Statement of other comprehensive revenue and expense

for the year ending 30 June:	Note	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Surplus for the year		5,509	5,728	5,813
Other comprehensive revenue:				
Gain on property revaluations	8	33,505	32,304	32,571
Total other comprehensive revenue and expense		33,505	32,304	32,571
Total comprehensive revenue and expense		39,014	38,032	38,384

Statement of changes in net assets/equity

for the year ending 30 June:	Note	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Balance at 1 July		1,664,256	1,586,481	1,720,456
Total comprehensive revenue and expense for the year		39,014	38,032	38,384
Balance at 30 June		1,703,270	1,624,512	1,758,840

Statement of financial position

as at 30 June:	Notes	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Assets:				
Non-current assets:				
Property, plant and equipment	8	1,744,803	1,697,207	1,809,037
Intangible assets	8	5,682	4,336	9,512
Forestry assets		13,341	13,939	17,750
Other financial assets:				
- Investments in subsidiaries	7	6,000	6,000	6,000
- Other	7	68,882	88,523	76,711
Investment property	11	-	-	10,500
Total non-current assets		1,838,708	1,810,005	1,929,510
Current assets:				
Cash and cash equivalents		197	172	111
Debtors and other receivables	6	11,060	11,941	11,064
Other financial assets	7	8,980	9,223	11,263
Inventory		274	241	329
Non-current assets land and buildings held for sale		-	809	-
Total current assets		20,511	22,386	22,767
Total assets		1,859,219	1,832,391	1,952,277
Liabilities:				
Non-current liabilities:				
Borrowings	10	131,137	184,494	166,864
Provisions		3,106	2,485	6,049
Employee entitlements		300	305	282
Total non-current liabilities		134,543	187,284	173,195
Current liabilities:				
Creditors and other payables	9	19,260	18,474	17,958
Employee entitlements		2,146	2,121	2,284
Borrowings	10	-	-	-
Total current liabilities		21,406	20,595	20,242
Total liabilities		155,949	207,879	193,437
Net assets		1,703,270	1,624,512	1,758,840
Equity				
Accumulated funds		633,586	636,255	649,743
Asset revaluation reserves		1,019,512	951,335	1,063,148
Other reserves	13	50,172	36,922	45,949
Total equity		1,703,270	1,624,512	1,758,840

Statement of cash flows

as at 30 June:	2020 (AP) 2021 (LTP)		2021
	\$000s	\$000s	\$000s
Cash flows from operating activities:			
Receipts from rates revenue	70,034	75,245	72,014
Receipts from other revenue	46,985	40,708	42,707
Interest received	2,617	2,716	1,720
Payments to suppliers and employees	(87,162)	(85,152)	(88,060)
Interest paid	(4,715)	(6,395)	(3,832)
Net cash flow from operating activities	27,759	27,122	24,549
Cash flows from investing activities:			
Receipts from sale of property, plant	30	4,329	6,000
Movement in investments	(10,326)	(17,213)	(6,667)
Dividends received	2,911	3,174	2,995
Purchase of property, plant and	(60,172)	(60,226)	(66,439)
Net cash flow from investing activities	(67,557)	(69,936)	(64,111)
Cash flows from financing activities:			
Movement in borrowings	39,164	42,714	39,571
Net cash flow from financing activities	39,164	42,714	39,571
Net increase / (decrease)	(634)	(100)	9
Cash, cash equivalents and bank overdrafts:			
At the beginning of the year	831	272	102
At the end of the year	197	172	111

Notes to financial statements

1. Summary cost of services

for the year ending 30 June:	2020 (AP)	2021 (LTP)	2021
	\$000s	\$000s	\$000s
Revenue:			
People	12,202	12,060	11,873
Community Facilities	13,039	12,326	12,919
The Provision of Roads and Footpaths	23,253	22,498	23,015
Flood Protection and Control Works	7,880	8,384	7,998
Sewerage	12,172	13,371	12,031
Stormwater Drainage	2,495	2,606	2,512
Water Supply	9,279	10,358	9,648
Solid Waste Management	11,191	11,062	12,131
Environmental Management	9,952	10,637	10,321
Regulatory	8,610	8,601	8,750
Regional Development	5,740	6,279	5,908
Total activity revenue	115,811	118,181	117,108
Plus other income (including MRF)	15,579	15,418	14,540
Less activity related interest revenue	(7,070)	(8,596)	(5,917)
MRF fair value gain biological assets	-	598	384
Total revenue	124,321	125,600	126,114
Expenditure:			
People	12,323	12,258	12,841
Community Facilities	12,337	12,277	13,899
The Provision of Roads and Footpaths	22,135	22,515	22,128
Flood Protection and Control Works	5,251	5,639	5,652
Sewerage	12,298	13,241	11,491
Stormwater Drainage	2,219	2,353	1,871
Water Supply	9,194	10,428	9,181
Solid Waste Management	10,786	10,531	11,163
Environmental Management	10,137	10,708	10,255
Regulatory	8,799	8,552	8,818
Regional Development	6,245	7,216	6,929
Total activity expenditure	111,724	115,718	114,228
Plus other expenditure (including MRF)	14,141	12,750	11,991
Interest - Internal Loans	(7,053)	(8,596)	(5,918)
Total operating expenditure	118,812	119,872	120,301

2. Rates revenue

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
People	8,991	9,290	9,087
Community Facilities	9,723	10,149	10,030
The Provision of Roads and Footpaths	10,691	10,987	11,007
Flood Protection and Control Works	4,361	4,775	4,478
Sewerage	8,465	9,524	8,289
Stormwater Drainage	2,058	2,175	2,071
Water Supply	8,636	9,698	9,005
Solid Waste Management	2,804	3,176	3,058
Environmental Management	6,982	7,712	7,581
Regulatory	3,452	3,495	3,575
Regional Development	3,868	4,262	3,830
Total activity rates	70,032	75,243	72,012
Non-actiity rates	2	2	2
Total gross rates revenue	70,034	75,245	72,014
less rates remissions	(763)	(741)	(851)
Rates revenue net of remissions	69,271	74,504	71,163

3. Finance revenue and finance costs

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Finance revenue - interest revenue:			
Term deposits and investments	2,617	2,716	1,720
Total finance revenue	2,617	2,716	1,720
Finance costs - interest expense:			
Total activity related interest expense	7,053	8,596	5,917
Less internal interest eliminated	(2,273)	(2,201)	(2,041)
Total finance costs	4,779	6,395	3,876
Bank charges on borrowings	82	49	44
Net finance costs	2,080	3,631	2,113

4. Other revenue including gains

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Other revenue:			
User charges	20,692	19,764	20,519
Regulatory revenues	5,158	5,913	5,176
Infringements and fines	462	562	642
Vested assets	1,139	1,191	1,139
Rental income from investment properties	-	-	1,978
Marlborough Regional Forestry	4,165	34	34
Other revenue	4,938	5,114	4,087
Total other revenue	36,554	32,578	33,575
Subsidies and grants:			
NZTA roading subsidy	9,672	9,038	9,501
Other donations and grants	1,352	406	847
Total subsidies and grants	11,024	9,444	10,349
Development and financial contributions:			
Capital contributions	426	-	300
Development contributions	2,236	1,722	1,944
Development impact levies	160	167	100
Other contributions	305	433	244
Land subdivision revenues	955	984	984
Total development and financial contributions	4,083	3,305	3,572
Gains			
Gain on sale of fixed assets	9	1,713	4,500
MRF fair value gain biological assets	-	598	384
Total gains	9	2,311	4,884

5. Expenditure

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Other non-activity expenditure:			
Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:			
Insurance	1,422	1,482	1,535
Property costs	1,317	1,435	3,753
Rate remissions as note 2	763	741	851
Other (including MRF)	5,859	2,696	1,975
Total non-activity expenditure	9,361	6,354	8,114
Expenditure disclosures:			
Expense includes the following amounts which are required to be disclosed separately:			
Fees to principal Auditor:			
Audit fees for the Annual Report	137	145	140
Audit fees for the LTP	-	92	120
Finance costs as note 3	4,780	6,395	3,876
Depreciation	26,093	27,439	27,541
Amortisation	211	422	426
Personnel costs	24,466	25,182	24,657
Grants and donations	4,288	3,939	6,549
Insurance premiums	2,478	2,423	2,798
Councillors remuneration	702	724	739
Operating leases payments	489	567	515
Loss on disposal of fixed assets	4	-	-
Investment properties direct operating expenses	-	-	90
Other operating expenses	50,222	51,603	51,832
Marlborough Regional Forestry	4,942	941	1,108
Total expenditure disclosures	118,812	119,872	120,301

6. Debtors and other receivables

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	\$000s	\$000s	\$000s
Non-exchange receivables:			
Rates receivables	911	2,766	1,018
Other	2,469	1,161	2,476
GST (net)	1,352	914	759
Total non-exchange receivables	4,733	4,840	4,253
Exchange receivables:			
Trade receivables	4,621	5,778	3,516
Other	1,464	626	3,273
Prepayments	247	704	35
Total exchange receivables	6,331	7,109	6,824
Less provision for impairment	(5)	(8)	(13)
Total debtors and other receivables	11,060	11,941	11,064

7. Other financial assets

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Current portion:			
Term deposits and bonds with maturities of 4-12 months	8,980	9,223	11,263
Total current portion	8,980	9,223	11,263
Non-current portion:			
Term deposits and bonds and community loans with maturities 12 months plus	3,355	4,295	1,400
Community loans	62	-	14
Loan to joint venture Marlborough Regional Forestry	-	-	3,983
Loan to subsidiary MDC Holdings Ltd	64,171	82,934	69,860
Unlisted shares in subsidiaries	6,000	6,000	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,293	1,293	1,453
Other shares	1	1	1
Total non-current portion	74,882	94,523	82,711
Total other financial assets	83,862	103,746	93,974

8. Property, plant and equipment and Intangible assets

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Capital additions by activity:			
Opening value	1,681,584	1,638,286	1,747,403
Culture and Heritage	10	2,083	-
Housing for Seniors	-	162	160
Community Support	20	21	20
Library Services	340	6,583	4,320
Emergency Management	335	9	9
People	705	8,858	4,509
Community Facilities	7,370	3,459	8,521
Roads and Footpaths	15,268	13,481	14,018
Flood protection and control works	4,550	4,119	4,177
Sewerage	17,001	9,065	18,184
Stormwater Drainage	3,010	639	2,432
Water Supply	7,688	16,451	5,562
Solid Waste Management	946	623	4,286
Environmental Science and Monitoring	1,180	1,249	454
Resource Consents	3	3	3
Environmental Management	1,183	1,252	457
Environmental Health	3	4	3
Animal Control	-	-	-
Harbours	112	497	792
Regulatory	115	501	795
Regional Development	7,388	160	902
Land Development	-	-	700
Information Services	2,792	1,128	1,742
Commercial Property	200	-	-
Plant Operations	222	160	118
Office Services	100	104	100
Total capital expenditure	68,538	60,000	66,504
Disposal	(21)	(2,616)	(1,500)
(Less)/plus carryovers movement	(6,853)	1,429	1,491
Depreciation	(26,056)	(27,439)	(27,493)
Amortisation	(211)	(422)	(426)
Revaluation	33,505	32,304	32,571
Closing value	1,750,485	1,701,543	1,818,549

9. Creditors and other payables

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Trade payables	10,196	10,040	7,848
Accrued expenses	1,799	2,393	2,085
Income in advance	1,789	1,469	2,802
Deposit	1,991	1,796	1,340
Agency account	209	114	143
Trust funds	254	263	244
Related party payables	3,022	2,401	3,496
Total creditors and other payables	19,260	18,474	17,958

10. Borrowings

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
People	2,021	8,614	4,292
Community Facilities	17,772	18,817	20,328
The Provision of Roads and Footpaths	10,563	13,902	9,693
Flood Protection and Control Works	4,255	6,307	2,954
Sewerage	47,934	43,081	49,126
Stormwater Drainage	202	171	170
Water Supply	21,946	31,477	20,948
Solid Waste Management	6,651	5,391	5,923
Environmental Management	367	341	350
Regulatory	146	633	633
Regional Development	18,429	28,616	11,063
Commerical Property	5,457	5,203	10,416
Plant Operations	627	594	591
Marlborough Regional Forestry	-	-	2,655
MDC Holdings Ltd financing	64,731	83,494	70,420
Total loans	201,102	246,640	209,563
less internal loans	(69,965)	(62,146)	(42,699)
Total borrowings (external loans)	131,137	184,494	166,864

11. Investment property

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Balance at 1 July	-	-	10,500
Additions from acquisition	-	-	-
Transfer from property plant and equipment	-	-	-
Transfer from inventory	-	-	-
Disposals	-	-	-
Fair valuation gains/(losses)	-	-	-
Balance at 30 June	-	-	10,500

12. Exchange and non-exchange revenue

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Non-exchange revenue:			
General rates and charges	66,193	72,495	69,492
Donations, subsidies and grants	11,048	9,444	10,373
Fees and charges	17,530	16,997	17,793
Other revenue	10,573	11,931	15,281
Total non-exchange revenue	106,846	110,866	112,938
Exchange revenue:			
Metered water	3,841	2,750	2,522
Rentals and leases	5,443	6,057	5,905
Marlborough Regional Forestry	4,165	34	34
Interest and dividends	5,528	5,890	4,715
Total exchange revenue	17,475	14,730	13,175
Total revenue	124,321	125,596	126,113

13. Reserves

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	\$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; - 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.

Opening balance	15,260	8,034	12,776
Transfer to reserve	1,177	1,279	1,262
Transfer from reserve	(1,691)	(2,061)	(5,351)
Capex transfer from reserve	-	(1,399)	(247)
Closing balance	14,745	5,853	8,440

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.

Opening balance	21,792	12,565	11,022
Transfer to reserve	2,500	4,321	7,503
Transfer from reserve	(1,866)	(902)	(4,039)
Capex transfer from reserve	(4,417)	(2,963)	(6,185)
Closing balance	18,009	13,022	8,300

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 Activities as determined by Council from time to time.

Opening balance	7,503	8,585	9,433
Transfer to reserve	4,523	5,041	4,657
Transfer from reserve	(3,159)	(3,890)	(3,232)
Capex transfer from reserve			-
Closing balance	8,867	9,736	10,858

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 Pools.

Opening balance	3,263	2,189	3,824
Transfer to reserve	1,278	1,316	3,536
Transfer from reserve			-
Capex transfer from reserve	(1,606)	(1,932)	(2,619)
Closing balance	2,935	1,573	4,741

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	4,313	4,313	4,313
Transfer to reserve	237	237	194
Transfer from reserve	(237)	(237)	(194)
Capex transfer from reserve			-
Closing balance	4,313	4,313	4,313

Wairau Rivers Reserve

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

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

Opening balance	483	(257)	263
Transfer to reserve	1,235	1,005	1,233
Transfer from reserve	(444)	(533)	(444)
Capex transfer from reserve	(2,140)	(1,466)	(3,197)
Closing balance	(866)	(1,251)	(2,145)

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	382	510	574
Transfer to reserve	36	42	48
Transfer from reserve	-	-	-
Capex transfer from reserve	-	-	-
Closing balance	418	552	621

Development Contribution reserves

Opening balance	(2,231)	(4,545)	(1,941)
Transfer to reserve	201	353	602
Transfer from reserve	(5)	-	-
Capex transfer from reserve	(3,758)	-	(1,540)
Closing balance	(5,793)	(4,192)	(2,879)

Operational (General and Depreciation) reserves

Opening balance	4,781	1,710	6,378
Transfer to reserve	23,184	24,895	25,055
Transfer from reserve	(7,264)	(8,674)	(7,772)
Capex transfer from reserve	(21,152)	(19,206)	(22,364)
Closing balance	(451)	(1,276)	1,297

Road Funding reserves

Opening balance	-	-	-
Transfer to reserve	-	144	138
Transfer from reserve	-	-	-
Capex transfer from reserve	-	(144)	(138)
Closing balance	-	-	-

Statement of accounting policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2020 and ending on 30 June 2021 and were authorised for issue by Council on 25 June 2020.

The accounting policies used to prepare these prospective financial statements are the same as those contained in the financial statements for the year ended 30 June 2019 which are on Council's website. The changes in PBE IPSAS accounting standards that have occurred since the 30 June 2019 reporting period have no impact in the preparation of this Annual Plan.

Assumptions, disclosure and compliance

Assumptions

With any financial forecasting, a number of assumptions must be made. The assumptions used in the preparation of this Plan are largely the same as those contained in the 2018-2028 Long Term Plan except for the inflation assumption and the assumed impacts of COVID-19.

The costs, revenues and asset values contained in this Plan have been updated to reflect the latest "Forecasts of Price Level Change Adjustors" produced by Business Economic Research Limited (BERL) in September 2019 for the Society of Local Government Managers.

The costs and revenues have also been adjusted for the anticipated impacts of COVID-19 and the decisions taken to date by Council to mitigate the effects of this pandemic.

Financial funding impact statement (FIS)

Accounting policies

The “Sources of operating funding” section of the FIS includes revenue to the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in “Sources of capital funding” - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any gain from sale of assets is not included, instead the sale proceeds are included in “Sources of capital funding” - whereas under GAAP any such gain is included in “Gains” in the Forecast Statement of Comprehensive Revenue and Expense.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council’s Forecast Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included, they are included in “Other dedicated capital funding” - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.

The “Applications of operating funding” section includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense. The value of this expense is shown in the reconciliation section.
- In Council’s Forecast Statement of Comprehensive Revenue and Expense internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The “Finance costs” shown are the amount paid by the activity to Council’s Investment unit and so are also an internal cost.
- Any loss on sale of assets is not included as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense.

The “Sources of capital funding” section shows direct sources of funding the capital expenditure of the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are included - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any proceeds from the sale of an asset are included in here - whereas under GAAP only the loss or gain on sale would be included in the Forecast Statement of Comprehensive Revenue and Expense.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are included - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense
- Funding from a reserve is included as a negative value of “Increase (decrease) in reserves” in the “Applications of capital funding” section.
- While loans are included here there are some situations in which a loan is used to fund operating expenditure.
- Capital expenditure may also be funded from items included as “Sources of operating funding”, e.g. activities with low levels of capital expenditure often fund it directly from rates.

