

# MDC DIRECTORY

## Postal Address

**P O Box 443, Blenheim**

**Telephone** (03) 578-5249  
(0800 4 MDC 4U: (0800 463 248)  
(For use by residents in the Outer Sounds and Rai  
Valley areas)

**Facsimile:** (03) 578-6866

**E-mail:** [mdc@marlborough.govt.nz](mailto:mdc@marlborough.govt.nz)

**Website:** [www.marlborough.govt.nz](http://www.marlborough.govt.nz)

## Addresses

### District Administration Building

*15-21 Seymour Street, Blenheim*

### Picton Service Delivery Centre (includes Library)

*67 High Street, Picton*

### Marlborough Library

*Corner Arthur and Seymour Streets, Blenheim*

### Animal and Plant Pests Depot

*Nelson Street, Blenheim*

### Services and Reserves Depot

*Parker Street, Blenheim*

### Solicitor

P J Radich of Radich Dwyer Hardy-Jones Clark, Blenheim

### Bankers

Bank of New Zealand, Blenheim

### Auditor

Controller and Auditor General  
Audit New Zealand, Christchurch

*The Annual Plan was  
adopted at a meeting of  
the Marlborough District  
Council on 23 May 2002.*

## General Statistics

- Census night population 42,483 (Census 2001)
- Inter-Census Population Movement (+) 5.57%
- District Area - 17,517 square kilometres

	as at 30 June 2001
Rateable Land Value	\$1,894,077,300
Rateable Capital Value	\$4,198,043,160
Number of Rate Assessments	21,243

# TABLE OF CONTENTS

## Section 1 General

From the Mayor's Desk	5	Animal and Plant Pests	36
Chief Executive's Introduction	6	Consents and Compliance	37
Elected Council Members	7	Environment	39
Council Committees and Members	8	Harbour Control	41
Council Staff Structure	9	Property	42

## Section 2 Area Focus

*Provides an overview of rates and charges for areas within the Marlborough District along with an outline of key initiatives.*

Blenheim	11
Blenheim Vicinity	12
Picton	13
Picton Vicinity	14
Renwick	15
Havelock	16
Awatere	17
General Rural	18
Administrative Rural	19

## Section 3 Significant Activities

*Outlines the key activities that the Council provides, with details of the goals, objectives and performance targets, along with costs and funding for each activity.*

Council Goals	21
Community, Recreation, Culture and Heritage	23
Economic Development	26
Land Transport	27
Rivers and Land Drainage	28
Sewerage	30
Stormwater	31
Waste Management	32
Water Supply	33
Animal Control	34
Democratic Process	34
Emergency Management	35

## Section 4 Subsidiaries

*An overview of the Council's subsidiary operations, including objectives, performance targets and forecast financial information.*

MDC Holdings Limited	43
Port Marlborough New Zealand Limited	44
Marlborough Regional Forestry	45

## Section 5 Financial Information

*This section contains the key financial information relating to the Annual Plan.*

Statement of Cash Flows	46
Statement of Financial Performance	48
Statement of Movements in Equity	50
Statement of Financial Position	51
Statement of Accounting Policies	53
Notes to the Financial Statements	56
Assumptions, Disclosures and Compliance	62

## Section 6 Rates and Charges

*Provides details of the proposed rates and charges for the coming financial year.*

## Section 7 Funding Policy

*Provides a summary of the manner in which Council funds the functions carried out.*

## Section 8 Treasury Management Policy

*Provides a summary of the borrowing and investment policies adopted by Council.*

## Glossary of Terms

76

# MARLBOROUGH DISTRICT WARDS



-  Wairau Ward
-  Blenheim Ward
-  Picton Ward
-  Pelorus / Northern Marlborough Sounds Ward
-  Awatere Ward

# FROM THE MAYOR'S DESK

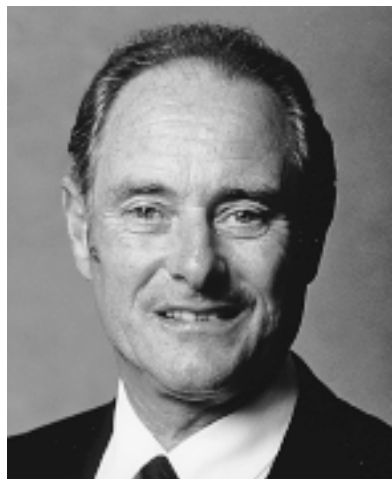
*It is with great pleasure that I present this Annual Plan for 2002/03. Some clear messages were taken at the 2001 elections, in particular the need for Council to focus on essential core services. This plan has been prepared with that focus clearly in mind, delivering a balance of infrastructure development and community responsiveness within a funding package that distributes costs as fairly and as reasonably as possible.*

Council has confronted significant cost pressures in preparing this plan, including the effect of inflation on some of the underlying costs of Council services. An even greater impact has been caused by decisions taken by central government. The reduction in Transfund roading subsidies, for example, has effectively imposed a \$53,000 increase on Council, leaving us no recourse but to absorb this new cost. Despite these pressures, Council has resisted increasing user charges, and wherever possible has endeavoured to minimise the effect of these district-wide increases.

Other costs are driven by regional growth placing new demands on infrastructure – including roads, sewerage systems, and water supply networks. Spending on these assets cannot and should not be deferred – there are often public health issues at stake, quite apart from any other questions. This plan includes important capital works affecting Renwick, Picton, and Blenheim.

As our community grows, there are other changes that Council must also respond to – not just by ourselves, but as part of a community-wide response. Our growing elderly community, for example, has a range of needs that require a collective and co-ordinated approach. Council is one of the bodies concerned to ensure that all the people of Marlborough enjoy the opportunities that the region can offer for a high quality of life – not just the lucky few, but all sectors of the community.

Council spending should not overtake the ability of the region to bear the costs of development. Although some of the Council's revenue is derived from investments, the bulk of it comes from ratepayer's pockets. Every proposal in this plan has been reviewed with that knowledge in mind, with a view to preserving the viability of our productive economic base, and limiting the impact of rates increases on household budgets.



*Tom Harrison  
Mayor*

It has become fashionable in some circles to talk of sustainability. Sustainable development is not just the province of environmentalists – it is also a fundamental principle of sound business management, and good housekeeping. It is a matter of living within our means – common sense. Living day to day without thought for the future is shortsighted and ultimately limiting or even self-destructive. This plan is a plan for sustainable growth. The proposals that it makes offer improvements to our quality of life here and now, but they are also investments in the future.

If we are to genuinely prepare and provide for the future, there are a number of specific challenges facing the region that cannot be ignored. Left without attention, they have the potential to become significant problems. They include the management of our natural resources – especially our marine environment – as well as how we manage our rate of economic development – the impact of forestry extraction on our roading, for example. This plan includes preparations for these and other emerging issues.

Marlborough is not alone in facing these challenges, which are shared by other parts of New Zealand, and indeed in communities like our own all around the world. Our principal resource in facing these challenges is our people. The people of Marlborough are its greatest strength, and working together I have no doubt that we will respond positively to both the opportunities and the challenges that we face, and that our future will be a happy and prosperous one.

# CHIEF EXECUTIVE'S INTRODUCTION

*This year's annual plan continues the development path established in previous years, of prudent financial management of the Council's assets balanced with a carefully planned programme for replacement and extensions of the district's critical infrastructures of sewerage, water reticulation, stormwater, and roading. Within the limited resource base that is available from year to year Council endeavours to ensure that the level of provision of core services is responsive to community preferences, and that the cost of providing critical infrastructure and core services is shared fairly and equitably across the district. This is a consistent principle of Council's planning.*



*Andrew Besley  
Chief Executive*

This year is an especially significant one for local government in New Zealand, as the Government is currently considering legislation that will replace the present Local Government Act. In many respects this new legislation represents the most significant change to the way in which local government operates since the nineteenth century. It is part of a bundle of legislative reforms to local government that will affect how council activities are determined, how they can be funded, and even the way in which councils are elected.

The new Local Government Act is expected to be enacted later this year, and will place renewed emphasis on councils' role in enabling local decision-making. The Bill that is before Parliament is an enabling one, giving councils more freedom to respond to the specific needs and preferences of their communities. This freedom comes with new requirements for transparency and accountability - the Bill emphasises the very close relationship that councils must have with their communities, and the accountabilities that must apply to the way that decisions are made.

Although the Bill has yet to become law, Council has already begun preparing for this new environment. Irrespective of any changes brought in by the new Act, future plans will continue to embody core principles of stewardship, prudence, and responsiveness. Council's management and staff are committed to delivering excellence of service, and we look forward to implementing the Annual Plan for 2002/03.

# ELECTED COUNCIL MEMBERS



*Tom Harrison  
Mayor*

## BLENHEIM WARD



*Jenny Andrews*



*Frank Connor*



*John Craighead*



*Liz Davidson*



*David Dew*



*Alistair Sowman*

## WAIRAU WARD



*Francis Maher*



*Ian Mitchell*



*Larry Pigou*

## AWATERE WARD



*Andrew Barker*

## PICTON WARD



*Cliff Bowers*



*Cheryl Cairns*

## PELORUS/NORTHERN MARLBOROUGH SOUNDS WARD



*Graeme Barsanti*

# COUNCIL COMMITTEES AND MEMBERS

The Marlborough District Council has four standing committees.

*The present committees and their membership are as follows:*

## FINANCE & ADMINISTRATION

This committee is responsible for annual and long term financial plans, strategic planning, funding policy, economic development, reviews, financial performance, financial services including rate collection and treasury management, general administration, property management and development, council subsidiaries, community development, social development, youth, elderly and access issues, art and culture, grants and donations, corporate issues, sister cities, democratic process, liquor licensing and information systems.

Chairperson – Clr David Dew  
Deputy Chairperson – Clr Alistair Sowman  
Clr Jenny Andrews  
Clr Graeme Barsanti  
Clr Cliff Bowers  
Clr Francis T Connor  
Clr Larry Pigou  
Mr Barry Mason (Iwi representative)  
Mayor Tom Harrison (ex officio)

## ASSETS & SERVICES

This committee has responsibility for water supplies, sewerage, stormwater, rivers and drainage, waste management, recycling, reserves, halls, museums, cemeteries, public conveniences, animal control, libraries, civil defence, roading, parking and road safety.

Chairperson – Clr Larry Pigou  
Deputy Chairperson – Clr Graeme Barsanti  
Clr Jenny Andrews  
Clr Cliff Bowers  
Clr Francis T Connor  
Clr David Dew  
Clr Alistair Sowman  
Mr Richard Hunter (Iwi representative)  
Mayor Tom Harrison (ex officio)

## ENVIRONMENT

This committee is responsible for Biosecurity, building control, dangerous goods, fencing of swimming pools, food and health monitoring, harbour management, hazardous substances, historic places, resource management, consent processing, monitoring of consents, compliance control, environmental policy, regional planning and rural fire.

Chairperson – Clr Ian Mitchell  
Deputy Chairperson – Clr Francis Maher  
Clr Andrew Barker  
Clr Cheryl Cairns  
Clr John Craighead  
Clr Liz Davidson  
Mrs Yvonne Burns (Iwi representative)  
Mr Chris Bowron (Rural services representative)

## HEARINGS

The hearings committee makes decisions on applications for resource consents. Provision has been made for two hearings committees of three members each to be meeting simultaneously. The makeup of each committee may change from time to time.

Chairperson – Clr Francis Maher  
Deputy Chairperson – Clr Cheryl Cairns  
Clr Andrew Barker

Chairperson – Clr Ian Mitchell  
Deputy Chairperson – Clr Liz Davidson  
Clr John Craighead

## APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

### *MDC Holdings Limited*

Mayor Tom Harrison (Director)  
Clr David Dew (Director)  
Andrew Besley (Director)

### *Port Marlborough NZ Limited and Marlborough Airport Limited*

Clr David Dew (Director)

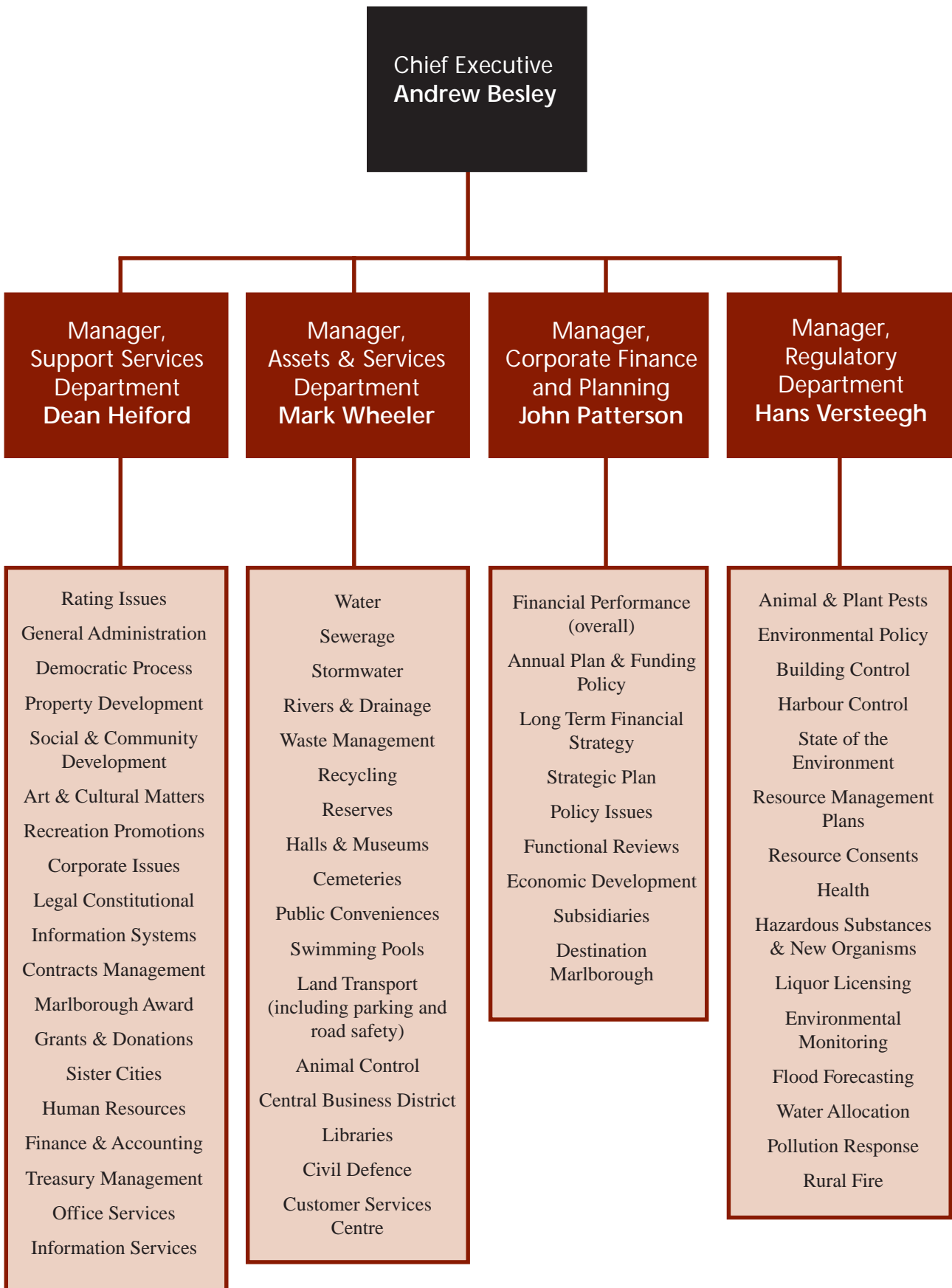
### *Marlborough Regional Forestry*

(Joint Committee of Marlborough District Council and Kaikoura District Council)

Clr Andrew Barker (Chairperson)  
Mayor Tom Harrison



# COUNCIL STAFF STRUCTURE





# AREA FOCUS

## BENCHMARK PROPERTIES

The following section has been prepared to provide an outline of how the rating income received by Council from the different geographic areas is utilized, and to identify significant activities or capital works affecting rate movements. This section provides a comparison between rating levels proposed for 2002/03 with rates in the previous year, and with anticipated rates for 2003/04. A table showing the indicative rating impact on benchmark properties for each year to 2011/12 is included in the Rating Charges section of this draft plan at page 66.

Any key initiatives referred to should be read in conjunction with the relevant sections of the plan, in particular the Significant Activity statements and the notes to the accounts.

### *Note:*

In order to ensure that the graphical representation is maintained at a level of financial significance groupings of Community Services and Other services have been made. In cases where an individual function in this list is of specific significance to a geographic area it has been shown separately in that area.

#### **Community Services includes:**

- Libraries
- Swimming Pools
- Community & Recreation Grants
- Halls, Museums & Memorials

#### **Other Services includes:**

- Emergency Management
- Economic Development
- Pest Control
- Waste Management
- Public Conveniences
- Cemeteries

# BLenheim

As in previous years, the key initiatives in Blenheim are increased service capacity and improvements in utility services to comply with increasing environmental standards, as well as the continued development of the commercial centre of town.

## Significant Capital Works (2002/2003)

### Sewerage

- As part of the overall upgrade of Blenheim's Sewerage system \$1.322 million for the 2002/03 financial year is to be spent on new sewer pipeline with a further \$1.718 million proposed for the 2003/2004 financial year.
- Main operating pump station \$631,000, a further \$387,000 is proposed for the 2003/2004 financial year to complete the upgrade.

### Water

- Reticulation \$257,000
- Treatment study to achieve compliance with Drinking Water Standards \$57,000

\$1.043 million provided in 2003/04 for treatment to comply with compulsory Drinking Water Standards.

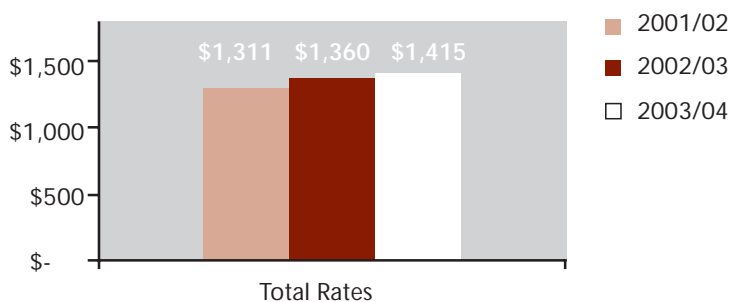
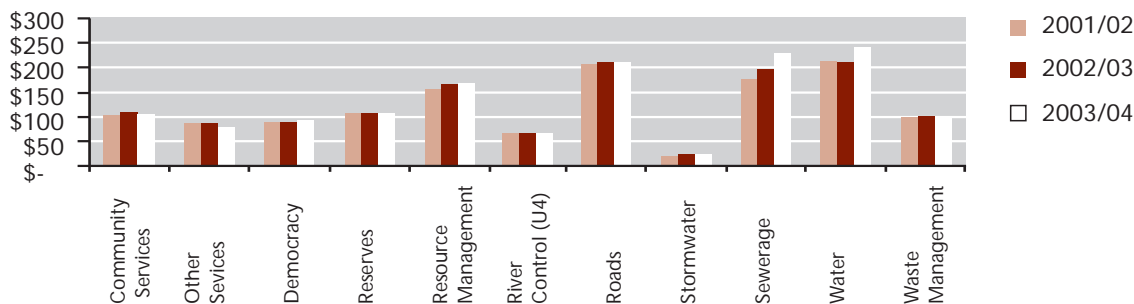
- Lateral Renewals \$200,000
- Public Conveniences – Railway Station and Queen Street \$175,000

Blenheim rates will be affected by completion of the ten year programme of River control works in 2003/04. The Wairau River rate declines \$430,000 (15%).

The review of the stormwater system to provide options associated with achieving higher standards and the financial impact is yet to be reviewed by Council.

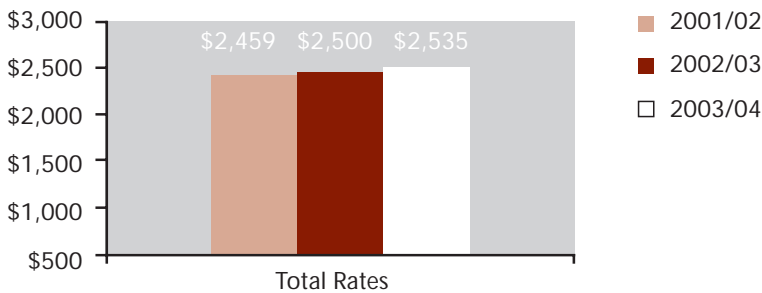
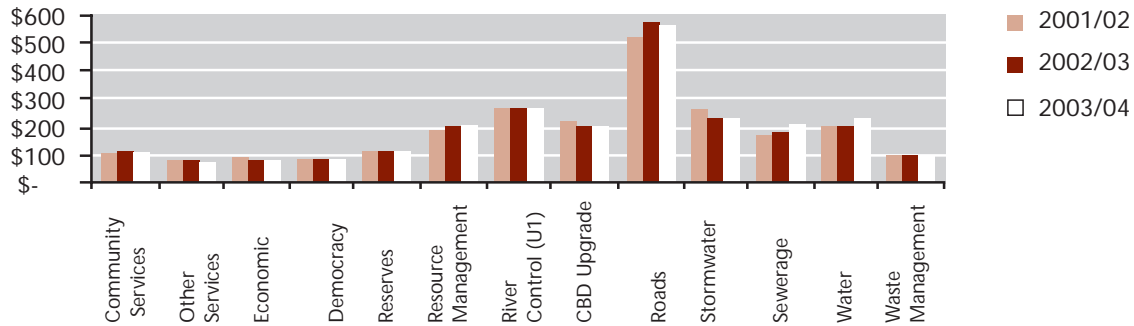
## BLenheim RESIDENTIAL PROPERTY – (Land value \$55,500 Capital value \$146,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



## BLenheim COMMERCIAL PROPERTY – (Land value \$51,000 Capital value \$208,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)

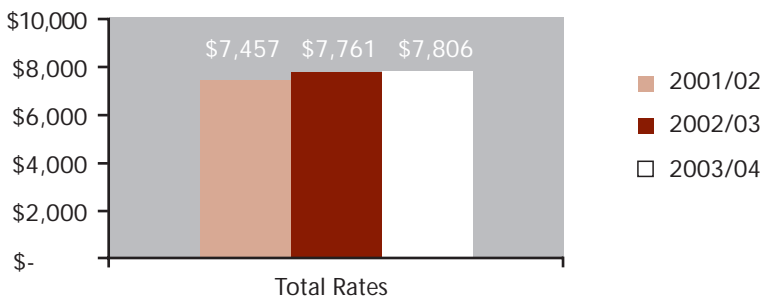
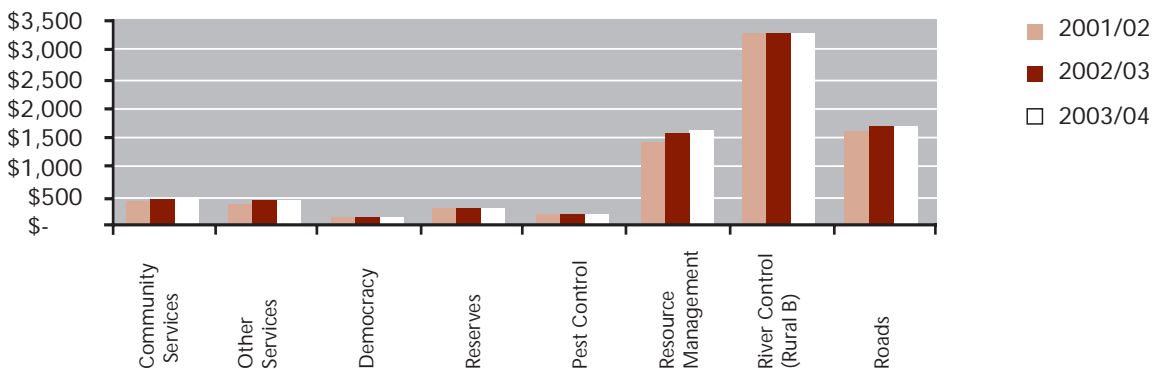


## BLenheim VICINITY

Rates in this area are affected by the completion of the ten year programme of River control works in 2003/04. The Wairau river rate declines \$430,000 (15%).

## BLenheim VICINITY PROPERTY – (Land value \$920,000 Capital value \$1,960,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



# PICTON

Two significant capital projects are scheduled for Picton.

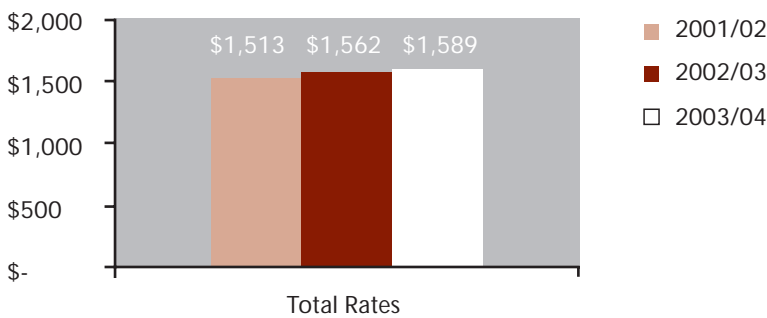
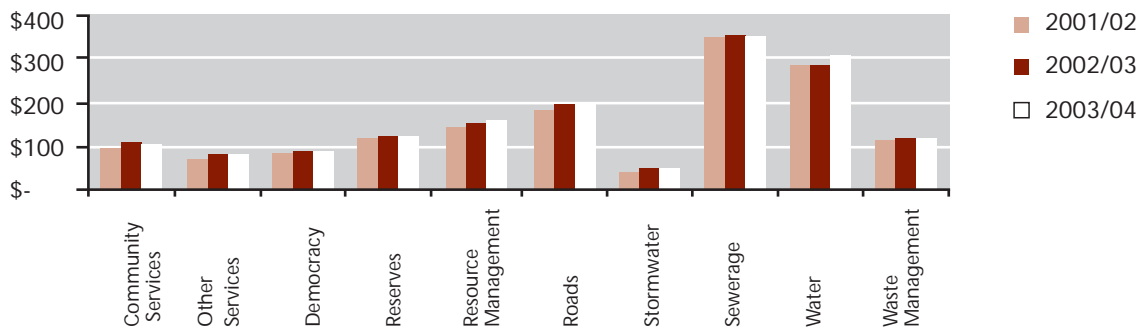
## Significant Capital Works (2002/2003)

- Water Treatment Plant – Essons Valley upgrade \$1.007 million
- Car Parking Development \$590,000

Parking developed over the years 2000/2001 to 2003/2004, completed with funding provided from Port Marlborough reserves (\$200,000) and development levies (\$50,000). The balance of funding required (\$340,000) has been provided by way of a uniform charge across all of Picton.