The “Applications of capital funding” section shows how much funding has been:

- Used to fund capital expenditure.
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

The Surplus (Deficit) of operating funding and capital funding represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differ from a surplus which would be calculated under GAAP.

Council’s management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all activity groups will not agree to Councils financial statements. Similarly adding all “Internal charges and overheads recovered” gives a different answer to adding all “Internal charges and overheads applied” as most recoveries are to the management units.

Below each FIS a reconciliation is given of the “Total applications of operating funding” in the FIS and the operating expenditure disclosed for that activity in the Forecast Statement of Comprehensive Revenue and Expense. For some activities a further breakdown is given of the operating and capital expenditure, eg; to individual scheme. This operating expenditure breakdown uses information from the Statement of Comprehensive Revenue and Expense and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

Marlborough District Council: Funding Impact Statement for 2020-21

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	45,299	47,895	47,150
Targeted rates	25,050	27,666	25,414
Subsidies and grants for operating purposes	6,113	5,148	5,694
Fees and charges	17,888	17,366	18,150
Interest and dividends from investments	5,529	5,890	4,716
Fuel tax, fines, infringement fees and other receipts	14,286	10,963	9,788
Total operating funding	114,165	114,928	110,912
Applications of operating funding			
Payments to staff and suppliers	82,867	81,304	81,253
Finance costs	4,780	6,395	3,876
Other operating funding applications	4,714	4,366	7,205
Total applications of operating funding	92,361	92,065	92,334
Surplus of operating funding	21,804	22,863	18,578
Sources of capital funding			
Subsidies and grants for capital expenditure	4,935	4,296	4,679
Development and financial contributions	3,352	2,873	3,028
Increase (decrease) in debt	39,164	42,713	39,915
Gross proceeds from sale of assets	27	4,329	6,000
Lump sum contributions	100	-	150
Other dedicated capital funding	1,761	-	2,464
Total sources of capital funding	49,339	54,211	56,236
Applications of capital funding			
Capital expenditure to meet additional demand	15,104	15,675	14,082
Capital expenditure to improve the level of service	29,763	23,802	23,193
Capital expenditure to replace existing assets	23,670	20,524	29,228
Increase (decrease) in reserves	(16,661)	(143)	(13,452)
Increase (decrease) of investments	19,267	17,216	21,763
Total applications of capital funding	71,143	77,074	74,814
Deficit of capital funding	(21,804)	(22,863)	(18,578)
Funding balance	-	-	-

Marlborough District Council: Funding Impact Statement for 2020-21

	AP	LTP	Annual Plan
	2019-20	2020-21	2020-21
	\$000s	\$000s	\$000s
Reconciliation			
Total operating funding	114,165	114,928	110,912
plus - Subsidies and grants for capital expenditure	4,935	4,296	4,679
plus - Development and financial contributions	3,352	2,873	3,028
plus - Lump sum contributions	100	-	150
plus - Other dedicated capital funding	1,761	-	1,325
plus - Contributions vested assets	-	1,191	1,139
plus - Gain on sale of fixed assets	8	2,311	4,500
plus - Sale of inventory	-	-	-
plus - Fair value gains	-	-	-
plus - Forestry asset revaluation gain	-	-	-
Revenue as per Forecast Statement of Comprehensive Revenue and Expense	124,321	125,599	125,733
Total applications of operating funding	92,361	92,065	92,334
plus - Depreciation and amortisation	26,303	27,807	27,967
plus - Loss on sale of fixed assets	4	-	-
plus - Cost of sales	-	-	-
plus - Impairment of fixed assets	-	-	-
plus - Fair value movement (gain) loss on SWAP	-	-	-
plus - Fair value losses	144	-	-
plus - Forestry asset revaluation loss	-	-	-
Expenditure as per Forecast Statement of Comprehensive Revenue and Expense	118,812	119,872	120,301
Surplus of operating funding	21,804	22,863	18,578
less - Depreciation and amortisation	(26,303)	(27,807)	(27,967)
less - Loss on sale of fixed assets	(4)	-	-
plus - Cost of sales	-	-	-
less - Impairment of fixed assets	-	-	-
less - Fair value movement gain (loss) on SWAP	-	-	-
plus - Subsidies and grants for capital expenditure	4,935	4,296	4,679
plus - Development and financial contributions	3,352	2,873	3,028
plus - Lump sum contributions	100	-	150
plus - Other dedicated capital funding	1,761	-	1,325
plus - Contributions vested assets	-	1,191	1,139
plus - Gain on sale of fixed assets	8	2,311	4,500
plus - Sale of inventory	-	-	-
plus - Fair value movement gain (loss)	(144)	-	-
plus - Forestry asset revaluation	-	-	-
Surplus as per Forecast Statement of Comprehensive Revenue and Expense	5,509	5,727	5,432

Part 4: Rates Information

- Rates funding impact statement
- Rates movements 2020-21
- Indicative impact on benchmark properties



Rates funding impact statement

Rating definitions

Rating unit

What is a rating unit is decided by the Valuer General. It generally is a property comprised in one record of title. It can include parts of titles in very limited circumstances or two or more titles if the land is:

- owned by the same person or persons and
- is used together as a single unit and
- adjacent to one another.

Activities funded by rates and charges

Council makes decisions about local issues and services taking into account local needs and priorities. We break our business down into activity groups such as providing and maintaining community facilities, roads and footpaths, managing building activity, the environment and water and sewerage. (Full details of activity groups and activities can be found in the LTP at <https://www.marlborough.govt.nz/your-council/long-term-and-annual-plans-policies-and-reports/long-term-plan> or at our offices.)

Rates and charges are set by calculating how much of each activity is not funded by other sources such as user pay fees and charges, Government subsidies, development contributions, interest and dividends from subsidiaries

Non-rateable properties

Certain categories of property can be fully non-rateable or 50% rateable. These properties are still rated for services such as water, sewerage and refuse/recycling collection (where the service is provided). (These properties are defined in Schedule 1 of the Local Government Rating Act 2002 (LGRA)). Examples of fully non-rateable properties are public and some other types of schools, public libraries and public gardens.

Land value and capital value

These are the values assigned to the property at the last rateable revaluation.

Rateable revaluation

A rateable revaluation of the district will take place this year and the property values from this will be used for rating purposes for three years from 1 July 2021. This is likely to be 15 August 2020.

Separately used or inhabited part of a rating unit (SUIP)

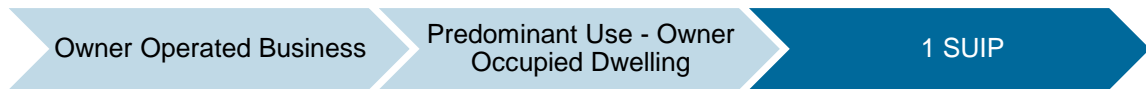
A SUIP includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

A rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Exceptions to the definition

- Predominantly residential rating units where the owner of the unit resides and operates a business (including a homestay or farmstay activity) from the same rating unit will be charged as being one SUIP.

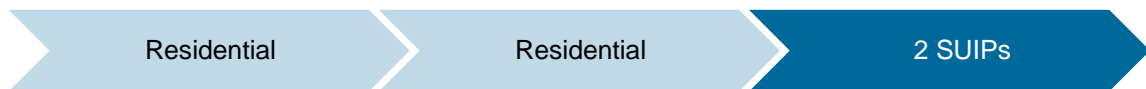


- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

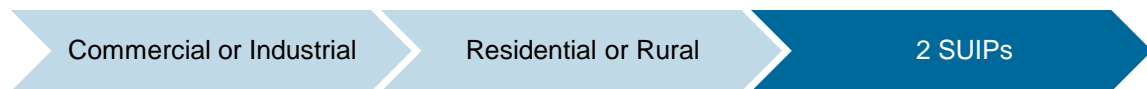


Examples of the application of the definition

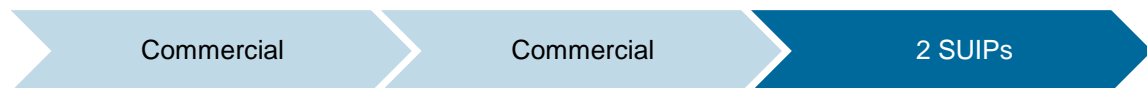
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



- Where a rating unit contains both a commercial or industrial type use, and a residential or rural type use they will be treated as two SUIPs.



- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.



Rating categories

It shall be at the sole discretion of the Council to determine the use or predominant use of any property in the district. The Council has adopted the following rating categories:

- ***Residential or rural***

All land used for a private residence and all land used for rural purposes. This excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation.

Rural purpose means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified category.

Forestry is included in this category for the purposes of the General Works and Services Rate.

- **Commercial or industrial**

All land used for a commercial or industrial purpose. It includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision.

Industrial includes a business, manufacturer, undertaking, or service associated with the production of any type of goods.

For the purposes of the general works and services rate, this category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as utilities.

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration but does not include:

- Properties where the principal purpose is the provision of long stay accommodation ie: 28 days or more.
- Properties that provide accommodation for five or less people.
- Properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farm stay category.

- **Homestay or farm stay**

Includes all rating units that are used for a homestay or farm stay activity on land predominantly used for residential or rural purposes, where a Building Act or resource consent was required for homestay or farm stay use (i.e. for six or more persons).

- **Infrastructural utilities**

Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.

Multiple land uses

The Council will partition a rating unit where there are two or more land uses that fit into different rating categories (residential or rural and commercial or industrial) except for predominantly residential properties where the owner of the commercial or industrial operation resides on the same rating unit.

Long term plan (LTP)

LTP refers to Council's 2018-2028 Long Term Plan which was adopted on 28 June 2018.

GST

Figures quoted are inclusive of GST unless otherwise stated.

General Type Targeted Rates and Charges

\$53,589,527

Geographic Area General Works and Services Rate

\$33,081,736

This rate pays for activities that aren't funded by other targeted rates, user pay charges, general revenue or reserves. The rate is assessed on a land value basis. The General Works and Services Rate is set differentially for six geographic areas, depending on where the land is situated and the benefit that rating area derives from the services these rates fund. (See figures 1-5 for the definition of the geographic rating areas.)

Within each geographic area, the rating units are further differentiated into categories depending on the use to which the land is put. The categories are:

- Residential or rural.
- Commercial or industrial.
- Homestay or farmstay.

For a detailed explanation of these categories see page 119.

For this rate utilities will be treated as falling within the commercial or industrial differential category.

Overall this rate will increase by \$1,390,574. However, there are varying impacts on the geographic areas and their differential rates.

(Further information on the calculations of general type targeted rates and charges can be found here <https://www.marlborough.govt.nz/services/rates/funding-allocations-summary>)

General Works and Services Rates are set in each geographic area as follows:

Geographic Area	Differential Rating Categories	Levy	Cents in \$
Blenheim	Residential/rural	7,606,854	0.377226
	Commercial/industrial	4,317,114	1.125529
	Homestay/farmstay	4,609	0.564341
Blenheim Vicinity	Residential/rural	8,462,832	0.294040
	Commercial/industrial	373,695	0.556824
	Homestay/farmstay	19,325	0.359818
Picton	Residential/rural	2,019,634	0.509578
	Commercial/industrial	771,540	0.940604
	Homestay/farmstay	1,742	0.617336
Picton Vicinity	Residential/rural	432,680	0.264364
	Commercial/industrial	27,167	0.548117
	Homestay/farmstay	1,530	0.336002
General Rural	Residential/rural	8,289,592	0.303149
	Commercial/industrial	185,824	0.487752
	Homestay/farmstay	3,925	0.349306
Sounds Admin Rural	Residential/rural	539,151	0.150020
	Commercial/industrial	24,095	0.284824
	Homestay/farmstay	427	0.183723

Geographic area general works and services charges

\$20,507,791

A targeted Geographic General Area Works and Services charge on the basis of a fixed amount on every separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective rating area's share of activities that aren't funded by other targeted rates, user pays charges, general revenues or reserves.

These charges are set differentially for the same six geographic areas (as the General Works and Services Rates), depending on where the land is situated and the benefit that rating area derives from the services these charges fund.

There is also a differential charge for Infrastructural Utilities.

Overall, these charges will increase by \$467,226, with the increases assessed on an area by area basis.

General Works and Services Charges are set in each geographic area as follows:

Geographic area	Levy	Unit charge
Blenheim	10,758,268	818
Blenheim Vicinity	3,111,244	741
Picton	2,504,722	872
Picton Vicinity	359,055	746
General Rural	3,089,366	553
Sounds Admin Rural	647,535	447
Infrastructural Utilities	37,601	696

Although the general type targeted rate and general type targeted charges have increased overall by \$1,857,800, there are varying percentage movements (both up and down) which are the result of expenditure movements not equally affecting each geographic area.

Geographic Rating Areas

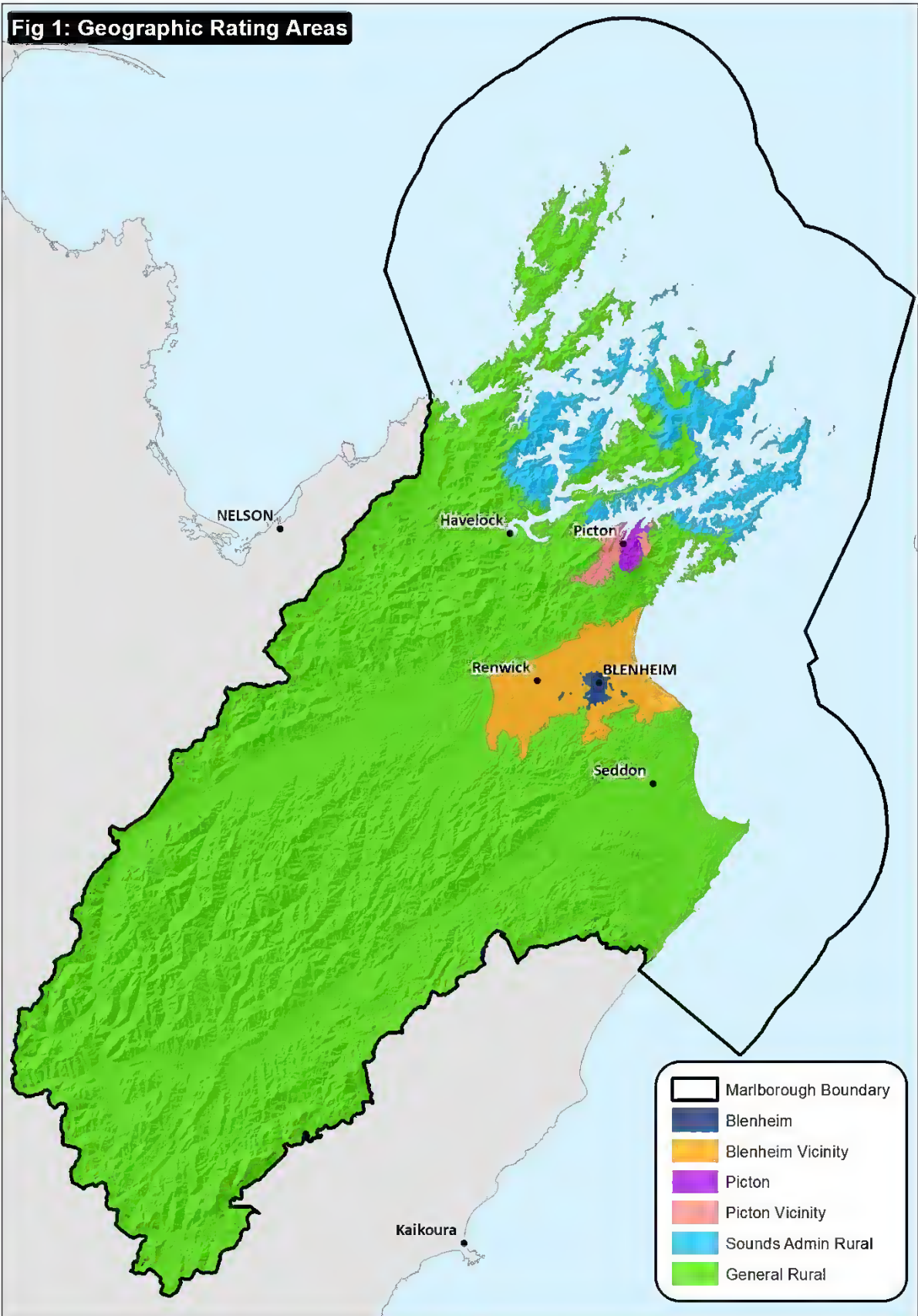


Fig 2: Blenheim & Blenheim Vicinity Geographic Area

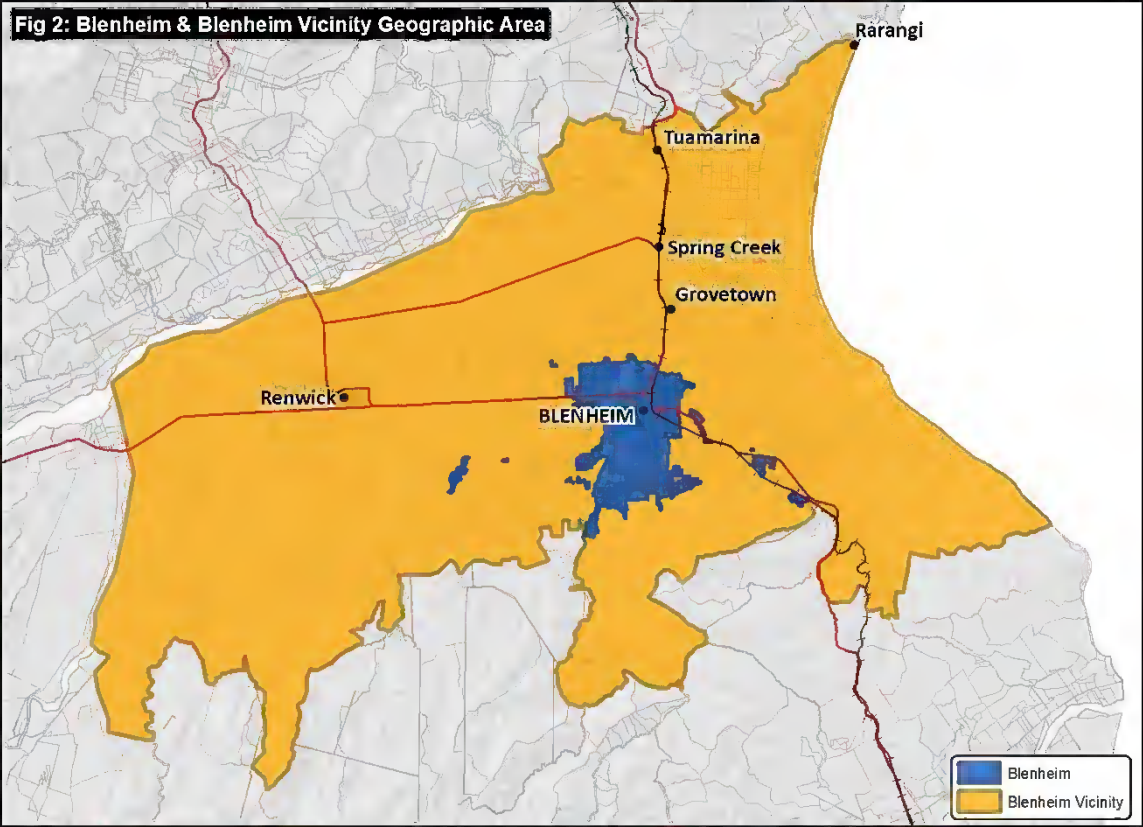


Fig 3: Blenheim Geographic Area

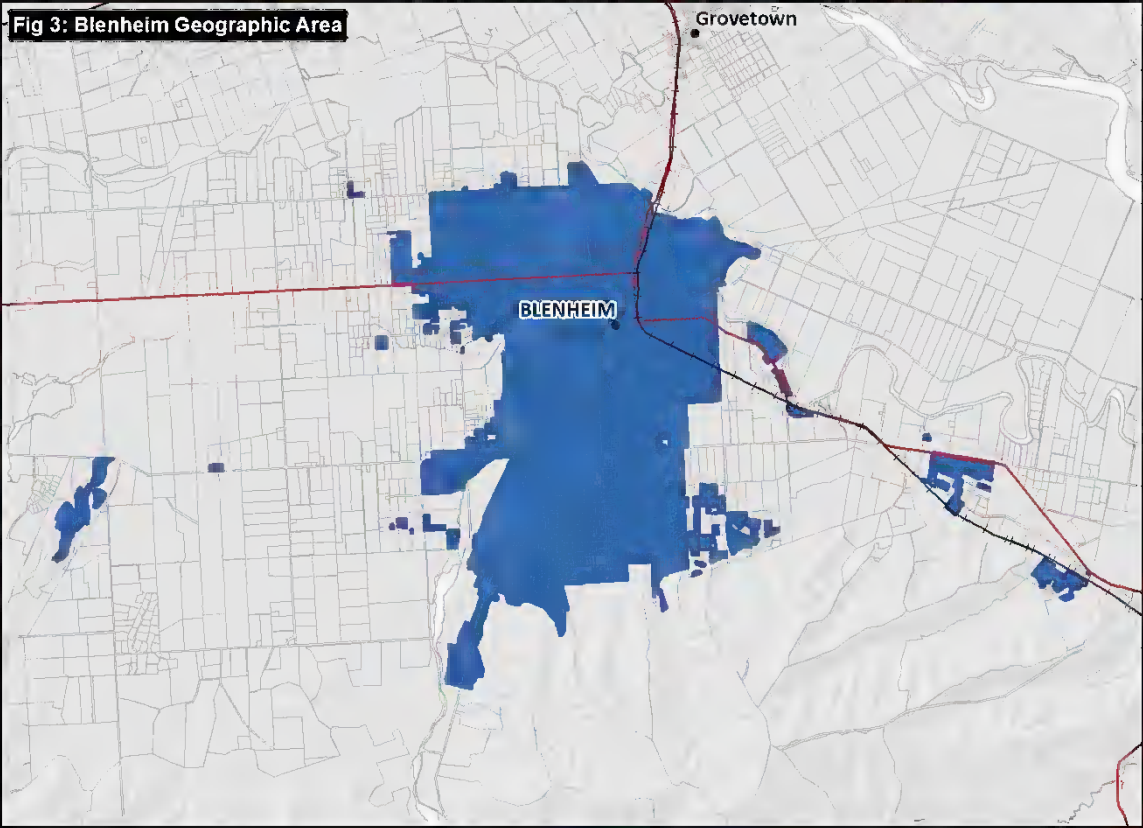


Fig 4: Picton & Picton Vicinity Geographic Area

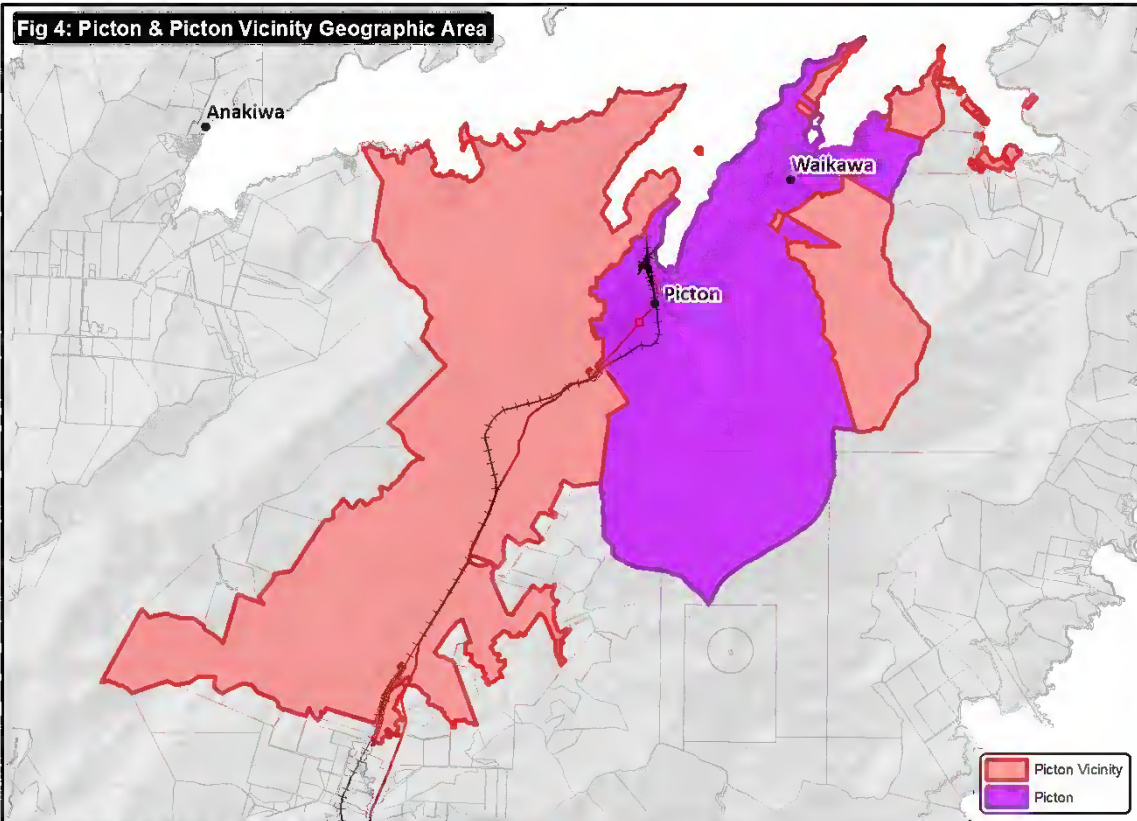
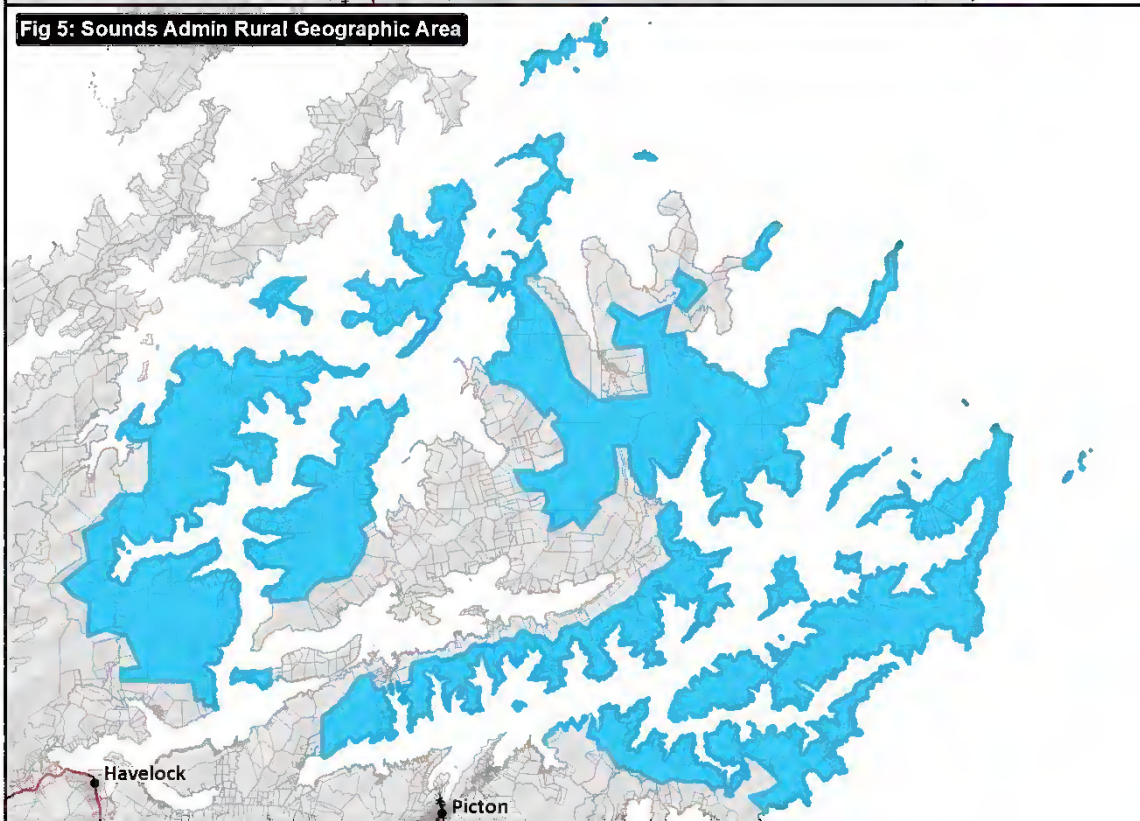


Fig 5: Sounds Admin Rural Geographic Area



Targeted Debt Servicing Rates

\$1,220,899

Grovetown Sewerage Loan Rate

\$97,977

This targeted rate pays the debt servicing costs of the Grovetown sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 6).

Overall this rate will decrease by \$8,250.

The loan rate will continue until 30 June 2039 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.385446



Renwick Sewerage Loan Rate

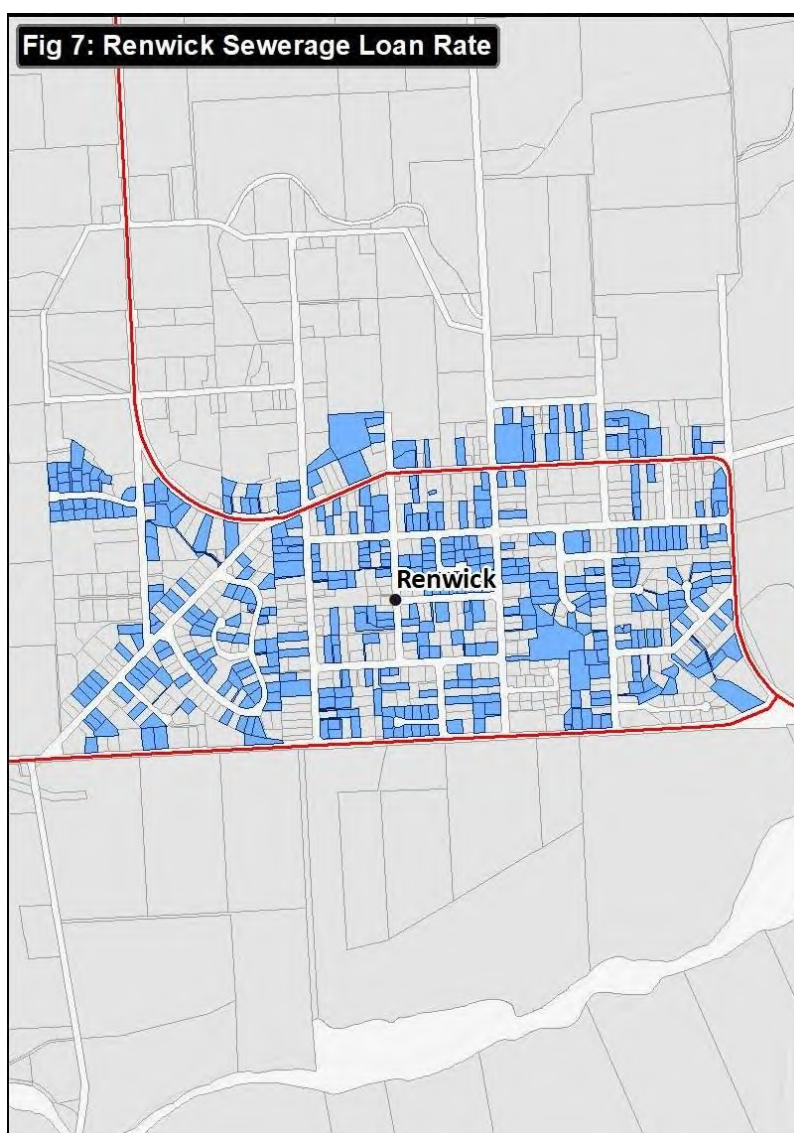
\$34,645

This targeted rate pays the debt servicing costs of the Renwick sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 7).

Overall this rate will remain the same as last year.

The loan rate will continue until 30 June 2026 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.046389



Southern Valleys' Irrigation Loan Rate

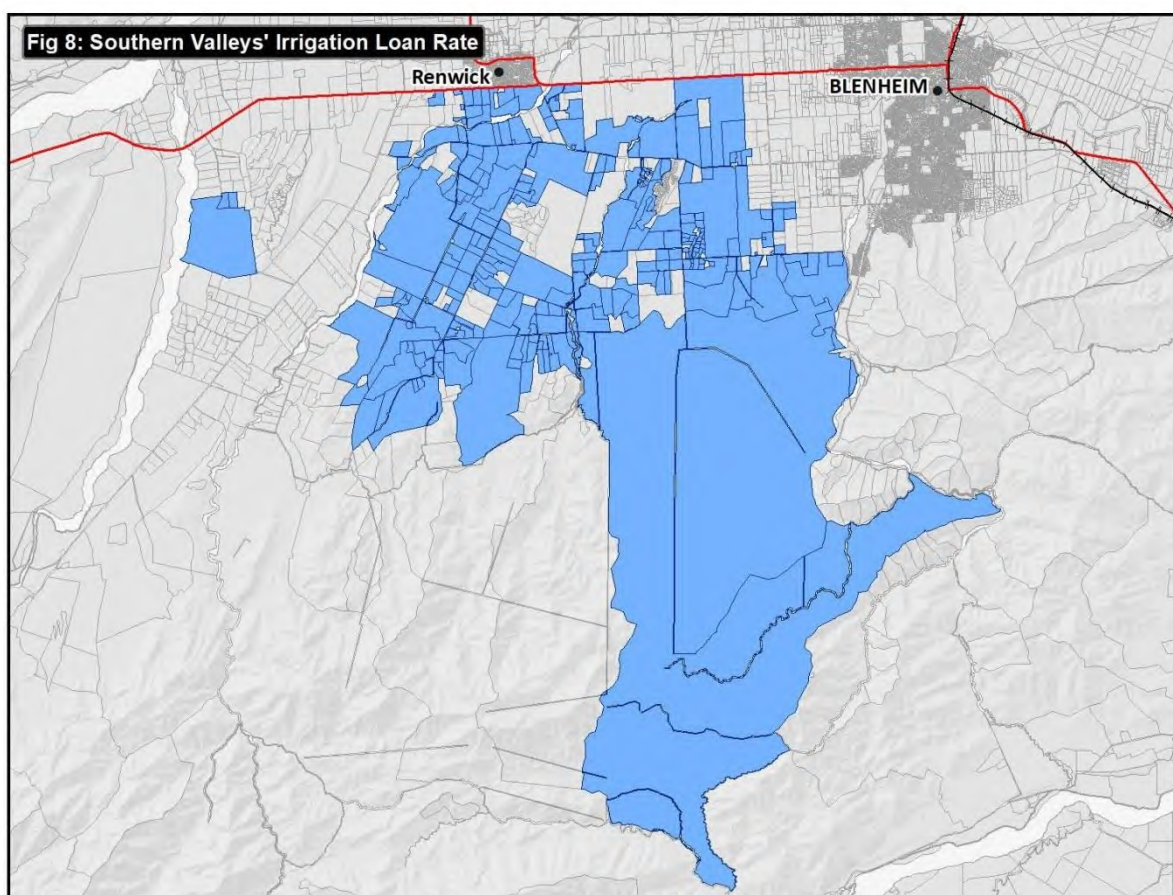
\$1,087,067

This targeted rate funds the debt servicing costs on the capital cost of the Southern Valleys' irrigation scheme. It is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the special rating area (see figure 8) where no lump sum contribution to the irrigation scheme was chosen.

Overall this rate will decrease by \$40,729.