## PICTON RESIDENTIAL PROPERTY – (Land value \$42,500 Capital value \$137,000)

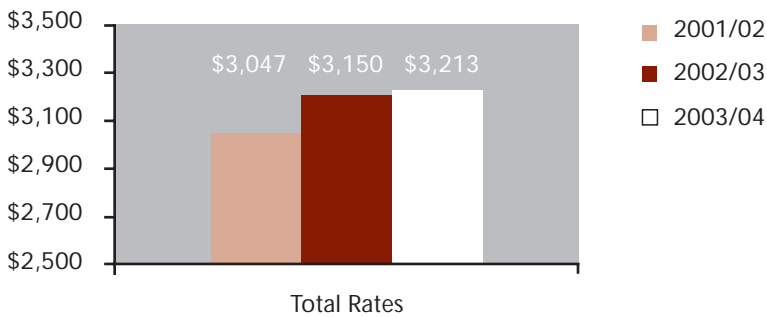
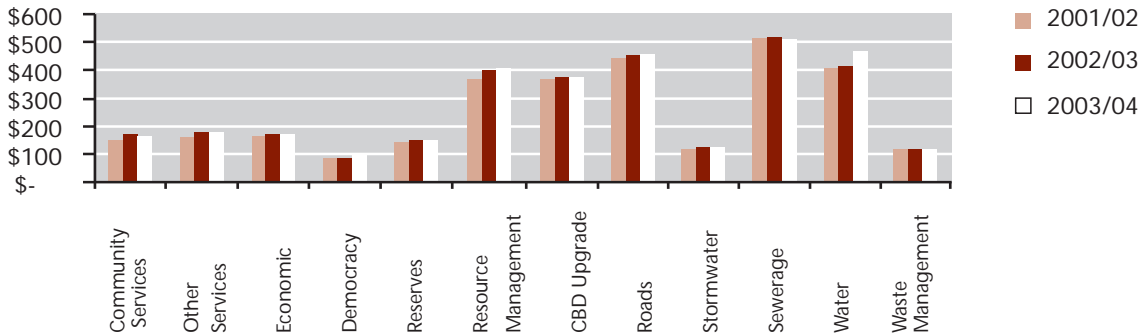
(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



Note: This property pays the Picton Sewerage Treatment Loan Rate

**PICTON COMMERCIAL PROPERTY – (Land value \$96,000 Capital value \$152,000)**

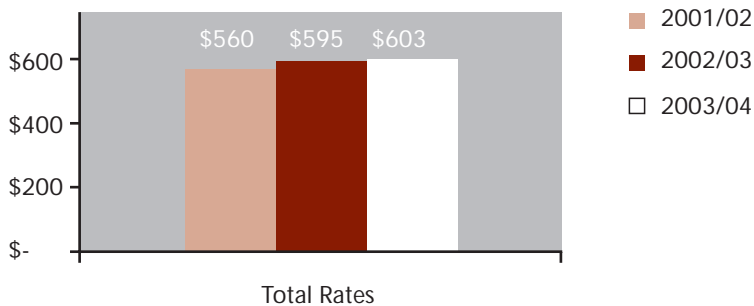
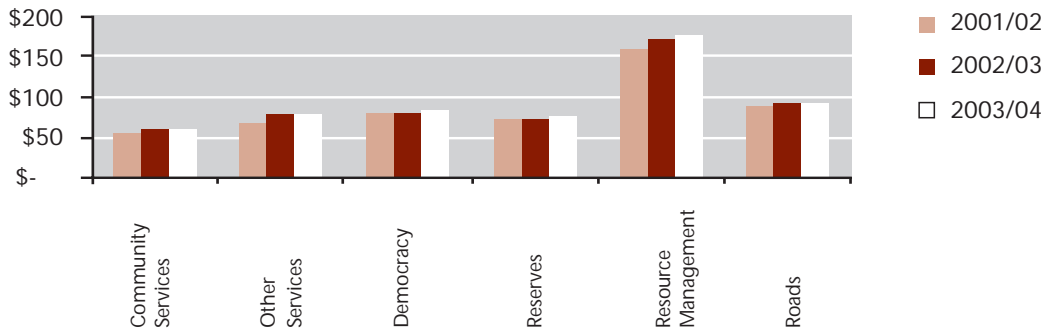
(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



Note: This property pays the Picton Sewerage Treatment Loan Rate

**PICTON VICINITY PROPERTY – (Land value \$50,000 Capital value \$194,000)**

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



# RENWICK

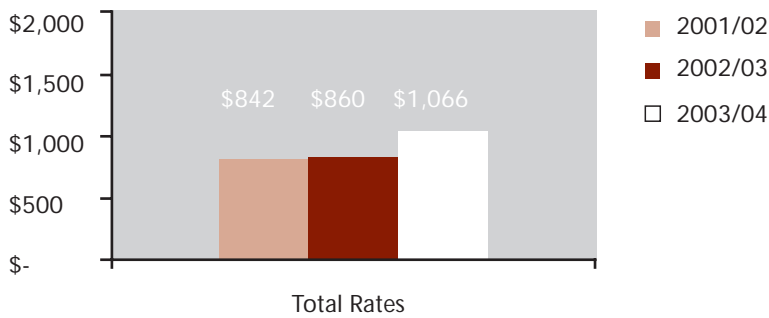
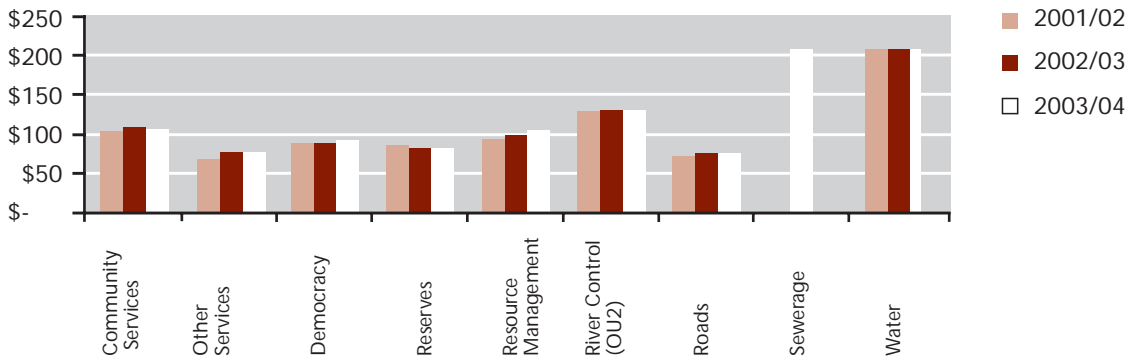
The Renwick Sewerage Scheme is planned to be commenced during the 2002/2003 financial year. The total cost of the scheme is yet to be finalised but provision of \$4 million has been provided for in this plan. The works carried out during the 2002/2003 financial year are to be funded by income from Marlborough Regional Forestry with rating to commence from the 2003/2004 financial year.

The planned introduction of compulsory Drinking Water Standards will have a significant impact on Renwick residents, as in order to comply it is likely that a reservoir would be required along with treatment of the water supply. The capital cost of these works has been estimated at \$900,000 as signalled in the 2005/2006 financial year.

Renwick rates will also be affected by completion of the ten year programme of River Control works in 2003/04. The Wairau River rate declines \$430,000 (15%).

## RENWICK RESIDENTIAL PROPERTY – (Land value \$42,000 Capital value \$148,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



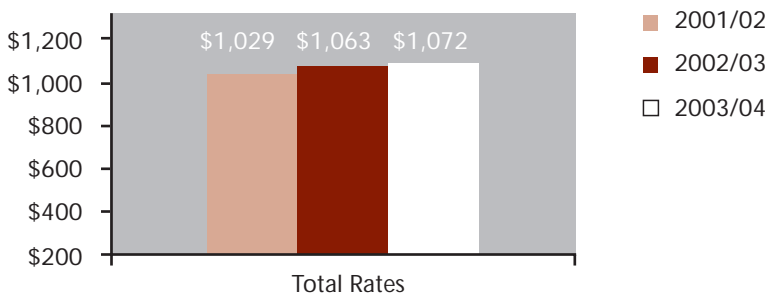
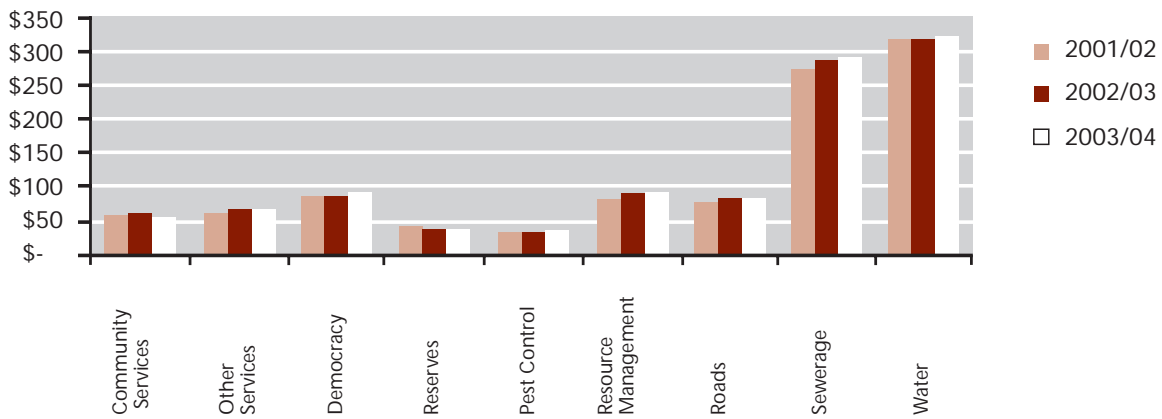
# HAVELOCK

Allowance has been made in 2004/05 for water supply treatment of unsecure catchments (\$155,000). Significant design and consultation will occur before any commitments are made. Treatment would resolve water quality and availability issues currently experienced by the township.

Havelock's consent for sewerage comes up for renewal in 2006/07 and provision of \$105,000 has been made for meeting new conditions of consent.

## HAVELOCK RESIDENTIAL PROPERTY – (Land value \$39,500 Capital value \$169,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)





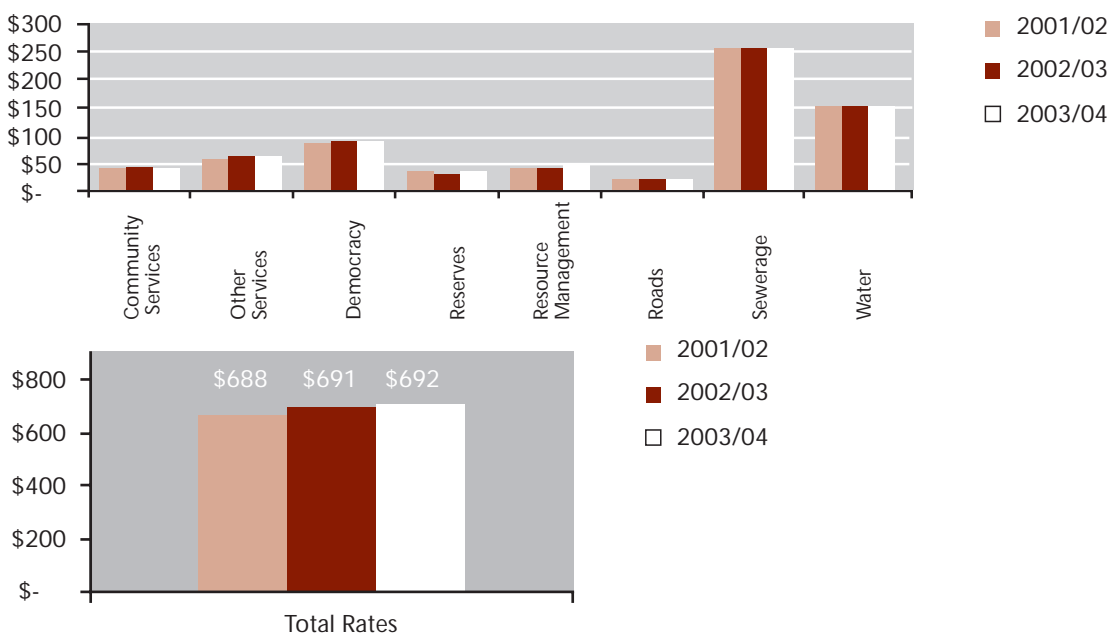
# AWATERE

The cubic metre rate for water will remain unchanged from the current 45 cents m<sup>3</sup>. However the planned introduction of compulsory Drinking Water Standards, if introduced, will significantly affect the water supply metered charge rate. An allowance has been made in the 2005/2006 financial year for the treatment of the water.

The Bovine Tb control works programme has increased by \$1.78 million to a total programme of \$3.15 million. The Animal Health Board is funding the majority of this increased programme with Council's contribution amounting to approximately \$75,000. An additional increase in rates is expected in the 2003/04 financial year as a result of a further increase in the overall programme.

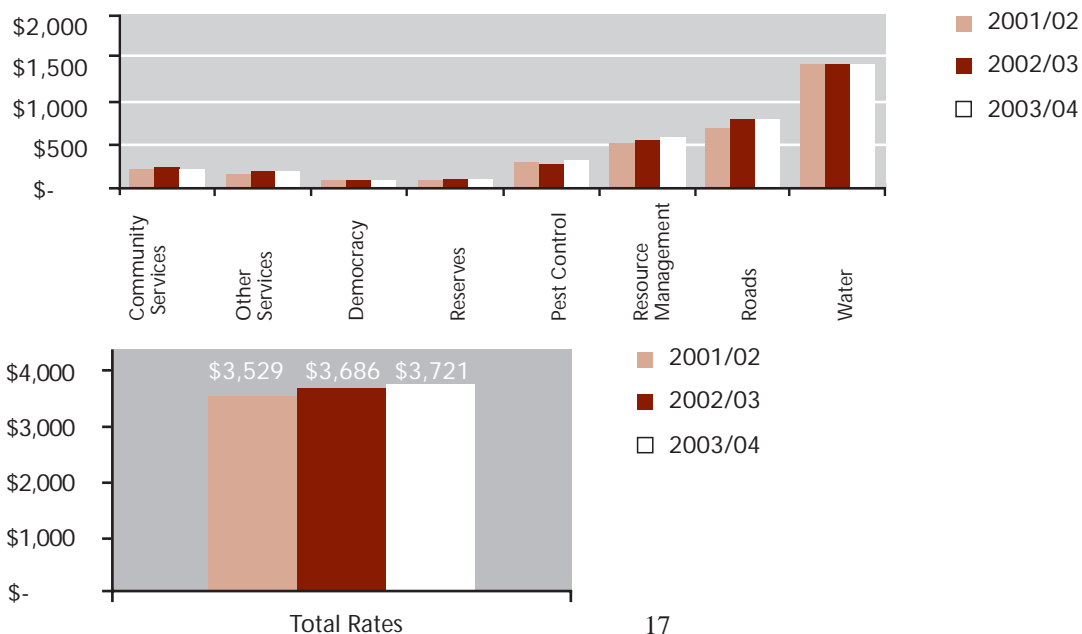
## SEDDON RESIDENTIAL PROPERTY (Land value \$10,000 Capital value \$93,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)



## AWATERE RURAL PROPERTY (Land value \$360,000 Capital value \$520,000)

(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)

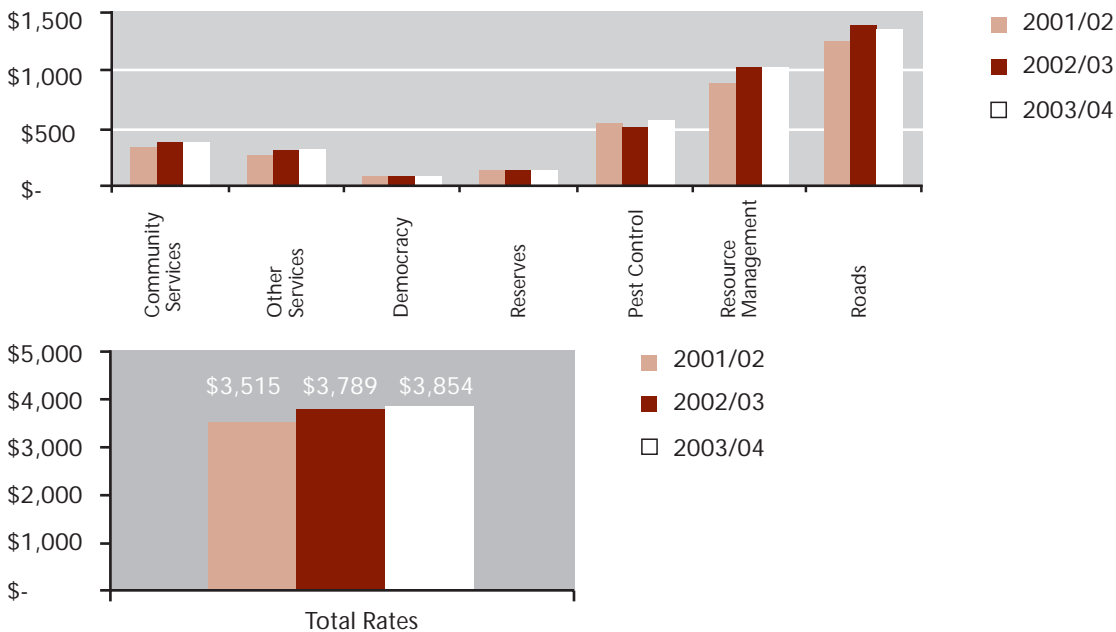


# GENERAL RURAL

The Bovine Tb control works programme has increased by \$1.78 million to a total programme of \$3.15 million. The Animal Health Board is funding the majority of this increased programme with Council's contribution amounting to approximately \$75,000. An additional increase in rates is expected in the 2003/04 financial year as a result of a further increase in the overall programme.

## GENERAL RURAL PROPERTY – (Land value \$637,000 Capital value \$882,000)

*(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)*

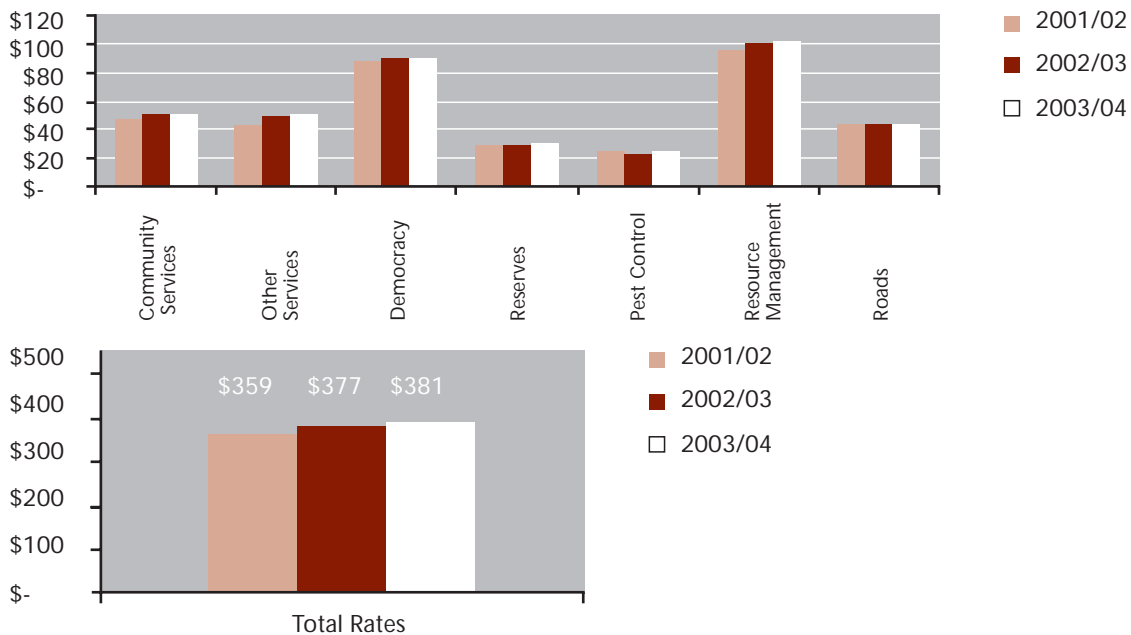


# ADMINISTRATIVE RURAL

The Bovine Tb control works programme has increased by \$1.78 million to a total programme of \$3.15 million. The Animal Health Board is funding the majority of this increased programme with Council's contribution amounting to approximately \$75,000. An additional increase in rates is expected in the 2003/04 financial year as a result of a further increase in the overall programme.

## ADMINISTRATIVE AREA PROPERTY (Land value \$66,000 Capital value \$151,000)

*(Actual rates for 2001/02 and estimated rates for 2002/03 and 2003/04)*



# District Wide

Several activities affect district-wide rating. Council is extending its emergency management capability following a review of the Wither Hills fire, and in order to comply with anticipated Civil Defence legislation. An extended programme of environmental policy work is being planned for, as are new recycling initiatives. Rating for land transport is affected by a reduction in Transfund subsidies.

Emergency Management    \$144,485

In order to comply with the requirements of the proposed Civil Defence Emergency Management Act and to increase the planning and readiness for rural fire and other disasters. An upgrade of Civil Defence headquarters is planned, funded from Council reserves.

Environmental Policy        \$150,000

The district faces a number of critical environmental policy issues, especially in the area of marine ecology. An extended programme of environmental policy work is being planned, to strengthen the information base supporting decision making on resource consents and compliance, and to provide greater certainty for resource users.

Waste Management         \$40,000

To fund recycling initiatives within the region.

Land Transport             \$56,574

Council receives financial assistance from Transfund for its roading programme. The current financial assistance rate is currently 50%. Transfund calculates the financial assistance rate with the programme size along with land value for each region being the main variables. Transfund have advised that their formulae indicate a subsidy rate of 47% should be applied to Marlborough. The main contributor to this decline in subsidy rate is due to the increase in land value experienced across our region relative to other areas in New Zealand. Transfund have set the 2002/03 financial assistance rate at 49%, the rating impact is \$53,000. Further reductions in the financial assistance rate of 1% are expected for the following two years.

## *Forthcoming issues*

Over the coming year, Council will be considering a number of other issues that have implications for the District as a whole, but which may have particular significance for certain communities. These include:

- Development and management of the Wither Hills
- New Ministry of Health requirements for water supply quality
- Parking charges in the Blenheim CBD area
- Forestry roading

Consultation is planned for the near future - please contact Council offices for information on any of these topics.

# COUNCIL GOALS

The Marlborough District Council has nine key goals:

## 1. Customer Service

To provide quality customer service by identifying and delivering appropriate services efficiently, courteously and in the most cost effective manner which meets the needs of the community.

## 2. Community

To provide (within available resources) recreational, cultural and social services to meet the needs of the various communities within the District.

## 3. Sustainability

To manage the natural resources of the District in a sustainable manner to achieve benefits for present and future generations.

## 4. Growth

To ensure that planning for the District is undertaken in a manner that encourages social and economic growth, giving full recognition to the natural environment.

## 5. Services

To provide services that meet the needs and provide for the well being of the various communities within the District.

## 6. Communication

To use an open and consultative approach to decision making, and inform the public on matters relating to Council activities and policies.

## 7. Employment

To be a good employer and in particular promote equal employment opportunities and develop a work environment that responsibly provides for change.

## 8. Assets and Property

To manage and maintain Council assets (including land and buildings owned by the Marlborough District Council) in the most cost effective and efficient manner while taking account of community needs.

## 9. Administration

To develop administrative services which serve the Marlborough District Council's requirements in an efficient and effective manner. To administer the regulatory obligations of the Marlborough District Council in a manner which is fair, responsible and courteous to the public.

(In the 2001/02 Annual Plan Council had identified 10 key goals. The separate goals for Assets and for Property have now been merged into a single goal).