The loan rate will continue until 30 June 2027 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Per hectare	292.30



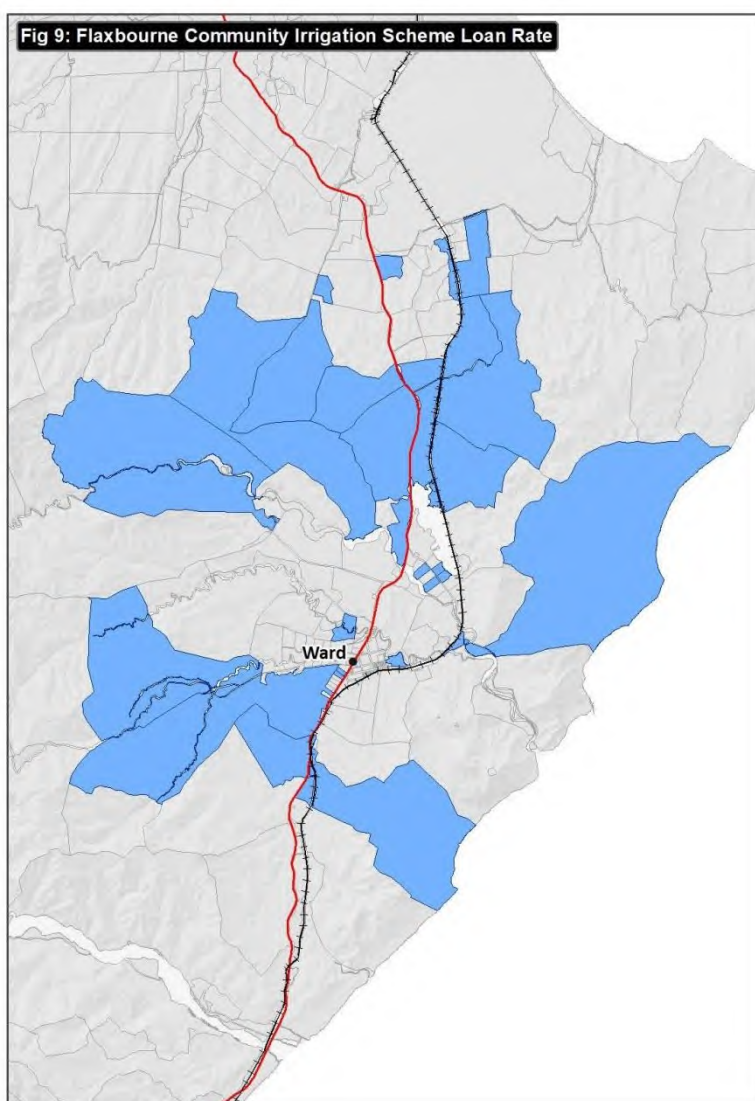
Flaxbourne Community Irrigation Scheme Loan Rate

\$1,210

This targeted rate will be used to either fund investigation costs incurred should the scheme not proceed or the total cost of the scheme should construction contracts be awarded. It is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m³ per hectare on land identified within the Flaxbourne Special Rating Area (see figure 9).

Overall this rate will remain the same as last year. The amount of the loan rate will change as the scheme proposal is progressed.

Per calculation	Rate in the \$
Per hectare	1.00



Roading Rates and Charges

\$72,867

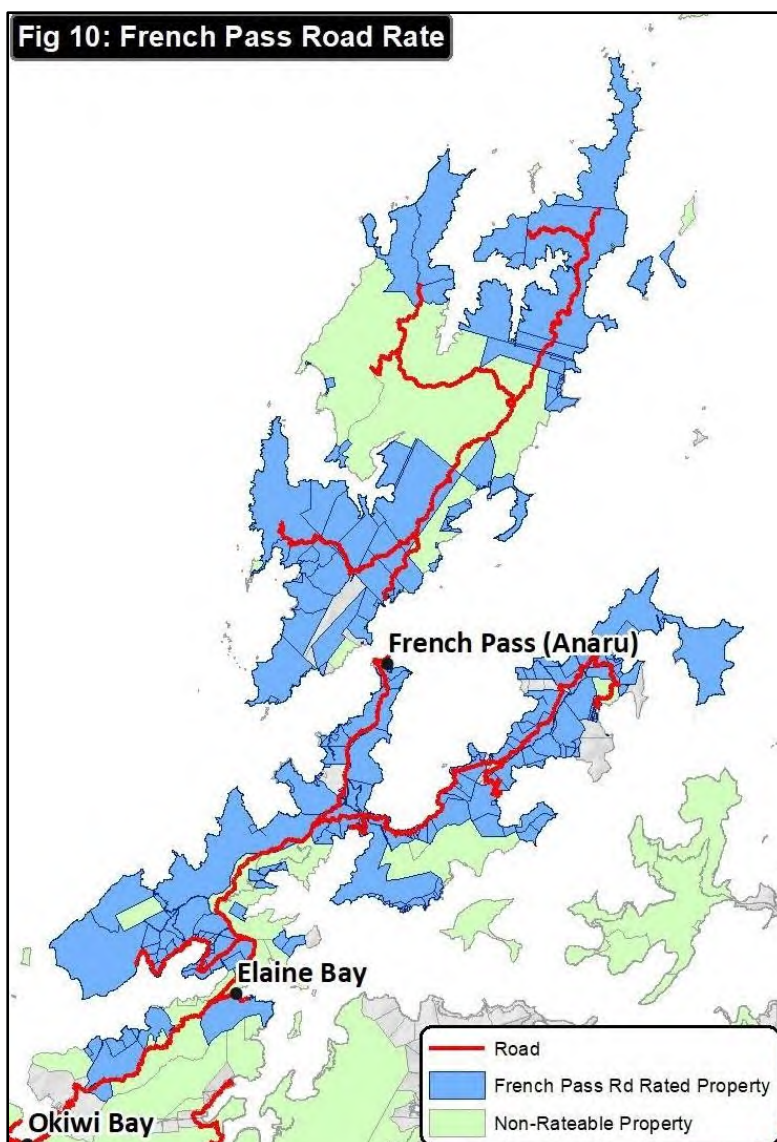
French Pass Road Charge

\$32,045

This targeted charge pays for the cost of seal extension in the French Pass rating area. It is charged on every rating unit in the area (see figure 10).

Overall this charge will remain the same as last year.

Per calculation	Rate in the \$
Per rating unit	99.00



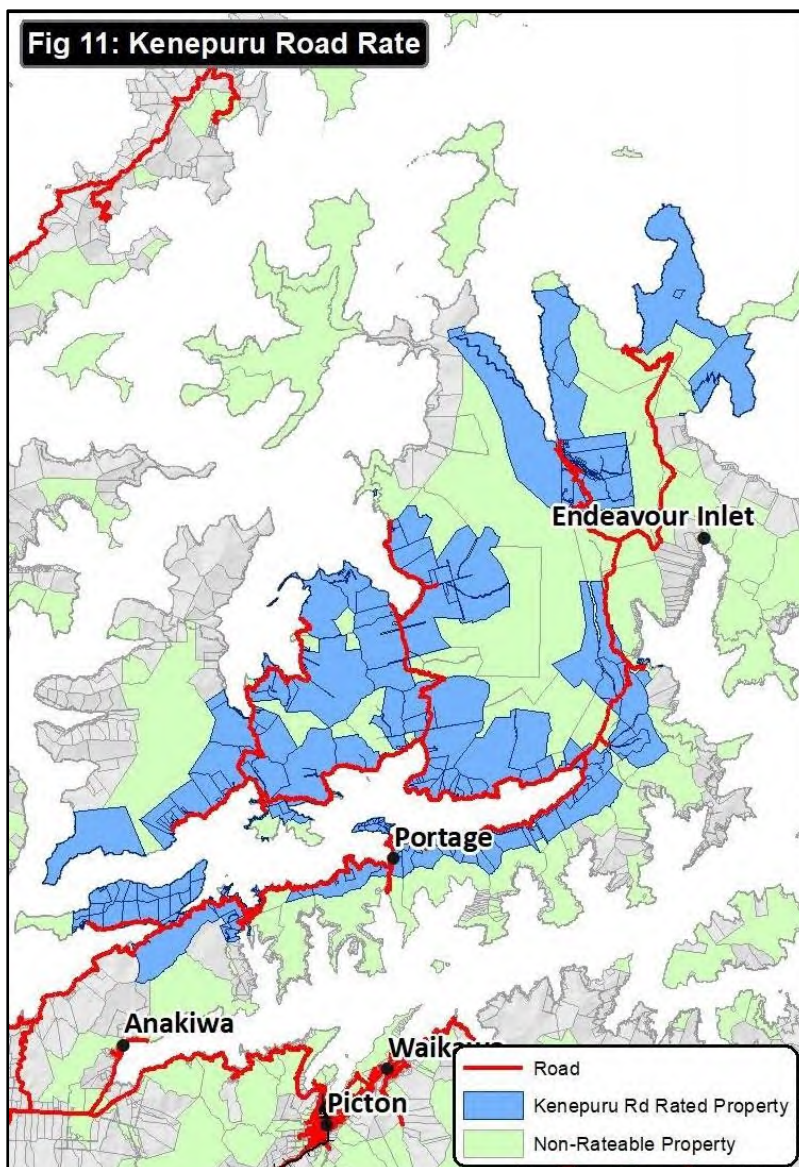
Kenepuru Road Rate

\$40,822

This targeted rate pays for the cost of roading improvements in the rating area. It is calculated on the capital value of every rating unit in the former Kenepuru Riding (see figure 11).

Overall this rate will remain the same as last year.

Per calculation	Rate in the \$
Per rating unit	0.013873



Wairau Valley Rivers Works Rate

\$4,813,965

This targeted rate covers the costs of river planning, control and flood protection in the Wairau Catchment and is calculated on a Capital Value basis on every rating unit in the Wairau Valley Rivers Rating Area (see figures 12-14). The differential rates in the dollar reflect the benefits derived by the defined locations of each group.

The funding requirements from each area are apportioned as follows (according to costs for that area):

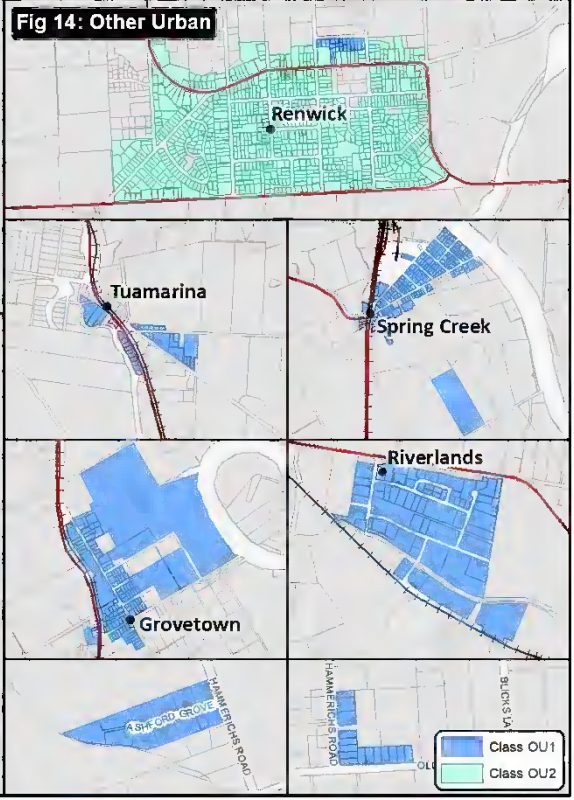
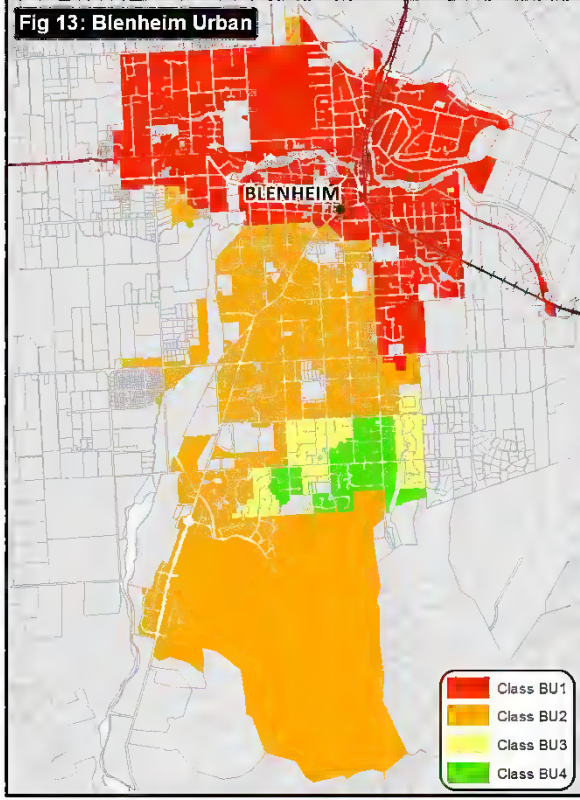
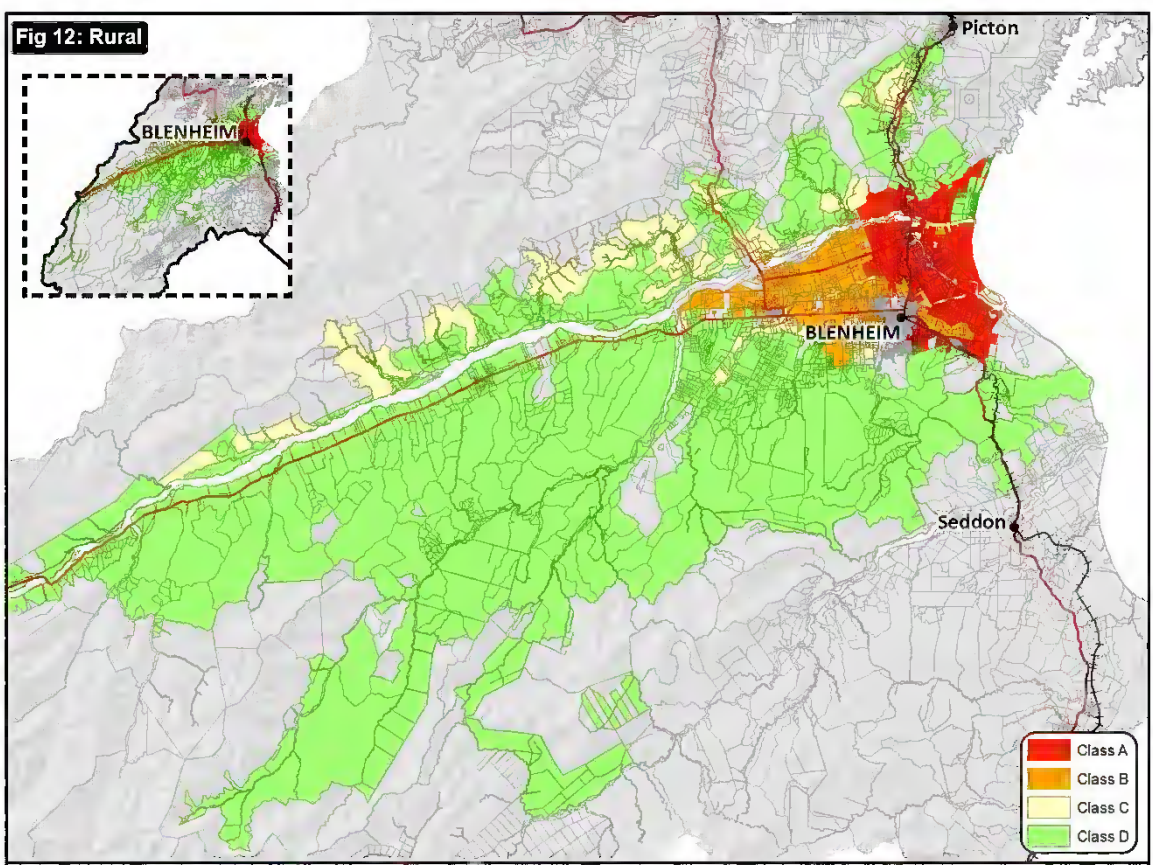
Blenheim Vicinity (Rural)	47.57%
Blenheim Urban	47.84%
Other Urban	4.59%

Overall this rate will increase by \$100,875.

Wairau Valley River Works Rates are set in the river rating areas as follows:

Rating areas	\$	Cents in the \$
Rural A Rating Units	780,906	0.064522
Rural B Rating Units	1,106,420	0.048392
Rural C Rating Units	213,986	0.031616
Rural D Rating Units	188,691	0.005162
Blenheim Urban 1 Rating Units	1,303,466	0.047551
Blenheim Urban 2 Rating Units	824,930	0.042267
Blenheim Urban 3 Rating Units	111,981	0.036456
Blenheim Urban 4 Rating Units	62,624	0.020606
Other Urban 1 Rating Units in Wairau Catchment	112,955	0.045804
Other Urban 2 Rating Units in Wairau Catchment	108,006	0.030756

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges

\$9,400,037

An overall decrease of \$193,555 will occur.

Combined Sewerage Scheme Capital Works Rate

\$2,355,309

This rate funds the capital expenditure and borrowing costs of the combined sewerage scheme and is assessed on the land value of every rating unit in the combined sewerage rating area which includes Blenheim, Picton, Havelock and Seddon (figures 15 – 18). The rate is set on a differential basis (depending on location and ability to benefit).

Overall the rate will increase by \$16,643.

Rating Group	Levy	Cents in \$
Blenheim	1,850,395	0.069322
Havelock	55,280	0.086652
Picton	415,151	0.085266
Seddon	34,483	0.122699

Combined Sewerage Scheme charge

\$7,044,728

This uniform charge funds operating costs of the combined sewerage scheme including treatment, reticulation, depreciation and other costs associated with the combined sewerage scheme improvements. Blenheim and Picton rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be assessed an additional trade waste charge.

Overall the charge will decrease by \$210,198.

Categories	Charge per SUIP
Connected	\$400
Serviceable	\$200

Definitions:

“Connected” refers to any separately used or inhabited part of a rating unit that is connected, either directly or indirectly, through a private drain to a public drain. “Serviced” has the same meaning.

“Serviceable” refers to any separately used or inhabited part of a rating unit situated within 30 metres of a public sewerage or storm water drain to which it is capable of being effectively connected, either directly or through a private drain, but which is not so connected.

Fig 15: Blenheim Group

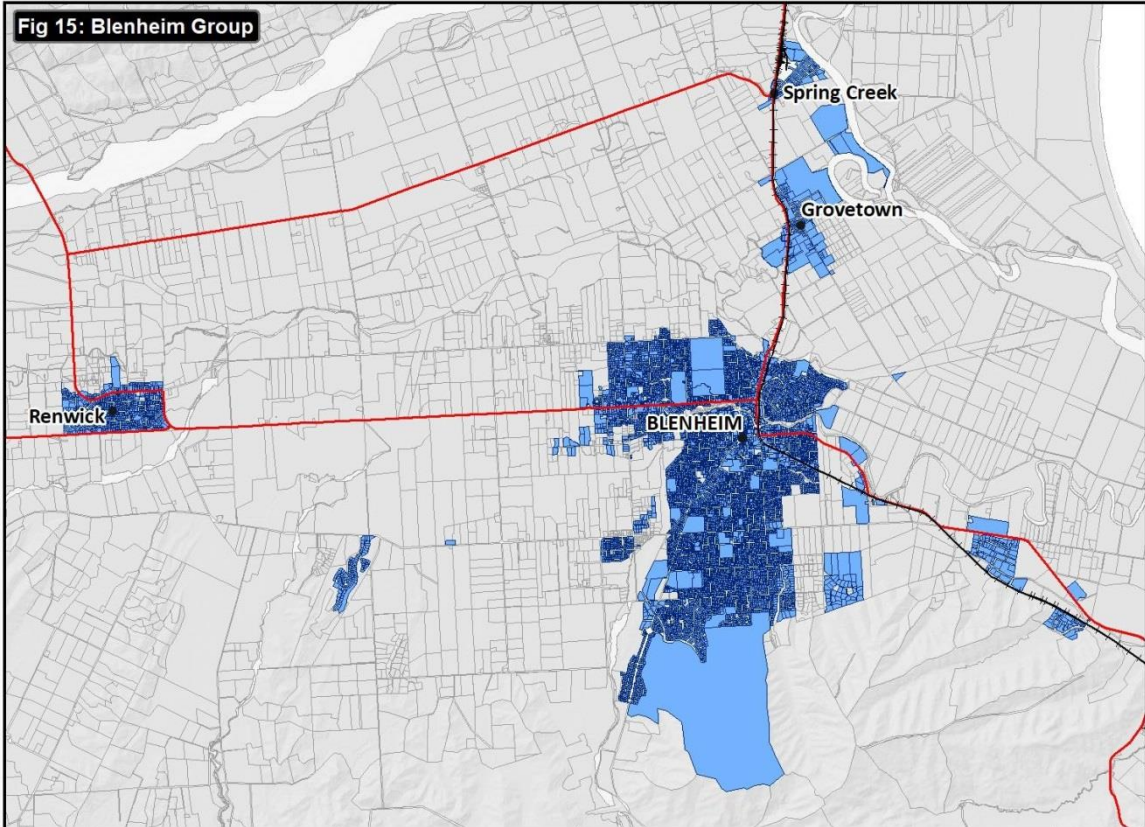


Fig 16: Picton

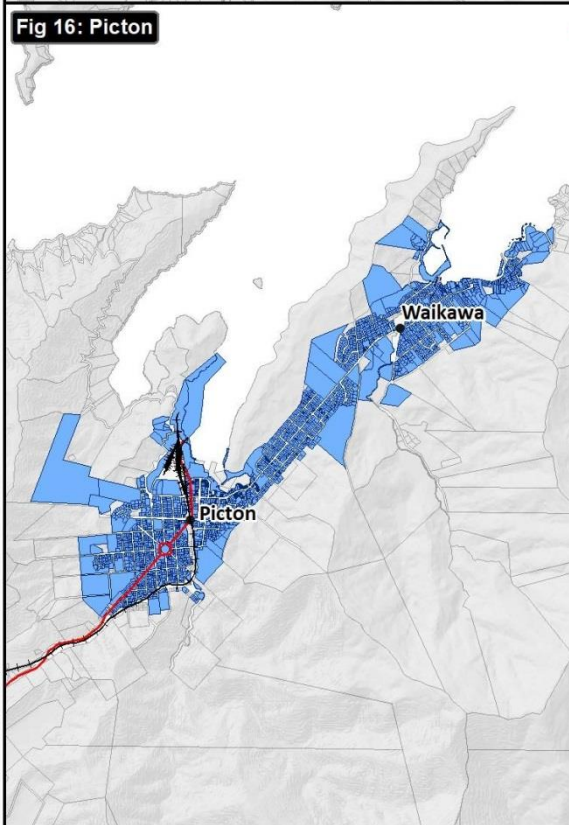


Fig 17: Havelock

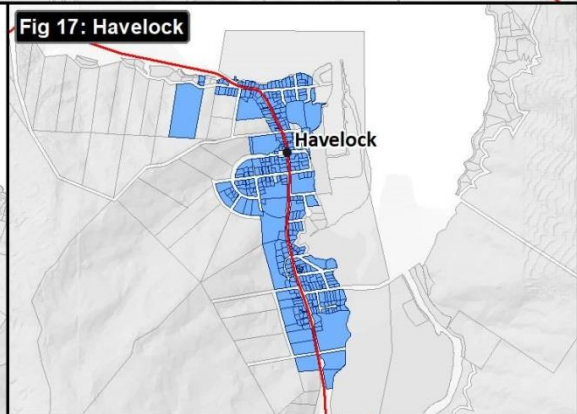


Fig 18: Seddon



Water Supply Rates and Charges

\$11,037,998

An overall increase of \$405,153 will occur.

Definitions:

“Serviced” or “Connected” refers to any separately used or inhabited part of a rating unit to which water is supplied.

“Serviceable” refers to any separately used or inhabited part of a rating unit to which water can be but is not supplied (being property situated within 100 metres from any part of the waterworks).

Combined Water Scheme Rates and Charges

\$7,914,018

Overall this will increase by \$144,317.

Combined Water Scheme Capital Works Rate

\$1,983,347

This rate is assessed on the land value of every rating unit in the Combined Water Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined water scheme. This includes the Koromiko rating units subject to the special pipeline agreement.

Overall this rate will decrease by \$101,730.

Rating Group	Levy	Cents in \$
Blenheim	1,447,430	0.060062
Havelock	44,390	0.067869
Picton	375,892	0.077479
Koromiko	1,636	0.061984
Renwick	113,999	0.064266

Fig 19: Seddon Water Supply

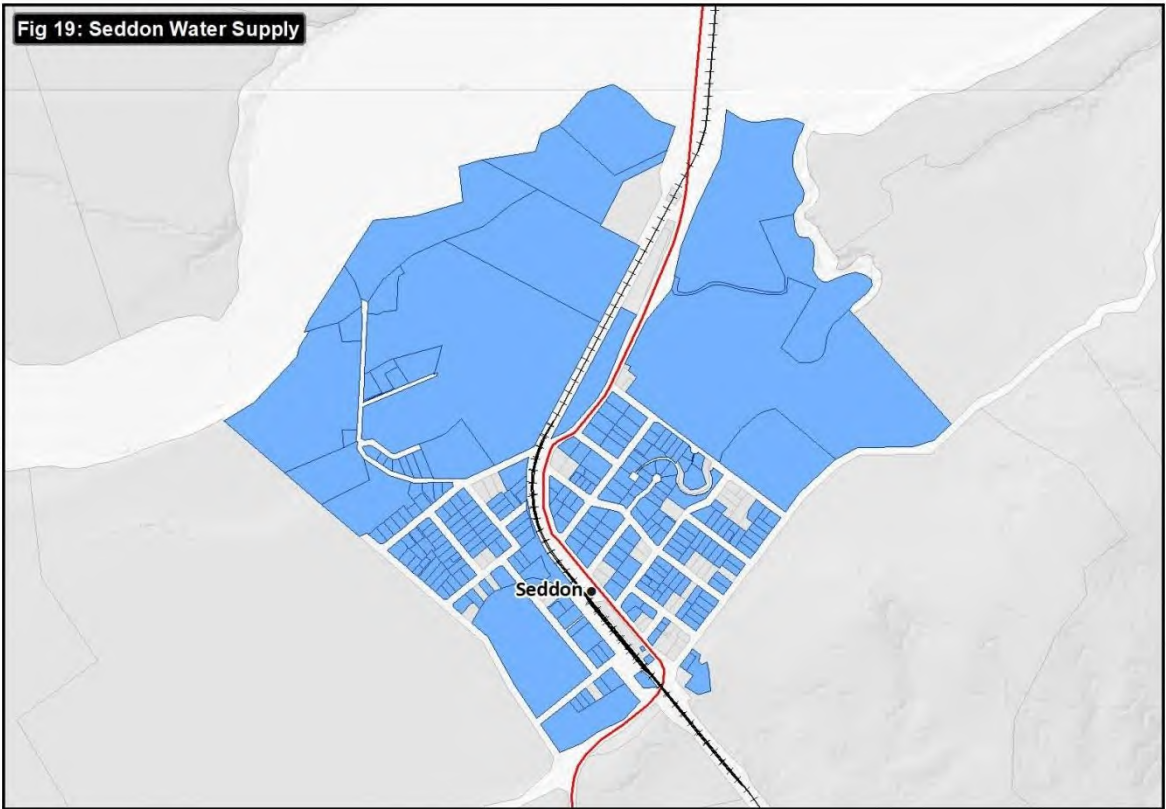


Fig 20: Blenheim Water Supply

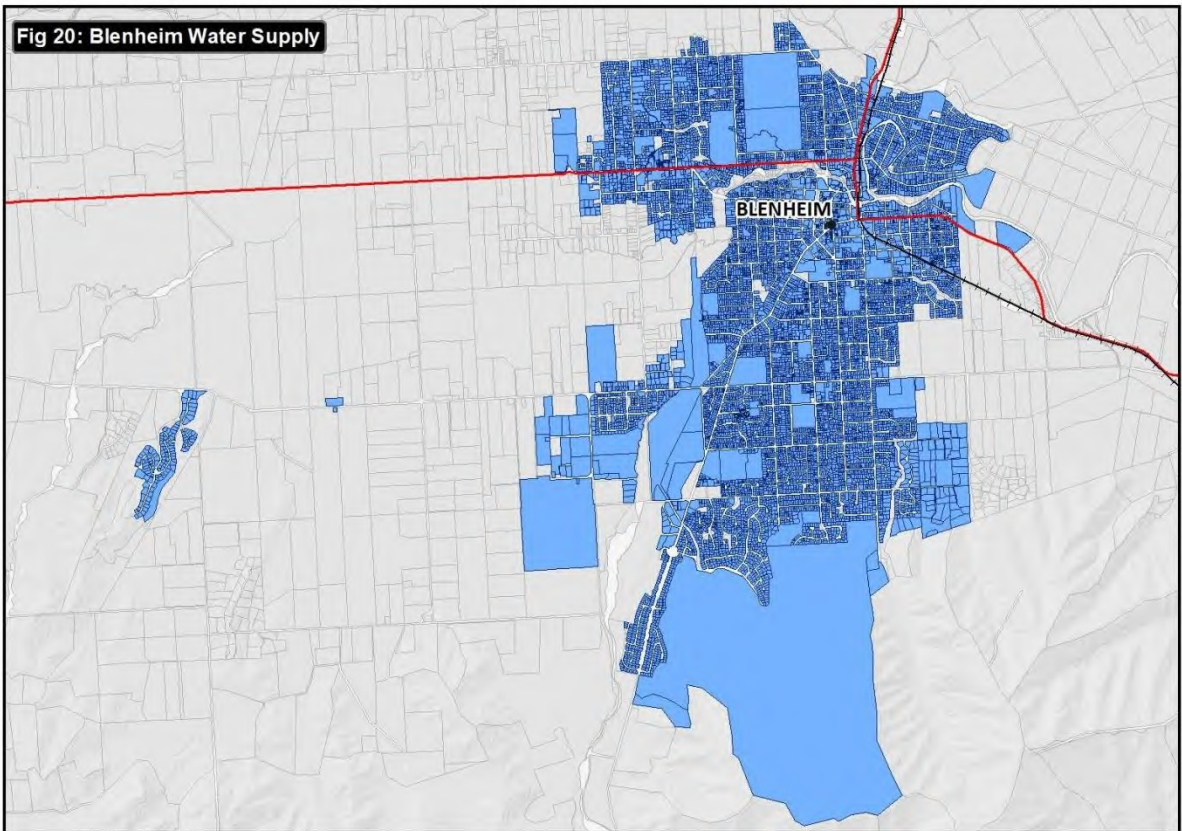


Fig 21: Picton Water Supply

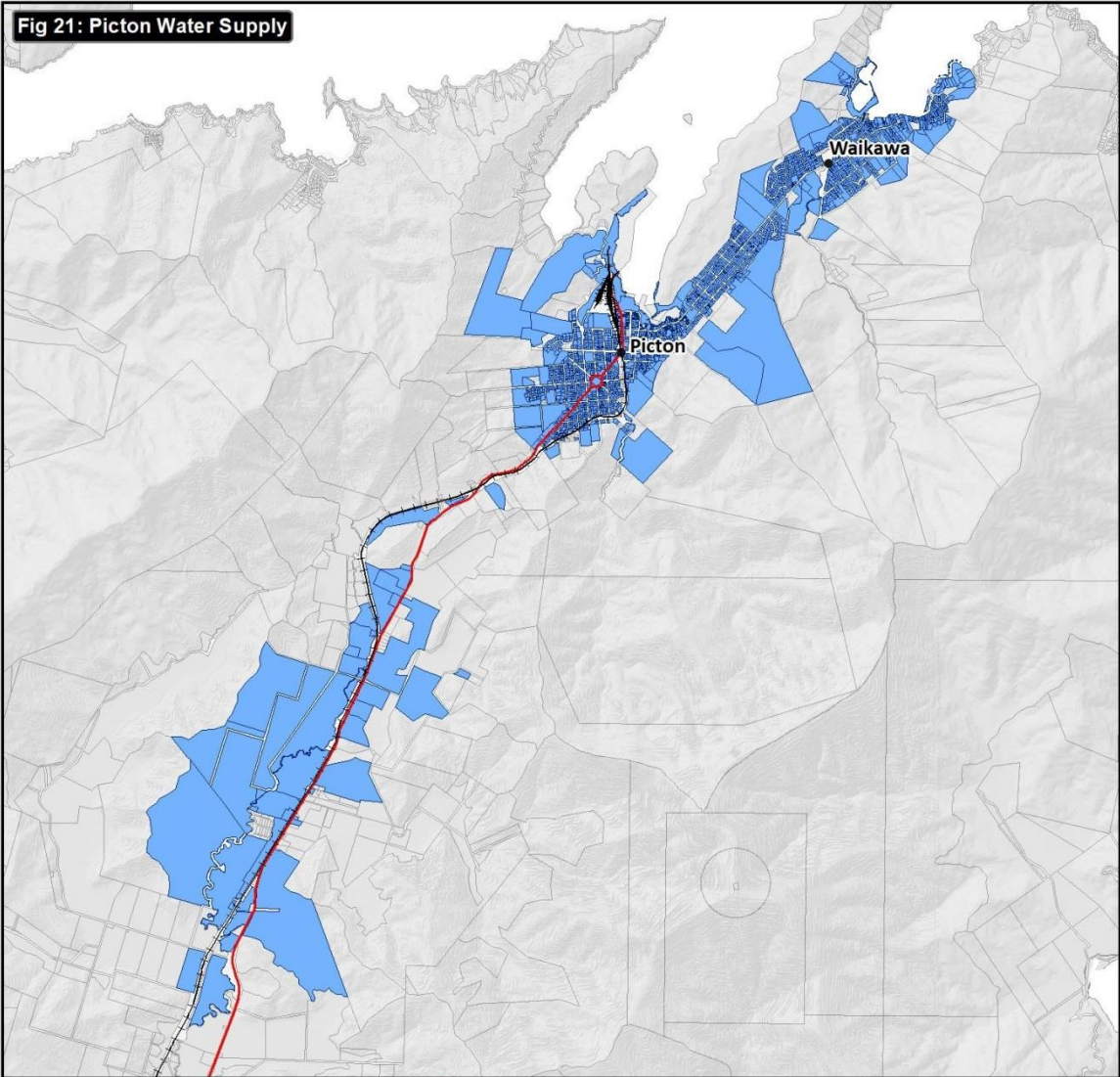


Fig 22: Havelock Water Supply

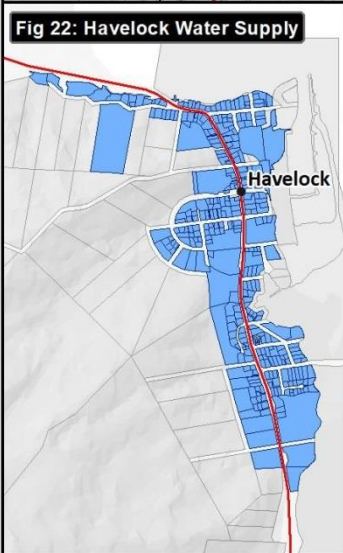


Fig 23: Renwick Water Supply

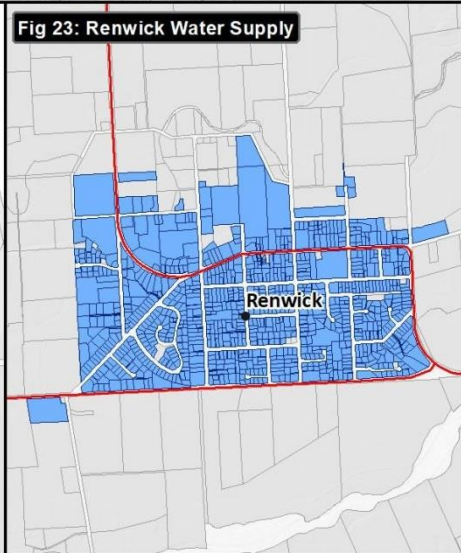
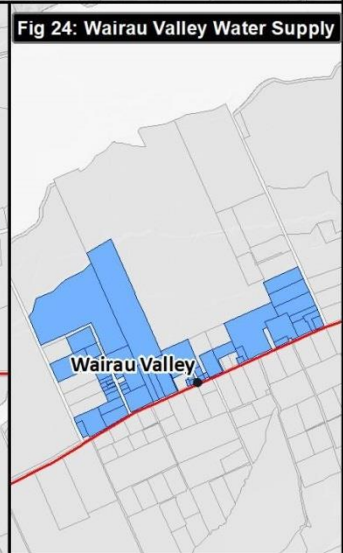


Fig 24: Wairau Valley Water Supply



Combined Water Scheme Charges

\$5,810,592

These charges fund the balance of expenditure other than Capital and Debt Servicing costs, including operating costs of the combined water scheme including treatment, reticulation, depreciation and other costs associated with the combined water scheme improvements.