The relationship between these goals and the Council's mission, and with the services and amenities that are provided, is presented in the following table:

## OUR MISSION

*“Enabling social and economic development in balance with environmental and community needs”*

Present and future generations of Marlburians will enjoy social, cultural and economic well being in a quality natural, physical and social environment

is achieved by our goals for:

### Community

### Sustainability

### Growth

- The recreational, cultural and social needs of Marlborough’s local communities will be provided for.
- Economic development will improve the quality of life without compromising the environment.
- The achievements of past generations will be respected and the entitlements of future generations protected.

and through the results of the Services we provide:

- Marlborough residents, and visitors to Marlborough, have access to services and facilities that foster community health and well-being.
- Marlborough residents’ and ratepayers’ interests are represented in a fair and equitable manner.
- The District’s communities are able to participate in the decision-making processes that affect them.
- Marlborough’s solid waste is managed in a manner which is environmentally and economically acceptable.
- The personal wealth of Marlborough residents and ratepayers is increased.
- The region is well prepared for emergency events, and any harm or loss from emergency events is minimised.
- There is effective dog and stock control in the District.
- The movement of people and goods on roads within the District is convenient and safe.
- All property holdings provide the maximum benefit to the community by either achieving a commercial return on investment or appropriate levels of utilisation.
- Council-provided water reticulation systems are reliable and sustainable, and meet agreed community health standards.
- The economic and ecological threats of animal and plant pests in the District are minimised.
- The spread of Bovine Tuberculosis is contained and the number of infected herds reduced.
- Policy statements and resource management plans promote the sustainable management of Marlborough’s natural and physical resources.
- There is extensive and reliable information available on the state of the District’s environment.
- Local communities are active participants in sustainable management of the District’s resources.
- There is safe use of the region’s natural resources (including Marlborough’s coastal waters).
- Total compliance costs (including the costs to applicants, appellants and to Council) of administering the statutory processes associated with resource consents, building consents and any regulatory responsibilities are minimised.
- Residents and visitors are protected from public health risks.
- There is a level of protection against flood damage to houses and property commensurate with the economic risk that is faced by the community.
- The productive capacity of the land is improved.
- There is a level of protection of property and public health from stormwater flooding (in designated areas), commensurate with the economic risk that is faced by the community.
- Council-provided sewage collection, treatment and disposal services provide protection against public health risks without endangering the environment.

These services will be delivered according to the values expressed by our internal goals:

**Customer Service • Administration • Communication • Assets and Property • Employment**

- Customers will receive excellent service.
- The administration of Council’s business will be efficient and effective.
- Communication will be clear and effective.
- The management of Council’s property and other assets will be efficient and effective.
- Council will be a good employer.

and consistent with our organisational objective:

**“Delivering excellence through teamwork”**

## MEASURING PERFORMANCE

Our success in balancing social and economic development with the needs of our communities and with the environment will best be judged by future generations. The goals that Council has set are long term ones, and achieving them will require the resources of the entire community. Sustainability, Growth, and Community development are goals that we all contribute to.

The Council will be developing indicators that can show progress towards these high level goals. Some of the indicators of environmental and economic health are already in place. Identifying appropriate indicators for the Community goal will take more time, and will involve the people of Marlborough considering what best defines a strong and healthy community.

Performance indicators for the services that the Council provides are listed in the following section, which details the significant activities undertaken by Council. Progress here should mean we are also making progress towards our mission.

Performance against our internal goals is incorporated into the Chief Executive's performance agreement with Council and through the organisation's performance management system for all staff.

## SIGNIFICANT ACTIVITIES

Presentation of this section has been changed from that of the 2001/02 Annual Plan. Goals associated with each activity have been replaced by outcomes that the activity is expected to contribute towards – in other words, a description of the impact or consequence that the activity has for the community. Each significant activity is expected to contribute to the Council's mission and its three main goals (Community, Sustainability, and Growth) by way of one or more outcomes. In aggregate, these outcomes combine to achieve the bigger impacts that Council is working towards - enabling social and economic development in balance with environmental and community needs.

As an example, the activities described in the section on Animal and Plant Pests have the outcome of minimising the economic and ecological threats of regional animal and plant pests in the District. In turn, this combines with the outcomes of other activities to assist growth and sustainability.

A focus on outcomes – keeping the purpose of the activity uppermost – helps to ensure resources are allocated in order to achieve their greatest possible benefit.

As part of this change, the number of objectives and performance indicators has been reduced from 2001/02, and some have been changed. This does not correspond to a reduction in service, or mean less scrutiny of the Council's activities. New objectives and indicators provide a greater focus on the outcome the activity is trying to bring about, with less emphasis on the process. For example, in 2001/02 one of the performance targets was to maintain a log of reported footpath faults. In this year's plan, the focus is on fixing the faults.

# SIGNIFICANT ACTIVITIES

## Community, Recreation, Culture and Heritage

*Activities in this group are associated with the following outcome:*

- *Marlborough residents, and visitors to Marlborough, have access to services and facilities that foster community health and well-being.*

### Description

Marlborough District Council considers social and community development to be an important part of the well-being of Marlborough's community and is an appropriate organisation - in partnership with others - to play an active role in the development of the community. Council assists this development by:

### Providing and maintaining:

- Library facilities
- Parks, reserves, walkways and sportsgrounds
- Community halls and pavilions
- Memorials
- Cemeteries
- Public conveniences.

### Providing financial assistance for the provision of:

- Sports and Events Centre
- Swimming Facilities
- Recreation and leisure programmes
- Art facilities
- Historical facilities
- Social and community services.



Objectives for 2002/2003	Performance Indicators
To provide well maintained gardens, reserves and walkways for public recreational use.	<ul style="list-style-type: none"> <li>• Maintain reserves to the standard required in the Reserves Asset Management Plan.</li> <li>• 100% compliance of playground equipment with NZS 5828.</li> <li>• Respond to all customer enquiries within three working days.</li> <li>• Report on future management and development of the Wither Hills.</li> </ul>
To provide access to recreation opportunities for all communities in Marlborough.	<ul style="list-style-type: none"> <li>• Facilities are maintained to agreed services and standards.</li> <li>• Facilities are allocated to meet the needs of Marlborough Sports Codes.</li> <li>• Hillary Commission Community Sports Fund is administered in accordance with partnership agreement.</li> </ul>
To provide support for arts, museums and historical facilities.	<ul style="list-style-type: none"> <li>• Administer the Creative Communities New Zealand Funding Scheme in line with partnership agreement.</li> <li>• Provide assistance to museums and archives on a case by case basis as provided in existing budgets.</li> <li>• Maintain to an appropriate standard all memorial monuments, clocks and fountains.</li> <li>• Develop and implement a Heritage Policy.</li> <li>• Implement the recommendations of the Arts and Culture Policy Review.</li> </ul>
To provide and promote a library service which is accessible and cost effective for the Marlborough community.	<ul style="list-style-type: none"> <li>• Increase usage and membership of library services.</li> <li>• Maintain average age of library resources.</li> <li>• Maintain the average cost per issue.</li> </ul>
To plan and promote community development within the Marlborough community.	<ul style="list-style-type: none"> <li>• Establish processes for the establishment of a long term community plan.</li> <li>• Provide grants and donations for social and community development groups from within existing budgets.</li> <li>• Provide assistance as required to community groups to access funds from other sources.</li> <li>• Continue to support the Marlborough Safer Community Group in line with sponsorship agreement.</li> <li>• Provide liaison and develop partnerships between community organisations.</li> <li>• Provide assistance for regular networking and forums for youth workers and youth issues.</li> </ul>
To provide cost effective cemetery services to meet the needs of the Marlborough community.	<ul style="list-style-type: none"> <li>• Review of Cemetery operations completed by December 2002.</li> </ul>
To provide attractive, hygienic public conveniences at locations designed to cater for public needs.	<ul style="list-style-type: none"> <li>• Inspect all public conveniences monthly to ensure compliance with contract specifications.</li> <li>• Investigate complaints relating to operations and facilities within 12 hours.</li> <li>• Remedy minor faults within public conveniences within 24 hours of notification.</li> </ul>

## Community, Recreation, Culture and Heritage Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Swimming Pools	410	410	410	410	410	410	410	410	410	410
Reserves	1,864	1,870	1,876	1,889	1,878	1,882	1,885	1,887	1,867	1,865
Halls Museums and Memorials	182	183	183	183	183	183	185	183	187	176
Libraries	1,088	1,089	1,089	1,068	1,067	1,067	1,068	1,072	1,068	1,077
Cemeteries	274	274	274	277	270	275	275	275	276	277
Public Conveniences	332	342	344	350	351	351	352	352	355	360
Community Development	979	1,038	918	926	925	925	926	926	894	885
Special Work Schemes	10	10	11	11	11	11	11	11	11	11
<b>Total Operating Costs</b>	<b>5,139</b>	<b>5,216</b>	<b>5,105</b>	<b>5,114</b>	<b>5,095</b>	<b>5,104</b>	<b>5,112</b>	<b>5,116</b>	<b>5,068</b>	<b>5,061</b>
<b>FUNDED BY</b>										
Rates	4,189	4,150	4,160	4,156	4,142	4,143	4,149	4,158	4,110	4,097
Subsidies	5	5	5	5	5	5	5	5	5	5
User Charges	131	131	131	131	131	131	131	131	131	131
Other Revenue	342	344	347	351	354	358	362	367	371	376
<b>Total Revenue</b>	<b>4,667</b>	<b>4,630</b>	<b>4,643</b>	<b>4,643</b>	<b>4,632</b>	<b>4,637</b>	<b>4,647</b>	<b>4,661</b>	<b>4,617</b>	<b>4,609</b>
General Revenues Applied	472	586	462	471	463	467	465	455	451	452
	<b>5,139</b>	<b>5,216</b>	<b>5,105</b>	<b>5,114</b>	<b>5,095</b>	<b>5,104</b>	<b>5,112</b>	<b>5,116</b>	<b>5,068</b>	<b>5,061</b>
<b>CAPITAL WORKS</b>										
Swimming Pools	4	-	5	-	6	-	-	7	8	-
Reserves	263	273	223	239	226	200	178	158	203	95
Halls Museums and Memorials	52	35	6	8	-	20	2	-	5	4
Libraries	183	215	230	245	255	279	306	212	230	257
Cemeteries	85	35	-	37	25	65	-	-	-	-
Public Conveniences	250	80	16	73	5	35	-	4	30	65
<b>Total Capital Works</b>	<b>837</b>	<b>638</b>	<b>480</b>	<b>602</b>	<b>517</b>	<b>599</b>	<b>486</b>	<b>381</b>	<b>476</b>	<b>421</b>
Debt Repayment	40	42	43	46	48	50	50	50	51	52
	<b>877</b>	<b>680</b>	<b>523</b>	<b>648</b>	<b>565</b>	<b>649</b>	<b>536</b>	<b>431</b>	<b>527</b>	<b>473</b>
<b>FUNDED BY</b>										
Borrowings	250	80	16	110	25	65	-	-	30	65
Transfers from - Depreciation Reserve	258	290	309	328	345	403	400	309	326	356
Other Reserves	369	310	198	210	195	181	136	122	171	52
	<b>877</b>	<b>680</b>	<b>523</b>	<b>648</b>	<b>565</b>	<b>649</b>	<b>536</b>	<b>431</b>	<b>527</b>	<b>473</b>

Note - Refer to note 2 on page 56 for elimination of internal interest

# Economic Development

Activities in this group are associated with the following outcome:

- The personal wealth of Marlborough residents and ratepayers is increased.

## Description

Council's actions significantly affect the development of the regional economy. As a provider of infrastructure, a regulator and a democratic organisation for the people, Council is able to be a facilitator and encourager of the development of the region. Council has determined that its role in economic development is:

- To ensure that Council's infrastructure is able to cope with present and future business and industry needs.
- To ensure that Council services are provided in the most efficient and cost effective manner.
- To ensure that the compliance costs associated with the Council's regulatory responsibilities are balanced with community benefits.
- To ensure that both information providers and seekers are able to easily obtain information on the District.
- To promote Marlborough.

Council provides funding to the following organisations who assist in carrying out its roles:

- Destination Marlborough	\$300,000
- Marlborough Economic Development Trust	\$ 50,000
- Marlborough Research Centre	\$120,000

Long-term indicators of economic development within the region that information is collected on include:

- Increases in the value of land
- Increased capitalisation of land
- Levels of unemployment
- Levels of income generated by individuals and industries.

Objectives for 2002/2003	Performance Indicators
To increase the productivity of agricultural land in Marlborough.	<ul style="list-style-type: none"> <li>Provide support for water augmentation groups in the Awatere and Southern Wairau valleys.</li> </ul>
To encourage education and research opportunities in Marlborough.	<ul style="list-style-type: none"> <li>Facilitate the establishment of Centres of Excellence in education for aviation engineering, viticulture, and aquaculture.</li> <li>Facilitate the establishment of Centres of Excellence in research in wine and aquaculture.</li> <li>Report on Marlborough Research Centre initiatives supported by Council.</li> </ul>
To encourage business development in Marlborough.	<ul style="list-style-type: none"> <li>Report on Marlborough Economic Development Trust initiatives supported by Council.</li> </ul>
To promote tourism in Marlborough by supporting and monitoring Destination Marlborough.	<ul style="list-style-type: none"> <li>Increase in domestic and international guest nights.</li> <li>Increase in average visitor spending.</li> </ul>

## Economic Development Operating Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Destination Marlborough	300	300	300	300	300	300	300	300	300	300
Marlborough Research Centre	121	121	121	121	121	121	121	121	121	121
Other	189	69	69	69	69	69	69	69	69	69
<b>Total Operating Costs</b>	<b>610</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>
<b>FUNDED BY</b>										
Rates	374	374	374	374	374	374	374	374	374	374
Transfers from Reserves	170	50	50	50	50	50	50	50	50	50
General Revenues Applied	66	66	66	66	66	66	66	66	66	66
<b>TOTAL REVENUE</b>	<b>610</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>

# Land Transport

Activities in this group are associated with the following outcomes:

- The movement of people and goods on roads within the District is convenient and safe.

## Description

As owner of the local roading network Council has a legal requirement to provide services to certain standards. Other services and facilities are provided in order to ensure safety and to enhance the economy by encouraging and facilitating development.

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of Transit New Zealand. In addition Council is responsible for all roading related assets - footpaths, berms, street trees and plots, kerb and channelling, undergrounding (in conjunction with Marlborough Lines), street lighting and carparks. Council also participates in road safety programmes for Marlborough roads.

Objectives for 2002/2003	Performance Indicators
To provide a cost effective, safe and efficient roading network.	<ul style="list-style-type: none"> <li>• Maintain average road roughness standards for sealed roads of:               <ul style="list-style-type: none"> <li>(a) 120 for urban roads, and</li> <li>(b) 85 for rural roads.</li> </ul> <i>Note: A newly sealed road has an average roughness value of 50-70. A very rough gravel road will have a roughness value higher than 300.</i> </li> <li>• Not more than eight motor vehicle crashes involving injury on District roads recorded on the Land Transport Safety Authority database with a reported contributing factor of "Road Conditions".</li> <li>• Maintain roading network in accordance with the Asset Management Plan.</li> <li>• Maintain residents' level of satisfaction with roading network to:               <ul style="list-style-type: none"> <li>80% for sealed roads.</li> <li>50% for unsealed roads.</li> </ul> </li> </ul>
Adequately manage the impacts of increased forestry traffic.	<ul style="list-style-type: none"> <li>• Negotiated measures with forest industry to mitigate the effects of significant road damage.</li> </ul>
Maintain all sealed footpaths free from potholes and concrete footpaths free from unevenness.	<ul style="list-style-type: none"> <li>• Minor faults on footpaths repaired within 20 working days of detection. Unevenness greater than 8mm repaired within 5 days.</li> </ul>
Create an environment in the Central Business District conducive for retail shopping.	<ul style="list-style-type: none"> <li>• Complete Blenheim CBD upgrade at the eastern end of High Street.</li> </ul>
To provide well maintained street trees and plots.	<ul style="list-style-type: none"> <li>• Maintain street trees and plots to contract standards and monitor through three monthly audits.</li> <li>• Plant no fewer than 100 new or replacement street trees each year.</li> </ul>
To ensure that parking is reasonably available for the use of shoppers and visitors.	<ul style="list-style-type: none"> <li>• Maintain estimated occupancy rates (on and off-street) at no more than 85%.</li> <li>• Increased compliance with parking limits.</li> </ul>

## Land Transport and Other Services

### Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Roads, Streets and Bridges	8,582	8,614	8,608	8,606	8,555	8,548	8,551	8,561	8,557	8,560
Subdivision Works	34	34	34	34	34	34	34	34	34	34
Parking	514	525	503	502	498	500	503	505	508	509
<b>Total Operating Costs</b>	<b>9,130</b>	<b>9,173</b>	<b>9,145</b>	<b>9,142</b>	<b>9,087</b>	<b>9,082</b>	<b>9,088</b>	<b>9,100</b>	<b>9,099</b>	<b>9,103</b>
Operating Surplus Transferred to Reserves	53	-	-	-	-	-	-	-	-	123
	<b>9,183</b>	<b>9,173</b>	<b>9,145</b>	<b>9,142</b>	<b>9,087</b>	<b>9,082</b>	<b>9,088</b>	<b>9,100</b>	<b>9,099</b>	<b>9,226</b>
<b>FUNDED BY</b>										
Rates	5,425	5,311	5,270	5,264	5,130	5,118	5,141	5,341	5,321	5,505
Subsidies	3,154	3,061	3,001	2,911	2,979	2,973	2,927	3,018	3,039	3,035
User Charges	391	391	391	391	391	391	391	391	391	391
Other Revenue	213	170	223	213	197	247	233	253	306	295
<b>Total Revenue</b>	<b>9,183</b>	<b>8,933</b>	<b>8,885</b>	<b>8,779</b>	<b>8,697</b>	<b>8,729</b>	<b>8,692</b>	<b>9,003</b>	<b>9,057</b>	<b>9,226</b>
General Revenues Applied	-	240	260	363	390	353	396	97	42	-
	<b>9,183</b>	<b>9,173</b>	<b>9,145</b>	<b>9,142</b>	<b>9,087</b>	<b>9,082</b>	<b>9,088</b>	<b>9,100</b>	<b>9,099</b>	<b>9,226</b>
<b>CAPITAL WORKS</b>										
Roads, Streets and Bridges	5,046	3,854	3,745	3,537	3,655	3,607	3,618	3,839	3,988	3,960
Subdivision Works	113	113	113	113	113	113	113	113	113	113
Parking	125	125	25	25	25	25	25	25	25	25
<b>Total Capital Works</b>	<b>5,284</b>	<b>4,092</b>	<b>3,883</b>	<b>3,675</b>	<b>3,793</b>	<b>3,745</b>	<b>3,756</b>	<b>3,977</b>	<b>4,126</b>	<b>4,098</b>
Debt Repayment	711	314	314	1,018	219	219	219	219	219	300
	<b>5,995</b>	<b>4,406</b>	<b>4,197</b>	<b>4,693</b>	<b>4,012</b>	<b>3,964</b>	<b>3,328</b>	<b>3,973</b>	<b>4,151</b>	<b>4,398</b>
<b>FUNDED BY</b>										
Borrowings	1,100	335	-	-	-	-	-	-	-	-
Sinking Fund Withdrawals	346	-	-	704	-	-	-	-	-	81
Transfers from -										
Depreciation Reserve	606	606	605	605	605	605	605	605	603	605
DISP Reserve	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
Other Reserves	936	459	586	379	402	353	(282)	362	543	707
	<b>5,994</b>	<b>4,406</b>	<b>4,197</b>	<b>4,694</b>	<b>4,013</b>	<b>3,964</b>	<b>3,329</b>	<b>3,973</b>	<b>4,152</b>	<b>4,399</b>

DISP (Decline in Service Potential) is explained in the glossary.

Refer to note 2 on page 56 for elimination of internal interest.

## Rivers and Land Drainage

Activities in this group are associated with the following outcomes:

- There is a level of protection against flood damage to houses and property commensurate with the economic risk that is faced by the community.

*Note: The Wairau River is a potential destroyer of resources and is the greatest threat to the Wairau plains. Council is committed to protect Blenheim and the main Wairau floodplain (downstream of the Waihopai) to a high standard and ratepayers in this area are charged a rivers works rate accordingly. Picton and Waikawa are also protected to a high standard. Outside of these areas, and given the level of risk and the cost of reducing that risk, Council has assumed limited responsibility for protection work to lessen the impact of flooding and erosion.*

- The productive capacity of the land is improved.

# STATEMENT OF FINANCIAL PERFORMANCE

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - FOR THE YEAR ENDING 30TH JUNE

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Net Cost of Council Activities</b>										
<b>Significant Activities - Services</b>										
Community, Recreation,										
Culture and Heritage	5,057	5,134	5,023	5,032	5,013	5,022	5,030	5,034	4,986	4,979
Economic Development	610	490	490	490	490	490	490	490	490	490
Rivers and Land Drainage	2,253	2,228	2,230	2,228	2,233	2,226	2,227	2,227	2,236	2,228
Land Transport and Other Services	8,648	8,701	8,673	8,670	8,647	8,642	8,648	8,660	8,659	8,663
Sewerage	2,300	2,611	2,638	2,657	2,778	2,706	2,743	2,832	2,944	2,943
Stormwater	559	559	557	559	560	562	565	566	567	555
Waste Management	2,367	2,380	2,376	2,498	2,523	2,530	2,539	2,547	2,555	2,606
Water	2,059	2,270	2,326	2,543	2,605	2,655	2,657	2,685	2,686	2,690
Animal Control	194	193	193	193	193	193	193	193	193	193
Democratic Process	1,626	1,649	1,696	1,627	1,630	1,672	1,614	1,637	1,681	1,619
Emergency Management	575	425	415	416	416	416	417	417	417	419
	<b>26,248</b>	<b>26,640</b>	<b>26,617</b>	<b>26,913</b>	<b>27,088</b>	<b>27,114</b>	<b>27,123</b>	<b>27,288</b>	<b>27,414</b>	<b>27,385</b>
<b>Significant Activities - Resource Mgmt/Regulatory</b>										
Animals and Plant Pests Control	3,619	4,005	4,033	4,096	4,174	4,350	4,930	4,281	4,283	4,287
Consents and Compliance	3,404	3,355	3,355	3,352	3,343	3,342	3,346	3,348	3,353	3,370
Environment	2,158	2,153	2,156	2,153	2,152	2,156	2,161	2,165	2,168	2,168
Harbour Control	501	496	495	489	490	490	493	495	497	501
	<b>9,682</b>	<b>10,009</b>	<b>10,039</b>	<b>10,090</b>	<b>10,159</b>	<b>10,338</b>	<b>10,930</b>	<b>10,289</b>	<b>10,301</b>	<b>10,326</b>
<b>Significant Activities - Commercial</b>										
Commercial and Other Property	774	751	771	750	763	767	763	807	759	774
	<b>774</b>	<b>751</b>	<b>771</b>	<b>750</b>	<b>763</b>	<b>767</b>	<b>763</b>	<b>807</b>	<b>759</b>	<b>774</b>
<b>General Expenses</b>	817	669	696	719	708	708	710	691	710	723
<b>Marlborough Regional Forestry Expenditure</b>	511	362	405	414	402	458	496	545	538	578
<b>Total Expenditure of Council Activities</b>	<b>38,032</b>	<b>38,431</b>	<b>38,528</b>	<b>38,886</b>	<b>39,120</b>	<b>39,385</b>	<b>40,022</b>	<b>39,620</b>	<b>39,722</b>	<b>39,787</b>
<b>Subsidiaries Expenditure</b>										
Port Marlborough (Consolidated)	7,876	9,166	9,085	9,032	8,980	8,455	8,268	7,998	7,851	8,017
MDC Holdings Ltd	924	920	915	910	905	901	896	891	887	882
	<b>8,800</b>	<b>10,086</b>	<b>10,000</b>	<b>9,942</b>	<b>9,885</b>	<b>9,356</b>	<b>9,164</b>	<b>8,889</b>	<b>8,738</b>	<b>8,899</b>
<b>Total Expenditure</b>	<b>46,832</b>	<b>48,517</b>	<b>48,528</b>	<b>48,828</b>	<b>49,005</b>	<b>48,741</b>	<b>49,186</b>	<b>48,509</b>	<b>48,460</b>	<b>48,686</b>
<b>Revenue</b>										
District wide -General Rates & Charges	5,171	5,232	5,281	5,233	5,223	5,263	5,201	5,230	5,268	5,213
Geographic Areas General Rates & Charges	12,213	12,267	12,278	12,423	12,314	12,371	12,405	12,630	12,584	12,880
Separate Rates & Charges	9,711	9,892	9,990	10,174	10,345	10,320	10,503	10,700	10,809	10,853
Subsidies & Grants	5,591	5,818	5,760	5,740	5,889	6,055	6,586	6,011	6,032	6,028
Interest	597	555	738	910	1,070	1,282	1,488	1,710	1,925	2,211
Other - Marlborough District Council	7,525	7,324	7,508	7,435	7,435	7,467	7,435	7,436	7,432	7,414
Other - Subsidiaries	18,035	21,528	20,613	22,131	23,474	24,062	25,288	25,456	26,762	27,232
<b>Total Revenue</b>	<b>58,843</b>	<b>62,616</b>	<b>62,168</b>	<b>64,046</b>	<b>65,750</b>	<b>66,820</b>	<b>68,906</b>	<b>69,173</b>	<b>70,812</b>	<b>71,832</b>
<b>Less Total Expenses</b>	<b>46,832</b>	<b>48,517</b>	<b>48,528</b>	<b>48,828</b>	<b>49,005</b>	<b>48,741</b>	<b>49,186</b>	<b>48,509</b>	<b>48,460</b>	<b>48,686</b>
<b>Surplus / (Deficit)</b>	<b>12,011</b>	<b>14,099</b>	<b>13,640</b>	<b>15,218</b>	<b>16,745</b>	<b>18,079</b>	<b>19,720</b>	<b>20,664</b>	<b>22,353</b>	<b>23,146</b>
Taxation	2,074	2,720	2,767	3,176	3,644	3,998	4,408	4,690	4,986	5,180
<b>Net Surplus / (Deficit) after Taxation</b>	<b>9,937</b>	<b>11,379</b>	<b>10,873</b>	<b>12,042</b>	<b>13,101</b>	<b>14,081</b>	<b>15,312</b>	<b>15,974</b>	<b>17,367</b>	<b>17,966</b>

# Sewerage

Activities in this group are associated with the following outcome:

- Council-provided sewage collection, treatment and disposal services provide protection against public health risks without endangering the environment.