These charges are set on a differential basis.

Overall this charge will increase by \$245,532.

Blenheim Water Charges **\$3,690,509**

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Blenheim Water Supply Area (including the Burleigh Extension); and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$300 on every part of a serviced rating unit and \$150 on every part of a serviceable rating unit.

Havelock Water Charges **\$155,150**

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Havelock Water Supply Area; and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$510 on every part of a serviced rating unit and \$255 on every part of a serviceable rating unit.

Picton Water Charges **\$1,341,994**

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Picton Water Supply Area and half that amount on each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$510 on every part of a serviced rating unit and \$255 on every part of a serviceable rating unit.

Renwick Water Charges **\$473,615**

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Renwick Water Supply Area; and half that amount for every non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$510 on every part of a serviced rating unit and \$255 on every part of a serviceable rating unit.

Seddon Water Charge **\$138,722**

The charge will be \$475 on every separately used or inhabited part of a rating unit within the Seddon Water Supply Area, (excluding all commercial consumers), and any new lots created by subdivision of such rating units whether connected or not.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Water Charge **\$10,602**

The charge will be \$240 for each water meter, excluding all commercial water meters, connected to a rating unit within the Wairau Valley Water Supply Area.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Residential Metered Water Charges

\$120,080

These charges exclude water supplied to commercial metered rating units.

Overall these charges will increase by \$516.

Blenheim Metered Water Charge \$40,294

This charge is assessed on the basis of the quantity of water supplied to residential metered rating units (including the Burleigh Extension), subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$75.00 and it will provide for the volume of water supplied between 0 m³ and 66.96 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$1.12 GST incl per cubic metre.

Havelock Metered Water Charge \$0

There is no charge for water for residential metered rating units until 1 July 2021.

Picton Metered Water Charge \$32,732

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed on the basis of the quantity of water supplied to residential metered rating units, subject to a minimum quarterly charge.

The minimum quarterly charge will be \$127.50 and it will provide for the volume of water supplied between 0 m³ and 41.53 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$3.0700 per cubic metre.

Koromiko Charge

A Picton Metered Water Koromiko Charge for metered rated units is assessed on the basis of the quantity of water supplied to Koromiko Special Pipeline Agreement consumers.

Water for Koromiko Special Pipeline Agreement consumers will be \$2.4600 per cubic metre.

Renwick Metered Water Charge \$14,494

This charge is assessed on the basis of the quantity of water supplied to residential metered rating units, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$127.50 and it will provide for the volume of water supplied between 0 m³ and 45.70 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.79 GST incl per cubic metre.

Seddon Metered Water Charge \$24,002

This charge is assessed on the basis of the quantity of water supplied to residential metered rating units where consumption exceeds 275 cubic metres per annum.

The metered charge will be \$1.60 per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Seddon water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Metered Water Charge \$8,560

This charge is assessed on the basis of the quantity of water supplied to each residential water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 350 cubic metres per annum.

The metered charge will be \$2.14 per cubic metre for all usage in excess of 350 cubic metres for all consumers on the Wairau Valley water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Other Water Supply

Commercial Metered Water Charges

\$998,271

These water charges fund the net cost of operations.

Overall these charges will increase by \$35,555.

Blenheim Commercial Metered Water Charge **\$385,458**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections (including the Burleigh Extension), subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$38.50 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$0.77 per cubic metre.

Havelock Commercial Metered Water Charge **\$147,896**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$104.50 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.09 per cubic metre.

Picton Commercial Metered Water Charge **\$389,248**

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections (excluding connections where water is onsold), subject to a minimum quarterly charge.

The minimum quarterly charge will be \$121 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.42 per cubic metre.

Onsold Charge

A Picton Metered Water Onsold Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections that is subsequently onsold, subject to a minimum quarterly charge.

Metered water charges for consumers onselling are as follows:

The minimum quarterly charge will be \$121 and it will provide for the volume of water supplied between 0 m³ and 45 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.69 per cubic metre.

Renwick Commercial Metered Water Charge **\$48,792**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$78 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$1.56 per cubic metre.

Seddon Commercial Metered Water Charge
\$25,112

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections subject to a minimum quarterly charge.

Meter water charges are as follows:

The minimum quarterly charge will be \$147.50 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.95 per cubic metre, for all commercial consumers on the Seddon water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Commercial Metered Water Charge
\$1,765

This charge for metered rating units is assessed on the basis of the quantity of water supplied to each commercial water meter connected to a rating unit within the Wairau Valley water supply Area, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$151 and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$3.02 per cubic metre for all commercial consumers on the Wairau Valley water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Rural Awatere Water Supply **\$1,026,515**

The following charges fund the net cost of operations, Capital Expenditure and Debt Servicing costs.

Overall this will increase by \$173,496.

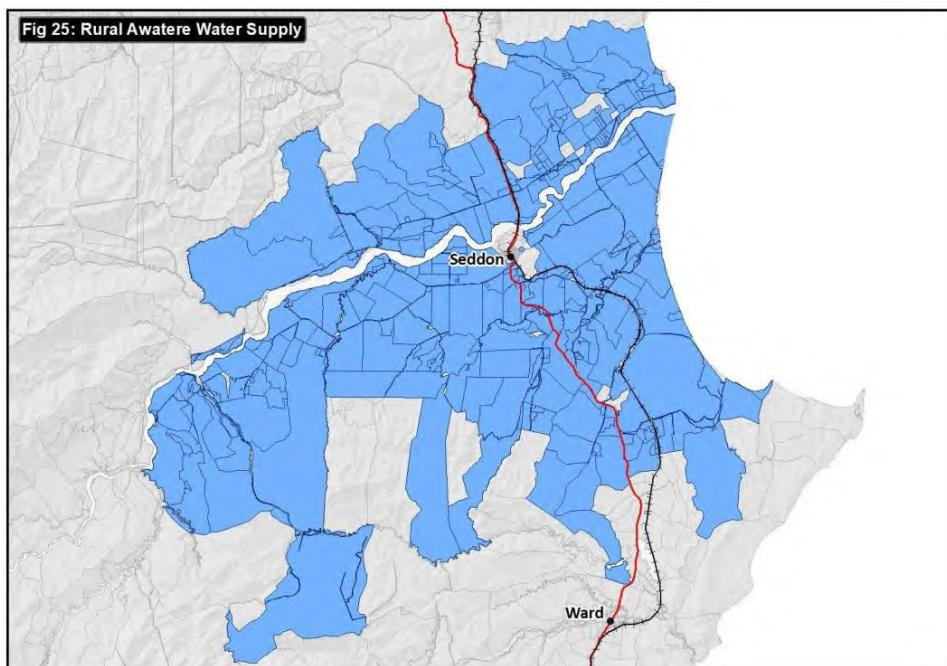
Rural Awatere Water Charge
\$343,677

The uniform charge will increase from \$625 to \$750 on every separately used or inhabited part of a rating unit within the Rural Awatere Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

Rural Awatere Metered Water Charge
\$682,838

This charge for metered rating units is assessed on the basis of the quantity of water supplied to all consumers where consumption exceeds 275 cubic metres per annum.

The metered charge will be \$1.88 per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Rural Awatere water supply.



Riverlands Water Supply

\$417,429

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered rating units, subject to a minimum quarterly charge. It funds the cost of operations, capital expenditure and debt servicing costs.

Operating costs have increased by \$71,049.

The minimum quarterly charge will remain unchanged at \$41 and it will provide for the volume of water supplied between 0 m³ and 49.40 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will remain at \$0.83 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

\$681,764

Operating costs have decreased by \$19,265.

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered connections. This rate funds the net operating costs of the Southern Valleys' Irrigation Scheme.

The metered charge will remain at \$0.25 per cubic metre.

Refuse and recycling charges

\$1,655,129

Overall, refuse and recycling charges will decrease by \$1,339.

Residential refuse and kerbside recycling collection charges

\$1,572,282

This charge pays for the cost of residential refuse and kerbside recycling collection where Council provides or is prepared to provide the service.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Service	Charge per SUIP
Kerbside recycling	\$46
Refuse collection	\$69
Total	\$115

Refuse collection charges

\$82,847

This charge pays for the cost of refuse collection where Council provides or is prepared to provide the service.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Service	Category	Charge per SUIP
Refuse collection	Residential	\$69
Refuse collection	Commercial/industrial	\$69

Fig 26: Blenheim

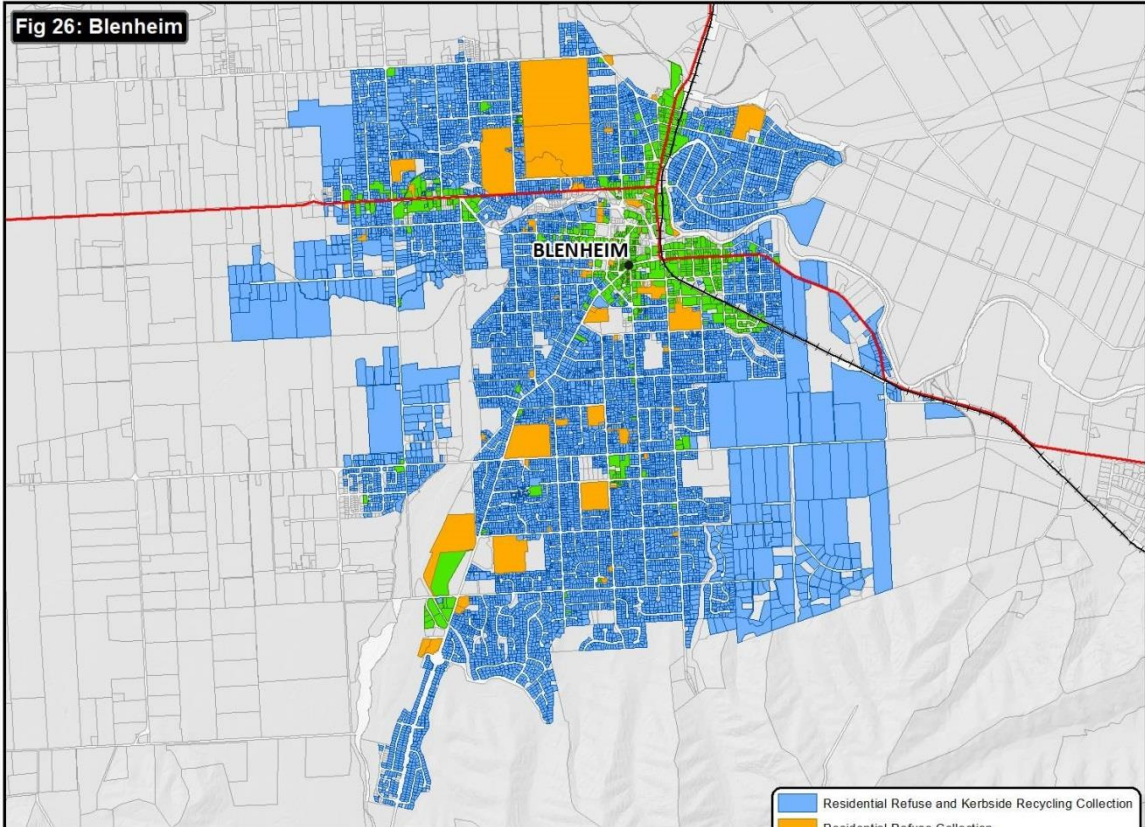
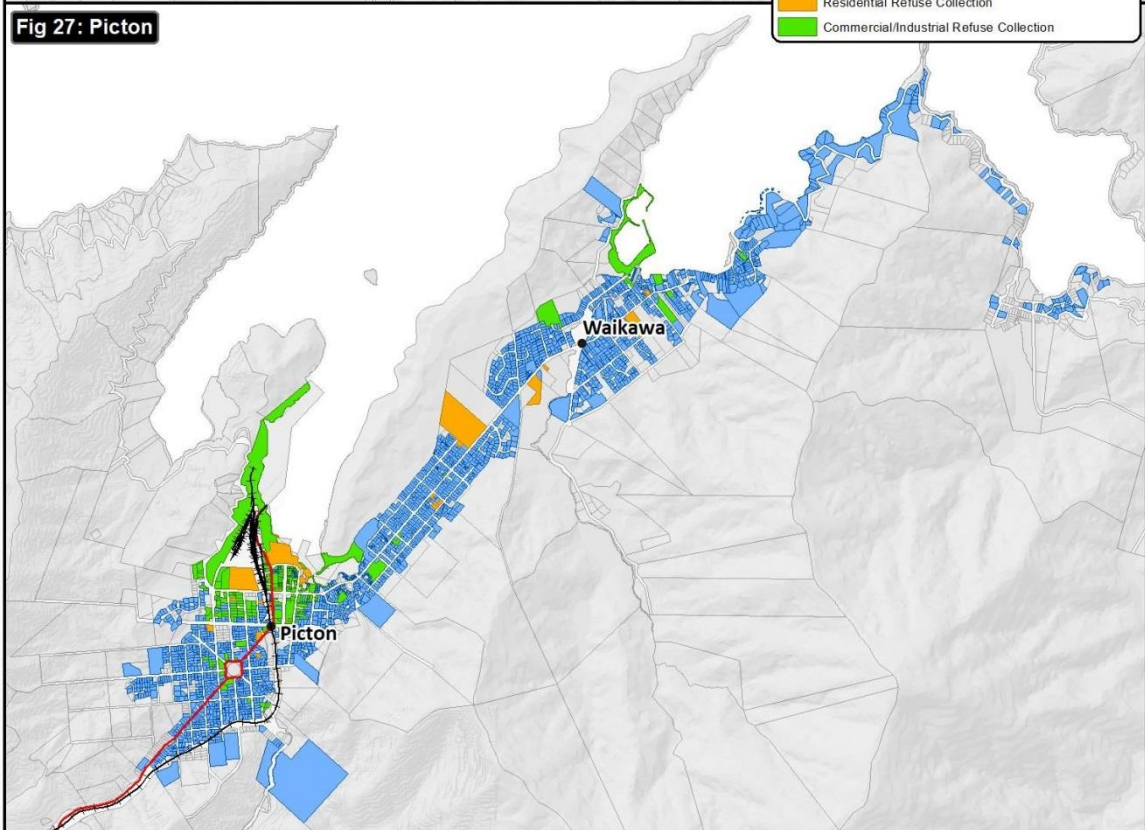


Fig 27: Picton



Energy efficiency rates (EER)

\$677,835

These voluntary targeted rates repay the amount of energy efficiency funding supplied (including interest and fees) for energy efficiency solutions added to residential homes. It is payable by residential ratepayers who have had assistance from Council's energy efficiency funding service.

Funding is offered for:

- Insulation
- Clean home heating (heat pumps, wood or pellet fires)
- Solar water heating
- Solar power

The rate is payable for nine years. The interest rate for the current year is 4.5%.

The rate is calculated as a percentage of the total amount to be repaid as follows:

First year rated	Final rating year	Percentage paid this year
2012-13	2020-21	16.676837
2013-14	2021-22	16.486857
2014-15	2022-23	16.302832
2015-16	2023-24	16.124597
2016-17	2024-25	15.951991
2017-18	2025-26	15.846982
2018-19	2026-27	15.744665
2019-20	2027-28	15.676673
2020-21	2028-29	15.610232

Residential Pool Inspections Charge

\$111,586

This targeted rate funds the costs of carrying out residential pool inspections under the Building (Pools) Amendment Act 2016. It is charged on every SUIP with a residential pool.

Overall this charge will increase by \$2,188.

Per calculation	Rate in the \$
Per SUIP	90.00

Tourism charges

\$229,425

This targeted rate is collected on behalf of Destination Marlborough to promote Marlborough as a tourist destination. It is charged as a fixed amount per SUIP where the ratepayer is engaged in tourism activities as follows:

Activity	Rating category	Charge per rating unit
Short term rental accommodation	Residential/ Rural	\$222
Short term rental accommodation <30 people	Commercial	\$222
Short term rental accommodation >30 people	Commercial	\$340
Tourism activities (not included in above)	Commercial	\$248

Where a ratepayer operates in two or more of the groups above from the same rating unit, only the highest applicable group charge will be assessed.

Landscape Charges

\$3,588

A targeted landscape charge on new subdivisions (and existing subdivisions following consultation) is assessed where higher landscaping standards result in additional maintenance costs and is calculated as a fixed amount on every separately used or inhabited part of a rating unit set differentially on the following basis:

Properties with Urban level 1 landscaping standards	\$42
Properties with Urban level 2 landscaping standards	\$53
Properties with Rural level 1 landscaping standards	\$58
Properties with Rural level 2 landscaping standards	\$177

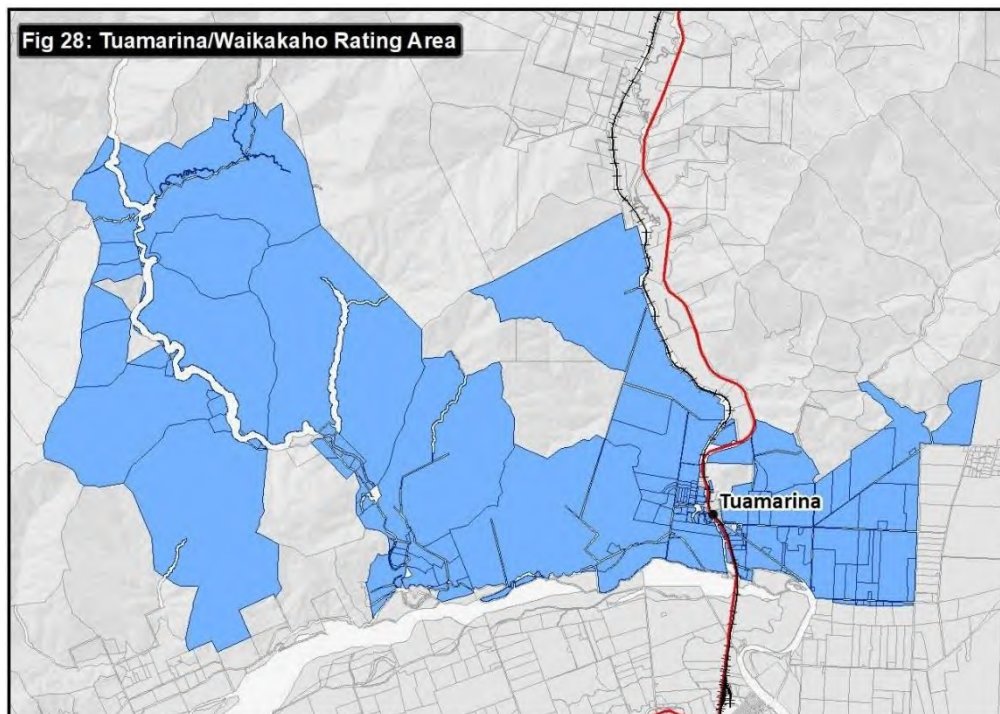
Street berms, trees and plots are included under the Community Facilities Activity.