## Description

Council operates urban sewage collection, treatment and disposal system to protect both the health of the community and the physical environment. Council operates five sewerage systems as follows:

Area	Pipeline Length	Number of Users (Est.)
Blenheim	126 km	9,570
Picton	27 km	2,110
Havelock	7 km	249
Seddon	7 km	210
Spring Creek	4 km	149

Objectives for 2002/2003	Performance Indicators
To provide sewage collection, treatment and disposal to a high standard.	<ul style="list-style-type: none"> <li>Respond to 95% of unplanned interruptions or blockages of the sewerage system within two hours, and to restore toilet facilities to all customers affected within six hours of notification.</li> <li>Where extended interruption occurs, to provide alternative toilet facilities after the six hour period.</li> <li>Respond to blockages in the sewerage reticulation system causing an overflow within one hour of notification, take action to stop the overflow within two hours, and clean up after overflows within 24 hours.</li> <li>Monitor groundwater flows against sewer flows and report on the effectiveness of the infiltration improvement programme.</li> </ul>
To dispose of sewage in a manner which does not endanger public health.	<ul style="list-style-type: none"> <li>100% compliance with Resource Consent requirements.</li> </ul>
To provide sustainable sewage disposal networks.	<ul style="list-style-type: none"> <li>Maintain asset management systems and plans for all sewerage systems.</li> </ul>

## Sewerage Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Blenheim	1,739	1,952	1,959	1,972	2,063	2,002	2,063	2,100	2,101	2,097
Picton	675	663	662	662	661	661	661	714	824	822
Havelock	75	75	81	86	105	84	84	83	83	89
Renwick	-	110	110	110	110	110	110	110	110	110
Seddon	44	44	43	43	61	59	47	47	47	47
Spring Creek	40	40	56	57	51	63	51	51	51	51
Total Operating Costs	<b>2,573</b>	<b>2,884</b>	<b>2,911</b>	<b>2,930</b>	<b>3,051</b>	<b>2,979</b>	<b>3,016</b>	<b>3,105</b>	<b>3,216</b>	<b>3,216</b>
Operating Surplus: Transferred to Reserves	335	452	480	506	512	557	577	686	717	762
	<b>2,908</b>	<b>3,336</b>	<b>3,391</b>	<b>3,436</b>	<b>3,563</b>	<b>3,536</b>	<b>3,593</b>	<b>3,791</b>	<b>3,933</b>	<b>3,978</b>
<b>FUNDED BY</b>										
Rates	2,495	2,909	2,943	2,967	3,070	3,019	3,049	3,220	3,330	3,342
User Charges	382	382	382	382	382	382	382	382	382	382
Other Revenue	31	45	66	87	111	135	162	189	221	254
Total Revenue	<b>2,908</b>	<b>3,336</b>	<b>3,391</b>	<b>3,436</b>	<b>3,563</b>	<b>3,536</b>	<b>3,593</b>	<b>3,791</b>	<b>3,933</b>	<b>3,978</b>
<b>CAPITAL WORKS</b>										
Blenheim	2,055	2,293	352	559	438	670	317	1,431	256	271
Picton	61	70	223	61	61	82	438	763	61	61
Havelock	54	17	17	28	111	6	7	7	6	6
Renwick	1,782	3,181	-	-	-	-	-	-	-	-
Seddon	1	1	1	6	96	1	1	1	1	1
Spring Creek	13	3	152	1	1	2	2	2	1	1
Total Capital Works	<b>3,966</b>	<b>5,565</b>	<b>745</b>	<b>655</b>	<b>707</b>	<b>761</b>	<b>765</b>	<b>2,204</b>	<b>325</b>	<b>340</b>
Debt Repayment	247	347	351	355	360	370	375	423	438	497
	<b>4,213</b>	<b>5,912</b>	<b>1,096</b>	<b>1,010</b>	<b>1,067</b>	<b>1,131</b>	<b>1,140</b>	<b>2,627</b>	<b>763</b>	<b>837</b>
<b>FUNDED BY</b>										
Borrowings	1,749	3,347	153	190	234	310	-	1,730	-	-
Sinking Fund Withdrawals	-	-	-	-	-	-	4	3	19	75
Transfers from - Depreciation Reserve	2	2	2	2	2	2	2	2	2	2
DISP Reserve	371	391	530	451	418	421	559	445	308	308
Other Reserves	2,091	2,172	411	367	413	398	575	447	434	452
	<b>4,213</b>	<b>5,912</b>	<b>1,096</b>	<b>1,010</b>	<b>1,067</b>	<b>1,131</b>	<b>1,140</b>	<b>2,627</b>	<b>763</b>	<b>837</b>

DISP (Decline in Service Potential) is explained in the glossary. Refer to note 2 on page 56 for elimination of internal interest.



# Stormwater

Activities in this group are associated with the following outcome:

- There is a level of protection of property and public health from stormwater flooding (in designated areas) commensurate with the economic risk that is faced by the community.

## Description

Stormwater systems are provided to minimise disruptions from rain events and to provide for the safety of residents.

Council operates 120 kilometres of stormwater pipe drains for these purposes, predominantly in the urban areas of Picton and Blenheim. As stormwater systems are complex and expensive, a degree of prioritisation is required. Those areas where there is a possibility of water entering houses or commercial buildings are given first priority. Second priority is given to areas where

there is a possibility of water entering garages or outbuildings, followed by areas where water may pond on garden areas and roads.

There is an increasing community expectation in relation to stormwater disposal. Short term ponding of stormwater during heavy storm events is less acceptable now than in the past. This increased expectation coupled with the increased flow to stormwater systems from driveway and yard drainage has created a need to review design standards. Council has commissioned an investigation of the entire Blenheim stormwater system in order to determine the extent of capacity restrictions in order to develop an upgrade programme. The cost of any upgrades required are likely to be significant but are not able to be quantified at present. As such no provision has been included in the budgets for upgrade work.

Objectives for 2002/2003	Performance Indicators
To provide stormwater collection and disposal to a high standard.	<ul style="list-style-type: none"> <li>• Carry out scheduled maintenance of stormwater disposal assets and ensure that flow obstruction caused by debris build up is kept within acceptable limits.</li> <li>• For storms of severity equivalent to a two year return period, there will no incidences of stormwater damage to homes or commercial buildings.</li> </ul>

## Stormwater - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Blenheim	574	572	570	570	569	569	570	570	570	569
Picton	132	134	135	137	139	141	143	144	145	144
Other Schemes	68	68	67	67	67	67	67	67	67	56
<b>Total Operating Costs</b>	<b>774</b>	<b>774</b>	<b>772</b>	<b>774</b>	<b>775</b>	<b>777</b>	<b>780</b>	<b>781</b>	<b>782</b>	<b>769</b>
Operating Surplus:										
Transferred to Reserves	-	-	-	8	36	65	73	85	103	131
	<b>774</b>	<b>774</b>	<b>772</b>	<b>782</b>	<b>811</b>	<b>842</b>	<b>853</b>	<b>866</b>	<b>885</b>	<b>900</b>
<b>FUNDED BY</b>										
Rates	667	677	687	708	729	751	753	755	764	768
User Charges	29	29	29	29	29	29	29	29	29	29
Other Revenue	22	29	37	45	53	62	71	82	92	103
<b>Total Revenue</b>	<b>718</b>	<b>735</b>	<b>753</b>	<b>782</b>	<b>811</b>	<b>842</b>	<b>853</b>	<b>866</b>	<b>885</b>	<b>900</b>
General Revenues										
Applied	56	39	19	(8)	-	-	-	-	-	-
	<b>774</b>	<b>774</b>	<b>772</b>	<b>774</b>	<b>811</b>	<b>842</b>	<b>853</b>	<b>866</b>	<b>885</b>	<b>900</b>
<b>CAPITAL WORKS</b>										
Blenheim	290	170	170	264	170	140	130	172	130	134
Picton	55	55	55	55	55	55	55	55	24	24
Other Schemes	18	18	18	18	18	28	28	28	31	52
<b>Total Capital Works</b>	<b>363</b>	<b>243</b>	<b>243</b>	<b>337</b>	<b>243</b>	<b>223</b>	<b>213</b>	<b>255</b>	<b>185</b>	<b>210</b>
Debt Repayment	105	105	105	105	105	105	105	105	105	320
	<b>468</b>	<b>348</b>	<b>348</b>	<b>442</b>	<b>348</b>	<b>328</b>	<b>318</b>	<b>360</b>	<b>290</b>	<b>530</b>
<b>FUNDED BY</b>										
Borrowings	24	24	24	24	24	24	24	24	-	-
Sinking Fund Withdrawals	-	-	-	-	-	-	-	-	-	221
Transfers from -										
DISP Reserve	247	207	207	207	187	157	157	157	144	144
Other Reserves	197	117	117	211	137	147	137	179	146	165
	<b>468</b>	<b>348</b>	<b>348</b>	<b>442</b>	<b>348</b>	<b>328</b>	<b>318</b>	<b>360</b>	<b>290</b>	<b>530</b>

DISP (Decline in Service Potential) is explained in the glossary. Refer to note 2 on page 56 for elimination of internal interest.

# Waste Management

Activities in this group are associated with the following outcome:

- Marlborough's solid waste is managed in a manner which is environmentally and economically acceptable.

## Description

Council provides waste management services for public health reasons and to protect the environment. Kerbside refuse collection is provided in Picton and Blenheim and waste transfer

stations are operated at seven locations throughout Marlborough. Waste is transported to the regional landfill south of Blenheim on the Taylor Pass road. Green waste composting and some recycling facilities are provided at the Blenheim transfer station along with a hazardous waste collection facility. Council conducts education and training programmes for recycling and waste minimisation as well as providing support for research programmes.

Objectives for 2002/2003	Performance Indicators
To ensure the provision of waste collection in specified areas.	<ul style="list-style-type: none"> <li>• Weekly kerbside refuse collection services in Blenheim and Picton.</li> </ul>
To dispose of the District's waste in an environmentally acceptable manner.	<ul style="list-style-type: none"> <li>• Landfill sites comply fully with resource consent conditions.</li> </ul>
To encourage better recycling and Waste Management practices.	<ul style="list-style-type: none"> <li>• Provide schools, businesses and interest groups with education and training programmes for waste minimisation.</li> <li>• Support community recycling initiatives.</li> </ul>

## Waste Management - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Landfill and										
Transfer Stations	1,842	1,859	1,859	1,981	2,007	2,014	2,022	2,030	2,038	2,089
Blenheim Refuse	605	602	599	599	598	598	599	599	599	599
Picton Refuse	166	165	164	164	164	164	164	164	164	164
<b>Total Operating Costs</b>	<b>2,613</b>	<b>2,626</b>	<b>2,622</b>	<b>2,744</b>	<b>2,769</b>	<b>2,776</b>	<b>2,785</b>	<b>2,793</b>	<b>2,801</b>	<b>2,852</b>
<b>FUNDED BY</b>										
Rates	1,441	1,438	1,442	1,562	1,586	1,630	1,631	1,631	1,631	1,752
User Charges	763	782	782	783	784	784	785	786	786	786
Other Revenue	25	35	45	56	70	84	100	116	133	151
<b>Total Revenue</b>	<b>2,229</b>	<b>2,255</b>	<b>2,269</b>	<b>2,401</b>	<b>2,440</b>	<b>2,498</b>	<b>2,516</b>	<b>2,533</b>	<b>2,550</b>	<b>2,689</b>
General Revenue										
Applied	384	371	353	343	329	278	269	260	251	163
	<b>2,613</b>	<b>2,626</b>	<b>2,622</b>	<b>2,744</b>	<b>2,769</b>	<b>2,776</b>	<b>2,785</b>	<b>2,793</b>	<b>2,801</b>	<b>2,852</b>
<b>CAPITAL WORKS</b>										
Landfill and										
Transfer Stations	240	30	25	1,482	280	30	30	30	30	1,487
<b>Total Capital Works</b>	<b>240</b>	<b>30</b>	<b>25</b>	<b>1,482</b>	<b>280</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>1,487</b>
Debt Repayment	190	190	190	234	242	242	242	242	242	392
	<b>430</b>	<b>220</b>	<b>215</b>	<b>1,716</b>	<b>522</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>1,879</b>
Transfers to Reserves	366	345	357	319	319	321	328	335	342	119
	<b>796</b>	<b>565</b>	<b>572</b>	<b>2,035</b>	<b>841</b>	<b>593</b>	<b>600</b>	<b>607</b>	<b>614</b>	<b>1,998</b>
<b>FUNDED BY</b>										
Borrowings	250	-	-	1,456	255	-	-	-	-	1,384
Transfers from -										
Depn / Amort. Reserve	546	565	572	579	586	593	600	607	614	614
	<b>796</b>	<b>565</b>	<b>572</b>	<b>2,035</b>	<b>841</b>	<b>593</b>	<b>600</b>	<b>607</b>	<b>614</b>	<b>1,998</b>

Refer to note 2 on page 56 for elimination of internal interest.

## Water Supply

Activities in this group are associated with the following outcome:

- Council-provided water reticulation systems are reliable and sustainable, and meet agreed community health standards.

### Description

Council has a legal obligation to undertake the provision of water to urban areas and seeks to ensure appropriate quality and service standards are met. In addition Council ensures that growth is catered for and that reticulation systems meet fire fighting standards. Council operates seven water supply systems as follows:

Area	Pipeline Length (Kms)	Number of Connections (Est.)
Blenheim	105	9,440
Picton	41	2,020
Havelock	6	230
Renwick	11	650
Riverlands	3	89
Wairau Valley	13	42
Awatere	134	600

Objectives for 2002/2003	Performance Indicators
To provide a reliable water supply.	<ul style="list-style-type: none"> <li>Council and its contractors operate to the following service targets:               <ol style="list-style-type: none"> <li>Respond within two hours to complaints of lost supply.</li> <li>Restore any lost supply within eight hours of the fault.</li> <li>Install 85% of new connections within 10 working days of application, or by agreed alternative date.</li> </ol> </li> </ul>
To provide a water supply which meets agreed community standards.	<ul style="list-style-type: none"> <li>All water systems tested regularly to ensure that the water quality established for that system is maintained (the standard against which results are compared is the Drinking Water Standards for New Zealand 2000).</li> <li>Details of test results supplied to the Ministry of Health for inclusion in the national grading programme.</li> </ul>
To provide a sustainable water supply.	<ul style="list-style-type: none"> <li>Maintain asset management systems and plans for all water supply systems.</li> </ul>

## Water - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Blenheim	1,552	1,723	1,762	1,761	1,759	1,759	1,760	1,761	1,762	1,758
Picton	543	580	578	628	694	693	693	693	693	692
Renwick	110	109	118	185	184	184	184	189	189	189
Havelock	111	112	123	128	131	131	132	132	132	131
Awatere	223	226	225	324	324	324	324	346	346	346
Riverlands	40	39	39	39	39	89	89	89	89	99
Wairau Valley	17	17	27	27	27	27	27	27	27	27
<b>Total Operating Costs</b>	<b>2,596</b>	<b>2,806</b>	<b>2,872</b>	<b>3,092</b>	<b>3,158</b>	<b>3,207</b>	<b>3,209</b>	<b>3,237</b>	<b>3,238</b>	<b>3,242</b>
Operating Surplus:										
Transferred to Reserves	807	914	949	993	1,021	1,036	1,082	1,129	1,116	1,185
	<b>3,403</b>	<b>3,720</b>	<b>3,821</b>	<b>4,085</b>	<b>4,179</b>	<b>4,243</b>	<b>4,291</b>	<b>4,366</b>	<b>4,354</b>	<b>4,427</b>
<b>FUNDED BY</b>										
Rates	3,272	3,573	3,653	3,893	3,957	3,990	4,002	4,040	4,039	4,070
User Charges	73	73	73	73	73	73	73	73	23	23
Other Revenue	58	74	95	119	149	180	216	253	292	334
<b>Total Revenue</b>	<b>3,403</b>	<b>3,720</b>	<b>3,821</b>	<b>4,085</b>	<b>4,179</b>	<b>4,243</b>	<b>4,291</b>	<b>4,366</b>	<b>4,354</b>	<b>4,427</b>
<b>CAPITAL WORKS</b>										
Blenheim	666	3,680	1,492	308	289	756	380	400	385	557
Picton	604	612	318	744	921	91	91	91	90	213
Renwick	47	45	153	862	12	12	18	78	12	12
Havelock	39	34	159	68	58	3	4	4	3	3
Awatere	69	115	114	1,363	62	63	77	344	62	57
Riverlands	1	1	1	1	48	774	1	1	16	161
<b>Total Capital Works</b>	<b>1,426</b>	<b>4,487</b>	<b>2,373</b>	<b>3,346</b>	<b>1,390</b>	<b>1,699</b>	<b>571</b>	<b>918</b>	<b>568</b>	<b>1,003</b>
Debt Repayment	243	324	339	418	443	452	452	462	462	600
	<b>1,669</b>	<b>4,811</b>	<b>2,712</b>	<b>3,764</b>	<b>1,833</b>	<b>2,151</b>	<b>1,023</b>	<b>1,380</b>	<b>1,030</b>	<b>1,603</b>
<b>FUNDED BY</b>										
Borrowings	503	2,732	851	2,783	868	625	-	335	-	135
Transfers from -										
Depn Reserve	4	4	4	4	4	4	4	4	4	4
DISP Reserve	385	430	384	384	410	364	375	367	368	423
Other Reserves	777	1,645	1,473	593	551	1,158	644	674	658	1,041
	<b>1,669</b>	<b>4,811</b>	<b>2,712</b>	<b>3,764</b>	<b>1,833</b>	<b>2,151</b>	<b>1,023</b>	<b>1,380</b>	<b>1,030</b>	<b>1,603</b>

DISP (Decline in Service Potential) is explained in the Glossary. Refer to note 2 on page 56 for elimination of internal interest.

## Animal Control

Activities in this group are associated with the following outcome:

- There is effective dog and stock control in the District.

### Description

Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1995, and Dog Control Bylaws. Council is required to control animals and stock within the region, and to educate the public about the care and control of animals. A large part of the activity involves dogs and dog registrations.

Objectives for 2002/2003	Performance Indicators
To provide effective animal control in the Marlborough District.	<ul style="list-style-type: none"> <li>• Investigate all dog attacks within four hours of notification and complete processing within three days.</li> <li>• Investigate all other complaints within two working days.</li> <li>• Recover all dog control costs through registration fees and fines.</li> <li>• Recover 70% of other pound costs through impounding fees.</li> </ul>

## Animal Control - Operating Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Animal Control	194	193	193	193	193	193	193	193	193	193
<b>Total Operating Costs</b>	<b>194</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>
Operating Surplus:										
Transferred to Reserves	9	10	10	10	10	10	10	10	10	10
	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>FUNDED BY</b>										
Other Revenue	203	203	203	203	203	203	203	203	203	203
	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>

## Democratic Process

Activities in this group are associated with the following outcomes:

- Marlborough residents' and ratepayers' interests are represented in a fair and equitable manner.
- The District's communities are able to participate in the decision-making processes that affect them.

### Description

Council is an elected body that governs the direction and objectives it is responsible for on behalf of the District. The Marlborough District Council is a unitary authority. A unitary authority has the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act.

Objectives for 2002/2003	Performance Indicators
To represent constituents in a fair and equitable manner.	<ul style="list-style-type: none"> <li>• All meetings of councillors to comply with the provisions of the Local Government Official Information and Meetings Act and Standing Orders.</li> </ul>
To conduct Council business in a transparent manner.	<ul style="list-style-type: none"> <li>• All scheduled meetings advertised in the local media no less than five working days prior to meeting wherever possible.</li> <li>• Agendas and attachments available at least three working days prior to meeting.</li> <li>• Council's Annual Plan and Report adopted in accordance with statutory requirements.</li> </ul>

## Democratic Process - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Democratic Process	1,626	1,649	1,696	1,627	1,630	1,672	1,614	1,637	1,681	1,619
<b>Total Operating Costs</b>	<b>1,626</b>	<b>1,649</b>	<b>1,696</b>	<b>1,627</b>	<b>1,630</b>	<b>1,672</b>	<b>1,614</b>	<b>1,637</b>	<b>1,681</b>	<b>1,619</b>
<b>FUNDED BY</b>										
Rates	1,566	1,589	1,636	1,567	1,570	1,612	1,554	1,577	1,621	1,559
Other Revenue	2	2	2	2	2	2	2	2	2	2
General Revenue										
Applied	58	58	58	58	58	58	58	58	58	58
	<b>1,626</b>	<b>1,649</b>	<b>1,696</b>	<b>1,627</b>	<b>1,630</b>	<b>1,672</b>	<b>1,614</b>	<b>1,637</b>	<b>1,681</b>	<b>1,619</b>
<b>CAPITAL WORKS</b>										
Democratic Process	10	-	4	-	-	4	-	-	4	-
<b>Total Capital Works</b>	<b>10</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>FUNDED BY</b>										
Transfers from - Depreciation Reserve	10	-	4	-	-	4	-	-	4	-
	<b>10</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>

## Emergency Management

Activities in this group are associated with the following outcome:

- The region is well prepared for emergency events, and any harm or loss from emergency events is minimised.

### Description

Council is responsible for a number of emergency services such as civil defence, rural fire response, oil spills in the Marlborough Sounds, and flooding. Revised legislation is expected to set new requirements for local authorities to have in place systems and processes so that communities are prepared for civil defence events, and respond effectively when events occur. As part of its response to these new requirements, Council is consolidating the management of its emergency services, and will be upgrading civil defence facilities.

Objectives for 2002/2003	Performance Indicators
The Marlborough region is adequately prepared for emergency events.	<ul style="list-style-type: none"> <li>• Maintain a Civil Defence plan for the region.</li> <li>• Upgrade emergency management control facilities and communication systems.</li> </ul>

## Emergency Management - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Emergency										
Management	444	425	415	416	416	416	417	417	417	419
<b>Total Operating Costs</b>	<b>444</b>	<b>425</b>	<b>415</b>	<b>416</b>	<b>416</b>	<b>416</b>	<b>417</b>	<b>417</b>	<b>417</b>	<b>419</b>
<b>FUNDED BY</b>										
Rates	385	366	356	357	357	357	358	358	358	360
User Charges	59	59	59	59	59	59	59	59	59	59
<b>Total Revenue</b>	<b>444</b>	<b>425</b>	<b>415</b>	<b>416</b>	<b>416</b>	<b>416</b>	<b>417</b>	<b>417</b>	<b>417</b>	<b>419</b>
<b>CAPITAL WORKS</b>										
Emergency										
Management	427	23	27	26	23	25	27	23	26	26
<b>Total Capital Works</b>	<b>427</b>	<b>23</b>	<b>27</b>	<b>26</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>23</b>	<b>26</b>	<b>26</b>
<b>FUNDED BY</b>										
Disposals	100	-	-	-	-	-	-	-	-	-
Transfers from - Depreciation Reserve	30	23	27	26	23	25	27	23	26	26
Other Reserves	297	-	-	-	-	-	-	-	-	-
	<b>427</b>	<b>23</b>	<b>27</b>	<b>26</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>23</b>	<b>26</b>	<b>26</b>

## Animal and Plant Pests

Activities in this group are associated with the following outcomes:

- The economic and ecological threats of animal and plant pests in the District are minimised.
- The spread of Bovine Tuberculosis is contained and the number of infected herds reduced.

### Description

This activity provides protection to the environment and productive land. Council carries out animal and plant pest control in accordance with its Regional Pest Management Strategy, prepared in conjunction with stake holders and in compliance with the Biosecurity Act 1993 and the Resource Management Act 1991. Control is carried out jointly by Council and land occupiers, and a major part of Council's pest management activity is directed towards providing advice to land owners on identifying and controlling pests. The Regional Pest Management Strategy defines and classifies pests in the region into four categories:

- **Total Control Pests** – pests to be eradicated throughout the region. The onus for control is shared between the land occupier and Council.
- **Containment Pests** – pests that require control to prevent spread and to reduce overall pest density levels over time.
- **Surveillance Pests** – pests which have significance but where the only control is the banning of sale and distribution. Council provides advice and education as well as monitoring of impacts and distribution.
- **Ecological Threats** – pests that are regarded as being widely distributed and have been acknowledged as a threat to ecological values. Possible future control at certain sites of ecological value.

In the main land occupiers have responsibility for controlling pests on their properties - the exception to this is where Council manages pests classified as "total control" pests. Further information on Council's control of regional plant and animal pests is available in the Regional Pest Management Strategy, which can be viewed on our website or is available from Council. An annual operational plan provides detailed information on activities being undertaken in any year.

Council also carries out activities to reduce the impact of bovine tuberculosis in the region, as part of a proposed national strategy for a Tb free New Zealand by 2012/13. Central government provides funding (with other stakeholders) to carry out the programme of works for bovine Tb vector control.

Objectives for 2002/2003	Performance Indicators
To monitor and implement control for Regional animal and plant pests throughout the District.	<ul style="list-style-type: none"> <li>• Monitor and report on the effectiveness of control programmes for regional pests.</li> <li>• Long-term (5 year +) trend of no increase in containment pest populations in known sites.</li> <li>• Long-term (5 year +) trend of decline in total control pest populations.</li> <li>• 100% compliance for all land occupiers where containment control pests exists above the maximum allowable levels determined by the Pest Management Strategy.</li> </ul>
To prevent the establishment of new Bovine Tuberculosis risk areas and/or the expansion of existing risk areas into farmland free of Bovine Tb.	<ul style="list-style-type: none"> <li>• Maintain possum populations in operational areas to less than or equal to the residual trap catch level stipulated in the operational plan.</li> <li>• No infected herds outside existing risk areas.</li> </ul>
To prevent any increase from vector related Bovine Tb in vector control areas.	<ul style="list-style-type: none"> <li>• Hold or decline in the number of infected herds in existing risk areas.</li> </ul>

## Animal and Plant Pest Control - Operating Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Bovine TB Control	3,152	3,538	3,541	3,605	3,684	3,860	4,439	3,790	3,791	3,794
Regional Pest Management	467	467	492	491	490	490	491	491	492	493
<b>Total Operating Costs</b>	<b>3,619</b>	<b>4,005</b>	<b>4,033</b>	<b>4,096</b>	<b>4,174</b>	<b>4,350</b>	<b>4,930</b>	<b>4,281</b>	<b>4,283</b>	<b>4,287</b>
<b>FUNDED BY</b>										
Rates	679	747	773	766	763	768	770	787	788	793
Subsidies	2,425	2,745	2,746	2,817	2,898	3,070	3,647	2,981	2,981	2,981
Other Revenue	376	376	376	376	376	376	376	376	376	376
<b>Total Revenue</b>	<b>3,480</b>	<b>3,868</b>	<b>3,895</b>	<b>3,959</b>	<b>4,037</b>	<b>4,214</b>	<b>4,793</b>	<b>4,144</b>	<b>4,145</b>	<b>4,150</b>
<b>General Revenues</b>										
Applied	139	137	138	137	137	136	137	137	138	137
	<b>3,619</b>	<b>4,005</b>	<b>4,033</b>	<b>4,096</b>	<b>4,174</b>	<b>4,350</b>	<b>4,930</b>	<b>4,281</b>	<b>4,283</b>	<b>4,287</b>



# Consents and Compliance

*Activities in this group are associated with the following outcomes:*

- *There is safe use of the region's natural resources.*
- *Total compliance costs (including the costs to applicants, appellants and to Council) of administering the statutory processes associated with resource consents, building consents and any regulatory responsibilities are minimised.*
- *Residents and visitors are protected from public health risks.*

## Description

The Resource Management Act charges Council with the statutory function of receiving, processing and granting resource consents, including certificates of compliance. As a unitary authority, Council is responsible for regional and district as well as coastal functions. There are five types of consents that Council must process:

- Land use, including the erection of buildings and land disturbance, as well as the use of river beds and lakes.
- Subdivision of land.
- Coastal marine, including reclamation of the foreshore or seabed, the erection or demolition of structures and occupancy of the coastal marine area, including marine farming.
- Water, including the taking, damming or diversion of water.
- Discharges of contaminants into the environment, being to water, land or air.

The majority of resource consents are approved subject to conditions. Council encourages consent holders to undertake monitoring functions. Compliance with consent conditions is monitored by way of a sample audit process.

The Building Act 1991 charges Council with the responsibility for receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code. Council also has responsibility to protect and promote public health by undertaking the licensing, inspection and enforcement of standards with regard to all premises to ensure compliance with the Health Act 1956, Sale of Liquor Act 1989, Local Government Act 1974, Dangerous Goods Act 1974 and Hazardous Substance and New Organisms Act 1996 and Council Bylaws. Council is responsible for ensuring the abatement of nuisances, to control pollution to air and land and to carry out environmental noise monitoring.

Objectives for 2002/2003	Performance Indicators
To meet all statutory timeframes for regulatory processing.	<ul style="list-style-type: none"> <li>• 100% compliance with statutory timeframes.</li> </ul>
To monitor resource users for compliance with resource consent conditions.	<ul style="list-style-type: none"> <li>• Maintain a database for the monitoring of resource consents.</li> </ul>
To monitor all complaints received by Council with regard to non-compliance with Resource Management and Building Act statutory requirements.	<ul style="list-style-type: none"> <li>• Resolve all complaints, or develop a resolution strategy, within 21 days of receipt.</li> </ul>
To optimise the safety of all food manufactured, prepared, stored or sold in food establishments and issue licences where necessary in matters of environmental health, food quality and the safety of the community.	<ul style="list-style-type: none"> <li>• To carry out at least one inspection of all registered food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders to ensure compliance with health standards.</li> </ul>
To optimise the safety of all dangerous goods manufactured, stored, used or sold from industrial and commercial premises.	<ul style="list-style-type: none"> <li>• To carry out at least one inspection of all premises where dangerous goods are manufactured, stored or used to ensure that safety standards are being met.</li> </ul>
To ensure the control of pollution incidences, environmental noise, and nuisances within the community.	<ul style="list-style-type: none"> <li>• To respond to and investigate within two working days all incidents that threaten public health.</li> </ul>

## Consents and Compliance - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03 (\$000's)	2003/04 (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)
<b>OPERATING COSTS</b>										
Resource Consents	1,709	1,665	1,667	1,666	1,660	1,659	1,662	1,664	1,666	1,670
Building Consents	906	907	908	907	904	903	904	904	906	913
Resource Consent Hearings	491	490	490	489	489	489	489	489	489	494
Environmental Health	298	293	290	290	290	291	291	291	292	293
<b>Total Operating Costs</b>	<b>3,404</b>	<b>3,355</b>	<b>3,355</b>	<b>3,352</b>	<b>3,343</b>	<b>3,342</b>	<b>3,346</b>	<b>3,348</b>	<b>3,353</b>	<b>3,370</b>
<b>FUNDED BY</b>										
Rates	1,793	1,877	1,878	1,912	1,903	1,903	1,906	1,909	1,913	1,930
User Charges	1,307	1,176	1,176	1,138	1,138	1,138	1,138	1,138	1,138	1,138
Other Revenue	10	10	10	10	10	10	10	10	10	10
<b>Total Revenue</b>	<b>3,110</b>	<b>3,063</b>	<b>3,064</b>	<b>3,060</b>	<b>3,051</b>	<b>3,051</b>	<b>3,054</b>	<b>3,057</b>	<b>3,061</b>	<b>3,078</b>
General Revenues - Applied	294	292	291	292	292	291	292	291	292	292
	<b>3,404</b>	<b>3,355</b>	<b>3,355</b>	<b>3,352</b>	<b>3,343</b>	<b>3,342</b>	<b>3,346</b>	<b>3,348</b>	<b>3,353</b>	<b>3,370</b>
<b>CAPITAL WORKS</b>										
Resource Consents	4	4	4	4	4	4	4	4	4	4
Building Consents	1	1	1	1	1	1	1	1	1	1
Environmental Health	2	2	2	2	2	2	2	2	2	2
<b>Total Capital Works</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>FUNDED BY</b>										
Transfers from - Depreciation Reserve	4	4	4	5	5	5	6	6	6	6
Other Reserves	3	3	3	2	2	2	1	1	1	1
	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>



# Environment

## Activities in this group are associated with the following outcomes:

- Policy statements and resource management plans promote the sustainable management of Marlborough's natural and physical resources.
- There is extensive and reliable information available on the state of the District's environment.
- Local communities are active participants in sustainable management of the District's resources.

## Description

As a unitary authority, the Marlborough District Council has the powers, functions and responsibilities of both a regional and district council. The Council has statutory obligations to comply with and must enforce legislation; the most significant being the Resource Management Act 1991. This Act requires the Council to promote the sustainable management of the natural and physical resources of the District.

Under the Resource Management Act 1991, the Council is required

to prepare a regional policy statement and resource management plans for the District and to monitor and review them to ensure their ongoing effectiveness. The Marlborough Regional Policy Statement underpins the District's resource management framework and sets out the Council's policy approach to significant resource issues. The Council's two resource management plans: the Wairau/ Awatere Plan and the Marlborough Sounds Plan combine the Regional Coastal Plan, the District Plan and the Regional Plan into single integrated planning documents.

The Resource Management Act 1991 requires that the Council shall gather information, monitor and keep records of the state of the environment. A detailed State of the Environment Report for Marlborough is prepared every five years with environmental updates prepared for the years in between. The report describes Marlborough's environmental quality and outlines what the Council and other agencies and organisations are doing to monitor and protect the environment from the pressures placed on human activity. The state of the natural environment (air, land and water quality and their use) and the physical and social factors affecting the quality of life are monitored and reported on.

Objectives for 2002/2003	Performance Indicators
To develop Policy Statements and Plans.	<ul style="list-style-type: none"> <li>• Discussion document on review of water allocation provisions of the Proposed Wairau/ Awatere Resource Management Plan released for public consultation by 30 November 2002.</li> <li>• Release of discussion document on aquaculture policy review, and completion of public consultation by 31 December 2002.</li> <li>• 75% of references on the Proposed Wairau/ Awatere Resource Management Plan resolved by 30 June 2003.</li> <li>• Notification of variations to resource management plans for the management of large, high-speed ships, and for the introduction of coastal occupancy charges (if adopted) and decisions publicly notified by 30 June 2003.</li> </ul>
To monitor the environment in accordance with the Resource Management Act 1991.	<ul style="list-style-type: none"> <li>• Carry out monitoring as specified in the monitoring strategies and programmes for hydrology, air quality, fresh and coastal water quality, soils condition, and freshwater, terrestrial, and coastal ecosystems.</li> <li>• Carry out resource investigations to assist in their management and conservation – significant projects include:               <ul style="list-style-type: none"> <li>o Wairau Plain aquifer sustainability studies</li> <li>o South Marlborough ecology</li> <li>o North Marlborough terrestrial and freshwater ecology</li> <li>o Coastal ecosystems.</li> </ul> </li> </ul>
To report on the state of the environment.	<ul style="list-style-type: none"> <li>• Record environmental data and report on any significant trends, as soon as they are detected, to the Environment Committee.</li> <li>• Arrange media articles on environmental issues and projects.</li> <li>• Provide rainfall and flow information to the Rivers group, and others, as specified in the Flood Response Manual.</li> <li>• Provide resource information as required to assist in the assessment of applications for resource consents.</li> <li>• Provide resource information as required to assist in the development of policy.</li> </ul>
	<ul style="list-style-type: none"> <li>• Provide daily river flows for publication in the Marlborough Express, and maintain a river information line as part of the public information process.</li> </ul>
To work with iwi, industry and the community on projects for maintaining and enhancing the condition of natural resources.	<ul style="list-style-type: none"> <li>• Provide information, education, advocacy to the community on opportunities to maintain or enhance resources.</li> <li>• Assist land users and community groups in works to implement enhancement strategies for South Marlborough ecological areas, Spring Creek, Rai River, Rarangi Beach and Grovetown Lagoon.</li> <li>• Find solutions and promote best practice relating to resource use and development issues, including:               <ul style="list-style-type: none"> <li>o Irrigation practice</li> <li>o Agri-chemical use</li> <li>o Riparian management</li> <li>o Coastal activities</li> <li>o Domestic waste disposal.</li> </ul> </li> </ul>

## Environment - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Environment Policy	1,137	1,137	1,138	1,137	1,135	1,135	1,136	1,136	1,137	1,137
Environment Monitoring	1,021	1,016	1,018	1,016	1,017	1,021	1,025	1,029	1,031	1,031
<b>Total Operating Costs</b>	<b>2,158</b>	<b>2,153</b>	<b>2,156</b>	<b>2,153</b>	<b>2,152</b>	<b>2,156</b>	<b>2,161</b>	<b>2,165</b>	<b>2,168</b>	<b>2,168</b>
<b>FUNDED BY</b>										
Rates	1,840	1,843	1,845	1,843	1,839	1,840	1,841	1,842	1,844	1,844
General Revenues Applied	318	310	311	310	313	316	320	323	324	324
	<b>2,158</b>	<b>2,153</b>	<b>2,156</b>	<b>2,153</b>	<b>2,152</b>	<b>2,156</b>	<b>2,161</b>	<b>2,165</b>	<b>2,168</b>	<b>2,168</b>
<b>CAPITAL WORKS</b>										
Environment Monitoring	49	49	49	49	49	49	49	49	49	49
<b>Total Capital Works</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>
<b>FUNDED BY</b>										
Transfers from - Depreciation Reserve	39	34	35	35	37	41	45	47	49	48
Other Reserves	10	15	14	14	12	8	4	2	-	1
	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>

# Harbour Control

*Activities in this group are associated with the following outcome:*

- Safe use is able to be made of Marlborough's coastal waters.

## Description

Harbour control is undertaken primarily to ensure safety in Marlborough's water ways as required by legislation. The Marlborough Sounds contain 4,136 square kilometres (total water area) and approximately 1,500 kilometres of coastline that

is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries. The Harbourmaster is tasked with the responsibility of addressing matters of navigation and safety as required in the Local Government Amendment Act. In addition the Marine Transport Act 1994 requires councils to prepare, maintain and review Regional Marine Oil Spill Contingency Plans. For the purpose of oil spill response, the Marlborough region's area of responsibility extends to the 12 nautical mile territorial boundary.

Objectives for 2002/2003	Performance Indicators
To ensure that marine farms comply with lighting requirements and do not pose a danger to navigation.	<ul style="list-style-type: none"> <li>• Carry out a programme of random auditing to increase compliance rates.</li> </ul>
To maintain swimming areas and water-ski access lanes in the Marlborough Sounds.	<ul style="list-style-type: none"> <li>• Inspect swimming and water-ski access lanes monthly between Labour weekend and Easter of the following year.</li> </ul>
To ensure that the existing navigation aid network is kept fully operational.	<ul style="list-style-type: none"> <li>• Inspect leading lights quarterly, remaining lights bi-annually.</li> <li>• Repair outages within 24 hours. Action on leading light outages to be taken immediately.</li> </ul>
To monitor waters within harbour limits for breaches of Marlborough District Council Bylaws and appropriate Maritime legislation.	<ul style="list-style-type: none"> <li>• Implement new Harbour Bylaws in accordance with the provisions of the Local Government Amendment Act prior to 31 March 2003.</li> <li>• Investigate reports of breaches of Bylaws and appropriate Maritime legislation and respond within five working days.</li> </ul>
To maintain a Regional Marine Oil Spill Contingency Plan.	<ul style="list-style-type: none"> <li>• Review the approved Marlborough Maritime Oil Spill Contingency Plan as required pursuant to Section 297 of the Maritime Transport Act prior to 23 January 2003.</li> <li>• Conduct a desk-top marine oil spill response management exercise annually.</li> <li>• Conduct at least one water equipment deployment exercise of appropriate oil spill response equipment located in Marlborough.</li> <li>• Evaluate oil spill reports within one hour of notification.</li> </ul>

## Harbour Control - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Harbour Control	501	496	495	489	490	490	493	495	497	501
<b>Total Operating Costs</b>	<b>501</b>	<b>496</b>	<b>495</b>	<b>489</b>	<b>490</b>	<b>490</b>	<b>493</b>	<b>495</b>	<b>497</b>	<b>501</b>
<b>FUNDED BY</b>										
Rates	343	339	337	342	341	341	342	342	342	344
User Charges	71	71	71	71	71	71	71	71	71	71
Other Revenue	32	32	32	32	32	32	32	32	32	32
<b>Total Revenue</b>	<b>446</b>	<b>442</b>	<b>440</b>	<b>445</b>	<b>444</b>	<b>444</b>	<b>445</b>	<b>445</b>	<b>445</b>	<b>447</b>
General Revenues										
Applied	55	54	55	44	46	46	48	50	52	54
	<b>501</b>	<b>496</b>	<b>495</b>	<b>489</b>	<b>490</b>	<b>490</b>	<b>493</b>	<b>495</b>	<b>497</b>	<b>501</b>
<b>CAPITAL WORKS</b>										
Harbour Control	25	25	25	25	25	25	25	25	25	25
<b>Total Capital Works</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>FUNDED BY</b>										
Transfers from -										
Depreciation Reserve	25	25	25	15	17	17	19	20	22	24
Other Reserves	-	-	-	10	8	8	6	5	3	1
	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

# Property

Activities in this group are associated with the following outcome:

- All property holdings provide the maximum benefit to the community by either achieving a commercial return on investment or appropriate levels of utilisation.

## Description

Council's property functions are carried out for community benefit and to assist Council operations.

The Marlborough District Council has inherited a number of property holdings due to the amalgamation of local councils and regional authorities. These properties can be classified as being held for commercial, community or operational means.

In addition to holding property Council occasionally becomes involved in the development of land holdings. Outlined in the Treasury

Management Policy of Marlborough District Council are the various reasons why Council holds property.

Council has limited its role in the development of land by selling or leasing land to enable commercial development to occur. Examples include the lease of land to enable vineyard development at Conders, Renwick and the sale of land for subdivision at Harbour Heights, Picton. In the case of the Forest Hills residential development at the Taylor Pass/Wither Road area, Council entered into a development agreement with a third party which has seen the risks associated with development resting with the developer. Council intends to consult with the community with regard to the developments around the Wither Hills area, including the potential for further development of Forest Hills.

Council constantly reviews its land holdings to ensure that they are required by Council and are achieving the best return for the District.

Objectives for 2002/2003	Performance Indicators
To maximise return on investment.	<ul style="list-style-type: none"> <li>• Achieve a market acceptable return for land development whilst retaining minimal risk to Council.</li> <li>• Manage Council's rental portfolio (including Community Housing) to achieve a minimum level of 90% occupancy at market rentals.</li> </ul>
To provide provision of maximum benefit to the community.	<ul style="list-style-type: none"> <li>• Monthly report to be provided within ten working days from the end of the month that outlines expenditure/income across all property groups against budget, compliance certifications, status of rent renewals, and acquisitions and disposals being undertaken for Council.</li> </ul>

## Commercial and Other Property - Operating and Capital Costs and Funding Forecasts

Financial Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Commercial Leases	145	139	145	138	143	159	138	184	139	150
Rental Housing	736	719	733	719	727	715	732	730	727	610
Forestry	8	8	8	8	8	8	8	8	8	9
Land Development	16	16	16	16	16	16	16	16	16	16
<b>Total Operating Costs</b>	<b>905</b>	<b>882</b>	<b>902</b>	<b>881</b>	<b>894</b>	<b>898</b>	<b>894</b>	<b>938</b>	<b>890</b>	<b>785</b>
Operating Surplus:										
Transferred to Reserves	357	386	371	399	394	399	412	377	435	460
	<b>1,262</b>	<b>1,268</b>	<b>1,273</b>	<b>1,280</b>	<b>1,288</b>	<b>1,297</b>	<b>1,306</b>	<b>1,315</b>	<b>1,325</b>	<b>1,245</b>
<b>FUNDED BY</b>										
User Charges	1,243	1,243	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
Other Revenue	19	25	33	40	48	57	66	75	85	5
<b>Total Revenue</b>	<b>1,262</b>	<b>1,268</b>	<b>1,273</b>	<b>1,280</b>	<b>1,288</b>	<b>1,297</b>	<b>1,306</b>	<b>1,315</b>	<b>1,325</b>	<b>1,245</b>
<b>CAPITAL WORKS</b>										
Rental Housing	120	83	91	92	101	88	93	88	120	120
<b>Total Capital Works</b>	<b>120</b>	<b>83</b>	<b>91</b>	<b>92</b>	<b>101</b>	<b>88</b>	<b>93</b>	<b>88</b>	<b>120</b>	<b>120</b>
Debt Repayment	95	95	95	95	94	94	94	94	1,594	3
Surplus - to Reserves	96	96	96	96	97	97	97	97	121	188
	<b>311</b>	<b>274</b>	<b>282</b>	<b>283</b>	<b>292</b>	<b>279</b>	<b>284</b>	<b>279</b>	<b>1,835</b>	<b>311</b>
<b>FUNDED BY</b>										
Asset Sale Proceeds	191	191	191	191	191	191	191	191	191	191
Sinking Fund Withdrawals	-	-	-	-	-	-	-	-	1,524	-
Transfers from -										
Depreciation Reserve	120	83	91	92	101	88	93	88	120	120
	<b>311</b>	<b>274</b>	<b>282</b>	<b>283</b>	<b>292</b>	<b>279</b>	<b>284</b>	<b>279</b>	<b>1,835</b>	<b>311</b>

Refer to note 2 on page 56 for elimination of internal interest.

# SUBSIDIARIES AND JOINT COMMITTEES

## Marlborough District Council

MDC Holdings Limited

Port Marlborough NZ Limited

Marlborough Airport Limited

## MDC HOLDINGS LIMITED

The Marlborough District Council established MDC Holdings Limited on 1 July 1996. The holding company acquired Council's interest in Port Marlborough New Zealand Limited. The company is a local authority trading enterprise (LATE) and is owned 100% by the Council.

Objectives for 2002/2003	Performance Targets
<p>To operate as a successful holding company.</p> <p>To provide the means for bringing the main trading enterprises of the Marlborough District Council together into one structure.</p> <p>To separate the commercial trading activities of the Council from the other functions carried out by the Council.</p> <p>To obtain commercial borrowing facilities at the most attractive rates attainable.</p>	<ul style="list-style-type: none"> <li>• Prepare and forward financial statements to Council in accordance with legislative requirements.</li> <li>• Report annually to Council on the performance of the subsidiary trading enterprises.</li> <li>• Report annually to Council on the level and rate of its borrowings.</li> </ul>

## MDC HOLDINGS LIMITED FORECAST FINANCIAL INFORMATION (Stand Alone)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Cost of Services</b>										
Operating Costs	3,453	4,134	4,088	3,963	3,467	2,948	2,430	1,765	1,586	1,581
Revenue	4,031	5,252	5,951	6,036	5,940	5,795	5,627	5,277	5,361	5,578
<b>Net Surplus/Deficit</b>	<b>578</b>	<b>1,118</b>	<b>1,863</b>	<b>2,073</b>	<b>2,473</b>	<b>2,847</b>	<b>3,197</b>	<b>3,512</b>	<b>3,775</b>	<b>3,997</b>
<b>Statement of Financial Position</b>										
Public Equity	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Current Assets	220	220	220	220	220	220	220	220	220	220
Less Current Liabilities	0	0	0	0	0	0	0	0	0	0
<b>Working Capital</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
Non Current Assets	49,030	57,430	55,080	55,580	50,180	47,780	42,868	36,118	28,918	25,300
Non Current Liabilities	43,250	51,650	49,300	49,800	44,400	42,000	37,088	30,338	23,138	19,520
<b>Net Assets</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>

## PORT MARLBOROUGH NEW ZEALAND LIMITED

### *Mission Statement*

To expertly and profitably manage and develop the company's assets and operations to achieve their full potential and benefit the company's customers and shareholders.

### *Relationship to Marlborough District Council*

Port Marlborough New Zealand Limited is a company established under the Port Companies Act 1988. While the Marlborough District Council owns 100% of the shares through MDC Holdings Limited, its intent is that Port Marlborough operates as a separate commercial entity in a completely commercial manner.

Councillor David Dew is appointed as Marlborough District Council's representative on Port Marlborough's Board of Directors. The Company operates on a 30 June financial year.

Port Marlborough New Zealand Limited wholly owns Marlborough Airport Limited. Maintenance of the runways and

taxiways used by civil aircraft is the responsibility of the Airport Company as well as the provision of a terminal facility with associated minor freight handling.

### *Port Marlborough Provides:*

- Port facilities and services for Cook Strait freight and passenger ferry services including four roll on - roll off berths, a passenger terminal and associated facilities.
- Wharf facilities for cargo ships, cruise ships, fishing vessels, freight barges and vessels used in the marine farming industry.
- Stevedoring services for shippers using the Port of Picton.
- Cargo storage areas.
- Marinas and boat storage facilities for recreational craft and facilities for associated businesses.
- Facilities and services related to the above activities.
- The company is the sole shareholder of Marlborough Airport Limited which operates a passenger and freight terminal facility at Marlborough Airport (Woodbourne).

Objectives for 2002/2003	Performance Targets
To operate a successful port company.	<ul style="list-style-type: none"> <li>• Report on performance against targets agreed in the company's Statement of Corporate Intent.</li> </ul>

## PORT MARLBOROUGH NZ LIMITED FORECAST FINANCIAL INFORMATION (Stand Alone)

	2002/03 \$000's	2003/04 \$000's	2004/05 \$000's	2005/06 \$000's	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's
<b>Cost of Services</b>										
Operating Costs	8,145	9,431	9,345	9,288	9,234	8,704	8,513	8,238	8,086	8,250
Revenue	14,332	17,567	17,635	18,797	20,149	20,681	21,720	22,288	23,017	23,756
<b>Net Surplus/Deficit</b>	<b>6,187</b>	<b>8,136</b>	<b>8,290</b>	<b>9,509</b>	<b>10,915</b>	<b>11,977</b>	<b>13,207</b>	<b>14,050</b>	<b>14,931</b>	<b>15,506</b>
Taxation	2,042	2,685	2,736	3,138	3,602	3,952	4,358	4,636	4,927	5,117
<b>Net Surplus/ Deficit after Tax</b>	<b>4,145</b>	<b>5,451</b>	<b>5,554</b>	<b>6,371</b>	<b>7,313</b>	<b>8,025</b>	<b>8,849</b>	<b>9,414</b>	<b>10,004</b>	<b>10,389</b>
<b>Statement of Financial Position</b>										
<b>Public Equity</b>	<b>31,865</b>	<b>35,582</b>	<b>38,660</b>	<b>42,348</b>	<b>46,582</b>	<b>51,156</b>	<b>56,208</b>	<b>61,513</b>	<b>67,148</b>	<b>72,949</b>
Current Assets	2,113	2,515	2,606	2,817	3,026	3,086	3,190	3,315	3,372	8,469
Less Current Liabilities	1,629	1,886	1,870	1,858	1,847	1,741	1,703	1,646	1,616	1,650
<b>Working Capital</b>	<b>484</b>	<b>629</b>	<b>736</b>	<b>959</b>	<b>1,179</b>	<b>1,345</b>	<b>1,487</b>	<b>1,669</b>	<b>1,756</b>	<b>6,819</b>
Non Current Assets	55,211	66,183	66,804	70,569	69,183	71,091	71,089	69,462	67,810	66,130
Non Current Liabilities	23,830	31,230	28,880	29,180	23,780	21,280	16,368	9,618	2,418	0
<b>Net Assets</b>	<b>31,865</b>	<b>35,582</b>	<b>38,660</b>	<b>42,348</b>	<b>46,582</b>	<b>51,156</b>	<b>56,208</b>	<b>61,513</b>	<b>67,148</b>	<b>72,949</b>

## MARLBOROUGH REGIONAL FORESTRY

### Goal

*To maximise return on investment.*

Marlborough Regional Forestry (MRF) is a joint committee of the Marlborough District Council and the Kaikoura District Council (KDC). MDC owns 88.62% of the forestry estate and KDC owns the remaining 11.38%. The estate was valued at \$33.3 million as at 30 June 2001.