Tuamarina/Waikakaho hall charge

\$2,842

This charge pays for the upkeep of the Tuamarina/Waikakaho Hall. It is payable by ratepayers in the Tuamarina/Waikakaho special rating area.

Overall this charge will remain the same as last year.



Per calculation	Rate in the \$
Per rating unit	18.45

Residential rates postponement scheme

To cover costs for this scheme, the following fees and charges are set for the 2020-21 rating year. All fees and charges will be added to the approved applicant's rate account.

Initial charges	Fees and charges
Application fee	\$50.00
Contribution to the decision facilitation process	\$300.00
Annual charges	
Administration fee	\$50.00
Reserve fund levy	0.25%
Interest rate	
2020-2021	4.5%

Instalments

The above rates and charges are for the period 1 July 2020 to 30 June 2021 and will become due and payable by four instalments as follows:

Instalment	Last date for payment before penalty is added
One	8 September 2020
Two	8 December 2020
Three	8 March 2021
Four	8 June 2021

Each instalment is one quarter of the annual rates for the current year.

Charges for metered water

Meter reading date between	Last date for payment before penalty is added
1 Jul 2020 –30 Sept 2020	20 Oct 2020
1 Oct 2020 – 31 Dec 2020	20 Jan 2021
1 Jan 2021 - 31 Mar 2021	20 Apr 2021
1 Apr 2021 – 30 Jun 2021	20 Jul 2021

Penalty provisions (additional charges on unpaid rates)

A penalty, equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the “Last Date for Payment”, shall on the next day be added to that amount of unpaid rates.

A further penalty of 10% will be added to all rates and charges from previous years that remain unpaid on 30 June 2021.

All payments are allocated to the oldest debt first so if the instalment is not paid in full by the date shown a 10% penalty is added to any amount of the instalment still outstanding. All penalty charges are exempt from GST.

Penalty provisions (unpaid metered water)

A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid at the close of day on the ‘last date for payment’ shall, on the next day, be added to that amount which remains unpaid.

General revenue sources

There are some revenue sources which are not directly linked to an activity but are utilised by Council to assist in funding a number of Council activities either directly or indirectly. These include

Dividends and interest from investments

\$9,422,481

This total amount is made up of:

- Internal loans interest \$5,917,473
- Interest on General Funds \$5,100
- Interest on Investments \$516,908
- Dividends \$2,983,000

These are used as follows:

- Funding specified reserves for particular purposes or events (eg: Emergency Events Reserve).
- Used to subsidise general type rates and charges by way of general revenue allocation.
- Used to fund interest and funding costs on external borrowings.

Petroleum tax

\$415,000

These funds are used to subsidise general type rates and charges by way of general revenue allocation.

Contributions received from development and subdivision

\$3,028,032

These are applied towards the cost of infrastructure related to the development and community facilities.

Forestry income

\$1,500,000

This is currently used to fund the Forestry and Land Development reserve which is used to fund any projects approved by Council.

Geographic Areas

The geographic areas can generally be described as follows:

Blenheim Area (BM) (Fig 3)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential or Industrial in the Wairau/Awatere Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas; and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

Growth pockets and other growth areas rezoned Residential or Urban Residential 2 Greenfields following notification of the new Marlborough Resource Management Plan will be excluded from the Blenheim Area until granting of subdivision title.

Blenheim Vicinity Area (BV) (Fig 2)

All of that area encompassed within the following general description, but excluding the Blenheim areas described above:

From just north of the Rarangi Settlement following around the foothills in a south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; around to include the Taylors Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

Picton Area (PN) (Fig 4)

All of that area encompassed by the former Picton Borough Council; together with the area of those properties serviced by the Picton Water or Sewerage Schemes (excluding those properties listed in the schedule below).

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP

3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa 2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

Also included in the Picton area are a number of properties where it was an express condition of subdivisional resource consent.

Picton Vicinity Area (PV) (Fig 4)

All of that area from the western point of Ngakuta Bay to the former Picton Borough boundary; plus all of that area from the eastern point of Waikawa Bay to Whatamango Bay; plus a corridor area from the southern boundary of the former Picton Borough to Speeds Road; excluding properties serviced by the Picton Water or Sewerage Schemes, but including the properties listed in the Schedule above.

General Rural Area (GR) (Fig 1)

All of that area administered by the former Marlborough County and excluding that part of the former County's area which has been included in either the Blenheim, Blenheim Vicinity, Picton, Picton Vicinity or Sounds Admin Rural areas.

Sounds Admin Rural (AR) (Fig 5)

All of that area with basically sea access only, which was subject to the former Marlborough County Council Empowering Act 1965.

Rates movements 2020-21

Total Rates and Charges for 20-21 are estimated at \$72,013,650 (GST exclusive). This represents an increase of \$1,329,229 (1.88%) on last year's levy after the removal of the increase in the Energy Efficiency Voluntary Targeted Rate.

The rating effect will be different for individual properties because of the varying effects of the recent district-wide revaluation; movements in general-type rates not impacting uniformly on all geographic rating areas; and movements in targeted separate rates (such as Sewerage and Water etc) affecting only those properties able to receive these services.

Significant contributors to the overall rates increase are as follows:		
General Rates and Charges		
Environmental Management	\$476,934	More resources are required for environmental review to keep pace with government (National policy and environmental statements) and the communities demand for quality environmental data and monitoring as to position Council well for the future.
Community Facilities	\$347,331	Increased contract costs are budgeted for reserves, public conveniences and halls.
Roads and Footpaths	\$313,608	Increased depreciation costs compared to last year following the large increase in value following the 2019 revaluation.
Resource Consents	\$286,655	Decrease in resource consents income in anticipation of lower COVID-19 related economic activity.
Solid Waste Management	\$194,681	The hazardous waste centre was setup with a one off government contribution. The costs of this centre are now the responsibility of Council.
Solid Waste Management	\$85,000	Additional rural recycling bin required.
Building Control	(\$92,871)	Income has increased due to revised charging policy together with a decrease in operating costs.
Library	(\$100,434)	Decrease in anticipated operational resources.
General Reserves	(\$200,797)	Increase the funding from the General reserves.
Targeted Rates and Charges		
Combined Water	\$218,193	Increase in costs due to recent capital investment.
Awatere & Riverlands water supplies	\$150,866	Increased operating costs due to new system.
Energy Efficiency	\$186,422	Increase in targeted rate due to an increased uptake in the energy efficiency scheme.

Indicative impact on benchmark properties

Council uses Benchmark Properties in different geographic areas to illustrate the effect of its rating proposals.

The rating effect on individual properties varies because movements in general-type rates do not impact uniformly on Council's geographic rating areas and movements in targeted separate rates (such as Sewerage and Water) affect only properties in those rating areas.

Benchmark Properties	Land Value	Capital Value	19-20 Actual Rate Levy	20-21 Final Plan Rate Levy	Total \$ Rate Mov	Total % Rate Mov
01-Blenheim Residential	\$200,000	\$400,000	\$2,700.10	\$2,728.64	\$28.54	1.06%
02-Blenheim Residential	\$185,000	\$390,000	\$2,707.65	\$2,735.07	\$27.42	1.01%
03-Blenheim Residential	\$225,000	\$500,000	\$2,843.93	\$2,875.90	\$31.97	1.12%
04-Blenheim Residential	\$225,000	\$620,000	\$3,033.83	\$3,067.69	\$33.86	1.12%
05-Blenheim Residential	\$195,000	\$530,000	\$2,815.62	\$2,844.90	\$29.28	1.04%
06-Blenheim Vacant Section	\$190,000	\$190,000	\$1,027.57	\$1,052.91	\$25.34	2.47%
07-Blenheim Commercial	\$134,000	\$540,000	\$3,516.43	\$3,525.36	\$8.93	0.25%
08-Blenheim Commercial	\$425,000	\$1,130,000	\$7,389.45	\$7,405.71	\$16.26	0.22%
09-Picton Residential	\$135,000	\$440,000	\$2,755.52	\$2,804.64	\$49.12	1.78%
10-Picton Residential	\$200,000	\$415,000	\$3,180.42	\$3,241.65	\$61.23	1.93%
11-Picton Vacant Section	\$129,000	\$129,000	\$2,145.29	\$2,194.30	\$49.01	2.28%
12-Picton Commercial	\$290,000	\$420,000	\$4,817.63	\$4,788.71	-\$28.92	-0.60%
13-Picton Motels (19 units)	\$485,000	\$1,450,000	\$7,088.35	\$7,032.24	-\$56.11	-0.79%
14-Blenheim Vicinity	\$1,540,000	\$3,100,000	\$7,539.35	\$7,732.37	\$193.02	2.56%
15-Blenheim Vicinity	\$1,000,000	\$2,130,000	\$5,044.48	\$5,170.72	\$126.24	2.50%
16-Blenheim Vicinity	\$7,530,000	\$16,000,000	\$29,671.71	\$30,624.93	\$953.22	3.21%
17-Blenheim Vicinity	\$2,050,000	\$2,840,000	\$8,888.20	\$9,143.14	\$254.94	2.87%
18-Blenheim Vicinity	\$7,440,000	\$12,250,000	\$29,328.52	\$30,262.30	\$933.78	3.18%
19-Renwick Residential * ¹	\$175,000	\$410,000	\$2,514.80	\$2,525.45	\$10.65	0.42%
20-Renwick Residential * ²	\$170,000	\$325,000	\$2,547.80	\$2,556.79	\$8.99	0.35%
21-Spring Creek Residential	\$170,000	\$385,000	\$1,933.86	\$1,935.06	\$1.20	0.06%
22-Grovetown Residential * ³	\$225,000	\$470,000	\$3,181.45	\$3,041.10	-\$140.35	-4.41%
23-Grovetown Residential * ³	\$180,000	\$280,000	\$2,734.05	\$2,617.11	-\$116.94	-4.28%
24-Rarangi Residential	\$290,000	\$1,020,000	\$1,614.17	\$1,646.37	\$32.20	1.99%
25-Picton Vicinity	\$1,570,000	\$1,905,000	\$5,159.84	\$5,347.22	\$187.38	3.63%
26-Ngakuta Bay - bach	\$155,000	\$480,000	\$1,130.35	\$1,155.76	\$25.41	2.25%
27-General Rural - French Pass	\$1,820,000	\$2,000,000	\$5,912.96	\$6,169.31	\$256.35	4.34%
28-General Rural - Manaroa	\$4,070,000	\$5,070,000	\$13,795.09	\$14,369.53	\$574.44	4.16%
29-General Rural - Opouri Valley	\$2,930,000	\$3,670,000	\$9,029.88	\$9,435.27	\$405.39	4.49%
30-General Rural - on Awatere Water	\$1,750,000	\$2,270,000	\$6,236.15	\$6,608.11	\$371.96	5.96%
31-Havelock Residential	\$178,000	\$435,000	\$2,250.98	\$2,277.65	\$26.67	1.18%
32-Seddon Residential	\$99,000	\$270,000	\$3,267.58	\$3,276.81	\$9.23	0.28%
33-Wairau Valley Township Residential	\$150,000	\$520,000	\$2,324.25	\$2,380.57	\$56.32	2.42%
34-Sounds Admin Rural - farm	\$4,900,000	\$5,720,000	\$8,089.43	\$8,466.98	\$377.55	4.67%
35-Sounds Admin Rural - bach	\$165,000	\$360,000	\$674.49	\$694.53	\$20.04	2.97%
36-Sounds Admin Rural - bach	\$270,000	\$510,000	\$824.35	\$852.05	\$27.70	3.36%

*1 This property opted to make sewer lump sum payments.

*2 This property opted to make sewer loan repayments over a 20 year term, in lieu of lump sum payments.

*3 These properties pay the sewerage loan rate because they did not make a lump sum payment.

Appendices

- Council committees and members
- Ward boundaries
- Council staff structure
- MDC directory
- Glossary of terms



Council committees and members

For this term of Council, the following Committee structure (and membership) was put into place on 31 October 2019. It has three standing committees, a joint committee with Kaikoura District Council, three statutory committees and eleven sub-committees. Pursuant to Section 41(a)(5) of the Local Government Act 2002 the Mayor is a member of each Committee of Council.

Assets & Services Committee

This Committee is responsible for all infrastructure including roads; road safety (including walking and cycling strategies); parking; sewerage; water; stormwater; rivers and drainage; waste management (including recycling); reserves; halls; cemeteries; public conveniences; and civil defence and emergency management.

Clr Nadine Taylor – Chairperson
Clr Michael Fitzpatrick - Deputy
Clr Jenny Andrews
Clr Cynthia Brooks
Clr Brian Dawson
Clr Francis Maher
Clr Mark Peters
Mayor John Leggett
Iwi representative - Richard Hunter

Civil Defence Emergency Management Group (Statutory Committee)

The delegation to act as this Group (formed in accordance with the Civil Defence and Emergency Management Act 2002) is given to the Assets and Services Committee. The Assets and Services Committee (acting as the Group) is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by section 17(1)(i) of the Civil Defence and Emergency Management Act 2002.

Clr Nadine Taylor – Chairperson
Clr Michael Fitzpatrick - Deputy
Clr Jenny Andrews
Clr Cynthia Books
Clr Brian Dawson
Clr Francis Maher
Clr Mark Peters
Mayor John Leggett
Iwi representative - Richard Hunter

Parking Sub-Committee

The focus of this Sub-Committee is Council's parking portfolio.

Clr Brian Dawson – Chairperson
Clr Michael Fitzpatrick
Clr Francis Maher

Regional Transport Committee (Statutory Committee)

This Committee prepares for approval by Council the Regional Land Transport Plan [the Plan], or any variations to the Plan and provides Council with any advice and assistance in relation to its transport responsibilities. The Committee must adopt a policy that determines significance in respect of variations made to the Plan (under s18D of the Land Transport Management Act 2003 [the Act]) and the activities that are included in the Plan (under s16 of the Act).

Membership of the Committee (refer s105 of the Act) is limited to four persons representing Council; and one person representing the New Zealand Transport Agency.

Clr Francis Maher – Chairperson
Clr Michael Fitzpatrick – Deputy
Clr Brian Dawson
Clr Nadine Taylor
New Zealand Transport Agency representative – Jim Harland

Conduct Review Committee

This Committee is established per the Code of Conduct. The Committee manages compliance with the Code of Conduct and with any statutory obligations.

Independent Chairperson – to be advised

Clr Jenny Andrews
Clr David Oddie
Clr Mark Peters
Mayor John Leggett

District Licensing Committee (Statutory Committee)

This Committee considers and determines applications, pursuant to the Sale and Supply of Alcohol Act 2012 [the Act], for: licences and manager's certificates; renewals of licences and manager's certificates; temporary authorities to carry on the sale and supply of alcohol in accordance with s136 of the Act; the variation, suspension, or cancellation of special licences; the variation of licences (other than special licences) unless the application is brought under s280 of the Act; with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and conduct inquiries and to make reports as may be required of it by the licensing authority under s175 of the Act. This Committee is also responsible for hearing and deciding on applications to Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

Mayor John Leggett – Chairperson

Two members appointed by the Chairperson from the following:

Clr Nadine Taylor – Deputy
Members from the community (Christine McNeil, Graeme Barsanti, Hamish Beard, Liz Hawthorne, Lynette Rayner, Margaret McHugh)

Environment Committee

This Committee is responsible for environmental science and monitoring; monitoring of consents; enforcement and prosecution policies; biosecurity; animal control; building control; resource consent processing; dangerous goods; fencing of swimming pools; food and health monitoring; and harbour management.

Mayor John Leggett – Chairperson

Clr Gerald Hope – Deputy
Clr David Oddie – Deputy

Clr Jamie Arbuckle
Clr David Croad
Clr Barbara Faulls
Clr Thelma Sowman
Iwi representative – to be advised
Rural representative – to be advised

Animal Control Sub-Committee

This Sub-Committee has responsibility for animal control including administration and dealing with any right of objection to Council in terms of the Dog Control Act 1996.

Clr Jamie Arbuckle – Chairperson

Clr Barbara Faulls
Clr Thelma Sowman

Resource Hearing Sub-Committee

This Committee makes decisions on applications for resource consents (each consent is heard by a Committee made up of a Chairperson and two members).

Clr David Oddie – Chairperson

Clr Jamie Arbuckle
Clr David Croad
Clr Barbara Faulls
Mayor John Leggett

Marlborough Regional Forestry (Joint Committee)

Marlborough Regional Forestry is a joint committee of Marlborough District Council and the Kaikoura District Council. Council owns 88.62% of the forestry estate and Kaikoura District Council owns the remaining 11.38%. The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

Clr Gerald Hope – Chairperson

Clr Francis Maher

Kaikoura District Council representative

Forestry representative – Leo Jelinek

Planning Finance & Community Committee

This Committee is responsible for the Marlborough Environment Plan; implementation of Growing Marlborough and 'Smart and Connected' Economic Development Strategies; CBD and Small Township Revitalisation programmes; Destination Marlborough; Picton Forum; Sounds Advisory Group; Long Term Plan; Annual Plan; Annual Report; audit issues; Council Subsidiaries; risk management; community and social issues; youth, elderly and access issues; culture and heritage; social policies (ie; gaming, local alcohol and psychoactive substances policies); grants and donations; sister cities; libraries; customer services; democratic process; general administration; health and safety; and property management.