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.

Clear felling operations, which have commenced are expected to reach a sustainable annual harvest of 59,000m<sup>3</sup>

Distributions made to Council will in the first instance repay advances provided for projects such as the Picton sewage treatment plant and Renwick sewerage. Funds remaining have been set aside to fund infrastructure projects in accordance with the contributions made by the different areas within Marlborough.

Objectives for 2002/2003	Performance Targets
To ensure the programme of timber extraction maximises return on investment.	<ul style="list-style-type: none"> <li>Harvesting strategy maintained.</li> <li>Operating plans for pruning, maintenance and replanting reviewed annually.</li> </ul>

## MARLBOROUGH REGIONAL FORESTRY FORECAST FINANCIAL INFORMATION

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Cost of Services</b>										
Operating Costs	925	724	741	720	675	707	718	743	702	717
Revenue	3,803	4,034	3,027	3,462	3,512	3,638	3,905	3,520	4,221	4,006
<b>Net Surplus/Deficit</b>	<b>2,878</b>	<b>3,310</b>	<b>2,285</b>	<b>2,742</b>	<b>2,837</b>	<b>2,932</b>	<b>3,187</b>	<b>2,777</b>	<b>3,518</b>	<b>3,289</b>
<b>Statement of Financial Position</b>										
<b>Public Equity</b>	<b>23,093</b>	<b>25,604</b>	<b>26,589</b>	<b>28,031</b>	<b>29,568</b>	<b>31,000</b>	<b>32,687</b>	<b>33,964</b>	<b>35,983</b>	<b>37,772</b>
Current Assets	976	2,744	3,324	4,362	5,496	6,525	7,810	8,687	10,306	11,636
Less Current Liabilities	407	407	407	407	407	407	407	407	407	407
<b>Working Capital</b>	<b>569</b>	<b>2,337</b>	<b>2,917</b>	<b>3,955</b>	<b>5,089</b>	<b>6,118</b>	<b>7,403</b>	<b>8,280</b>	<b>9,898</b>	<b>11,279</b>
Non Current Assets	33,317	33,287	33,258	33,228	33,199	33,169	33,140	33,110	33,081	33,051
Non Current Liabilities	10,793	10,020	9,576	9,152	8,720	8,287	7,856	7,426	6,996	6,558
<b>Net Assets</b>	<b>23,093</b>	<b>25,604</b>	<b>26,589</b>	<b>28,031</b>	<b>29,568</b>	<b>31,000</b>	<b>32,687</b>	<b>33,964</b>	<b>35,983</b>	<b>37,772</b>

# STATEMENT OF CASH FLOWS

## CONSOLIDATED

### STATEMENT OF CASH FLOW FORECASTS for the year ending 30 June

	2003 (000's)	2004 (000's)	2005 (000's)	2006 (000's)	2007 (000's)	2008 (000's)	2009 (000's)	2010 (000's)	2011 (000's)	2012 (000's)
<b>OPERATING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Rates	27,225	27,523	27,682	27,964	28,019	28,093	28,250	28,703	28,805	29,093
Tax Refund	0	0	150	0	0	0	0	0	0	0
User Charges & Other Receipts	31,523	34,609	34,206	35,565	37,088	38,050	39,790	39,464	40,886	41,390
Interest	510	505	586	725	825	971	1,118	1,260	1,426	1,499
	59,258	62,637	62,624	64,254	65,932	67,114	69,158	69,427	71,117	71,982
<b>Cash Applied To:</b>										
Payments to Suppliers & Employees	35,569	35,737	35,390	34,849	36,018	36,343	36,899	36,624	35,168	36,029
Interest Paid	3,662	4,834	4,712	4,931	4,518	4,073	3,556	3,053	2,974	2,974
Taxes Paid	2,090	2,736	2,736	3,192	3,660	4,014	4,424	4,706	5,002	5,196
	41,321	43,307	42,838	42,972	44,196	44,430	44,879	44,383	43,144	44,199
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17,937	19,330	19,786	21,282	21,736	22,684	24,279	25,044	27,973	27,783
<b>INVESTING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Disposal of Fixed Assets	338	239	252	238	239	236	235	242	236	252
Mortgage Repayments Received	20	20	0	0	0	0	0	0	0	0
	358	259	252	238	239	236	235	242	236	252
<b>Cash Applied To:</b>										
Sinking Fund Investments	1,260	1,395	1,425	1,562	1,509	1,539	1,539	1,595	1,592	1,549
Sinking Fund Interest	221	282	374	472	543	654	773	895	1,027	1,077
Purchase of Fixed Assets	26,856	29,117	11,716	16,976	8,861	12,155	10,777	9,686	7,687	9,923
	28,337	30,794	13,515	19,010	10,913	14,348	13,089	12,176	10,306	12,549
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	-27,979	-30,535	-13,263	-18,772	-10,674	-14,112	-12,854	-11,934	-10,070	-12,297
<b>FINANCING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Term Loans	11,475	14,917	1,043	5,862	1,605	1,023	24	2,088	30	1,584
	11,475	14,917	1,043	5,862	1,605	1,023	24	2,088	30	1,584
<b>Cash Applied To:</b>										
Term Loans	2,565	1,712	2,749	1,399	5,999	2,899	5,311	7,149	7,599	2,826
	2,565	1,712	2,749	1,399	5,999	2,899	5,311	7,149	7,599	2,826
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	8,910	13,205	-1,706	4,463	-4,394	-1,876	-5,287	-5,061	-7,569	-1,242
<b>NET INCREASE (DECREASE) IN CASH</b>	-1,132	2,000	4,817	6,973	6,668	6,696	6,138	8,049	10,334	14,244
ADD OPENING CASH BALANCE	12,747	11,615	13,615	18,432	25,405	32,073	38,769	44,907	52,956	63,290
<b>CLOSING CASH BALANCE</b>	<b>11,615</b>	<b>13,615</b>	<b>18,432</b>	<b>25,405</b>	<b>32,073</b>	<b>38,769</b>	<b>44,907</b>	<b>52,956</b>	<b>63,290</b>	<b>77,534</b>
<b>Represented By:</b>										
Cash & Deposits	11,615	13,615	18,432	25,405	32,073	38,769	44,907	52,956	63,290	77,534



**MARLBOROUGH DISTRICT COUNCIL**  
**STATEMENT OF CASH FLOW FORECASTS**  
for the year ending 30 June

	2003 (000's)	2004 (000's)	2005 (000's)	2006 (000's)	2007 (000's)	2008 (000's)	2009 (000's)	2010 (000's)	2011 (000's)	2012 (000's)
<b>OPERATING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Rates	27,373	27,674	27,836	28,121	28,179	28,256	28,416	28,872	28,977	29,268
User Charges & Other Receipts	16,896	17,158	16,266	16,603	16,794	17,111	17,867	16,901	17,609	17,363
Interest	1,108	1,100	1,198	1,314	1,402	1,537	1,675	1,810	1,962	2,028
Dividends Received	578	1,118	1,863	2,073	2,473	2,847	3,197	3,512	3,775	3,997
	45,955	47,050	47,163	48,111	48,848	49,751	51,155	51,095	52,323	52,656
<b>Cash Applied To:</b>										
Payments to Suppliers & Employees	30,323	30,673	30,548	29,916	30,795	31,054	31,540	30,885	29,547	30,333
Interest Paid	790	1,294	1,365	1,725	1,808	1,890	1,891	2,053	2,057	2,062
Subvention Payment	619	619	619	619	619	619	619	619	619	619
	31,732	32,586	32,532	32,260	33,222	33,563	34,050	33,557	32,223	33,014
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14,223	14,464	14,631	15,851	15,626	16,188	17,105	17,538	20,100	19,642
<b>INVESTING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Disposal of Fixed Assets	338	239	252	238	239	236	235	242	236	252
Mortgage Repayments Received	20	20	0	0	0	0	0	0	0	0
	358	259	252	238	239	236	235	242	236	252
<b>Cash Applied To:</b>										
Sinking Fund Investments	1,260	1,395	1,425	1,562	1,509	1,539	1,539	1,595	1,592	1,549
Sinking Fund Interest	221	282	374	472	543	654	773	895	1,027	1,077
Purchase of Fixed Assets	15,638	16,497	9,346	11,476	8,361	8,336	8,677	9,186	7,187	9,423
	17,119	18,174	11,145	13,510	10,413	10,529	10,989	11,676	9,806	12,049
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	(16,761)	(17,915)	(10,893)	(13,272)	(10,174)	(10,293)	(10,754)	(11,434)	(9,570)	(11,797)
<b>FINANCING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Term Loans	3,875	6,517	1,043	4,562	1,405	1,023	24	2,088	30	1,584
	3,875	6,517	1,043	4,562	1,405	1,023	24	2,088	30	1,584
<b>Cash Applied To:</b>										
Term Loans	2,565	712	399	399	399	399	399	399	399	408
	2,565	712	399	399	399	399	399	399	399	408
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	1,310	5,805	644	4,163	1,006	624	(375)	1,689	(369)	1,176
<b>NET INCREASE (DECREASE) IN CASH</b>	(1,228)	2,354	4,382	6,742	6,458	6,519	5,976	7,793	10,161	9,021
ADD OPENING CASH BALANCE	12,470	11,242	13,596	17,978	24,720	31,178	37,697	43,673	51,466	61,627
<b>CLOSING CASH BALANCE</b>	<b>11,242</b>	<b>13,596</b>	<b>17,978</b>	<b>24,720</b>	<b>31,178</b>	<b>37,697</b>	<b>43,673</b>	<b>51,466</b>	<b>61,627</b>	<b>70,648</b>
<b>Represented By:</b>										
Cash & Deposits	11,242	13,596	17,978	24,720	31,178	37,697	43,673	51,466	61,627	70,648

# STATEMENT OF FINANCIAL PERFORMANCE

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - FOR THE YEAR ENDING 30TH JUNE

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Net Cost of Council Activities</b>										
<b>Significant Activities - Services</b>										
Community, Recreation,										
Culture and Heritage	5,057	5,134	5,023	5,032	5,013	5,022	5,030	5,034	4,986	4,979
Economic Development	610	490	490	490	490	490	490	490	490	490
Rivers and Land Drainage	2,253	2,228	2,230	2,228	2,233	2,226	2,227	2,227	2,236	2,228
Land Transport and Other Services	8,648	8,701	8,673	8,670	8,647	8,642	8,648	8,660	8,659	8,663
Sewerage	2,300	2,611	2,638	2,657	2,778	2,706	2,743	2,832	2,944	2,943
Stormwater	559	559	557	559	560	562	565	566	567	555
Waste Management	2,367	2,380	2,376	2,498	2,523	2,530	2,539	2,547	2,555	2,606
Water	2,059	2,270	2,326	2,543	2,605	2,655	2,657	2,685	2,686	2,690
Animal Control	194	193	193	193	193	193	193	193	193	193
Democratic Process	1,626	1,649	1,696	1,627	1,630	1,672	1,614	1,637	1,681	1,619
Emergency Management	575	425	415	416	416	416	417	417	417	419
	<b>26,248</b>	<b>26,640</b>	<b>26,617</b>	<b>26,913</b>	<b>27,088</b>	<b>27,114</b>	<b>27,123</b>	<b>27,288</b>	<b>27,414</b>	<b>27,385</b>
<b>Significant Activities - Resource Mgmt/Regulatory</b>										
Animals and Plant Pests Control	3,619	4,005	4,033	4,096	4,174	4,350	4,930	4,281	4,283	4,287
Consents and Compliance	3,404	3,355	3,355	3,352	3,343	3,342	3,346	3,348	3,353	3,370
Environment	2,158	2,153	2,156	2,153	2,152	2,156	2,161	2,165	2,168	2,168
Harbour Control	501	496	495	489	490	490	493	495	497	501
	<b>9,682</b>	<b>10,009</b>	<b>10,039</b>	<b>10,090</b>	<b>10,159</b>	<b>10,338</b>	<b>10,930</b>	<b>10,289</b>	<b>10,301</b>	<b>10,326</b>
<b>Significant Activities - Commercial</b>										
Commercial and Other Property	774	751	771	750	763	767	763	807	759	774
	<b>774</b>	<b>751</b>	<b>771</b>	<b>750</b>	<b>763</b>	<b>767</b>	<b>763</b>	<b>807</b>	<b>759</b>	<b>774</b>
<b>General Expenses</b>	817	669	696	719	708	708	710	691	710	723
<b>Marlborough Regional Forestry Expenditure</b>	511	362	405	414	402	458	496	545	538	578
<b>Total Expenditure of Council Activities</b>	<b>38,032</b>	<b>38,431</b>	<b>38,528</b>	<b>38,886</b>	<b>39,120</b>	<b>39,385</b>	<b>40,022</b>	<b>39,620</b>	<b>39,722</b>	<b>39,787</b>
<b>Subsidiaries Expenditure</b>										
Port Marlborough (Consolidated)	7,876	9,166	9,085	9,032	8,980	8,455	8,268	7,998	7,851	8,017
MDC Holdings Ltd	924	920	915	910	905	901	896	891	887	882
	<b>8,800</b>	<b>10,086</b>	<b>10,000</b>	<b>9,942</b>	<b>9,885</b>	<b>9,356</b>	<b>9,164</b>	<b>8,889</b>	<b>8,738</b>	<b>8,899</b>
<b>Total Expenditure</b>	<b>46,832</b>	<b>48,517</b>	<b>48,528</b>	<b>48,828</b>	<b>49,005</b>	<b>48,741</b>	<b>49,186</b>	<b>48,509</b>	<b>48,460</b>	<b>48,686</b>
<b>Revenue</b>										
District wide -General Rates & Charges	5,171	5,232	5,281	5,233	5,223	5,263	5,201	5,230	5,268	5,213
Geographic Areas General Rates & Charges	12,213	12,267	12,278	12,423	12,314	12,371	12,405	12,630	12,584	12,880
Separate Rates & Charges	9,711	9,892	9,990	10,174	10,345	10,320	10,503	10,700	10,809	10,853
Subsidies & Grants	5,591	5,818	5,760	5,740	5,889	6,055	6,586	6,011	6,032	6,028
Interest	597	555	738	910	1,070	1,282	1,488	1,710	1,925	2,211
Other - Marlborough District Council	7,525	7,324	7,508	7,435	7,435	7,467	7,435	7,436	7,432	7,414
Other - Subsidiaries	18,035	21,528	20,613	22,131	23,474	24,062	25,288	25,456	26,762	27,232
<b>Total Revenue</b>	<b>58,843</b>	<b>62,616</b>	<b>62,168</b>	<b>64,046</b>	<b>65,750</b>	<b>66,820</b>	<b>68,906</b>	<b>69,173</b>	<b>70,812</b>	<b>71,832</b>
<b>Less Total Expenses</b>	<b>46,832</b>	<b>48,517</b>	<b>48,528</b>	<b>48,828</b>	<b>49,005</b>	<b>48,741</b>	<b>49,186</b>	<b>48,509</b>	<b>48,460</b>	<b>48,686</b>
<b>Surplus / (Deficit)</b>	<b>12,011</b>	<b>14,099</b>	<b>13,640</b>	<b>15,218</b>	<b>16,745</b>	<b>18,079</b>	<b>19,720</b>	<b>20,664</b>	<b>22,353</b>	<b>23,146</b>
Taxation	2,074	2,720	2,767	3,176	3,644	3,998	4,408	4,690	4,986	5,180
<b>Net Surplus / (Deficit) after Taxation</b>	<b>9,937</b>	<b>11,379</b>	<b>10,873</b>	<b>12,042</b>	<b>13,101</b>	<b>14,081</b>	<b>15,312</b>	<b>15,974</b>	<b>17,367</b>	<b>17,966</b>

**MARLBOROUGH DISTRICT COUNCIL  
STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - FOR THE YEAR ENDING 30TH JUNE**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Net Cost of Council Activities</b>										
<b>Significant Activities - Services</b>										
Community, Recreation, Culture and Heritage	5,057	5,134	5,023	5,032	5,013	5,022	5,030	5,034	4,986	4,979
Economic Development	610	490	490	490	490	490	490	490	490	490
Rivers and Land Drainage	2,253	2,228	2,230	2,228	2,233	2,226	2,227	2,227	2,236	2,228
Land Transport and Other Services	8,648	8,701	8,673	8,670	8,647	8,642	8,648	8,660	8,659	8,663
Sewerage	2,300	2,611	2,638	2,657	2,778	2,706	2,743	2,832	2,944	2,943
Stormwater	559	559	557	559	560	562	565	566	567	555
Waste Management	2,367	2,380	2,376	2,498	2,523	2,530	2,539	2,547	2,555	2,606
Water	2,059	2,270	2,326	2,543	2,605	2,655	2,657	2,685	2,686	2,690
Animal Control	194	193	193	193	193	193	193	193	193	193
Democratic Process	1,626	1,649	1,696	1,627	1,630	1,672	1,614	1,637	1,681	1,619
Emergency Management	575	425	415	416	416	416	417	417	417	419
	<b>26,248</b>	<b>26,640</b>	<b>26,617</b>	<b>26,913</b>	<b>27,088</b>	<b>27,114</b>	<b>27,123</b>	<b>27,288</b>	<b>27,414</b>	<b>27,385</b>
<b>Significant Activities - Resource Mgmt/Regulatory</b>										
Animals and Plant Pests Control	3,619	4,005	4,033	4,096	4,174	4,350	4,930	4,281	4,283	4,287
Consents and Compliance	3,404	3,355	3,355	3,352	3,343	3,342	3,346	3,348	3,353	3,370
Environment	2,158	2,153	2,156	2,153	2,152	2,156	2,161	2,165	2,168	2,168
Harbour Control	501	496	495	489	490	490	493	495	497	501
	<b>9,682</b>	<b>10,009</b>	<b>10,039</b>	<b>10,090</b>	<b>10,159</b>	<b>10,338</b>	<b>10,930</b>	<b>10,289</b>	<b>10,301</b>	<b>10,326</b>
<b>Significant Activities - Commercial</b>										
Commercial and Other Property	774	751	771	750	763	767	763	807	759	774
	<b>774</b>	<b>751</b>	<b>771</b>	<b>750</b>	<b>763</b>	<b>767</b>	<b>763</b>	<b>807</b>	<b>759</b>	<b>774</b>
<b>General Expenses</b>	817	669	696	719	708	708	710	691	710	723
<b>Subvention Payment to MDC Holdings Ltd</b>	619	619	619	619	619	619	619	619	619	619
<b>Marlborough Regional Forestry Expenditure</b>	511	362	405	414	402	458	496	545	538	578
<b>Total Expenditure of Council Activities</b>	<b>38,651</b>	<b>39,050</b>	<b>39,147</b>	<b>39,505</b>	<b>39,739</b>	<b>40,004</b>	<b>40,641</b>	<b>40,239</b>	<b>40,341</b>	<b>40,406</b>
<b>Revenue</b>										
District wide -General Rates & Charges	5,448	5,514	5,568	5,525	5,520	5,565	5,508	5,542	5,585	5,535
Geographic Areas General Rates & Charges	12,213	12,267	12,278	12,423	12,314	12,371	12,405	12,630	12,584	12,880
Separate Rates & Charges	9,711	9,892	9,990	10,174	10,345	10,320	10,503	10,700	10,809	10,853
Subsidies & Grants	5,591	5,818	5,760	5,740	5,889	6,055	6,586	6,011	6,032	6,028
Interest	1,195	1,150	1,349	1,499	1,647	1,848	2,045	2,260	2,461	2,740
Dividends	578	1,118	1,863	2,073	2,473	2,847	3,197	3,512	3,775	3,997
Other - Marlborough District Council	7,525	7,324	7,508	7,435	7,435	7,467	7,435	7,436	7,432	7,414
Other - Subsidiaries	3,283	3,526	2,531	2,882	2,867	2,914	3,090	2,676	3,245	2,962
<b>Total Revenue</b>	<b>45,544</b>	<b>46,609</b>	<b>46,847</b>	<b>47,751</b>	<b>48,490</b>	<b>49,387</b>	<b>50,769</b>	<b>50,767</b>	<b>51,923</b>	<b>52,410</b>
<b>Less Total Expenses</b>	<b>38,651</b>	<b>39,050</b>	<b>39,147</b>	<b>39,505</b>	<b>39,739</b>	<b>40,004</b>	<b>40,641</b>	<b>40,239</b>	<b>40,341</b>	<b>40,406</b>
<b>Surplus / (Deficit)</b>	<b>6,893</b>	<b>7,559</b>	<b>7,700</b>	<b>8,246</b>	<b>8,751</b>	<b>9,383</b>	<b>10,128</b>	<b>10,528</b>	<b>11,583</b>	<b>12,003</b>
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit) after Taxation</b>	<b>6,893</b>	<b>7,559</b>	<b>7,700</b>	<b>8,246</b>	<b>8,751</b>	<b>9,383</b>	<b>10,128</b>	<b>10,528</b>	<b>11,583</b>	<b>12,003</b>

# STATEMENT OF MOVEMENTS IN EQUITY

## CONSOLIDATED

### STATEMENT OF MOVEMENTS IN EQUITY FORECASTS - FOR THE YEAR ENDING 30TH JUNE

	2003 \$000	2004 \$000	2005 \$000	2006 \$000	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000
Equity at beginning of year	457,063	467,000	478,379	489,252	501,294	514,395	528,476	543,788	559,762	577,129
<u>Surplus / (Deficit) and Revaluations</u>										
Net Surplus / (Deficit) after Taxation	9,937	11,379	10,873	12,042	13,101	14,081	15,312	15,974	17,367	17,966
<b>Closing Equity</b>	<b>467,000</b>	<b>478,379</b>	<b>489,252</b>	<b>501,294</b>	<b>514,395</b>	<b>528,476</b>	<b>543,788</b>	<b>559,762</b>	<b>577,129</b>	<b>595,094</b>

## MARLBOROUGH DISTRICT COUNCIL

### STATEMENT OF MOVEMENTS IN EQUITY FORECASTS - FOR THE YEAR ENDING 30TH JUNE

	2003 \$000	2004 \$000	2005 \$000	2006 \$000	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000
Equity at beginning of year	452,699	459,592	467,151	474,851	483,097	491,848	501,231	511,359	521,887	533,470
<u>Surplus / (Deficit) and Revaluations</u>										
Net Surplus / (Deficit) after Taxation	6,893	7,559	7,700	8,246	8,751	9,383	10,128	10,528	11,583	12,003
<b>Closing Equity</b>	<b>459,592</b>	<b>467,151</b>	<b>474,851</b>	<b>483,097</b>	<b>491,848</b>	<b>501,231</b>	<b>511,359</b>	<b>521,887</b>	<b>533,470</b>	<b>545,473</b>

# STATEMENT OF FINANCIAL POSITION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FORECASTS- FOR THE YEAR ENDING 30TH JUNE

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Ratepayers' Equity</b>											
Accumulated Funds/ Retained Earnings	393,054	410,902	420,149	425,645	431,515	437,346	443,775	452,284	459,029	468,312	477,298
Special Funds	21,021	21,524	23,656	29,033	35,205	42,475	50,127	56,930	66,159	74,243	83,222
Revaluation Reserve	30,717	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574
<b>EQUITY</b>	<b>444,792</b>	<b>467,000</b>	<b>478,379</b>	<b>489,252</b>	<b>501,294</b>	<b>514,395</b>	<b>528,476</b>	<b>543,788</b>	<b>559,762</b>	<b>577,129</b>	<b>595,094</b>
<b>Represented By:-</b>											
<b>Current Assets</b>											
Cash & Deposits	11,608	11,615	13,615	18,432	25,405	32,073	38,769	44,907	52,956	63,290	77,534
Receivables & Prepayments	4,553	4,497	4,923	4,937	5,093	5,273	5,348	5,488	5,566	5,666	5,767
Stocks	231	261	264	268	271	275	278	282	285	289	293
	<b>16,392</b>	<b>16,373</b>	<b>18,802</b>	<b>23,637</b>	<b>30,769</b>	<b>37,621</b>	<b>44,395</b>	<b>50,677</b>	<b>58,807</b>	<b>69,245</b>	<b>83,594</b>
<b>Less:-</b>											
<b>Current Liabilities</b>											
Payables & Accruals	8,469	8,171	8,429	8,415	8,405	8,394	8,290	8,253	8,198	8,169	8,205
Deposits Trusts & Agencies	690	690	690	690	690	690	690	690	690	690	690
	<b>9,159</b>	<b>8,861</b>	<b>9,119</b>	<b>9,105</b>	<b>9,095</b>	<b>9,084</b>	<b>8,980</b>	<b>8,943</b>	<b>8,888</b>	<b>8,859</b>	<b>8,895</b>
<b>Working Capital</b>	<b>7,233</b>	<b>7,512</b>	<b>9,683</b>	<b>14,532</b>	<b>21,674</b>	<b>28,537</b>	<b>35,415</b>	<b>41,734</b>	<b>49,919</b>	<b>60,386</b>	<b>74,699</b>
<b>Non Current Assets</b>											
Deferred Taxation	168	184	200	19	35	51	67	83	99	115	131
Investments	5,838	7,735	9,791	11,969	13,699	16,140	18,798	21,438	24,270	25,746	28,148
Fixed Assets	472,735	498,656	518,973	521,757	529,838	529,689	532,808	534,323	534,670	532,976	533,446
	<b>478,741</b>	<b>506,575</b>	<b>528,964</b>	<b>533,745</b>	<b>543,572</b>	<b>545,880</b>	<b>551,673</b>	<b>555,844</b>	<b>559,039</b>	<b>558,837</b>	<b>561,725</b>
<b>Less:</b>											
<b>Term Liabilities</b>	<b>41,182</b>	<b>47,087</b>	<b>60,268</b>	<b>59,025</b>	<b>63,952</b>	<b>60,022</b>	<b>58,612</b>	<b>53,790</b>	<b>49,196</b>	<b>42,094</b>	<b>41,330</b>
<b>NET ASSETS</b>	<b>444,792</b>	<b>467,000</b>	<b>478,379</b>	<b>489,252</b>	<b>501,294</b>	<b>514,395</b>	<b>528,476</b>	<b>543,788</b>	<b>559,762</b>	<b>577,129</b>	<b>595,094</b>

MARLBOROUGH DISTRICT COUNCIL  
STATEMENT OF FINANCIAL POSITION FORECASTS- FOR THE YEAR ENDING 30TH JUNE

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Ratepayers' Equity</b>											
Accumulated Funds/ Retained Earnings	388,265	403,494	408,921	411,244	413,318	414,799	416,530	419,855	421,154	424,653	427,677
Special Funds	21,021	21,524	23,656	29,033	35,205	42,475	50,127	56,930	66,159	74,243	83,222
Revaluation Reserve	30,717	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574
<b>EQUITY</b>	<b>440,003</b>	<b>459,592</b>	<b>467,151</b>	<b>474,851</b>	<b>483,097</b>	<b>491,848</b>	<b>501,231</b>	<b>511,359</b>	<b>521,887</b>	<b>533,470</b>	<b>545,473</b>
<b>Represented By:-</b>											
<b>Current Assets</b>											
Cash & Deposits	10,768	11,242	13,596	17,978	24,720	31,178	37,697	43,673	51,466	61,627	70,648
Receivables & Prepayments	2,846	2,515	2,520	2,525	2,530	2,535	2,540	2,545	2,550	2,555	2,560
Stocks	100	100	100	100	100	100	100	100	100	100	100
	<b>13,714</b>	<b>13,857</b>	<b>16,216</b>	<b>20,603</b>	<b>27,350</b>	<b>33,813</b>	<b>40,337</b>	<b>46,318</b>	<b>54,116</b>	<b>64,282</b>	<b>73,308</b>
<b>Less:-</b>											
<b>Current Liabilities</b>											
Payables & Accruals	7,253	7,211	7,211	7,211	7,211	7,211	7,211	7,211	7,211	7,211	7,211
Deposits Trusts & Agencies	690	690	690	690	690	690	690	690	690	690	690
	<b>7,943</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>	<b>7,901</b>
<b>Working Capital</b>	<b>5,771</b>	<b>5,956</b>	<b>8,315</b>	<b>12,702</b>	<b>19,449</b>	<b>25,912</b>	<b>32,436</b>	<b>38,417</b>	<b>46,215</b>	<b>56,381</b>	<b>65,407</b>
<b>Non Current Assets</b>											
Investments	19,578	21,475	23,531	25,709	27,439	29,880	32,538	35,178	38,010	39,486	41,888
Fixed Assets	427,720	443,075	452,450	454,642	458,988	460,255	461,496	463,043	465,047	465,036	467,215
	<b>447,298</b>	<b>464,550</b>	<b>475,981</b>	<b>480,351</b>	<b>486,427</b>	<b>490,135</b>	<b>494,034</b>	<b>498,221</b>	<b>503,057</b>	<b>504,522</b>	<b>509,103</b>
<b>Less:</b>											
<b>Term Liabilities</b>	<b>13,066</b>	<b>10,914</b>	<b>17,145</b>	<b>18,202</b>	<b>22,779</b>	<b>24,199</b>	<b>25,239</b>	<b>25,279</b>	<b>27,385</b>	<b>27,433</b>	<b>29,037</b>
<b>NET ASSETS</b>	<b>440,003</b>	<b>459,592</b>	<b>467,151</b>	<b>474,851</b>	<b>483,097</b>	<b>491,848</b>	<b>501,231</b>	<b>511,359</b>	<b>521,887</b>	<b>533,470</b>	<b>545,473</b>

# STATEMENT OF ACCOUNTING POLICIES

## **Reporting Entity**

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 1974. These financial statements comprise the activities of the Marlborough District Council and the other entities in which the Council has a significant interest.

The group consists of:

- MDC Holdings Limited - MDC wholly owned
- Port Marlborough NZ Limited - wholly owned by MDC Holdings Limited
- Marlborough Airport Limited - wholly owned by Port Marlborough NZ Limited

The financial statements have been prepared in terms of Sections 223D and 223E of the Local Government Act 1974.

## **Measurement Base**

The accounting principles recognised as appropriate for the measurement and report of financial performance, cashflows and financial position on an historical cost basis are followed in the financial statements, with the exception that certain fixed assets have been revalued.

## **Accounting Policies**

The following are the particular accounting policies which have a material effect on the measurement and reporting of results and financial position.

### **Basis of Consolidation - Purchase Method**

The consolidated financial statements include Marlborough District Council and its subsidiaries. The subsidiaries are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions are eliminated on consolidation.

### **Accounts Receivable**

Accounts receivable are valued at expected realisable value.

### **Inventories**

Inventories are valued at the lower of cost and net realisable value. Where the cost basis is used the cost has been determined by the weighted average cost method.

## **Fixed Assets**

### **Land Improvements and Buildings**

Land was valued by QV Valuations (Registered Valuers). The value is based on net current value as at 1 July 1999. Improvements and buildings were valued by Alexander Hayward Limited (Registered Valuers). The values are based on the 1 July 1999 lower of depreciated replacement cost or net realisable value. Depreciation has been provided for the year ended 30 June 2001. Any assets acquired subsequent to 1 July 1999 are shown at cost less depreciation.

In the case of Port Marlborough these assets are stated as acquisition cost less accumulated depreciation.

In the case of Marlborough Regional Forestry these assets were valued by Merrill & Ring New Zealand Limited (Forestry Consultants). The land was based on the 1 September 1999 government valuation adjusted for capital roading undertaken after government valuation date.

### **Library Books and Parking Meters**

These are stated at independent valuation as at 30 June 1991 less accumulated depreciation plus additions at cost. The valuation was undertaken by Landcorp Management Services Limited, Registered Valuers, and was based on depreciated replacement cost. This valuation is deemed to be the cost of the asset and there is no intention to revalue these assets.

## Forestry

The Conders Bend forest was revalued by Mr Murray Turbitt (Bachelor of Forestry) of Merrill & Ring New Zealand Limited as at 30 June 2001. The basis of valuation is the 'Expectation Method'.

The 'Expectation Method' involves forecasting future cashflows likely to be generated from the forest. These cashflows are then discounted back to the present giving a net present value.

Marlborough Regional Forestry forest crop values were determined by Merrill & Ring New Zealand Limited at 30 June 2001. The basis of valuation is the estate based Net Present Value Method.

## Other Fixed Assets Excluding Infrastructural Assets

With the exception of Port Marlborough these are stated at cost or independent valuations (as at 19 March 1990) plus the cost of additions less accumulated depreciation. This valuation is deemed to be the cost of the asset and there is no intention to revalue these assets. The valuations were undertaken by Harrison Grierson Consultants Limited, Registered Valuers, and were based on each item being valued as an essential part of the whole activity. Valuations were established at current market rates for reinstating the unit, and thereafter adjusting downward having regard to the age and condition of the items.

In the case of Port Marlborough these assets are stated at acquisition cost less accumulated depreciation.

## Infrastructural Assets

### *(Marlborough District Council Only)*

Infrastructural assets are recorded at valuation, plus additions at cost less accumulated depreciation. Land under roads has not been valued.

Roads, bridges, wharves, street lighting, water, sewer, stormwater and river control and drainage assets were valued at depreciated replacement cost as at 1 July 1998. The valuation was performed by Council engineering staff directly associated with managing these assets. Independent reviews of these valuations were carried out by Opus International Consultants (roads, bridges, wharves and street lighting) and Alexander Hayward Limited (water, sewer, stormwater, river control and drainage).

Reserves, public conveniences, war memorial and unmetered carparks land was valued by QV Valuations (Registered Valuers). The value is based on as at 1 July 1999 'net current value'. Any land acquired after 1 July 1999 is shown at cost.

Reserves, public conveniences, war memorial and unmetered carpark buildings and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on, as at 1 July 1999, the lower of cost and net realisable value. Any buildings and improvements acquired after 1 July 1999 are shown at cost less depreciation. Depreciation has been provided for the year ended 30 June 2001.

Certain infrastructural assets have been vested in Council as part of the subdivision consent process. Vested infrastructure assets have been valued based on the estimated quantities of the components vested in Council.

## Decline in Service Potential

The basis for measuring the change in service potential of Roothing infrastructural assets is the long run average of future renewals expenditure as indicated by the Asset Management Plan. A two-step approach to recognising changes in service potential is adopted as follows:

1. The annual proportion of the long run average future expenditure is expensed each period as depreciation.
2. Any work undertaken to reinstate service potential is capitalised.

In addition, any work that adds to the service potential of the asset is capitalised.

In determining the long-run average cost of the renewals the following useful lives have been used.

### Roads:

top surface (seal)	12 - 24 years
pavement (basecourse)	100 years
formation	N/A (no decline in service potential)
culverts	40 - 50 years
footpaths	25 - 80 years
kerb and channel	80 years
retaining walls	40 years
signs	15 years
street lights	20 years

Depreciation is charged in the financial statements based on remaining economic life.

Building (excluding properties intended for sale)	100 years
Council bridges	25 - 100 years
Council wharves	40 years
Port Marlborough wharves and marinas	10 - 50 years
Council computers (excluding GEMS)	4 years
Council GEMS computer equipment	5 years
Plant, equipment (excluding Council infrastructural assets)	5 - 13.33 years
Mowers, chainsaws	1 - 2 years
Parking meters	10 years
Library books	13.33 years

### Water Reticulation:

pipes	90 - 105 years
pumps and mechanical	25 - 40 years
reservoirs	70 - 150 years
structures	100 - 150 years

### Sewerage Reticulation:

pipes	105 - 120 years
pumps and mechanical	25 - 40 years
structures	100 - 150 years

### Stormwater Systems:

pipes	105 - 120 years
pumps	25 - 40 years

Apart from plant and equipment (see above), no provision has been made for depreciation on the fixed assets of the Marlborough Regional Forestry. These assets principally comprise land and improvements, forests and forestry development.

As owner and operator of the Blenheim landfill, Council has depreciated the cost of the landfill development over its 30 year life and charged the depreciation to operating costs. The amortisation rate is based on volume utilisation divided by the capacity of the landfill site.



### **Landfill Post Closure Costs**

As owner and operator of the Blenheim landfill, Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. To provide for these estimated costs of aftercare, a charge is made each year based on a sum being invested annually which together with interest thereon will at the end of the life of the landfill yield the estimated aftercare costs for a period of 20 years.

### **Taxation**

The Council and its subsidiaries use the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation. Marlborough Regional Forestry is a joint committee of Marlborough District Council (88.62%) and Kaikoura District Council (11.38%) and is not subject to income tax on income from its own operations.

### **Goods and Services Taxation**

These accounts are prepared on a GST exclusive basis except for accounts receivable/accounts payable which are shown GST inclusive.

## **Cost of District Council's Significant Activities**

- (a) **Operating Costs**  
All direct costs of providing services and allocating overheads have been charged to the relevant significant activity.
- (b) **Direct costs** include salaries and wages, materials, services, depreciation and a share of the other costs of managing each significant activity within the groupings of:
  - Services
  - Resource Management and Regulatory
  - Commercial and Other Property
- (c) **Allocated Overheads**  
The costs of providing supporting services for the Marlborough District Council are accumulated and then allocated to each significant activity using appropriate allocation bases which reflect usage and/or capacity for each significant activity.
- (d) **General type rates** have been allocated to significant activities of Council in the Cost of Service statements. The basis of allocation is as detailed in the Annual Plan.

## **Separate Rate Financed Activities**

Where significant activities include the delivery of services which benefit a specific group within the community, the net cost of delivering such services is financed where practicable by separate rate charged only to that specific group. Such rates are shown separately as revenue earned by the particular significant activity.

## **Special Purpose Reserves**

- (a) **Revenue**  
Revenue related to special purpose reserves is reported in the Statement of Financial Performance. It is not available for ordinary purposes.

- (b) **Expenditure**

Operating expenditure from a special purpose reserve is shown within the appropriate significant activity to which it relates. Capital expenditure is added to the appropriate fixed asset category in the Statement of Financial Position.

- (c) **Appropriations**

The net amount of special purpose reserves revenue less allowable expenditure as in (b) above, is appropriated from accumulated funds to special purpose reserves each year. These appropriations are shown in note 6.

## **Employee Entitlements**

The gratuity and long service provisions have been calculated on an actuarial basis which recognises the liability for what is likely to be paid out to staff over the long term based on years of service accumulated to date.

## **Investments**

All investments are valued at the lower of cost and net realisable values. Records of the cost were not available for all investment when the Council adopted accrual accounting methods. In those instances where the original cost of an investment was not available, par or nominal value has been used. Where investments have been purchased at a premium/discount that premium/discount is amortised over the term of the investment.

## **Financial Instruments**

The Council and its subsidiaries are party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowing. These instruments are generally carried at their estimated fair value as described in the Statement of Financial Position. Revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

## **Statement of Cash Flows**

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management. Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

Agency transactions are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council and group.

## **Changes in Accounting Policies**

There have been no significant changes in accounting policies. All policies have been applied on a basis consistent with that used in the previous accounting period.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. All Financial Information Contained in the Notes are Forecasts (Budgets)

The forecasts have been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur that are associated with actions that the Council reasonably expects to take place as at the date the information is prepared.

The actual results achieved for the years ending 30 June 2003 to 2012 are likely to vary from the information presented, and the variations may be material.

## 2. Elimination of Internal Interest

In order to minimise the risk of interest rate fluctuations on externally borrowed funds and maximise interest earned on Council investments, Council has continued to finance its loan requirements internally, wherever possible. The interest rate used is the estimated average market rates prevailing over the term of the loan. The interest on these loans is recorded as an expense in the Significant Activity Accounts.

This internal interest has been eliminated from the Consolidated Statement of Financial Performance as follows:

### Net Surplus after Taxation

The Net Operating Surplus together with Loan Raising, Asset Sales and Utilisation of Reserves are fully utilised for Capital Expenditure and Loan Repayments as per the table below.

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital Expenditure	15,638	16,497	9,346	11,476	8,361	8,336	8,677	9,186	7,187	9,423
Loan Repayments	3,825	2,107	1,824	1,961	1,908	1,938	1,938	1,994	1,991	1,957
	<b>19,463</b>	<b>18,604</b>	<b>11,170</b>	<b>13,437</b>	<b>10,269</b>	<b>10,274</b>	<b>10,615</b>	<b>11,180</b>	<b>9,178</b>	<b>11,380</b>
Surplus on Operations	6,893	7,574	7,715	8,261	8,768	9,400	10,146	10,548	11,602	12,024
New Loans	3,875	6,517	1,043	4,562	1,405	1,023	24	2,088	30	1,584
Net Movement in Reserves	8,357	4,274	2,160	376	(143)	(385)	210	(1,698)	(2,690)	(2,480)
Asset Sales	338	239	252	238	239	236	235	242	236	252
	<b>19,463</b>	<b>18,604</b>	<b>11,170</b>	<b>13,437</b>	<b>10,269</b>	<b>10,274</b>	<b>10,615</b>	<b>11,180</b>	<b>9,178</b>	<b>11,380</b>

### 4. CAPITAL EXPENDITURE SUMMARY (GST exclusive)

			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			<b>Funded by General Rates &amp; Charges</b>									
Swimming Pools	Picton	Capex	0	0	4,500	0	0	0	0	6,500	0	0
	Awatere	Capex	3,500	0	0	0	6,000	0	0	0	8,000	0
			<b>3,500</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,500</b>	<b>8,000</b>	<b>0</b>
			<b>Funded by Land Subdivision Account</b>									
Reserves	Unspecified	Structures and Improvements	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
	Esplanade	Structures and Improvements	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Athletic Park	Structures and Improvements	0	0	0	5,000	25,000	25,000	0	30,000	0	0
	A & P Park	Structures and Improvements	15,000	20,000	20,000	10,000	15,000	20,000	0	0	0	0
	Burleigh	Structures and Improvements	0	0	0	10,000	0	0	0	0	0	0
	Ching Park	Structures and Improvements	5,000	5,000	0	0	0	0	0	0	0	0
	Churchwood Park	Structures and Improvements	0	5,000	0	5,000	0	0	0	0	0	0
	Dillons Point City Centre	Structures and Improvements	0	0	0	0	0	0	0	0	0	5,000
	Eltham Road Reserve	Structures and Improvements	0	0	15,000	0	0	0	0	0	0	0
	Fultons Creek Reserve	Structures and Improvements	0	0	0	0	0	10,000	0	0	0	0
	George Powell Reserve	Structures and Improvements	0	0	0	10,000	0	0	0	0	0	0
	Hammond Place Reserve	Structures and Improvements	0	5,000	0	0	0	0	0	0	0	0
	Harling Park	Structures and Improvements	5,000	5,000	5,000	5,000	20,000	5,000	0	20,000	0	0
	Henderson St Reserve	Structures and Improvements	0	0	5,000	0	0	0	0	0	0	0
	Horton Park	Structures and Improvements	10,000	5,000	0	5,000	0	5,000	0	5,000	30,000	30,000
	Morrington Reserve	Structures and Improvements	0	0	0	0	0	0	0	0	0	7,500
	Olliver Park	Structures and Improvements	5,000	10,000	5,000	25,000	5,000	7,500	5,000	0	5,000	0
	Pollard Park General	Structures and Improvements	35,000	30,000	15,000	30,000	20,000	15,000	20,000	0	0	0
	Pollard Park Golf	Structures and Improvements	10,000	10,000	15,000	0	15,000	15,000	15,000	0	0	0
	Rata Park	Structures and Improvements	0	15,000	0	0	10,000	0	0	0	0	0
	Rewi Murray Polo Ground	Structures and Improvements	0	0	0	25,000	0	0	0	50,000	0	0

			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Riversdale Park	Structures and Improvements		0	0	0	10,000	0	0	0	0	0	0
Riverside Park	Structures and Improvements		0	0	30,000	0	15,000	0	0	0	0	0
Seymour Square	Structures and Improvements		40,000	20,000	0	0	10,000	0	35,000	0	40,000	0
Sutherland Stream	Structures and Improvements		0	10,000	0	10,000	0	0	0	0	0	0
Taylor Dam	Structures and Improvements		3,500	5,000	20,000	0	0	5,000	0	0	0	0
Whitehead Park	Structures and Improvements		0	0	0	15,000	0	0	0	0	0	0
Eric Young Reserve	Structures and Improvements		0	10,000	0	0	0	0	0	0	0	0
McKendry Park	Structures and Improvements		10,000	0	0	0	0	0	0	0	0	0
Taylor River	Structures and Improvements		30,000	30,000	30,000	0	0	0	0	0	0	0
Kowhai Drive	Structures and Improvements		0	5,000	0	0	0	0	0	0	15,000	0
Renwick Domain	Structures and Improvements		0	5,000	0	5,000	0	15,000	35,000	0	0	0
Rousehill Reserve	Structures and Improvements		0	0	0	0	0	0	0	0	25,000	0
Upper Spring Creek				0	0	0	0	0	0	0	0	0
Wither Farm Park	Structures and Improvements		10,000	0	0	8,000	0	0	0	0	0	0
Wither Recreation	Structures and Improvements		3,000	0	0	0	0	0	0	0	0	0
Wither Forest	Structures and Improvements		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Auckland St /												
Wairau Reserve	Structures and Improvements		0	0	5,000	0	0	0	0	0	0	0
Beach Road Reserve	Structures and Improvements		3,500	0	0	0	0	6,000	0	0	0	0
Fisherman's Reserve	Structures and Improvements		0	0	0	0	0	5,000	0	0	0	0
Picton Foreshore	Structures and Improvements		0	0	0	0	25,000	0	0	0	10,000	0
Scotland St Reserve	Structures and Improvements		0	0	0	0	0	0	0	0	5,000	0
Victoria Domain	Structures and Improvements		0	20,000	0	0	0	0	0	0	0	0
Waikawa Foreshore	Structures and Improvements		5,000	0	0	8,000	0	0	0	0	0	0
Havelock Domain	Structures and Improvements		0	0	0	0	0	0	10,000	0	0	0
Seddon Domain	Structures and Improvements		0	5,000	0	0	0	0	0	0	0	0
Ward Domain	Structures and Improvements		0	0	0	0	0	5,000	0	0	0	0
Okiwi Bay Reserve	Structures and Improvements		0	0	0	0	4,500	0	0	0	0	0
Tirimoana Reserve	Structures and Improvements		0	0	0	0	0	3,500	0	0	0	0
Koromiko Deer Park	Structures and Improvements		0	0	0	0	3,500	0	0	0	0	0
Rural Wways Grp 3												
Picton	Structures and Improvements		0	0	0	0	0	5,000	0	0	0	0
Other	Structures and Improvements		15,000	0	0	0	0	0	0	0	15,000	0
Wither	Structures and Improvements		5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
			<b>262,500</b>	<b>272,500</b>	<b>222,500</b>	<b>238,500</b>	<b>225,500</b>	<b>199,500</b>	<b>177,500</b>	<b>157,500</b>	<b>202,500</b>	<b>95,000</b>
			<b>Funded by General Rates</b>									
Museums	Picton		2,500	0	0	0	0	0	0	0	0	0
	Flaxbourne		2,500	0	0	0	0	0	2,000	0	0	0
			<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Funded by General Rates</b>									
Memorials	Blenheim	Structures and Improvements	12,000	0	0	0	0	0	0	0	0	0
	Seymour Square Fountain	Structures and Improvements	35,000	35,000	0	0	0	20,000	0	0	0	0
	Awatere	Structures and Improvements	0	0	0	5,000	0	0	0	0	0	0
	Flaxbourne	Structures and Improvements	0	0	0	2,500	0	0	0	0	0	0
	Havelock	Structures and Improvements	0	0	0	0	0	0	0	0	4,500	0
	Picton	Structures and Improvements	0	0	5,500	0	0	0	0	0	0	0
	Rai	Structures and Improvements	0	0	0	0	0	0	0	0	0	4,000
			<b>47,000</b>	<b>35,000</b>	<b>5,500</b>	<b>7,500</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>4,500</b>	<b>4,000</b>
			<b>Funded by General Rates and Charges</b>									
District Library	Computer Equipment		12,000	33,000	51,000	0	12,000	33,000	51,000	0	12,000	33,000
	Office Equip., Furnishings		5,000	10,000	0	60,000	51,000	47,500	50,000	1,000	0	0
	Library Materials		11,700	12,200	12,700	13,200	13,700	14,200	14,700	15,200	15,700	16,200
	Library Books		154,000	160,000	166,000	172,000	178,000	184,000	190,000	196,000	202,000	208,000
			<b>182,700</b>	<b>215,200</b>	<b>229,700</b>	<b>245,200</b>	<b>254,700</b>	<b>278,700</b>	<b>305,700</b>	<b>212,200</b>	<b>229,700</b>	<b>257,200</b>
			<b>Funded by User Charges and General Rates</b>									
Cemeteries	Fairhall	Fairhall Cemetery Extension	15,000	0	0	12,000	15,000	25,000	0	0	0	0
	Omaka	Carpark & House Removal	0	30,000	0	25,000	0	0	0	0	0	0
	Tuamarina	Berm Extension, Roding	70,000	0	0	0	0	15,000	0	0	0	0
	Awatere	Fences and hedges	0	5,000	0	0	0	0	0	0	0	0
	Havelock	Gazebo refurbishment	0	0	0	0	10,000	0	0	0	0	0
	Picton	Picton Cemetery Extension	0	0	0	0	0	25,000	0	0	0	0
			<b>85,000</b>	<b>35,000</b>	<b>0</b>	<b>37,000</b>	<b>25,000</b>	<b>65,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Funded by General Rates and Charges</b>									
Public Conv.	Blenheim	Queen St, Railway Stat & RSA	175,000	70,000	0	65,000	0	0	0	0	0	65,000
	Renwick	Replacement	0	0	0	0	0	30,000	0	0	0	0
	Rural	Improvements	0	5,000	0	0	0	0	0	0	30,000	0
	Awatere	Improvements	0	0	8,000	0	0	0	0	0	0	0
	Flaxbourne	Improvements	0	0	0	0	4,500	0	0	0	0	0
	Picton	Carpark	65,000	0	8,000	0	0	0	0	0	0	0
	Unspec Sounds	Improvements	10,000	5,000	0	0	0	0	0	0	0	0
	Rai	Improvements	0	0	0	8,000	0	0	0	4,000	0	0
	Canvastown	Improvements	0	0	0	0	0	4,500	0	0	0	0
			<b>250,000</b>	<b>80,000</b>	<b>16,000</b>	<b>73,000</b>	<b>4,500</b>	<b>34,500</b>	<b>0</b>	<b>4,000</b>	<b>30,000</b>	<b>65,000</b>
			<b>Funded by General Rates and Charges</b>									
Civil Defence	Buildings		400,000									
	Plant and Equipment		11,800	7,500	11,500	11,300	8,000	10,400	12,400	7,500	10,900	11,300
			<b>411,800</b>	<b>7,500</b>	<b>11,500</b>	<b>11,300</b>	<b>8,000</b>	<b>10,400</b>	<b>12,400</b>	<b>7,500</b>	<b>10,900</b>	<b>11,300</b>
			<b>Funded by Separate Rates</b>									
Rivers Operations	Wairau Floodplain	Land Purchases (Reserve Funded)	100,000	50,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
		Lower Wairau	110,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
		Wairau Diversion	0	0	0	0	0	0	350,000	350,000	350,000	350,000
		Wairau (Tuamarina to Waihopai)	250,000	150,000	121,000	121,000	121,000	121,000	15,000	15,000	15,000	15,000