Clr Mark Peters – Chairperson

Clr David Croad – Deputy

Clr Jenny Andrews

Clr Jamie Arbuckle

Clr Cynthia Brooks

Clr Brian Dawson

Clr Barbara Faulls

Clr Michael Fitzpatrick

Clr Gerald Hope

Clr Francis Maher

Clr David Oddie

Clr Thelma Sowman

Clr Nadine Taylor

Mayor John Leggett

Iwi representative – to be advised

Audit and Risk Sub-Committee

The focus of this Sub-Committee is to oversee the audit of Council's Annual Report and Annual/Long Term Plan and consider and report as necessary on the findings of any audit management report.

Ian Marshall CA (Independent External Member) – Chairperson

Clr David Croad

Clr David Oddie

Clr Mark Peters

Clr Nadine Taylor

Mayor John Leggett

Commercial Events Fund Sub-Committee

This Sub-Committee evaluates and approve the funding applications for the Commercial Events Fund.

Clr Michael Fitzpatrick – Chairperson

Clr Jamie Arbuckle

Clr Barbara Faulls

Clr Thelma Sowman

Grants Sub-Committee

This Sub-Committee carries out Council's partnership with Creative New Zealand and SPARC (Sport and Recreation New Zealand) to ensure local arts funding and rural travel funding are available to the Marlborough area. The Sub-Committee has delegated authority for the allocation of funds under both schemes. In addition the Sub-Committee has delegated authority for consideration of Marlborough District Council Community Grants and Council's Arts and Heritage Grants, with recommendations being made to Council for consideration.

Clr Jenny Andrews – Chairperson

Clr Cynthia Brooks

Clr Thelma Sowman

Sports Trust appointee – Karen Hartshorne

Arts Sector appointee – Kate Parker

Four community representatives – Deborah Dalliesi, Graham Haymes, Sally Wadworth, Vacancy

Two iwi representatives – to be advised

Housing for Seniors Sub-Committee

The focus of this Sub-Committee is Council's Housing for Seniors portfolio.

Clr Cynthia Brooks – Chairperson

Clr Jenny Andrews

Clr Gerald Hope

Clr Mark Peters

Clr Michael Fitzpatrick

Grey Power Marlborough representative – Mr Philip Hunnisett

Sister City Sub-Committee

This Sub-Committee manages Council's Sister City activities and strives to involve greater community participation and sponsorship in the programme.

Clr Gerald Hope – Chairperson

Clr Barbara Faulls

Clr Thelma Sowman

Community representatives – Bill Floyd, Cathie Bell, Fiona Fenwick, Lily Stuart, Margaret Western, Peter Watt, Zoe Gray

Council has two sister cities, Tendo and Otari in Japan, and a sister region with Ningxia in China.

Small Townships Programme Sub-Committee

This Sub-Committee has delegated authority to develop criteria to assess project prioritisation using the Smart and Connected framework; approve all Small Township Fund projects; and monitor implementation of all Small Township Fund projects.

Clr Cynthia Brooks – Chairperson

Clr Jamie Arbuckle

Clr Barbara Faulls

Appointment of Councillors and Staff to Subsidiaries

MDC Holdings Limited and Marlborough Airport Limited

Mayor John Leggett – Director

Chief Executive – Mark Wheeler – Director

Chair of Planning Finance and Community

Committee – Clr Mark Peters – Director,

Clr David Oddie – Director

Te Ao Māori Sub-Committee

The aim of this Sub-Committee is to improve Council's access to cultural advice and long-term partnerships with Māori, with its focus on:

- Increasing access to knowledge and education for Councillors and staff in Te Ao Māori and tikanga, iwi across Te Tau Ihu and Te Tiriti o Waitangi;
- Creating a visible Māori presence in Council buildings through artwork and bi-lingual signage;
- Developing opportunities to increase Council engagement with Te Tau Ihu iwi; and
- Development of a structure within Council to plan and manage this work.

Mayor John Leggett – Chairperson

Clr Cynthia Brooks

Clr David Croad

Clr Mark Peters

Clr Nadine Taylor

Iwi representatives (to be advised)

Youth Sub-Committee

The focus of this Sub-Committee is issues related to youth in the community.

Mayor John Leggett – Chairperson

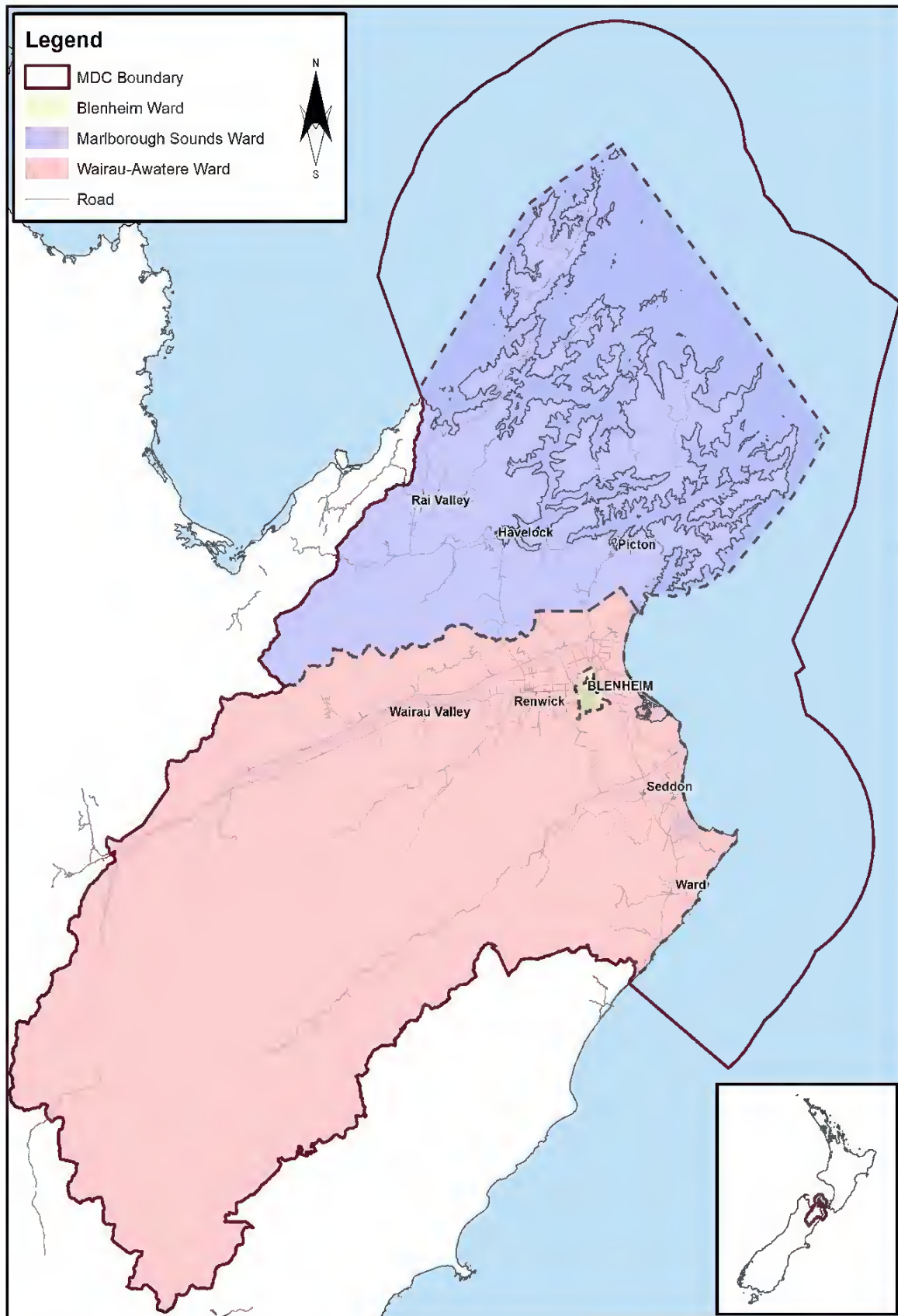
Clr Jenny Andrews

Clr Thelma Sowman

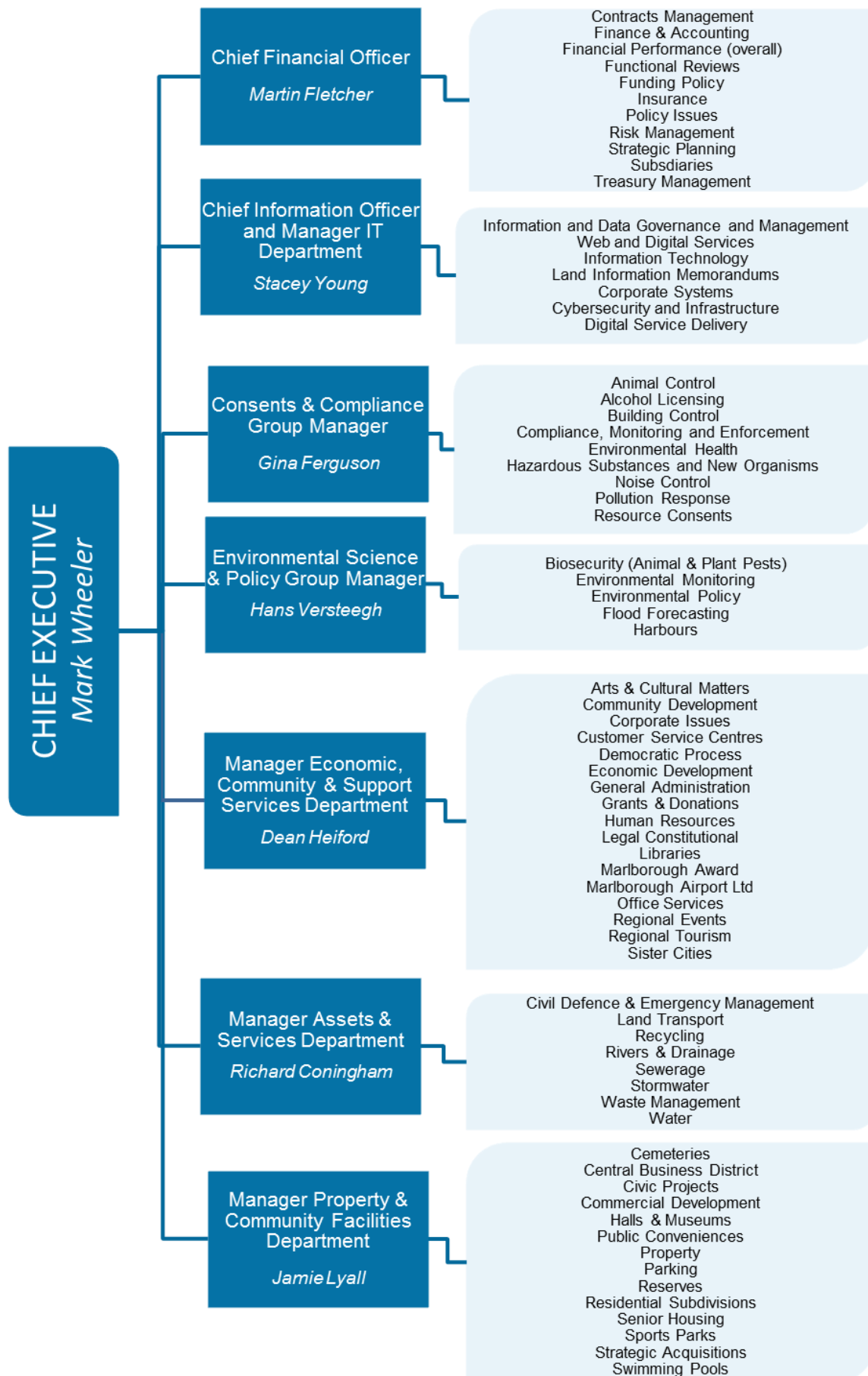
Port Marlborough NZ Limited

Chief Financial Officer – Martin Fletcher – Director

Ward boundaries



Council staff structure



MDC directory

Contact details

PO Box 443, Blenheim 7240

Telephone: (03) 520 7400

Email: mdc@marlborough.govt.nz

Web: www.marlborough.govt.nz

Addresses

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

2 Dublin Street, Picton 7220

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Works and Operations Depot

Wither Road, Blenheim

Reserves Depot

Pollard Park, Blenheim

Solicitor

P J Radich of Radich Law, Blenheim

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Rehan Badar, Audit New Zealand, Wellington on behalf of the Auditor General

General statistics

Population (Usually Resident 2018) 47,340

District Area 17,517 square kilometres

as at 30 June 2019

Rateable Land Value \$9,195,811,000

Rateable Capital Value \$19,616,751,200

Number of Rate Assessments 26,625

as at 30 June 2018

Rateable Land Value \$9,153,611,300

Rateable Capital Value \$19,403,406,000

Number of Rate Assessments 26, 433

Forecast number of total rateable properties

Forecast growth in the number of rateable properties has been based on the projection of 150 units per annum in the Development Contributions Policy.

Glossary of terms

Accruals

Expenses incurred during the current year for which invoices have not yet been processed.

Activity

A good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.

Allotment

Has the meaning given to it in S218(2) of the Resource Management Act 1991.

Allotment Area

Is the total land area of an allotment.

AP 2020-21

The revised budget for the 2020-21 year.

Applicant

Is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan

Council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Asset Sales

Refers to the sale of MDC assets eg: cars, property.

Borrowings

The amount of external loans.

Capital Expenditure

The cost of capital works for network infrastructure, reserves and community infrastructure and other assets.

Catchment

The area served by a particular infrastructure investment.

Charge

These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.

Commercial

Any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

Community Facilities

Reserves, network infrastructure, or community infrastructure for which development contributions

may be required in accordance with S199 of the Local Government Act 2002.

Community Infrastructure

The following assets when owned, operated or controlled by a territorial authority:

- (a) Community centres or halls for the use of a local community or neighbourhood and the land on which they are or will be situated.
- (b) Play equipment that is located on a neighbourhood reserve.
- (c) Toilets for use by the public.

Community Outcomes

The outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.

CV

Capital value.

Departmental Management

Allocation of Departmental Manager costs to activities.

Development

- (a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) Does not include the pipes or lines of a network utility operator.
- (c) Toilets for use by public.

Development Contribution

A contribution:

- (a) provided for in a development contributions policy included in the LTP of a territorial authority; and
- (b) calculated in accordance with the methodology; and comprising-
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or
- (iii) both.

Development Contributions Policy

The policy on development contributions adopted under section 102(1).

District

The district of a territorial authority.

District Plan

The District Plan of Marlborough District Council.

District-Wide

Applies to every property in the district.

Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Financial Contributions

Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.

Financial Strategy

Council's Financial Strategy included in the LTP.

FY

Financial year.

General Revenues Applied

Share of revenues generated by Council as a whole as compared to a specific activity eg: interest and dividends.

Geographic Areas

The district is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.

Goods and Services Tax (GST)

Goods and services tax under the Goods and Services Tax Act 1985.

Greenfields Area

Are defined as those areas where building capacity exists on the perimeter of the city.

Gross Floor Area (GFA)

For the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- carparking;
- loading docks;
- vehicle access and manoeuvring areas/ramps;
- plant and equipment enclosures on the roof;
- service station canopies;

- pedestrian circulation space in an enclosed retail shopping centre;
- any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU)

An average residential dwelling occupied by a household of average size.

Impervious Surface Area

For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which:

- falls within the definition of coverage;
- is covered by decks;
- is occupied by swimming pools;
- is used for parking, manoeuvring or loading of motor vehicles;
- is paved with a continuous surface with a run-off coefficient of greater than 0.45.

Increase (Decrease) in Reserves

Increase in reserves are generally surpluses on operations. Decrease from reserves assist to fund capital expenditure.

Industrial

Means:

- (a) any premises used for any industrial or trade purposes; or
- (b) any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or
- (c) any other premises from which containment is discharged in connection with any other industrial or trade process; or
- (d) any activity where people use materials and physical effort to:
 - extract or convert natural resources;
 - produce goods or energy from natural or converted resources;
 - repair goods;
 - store goods. (ensuing from an industrial process).

Infrastructural Assets

Fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.

Infrastructure Strategy

Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.

LGA

The Local Government Act 2002.

LIDAR

A remote sensing method to measure the land surface area.

Loans/Debt

The raising of internal loans for capital items, such as a sewerage or water scheme.

Local Authority

A regional council or territorial authority.

LTP

2018-2028 Long Term Plan.

LV

Land value.

Network Infrastructure

The provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network Utility Operator

Has the meaning given to it by section 166 of the RMA.

Non-Residential Development

Any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.

Operational Assets

Tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.

Other Revenue

Revenue specifically generated by the activity.

Overhead Allocation

The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.

Prepayments

Amounts paid to creditors by the MDC in the current year that relate to future years.

Property Value

For rating purposes this refers to either the "land" or "capital" value of a property.

Public Debt

The amount of borrowed funds that the MDC owes to external parties.

Public Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Rate/Rates

The Local Government (Rating) Act 2002 defines Rate –

- (a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and
- (b) includes a penalty added to a rate in accordance with section 58; but
- (c) does not include a lump sum contribution.

Residential Development

Any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

Resource Management Plan

The Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.

RMA

The Resource Management Act 1991.

Section Management

Allocation of Section Manager costs when they are responsible for more than one activity.

Service Catchment

The same as catchment.

Service Connection

A physical connection to a service provided by, or on behalf of, a territorial authority.

Statement of Cashflows

Describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

Statement of Comprehensive Revenue and Expense

Can also be referred to as the Income Statement, Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Position

Shows the assets, liability and equity at the end of each period. It can also be referred to as the Balance Sheet.

Subdivision

Has the same meaning as section 218 of the Resource Management Act 1991.

Subsidies

Amounts received from other agencies for the provision of services eg: NZTA roading subsidies.

Third Party Funds

Funding or subsidy, either in full or in part, from a third party eg: subsidies for the roading network.

Transfer to/from Reserves and Capex transfer from Reserves

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves

assist to fund projects/expenditure that meet the purpose of the reserve. Capex transfers from reserves assist to fund capital expenditure.

Unit of Demand

The measure of demand for community facilities.

User Charges

The charges levied for use of MDC services eg: building consent fees, health inspections.

Working Capital

This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.



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