			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Drainage</b>		Waihopai below SH 63	0	0	6,000	6,000	6,000	6,000	0	0	0	0
		Are Are / Lamberts	30,000	20,000	6,000	6,000	6,000	6,000	0	0	0	0
		Gibsons Creek	30,000	0	0	0	0	0	0	0	0	0
		Pukaka	0	20,000	20,000	20,000	20,000	20,000	45,000	45,000	45,000	45,000
		Tuamarina Pocket Banking	50,000	0	20,000	0	0	0	0	0	0	0
		Upper Omaka	0	15,000	15,000	15,000	15,000	15,000	0	0	0	0
		Lower Opawa	60,000	50,000	50,000	20,000	20,000	0	0	0	0	0
		Opawa Loop	0	0	0	20,000	60,000	100,000	25,000	25,000	25,000	25,000
		Riverlands / Wither Streams										
		Channel Upgrade	30,000	0	0	0	0	0	0	0	0	0
		Wither Recovery (MFE funded)	38,278	0	0	0	0	0	0	0	0	0
		Taylor River	100,000	40,000	57,000	87,000	47,000	27,000	0	0	0	0
		Pump Station Capital										
		- Blenheim	180,000	130,000	130,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
		Pump Station Capital										
	- Rural	50,000	0	0	0	0	0	0	0	0	0	
	Culverts / Channels	30,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
	Drainage Works (Capital)	20,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
	<b>Total Rivers &amp; Drainage</b>	<b>1,078,278</b>	<b>580,000</b>	<b>545,000</b>	<b>455,000</b>	<b>455,000</b>	<b>455,000</b>	<b>595,000</b>	<b>595,000</b>	<b>595,000</b>	<b>595,000</b>	
<b>Land</b>												
<b>Transport</b>			<b>Funded by Geographic Area Rates and development impact levies</b>									
		Subdivisional Works	112,750	112,750	112,750	112,750	112,750	112,750	112,750	112,750	112,750	112,750
			<b>Funded by General Rates</b>									
<b>Fire Protection</b>		Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Roading</b>			<b>Funded by Geographic Area Rates</b>									
	Parking	Picton	100,000	100,000	0	0	0	0	0	0	0	0
		Parking Meters (Funded User Charges)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Non Subsidised Renewals	Footpaths	82,730	82,730	82,730	82,730	82,730	82,730	82,730	82,730	82,730	82,730
		Vehicle Crossings	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Pedestrian Utilities	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Kerb & Channel	55,000	55,000	55,000	55,000	55,000	55,000	198,862	187,990	188,457	
	Non Subsidised Capital	Footpaths	0	0	0	0	78,000	78,000	78,000	78,000	78,000	78,000
		Street Plots	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Vehicle Crossings	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Kerb & Channel	50,000	50,000	50,000	50,000	0	0	0	0	0	0
		Street Trees	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
		Street Lights	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800
		Power Undergrounding	750,000	0	0	0	0	0	0	0	0	0
		Blenheim Other projects	42,318	45,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318
		Blenheim CBD projects (Separate Rate)	250,000	235,000	0	0	0	0	0	0	0	0
		Other Special Projects (see below)	0	14,600	0	81,400	0	0	0	60,000	0	100,000
		Neil St, Havelock, upgrade	80,000	0	0	0	0	0	0	0	0	0
		Seal extensions (Separate Rate)	32,667	32,667	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
		Sounds Kenepuru (Separate Rate)	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
	Wharves	Wharves Renewals	100,000	20,000	0	20,000	0	20,000	0	20,000	20,000	20,000
	Subsidised Renewals	Sealed Pavement	221,355	222,710	225,420	228,130	230,840	233,550	236,260	238,970	241,680	244,390
		Unsealed Pavement	258,546	257,191	255,836	254,481	253,126	251,771	250,416	249,061	247,706	246,351
		Other maintenance Items	93,400	93,400	93,400	93,400	93,400	93,400	93,400	139,010	139,010	139,010
		Area Wide Pavement Treatment	700,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	700,000
		Culvert	86,595	86,595	86,595	86,595	86,595	86,595	86,595	86,595	85,500	85,500
		Surface Water Channel	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	150,000	150,000
		Major Bridge Repair	100,000	0	0	0	0	0	0	0	0	160,000
		Maintenance Chip Seal	1,010,000	1,020,000	1,030,000	1,040,000	1,050,000	1,060,000	1,070,000	1,080,000	1,090,000	1,100,000
		Asphalted Surfacing	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
		Maintenance Chip Seal										
		Rainbow	0	60,000	0	0	60,000	0	0	60,000	0	0
	Subsidised Capital	Culverts	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
		Surface Water Channels	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
		Seal Widening	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
		Preventative Maintenance	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Seal Extensions		165,200	0	100,000	0	0	100,000	0	0	100,000	0
	Alabama Roundabout		70,000	0	0	0	0	0	0	0	0	0
	Alternatives to Roading Projects		0	100,000	100,000	0	0	0	0	0	0	0
	Stock Effluent Disposal		80,000	0	0	0	0	0	0	0	0	0
	<b>Total Roading</b>		<b>5,046,111</b>	<b>3,853,511</b>	<b>3,744,599</b>	<b>3,537,354</b>	<b>3,655,309</b>	<b>3,606,664</b>	<b>3,618,019</b>	<b>3,838,846</b>	<b>3,988,234</b>	<b>3,960,056</b>
	<b>Total Land Transport</b>		<b>5,298,861</b>	<b>4,106,261</b>	<b>3,897,349</b>	<b>3,690,104</b>	<b>3,808,059</b>	<b>3,759,414</b>	<b>3,770,769</b>	<b>3,991,596</b>	<b>4,140,984</b>	<b>4,112,806</b>
<b>Sewerage</b>		<b>Funded by Separate Rates &amp; Charges and Trade Waste Charges</b>										
Blenheim	Sewer Pipeline (NEW)		1,322,000	1,718,000	240,000	325,000	177,000	488,000	160,000	170,000	0	0
	Sewer Oxidation Ponds (NEW)		0	80,000	0	0	0	0	0	0	0	0
	Pump Stations (NEW)		631,000	387,000	6,000	130,000	5,000	78,000	50,000	0	0	0
	Sewer Connections (NEW)		0	0	0	0	154,000	0	0	154,000	154,000	163,000
	Sewer Pipeline (NEW)		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	30,000
	Sewer Pipeline (Renewal)		76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000
	Telemetry recharges		1,250	6,500	5,000	2,625	1,000	2,750	5,750	5,750	1,250	2,000
Havelock	Sewer Oxidation Ponds (NEW)		38,271	0	0	12,000	105,000	0	0	0	0	0
	Sewer Connections (NEW)		1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244
	Sewer Pipeline (NEW)		3,800	3,800	3,800	3,800	4,000	4,000	4,000	4,000	4,000	4,200
	Pump Station Upgrades		10,000	10,000	10,000	10,000	0	0	0	0	0	0
	Telemetry recharges		391	2,031	1,563	820	313	859	1,797	1,797	391	625
Picton	Sewer Pumps (NEW)		0	6,000	160,000	0	0	0	0	0	0	0
	Sewer Treatment Plant (NEW)		0	0	0	0	0	20,000	340,000	0	0	0
	Sewer Pipeline (RENEWAL)		0	0	0	0	0	0	35,000	700,000	0	0
	Sewer Connections (NEW)		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Sewer Pipeline (NEW)		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Sewer Pipeline (Renewal)		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	Telemetry		703	3,656	2,813	1,477	563	1,547	3,234	3,234	703	1,125
Seddon	Sewer Treatment Plant		0	0	0	5,000	95,000	0	0	0	0	0
	Sewer Connections (NEW)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Telemetry		78	406	313	164	63	172	359	359	78	125
Spring Creek	Oxidation Ponds		12,000	1,000	150,000	0	0	0	0	0	0	0
	Sewer Connections (NEW)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Telemetry		234	1,219	938	492	188	516	1,078	1,078	234	375
Renwick	Sewer Pipeline (NEW)		1,782,000	3,181,032	0	0	0	0	0	0	0	0
	<b>Total Sewerage</b>		<b>3,965,971</b>	<b>5,564,888</b>	<b>744,671</b>	<b>655,622</b>	<b>706,371</b>	<b>760,088</b>	<b>765,462</b>	<b>2,204,462</b>	<b>324,900</b>	<b>340,694</b>
<b>Stormwater</b>		<b>Funded by Geographic Area rates (exceptions noted)</b>										
Blenheim	Blenheim NW reticulation (*)		0	0	0	94,300	0	9,700	0	42,400	0	3,500
	Blenheim NW Pump stations (*)		120,000	0	0	0	0	0	0	0	0	0
		<b>(*) Funded by Development Impact levies</b>										
	Stormwater Connections (NEW)		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Stormwater Pipeline (NEW)		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Stormwater Pipeline (Renewal)		90,000	90,000	90,000	90,000	90,000	50,000	50,000	50,000	50,000	50,000
Havelock	Stormwater Connections (NEW)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Stormwater Pipeline (NEW)		0	0	0	0	0	0	0	0	3,000	3,000
	Stormwater Pipeline (Renewal)		0	0	0	0	0	0	0	0	0	2,000
Picton	Stormwater Connections (NEW)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Stormwater Pipeline (NEW)		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000
	Stormwater Pipeline (Renewal)		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	9,000	9,000
Renwick	Stormwater Connections (NEW)		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Stormwater Pipeline (NEW)		0	0	0	0	0	0	0	0	0	10,000
	Stormwater Pipeline (Renewal)		0	0	0	0	0	10,000	10,000	10,000	10,000	10,000
Spring Creek	Stormwater Connections (NEW)		711	711	711	711	711	711	711	711	711	711
	Stormwater Pipeline (NEW)		0	0	0	0	0	0	0	0	0	9,000
Okiwi Bay	Capital Works		14,222	14,222	14,222	14,222	14,222	14,222	14,222	14,222	14,222	14,222
	<b>Total Stormwater</b>		<b>362,933</b>	<b>242,933</b>	<b>242,933</b>	<b>337,233</b>	<b>242,933</b>	<b>222,633</b>	<b>212,933</b>	<b>255,333</b>	<b>184,933</b>	<b>209,433</b>
<b>Waste Management</b>		<b>Funded by Geographic Area Rates and by User Charges</b>										
	Regional Landfill		240,000	30,000	25,300	1,482,205	280,000	30,000	30,000	30,000	30,000	1,486,733
<b>Water</b>		<b>Funded by Separate Rates &amp; Charges</b>										
Awatere	Treatment		7,000	50,000	50,000	1,300,000	0	0	0	0	0	0
	Pipelines (NEW)		0	0	0	0	0	0	2,000	40,000	0	0
	New reservoir		0	0	0	0	0	0	11,000	240,000	0	0
	Water Connections (NEW)		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	533
	Water Pipeline (Renewal)		55,860	55,860	55,860	55,860	55,860	55,860	55,860	55,860	55,860	55,860
	Water Pumping Stations											
	(Renewals)-Telemetry		547	2,844	2,188	1,148	438	1,204	2,516	2,516	547	875
Blenheim	Water Pipeline (NEW)		257,000	875,000	580,000	40,000	22,000	378,100	0	19,700	9,000	175,000
	Water Treatment plant (NEW)		57,000	1,043,000	0	0	0	0	0	0	0	0
	Reservoirs (NEW)		37,000	593,000	642,000	0	0	0	0	0	0	0

			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Havelock		Pump Stations (NEW)	48,000	897,000	0	0	0	0	0	0	0	0	
		Water Connections (NEW)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	55,000	
		Water Pipelines (NEW)	0	0	0	0	0	109,000	109,000	109,000	109,000	109,000	
		Water Pipeline (Renewal)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
		Water Laterals (Renewal)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
		Water Pumping Stations (Renewals)	1,094	5,688	4,375	2,297	875	2,406	5,031	5,031	1,094	1,750	
		Pipeline (NEW)	0	0	0	0	55,000	0	0	0	0	0	
		Treatment	0	30,000	155,000	0	0	0	0	0	0	0	
		Pump Stations	36,000	0	0	65,000	0	0	0	0	0	0	
		Water Connections (NEW)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Picton		Water Pipeline (Renewal)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
		Telemetry	156	813	625	328	125	344	719	719	156	250	
		Water Pipeline (NEW)	0	6,000	130,000	11,000	216,000	0	0	0	0	0	
		Reservoirs (NEW)	0	0	0	35,000	615,000	0	0	0	0	0	
		Treatment Plant (NEW)	507,000	507,000	90,000	600,000	0	0	0	0	0	0	
		Water Connections (NEW)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	
		Water Pipeline (NEW)	0	0	0	0	18,000	18,000	18,000	18,000	18,000	19,000	
		Water Pipeline (Renewal)	60,000	60,000	60,000	60,000	35,000	35,000	35,000	35,000	35,000	156,000	
		Water Laterals (Renewal)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
		Water Pumping Stations (Renewals)	313	1,625	1,250	656	250	688	1,438	1,438	313	500	
Renwick		Pipes (NEW)	26,100	0	0	0	0	0	0	0	0	0	
		Reservoirs (NEW)	0	0	20,000	400,000	0	0	0	0	0	0	
		Treatment Plant (NEW)	7,000	0	50,000	450,000	0	0	0	0	0	0	
		Pump Stations (NEW)	2,000	32,000	55,000	0	0	0	5,000	65,000	0	0	
		Pump Stations (RENEWAL)	0	0	15,000	0	0	0	0	0	0	0	
		Water Connections (NEW)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
		Water Pipelines (NEW)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
		Water Pipeline (Renewal)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		Water Pumping Stations (Renewals)	156	813	625	328	125	344	719	719	156	250	
		Reservoirs (NEW)	0	0	0	0	25,000	375,000	0	0	15,000	160,000	
Riverlands		Treatment for Mn & Fe	0	0	0	0	18,000	342,000	0	0	0	0	
		Pumping Station	0	0	0	0	4,000	56,000	0	0	0	0	
		Water Pipelines (NEW)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
		Water Pipes (Renewal)	0	150	150	150	0	0	0	0	0	0	
		Treatment Plant (NEW)	0	0	136,000	0	0	0	0	0	0	0	
		<b>Total Water</b>	<b>1,427,226</b>	<b>4,485,793</b>	<b>2,373,073</b>	<b>3,346,767</b>	<b>1,390,673</b>	<b>1,698,946</b>	<b>571,283</b>	<b>917,983</b>	<b>569,126</b>	<b>1,003,018</b>	
				<b>Funded by General Rates</b>									
	Elections	Computer Equipment	0	0	3,600	0	0	3,600	0	0	3,600	0	
				<b>Funded by Fees</b>									
	Animal Control	Pound Improvements	10,000										
			<b>Funded by General Rates</b>										
Unit	Hydrology	Hydrology	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	
			<b>Funded by General Rates &amp; Charges, and User Charges</b>										
Harbour Control	NavAids	NavAids	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,001	
	Swimming	Swimming	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
			<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,001</b>	
			<b>Funded by User Charges</b>										
Community Housing	Buildings & Improvements		120,000	83,000	91,200	92,000	100,800	88,000	93,000	88,000	120,000	120,000	
			<b>Funded by Internal Charges</b>										
Office Services	Building & Equipment		133,000	120,000	209,500	160,000	242,000	96,500	383,770	117,000	168,000	220,000	
			<b>Funded by Internal Charges</b>										
Information Services	Computer Equipment		324,500	387,700	340,200	287,700	338,500	387,700	330,200	297,700	338,500	387,700	
	Central Computer		1,100,000	0	0	0	0	0	1,100,000	0	0	0	
			<b>1,424,500</b>	<b>387,700</b>	<b>340,200</b>	<b>287,700</b>	<b>338,500</b>	<b>387,700</b>	<b>1,430,200</b>	<b>297,700</b>	<b>338,500</b>	<b>387,700</b>	
			<b>Funded by Internal User Charges</b>										
Telemetry	Total Telemetry		0	25,000	0	0	25,000	0	0	25,000	0	0	
			<b>Funded by Internal User Charges</b>										
Plant	Total Plant		256,000	152,500	309,500	282,500	173,500	152,500	252,500	202,500	152,500	441,500	
<b>TOTAL MDC CAPITAL EXPENDITURE</b>			<b>15,638,269</b>	<b>16,497,275</b>	<b>9,346,026</b>	<b>11,475,631</b>	<b>8,360,536</b>	<b>8,336,481</b>	<b>8,676,517</b>	<b>9,186,274</b>	<b>7,187,143</b>	<b>9,423,385</b>	



## 5. Overhead Accounts

Marlborough District Council Overhead Accounts have been allocated to various significant activities using appropriate allocation bases.

## 6. Schedule of Movements in Reserves, Separate and Special Funds

### Schedule of Movements in Reserves, Separate and Special Funds

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Special Purpose Reserves</b>										
Opening Balance	20,484	19,814	21,464	26,500	32,190	39,205	46,427	54,127	62,748	70,210
Transfer from / (to) accumulated fund	(670)	1,650	5,036	5,690	7,015	7,222	7,700	8,621	7,462	8,578
<b>Closing Balance</b>	<b>19,814</b>	<b>21,464</b>	<b>26,500</b>	<b>32,190</b>	<b>39,205</b>	<b>46,427</b>	<b>54,127</b>	<b>62,748</b>	<b>70,210</b>	<b>78,788</b>
<b>Depreciation Reserves</b>										
Opening Balance	729	1,213	1,668	2,054	2,453	2,648	2,945	2,064	2,567	2,933
Transfer from / (to) accumulated fund	484	455	386	399	195	297	(881)	503	366	214
<b>Closing Balance</b>	<b>1,213</b>	<b>1,668</b>	<b>2,054</b>	<b>2,453</b>	<b>2,648</b>	<b>2,945</b>	<b>2,064</b>	<b>2,567</b>	<b>2,933</b>	<b>3,147</b>
<b>Decline in Service Potential Reserve</b>										
Opening Balance	343	369	390	339	417	471	598	576	676	926
Transfer from / (to) accumulated fund	26	21	(51)	78	54	127	(22)	100	250	181
<b>Closing Balance</b>	<b>369</b>	<b>390</b>	<b>339</b>	<b>417</b>	<b>471</b>	<b>598</b>	<b>576</b>	<b>676</b>	<b>926</b>	<b>1,107</b>
<b>Bequests</b>										
Opening Balance	186	128	134	140	145	151	157	163	168	174
Transfer from / (to) accumulated fund	(58)	6	6	5	6	6	6	5	6	6
<b>Closing Balance</b>	<b>128</b>	<b>134</b>	<b>140</b>	<b>145</b>	<b>151</b>	<b>157</b>	<b>163</b>	<b>168</b>	<b>174</b>	<b>180</b>
<b>Revaluation Reserves</b>										
Opening Balance	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574	34,574
Transfer from / (to) accumulated fund	0	0	0	0	0	0	0	0	0	0
<b>Closing Balance</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>	<b>34,574</b>
<b>Total Reserves and Bequests</b>										
Opening Balance	56,316	56,098	58,230	63,607	69,779	77,049	84,701	91,504	100,733	108,817
Transfer from / (to) accumulated fund	(218)	2,132	5,377	6,172	7,270	7,652	6,803	9,229	8,084	8,979
<b>Closing Balance</b>	<b>56,098</b>	<b>58,230</b>	<b>63,607</b>	<b>69,779</b>	<b>77,049</b>	<b>84,701</b>	<b>91,504</b>	<b>100,733</b>	<b>108,817</b>	<b>117,796</b>

## 7. Loans

New loan raising requirements projected for the next ten financial years are outlined below. These loans have been budgeted as 'external' borrowing. Should sufficient funds be available at the time of borrowing, the loans will be internally financed. Any Internal financing will reduce both the Cash and Deposits and the Term Liabilities as detailed in the Statement of Financial Position.

Loan finance is used to fund certain capital projects.

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cemeteries	0	0	0	37	25	65	0	0	0	0
Public Conveniences	250	80	16	73	0	0	0	0	30	65
Car Parks	100	100	0	0	0	0	0	0	0	0
Blenheim CBD	250	235	0	0	0	0	0	0	0	0
Blenheim Power Undergrounding	750	0	0	0	0	0	0	0	0	0
Blenheim Sewerage	1,749	1,965	0	179	90	310	0	1,073	0	0
Picton Sewerage	0	0	0	0	0	0	0	657	0	0
Havelock Sewerage	0	6	6	11	94	0	0	0	0	0
Renwick Sewerage	0	1,375	0	0	0	0	0	0	0	0
Seddon Sewerage	0	0	0	0	50	0	0	0	0	0
Spring Creek Sewerage	0	0	147	0	0	0	0	0	0	0
Picton Stormwater	24	24	24	24	24	24	24	24	0	0
Waste Management	250	0	0	1,456	255	0	0	0	0	1,384
Awatere Water	0	0	0	1,240	0	0	0	276	0	0
Blenheim Water	0	2,223	444	0	0	0	0	0	0	0
Havelock Water	0	9	149	58	47	0	0	0	0	0
Picton Water	503	500	0	642	820	0	0	0	0	0
Renwick Water	0	0	133	843	0	0	0	58	0	0
Riverlands Water	0	0	0	0	0	625	0	0	0	135
Wairau Valley Water	0	0	125	0	0	0	0	0	0	0
	<b>3,876</b>	<b>6,517</b>	<b>1,044</b>	<b>4,563</b>	<b>1,405</b>	<b>1,024</b>	<b>24</b>	<b>2,088</b>	<b>30</b>	<b>1,584</b>

## 8. Bank Account/Reserves

The Bank account is budgeted to increase from \$11 million in 2002/03 to \$72 million in 2011/12. This increase is due to Council's reserves increasing over the period of the plan. The increasing reserve balances are mainly due to funds set aside in the event of disasters including storm and flood damage and depreciation reserves. In addition income from Council investments in Port Marlborough NZ Limited and Marlborough Regional Forestry accumulates in later years. Investment income from these investments is fully committed for the next few years with income from later years subject to assumptions regarding growth and investment decisions being realised.

# ASSUMPTIONS, DISCLOSURES AND COMPLIANCE

## Assumptions

With any financial forecasting a number of assumptions must be made. The following assumptions have been made in the preparation of this document:

### *Population*

It is extremely difficult to determine the level of growth in Marlborough over the next ten years. Using demographic trends indicated by Statistics New Zealand the rate of growth has been assumed to be 1.6% per annum. This growth along with known areas of development has been used in planning for future infrastructure requirements.

### *Inflation*

The costs and revenues reflected in this plan do not account for any inflation impacts.

### *Interest Rates /Term of Loans*

All loans have been raised for a period of twenty years with interest of 8% being applied.

### *Change in Levels of Service*

With the exception of where major capital works are undertaken there has been no change to the level of infrastructure service to customers incorporated into this plan. Reviews into the level of service supplied for stormwater are currently being undertaken. Greater emphasis is proposed in the areas of environmental planning, pest control and harbour control.

### *Asset Management Plans*

Council maintains asset management plans for all its significant assets. These plans define the levels of service to be provided, plan for future infrastructure requirements and are used to determine a likely timing for replacement of infrastructure components.

### *Change in Activities*

Council will continually review its activities to ensure they remain appropriate for Council to undertake. In addition Council will continually review how the services it is responsible for can be most effectively delivered. This plan does not include any change in Council's activities from those it is currently undertaking. Emergency Management has been newly identified as a significant activity, collecting activities previously recorded under Land Transport, and under Community, Recreation, Culture, and Heritage.

### *Legislative Framework*

Local government is bound by legislation. The extent of legislation that local authorities are required to follow is significant. This plan has been prepared on the basis that no change to existing legislation or central government policy will occur over the next ten years. Clearly this will not be the case. Of most significance to local government are the Resource Management Act 1991, the Local Government Act 1974 and the Rating Powers Act 1988.

Currently a number of reviews are being undertaken by central government which cover:

- Local Government Funding Powers.
- Local Government Act 1974 - General powers of competence in governance role.
- Land Transport - Roothing reforms associated with funding and management structure of New Zealand roading systems.
- Water quality standards.
- Resource Management Act.
- Bovine Tb control.

The above list is not exhaustive but changes in legislation or central government policy could significantly impact on local government and the communities it serves. Council will continue to ensure that it is in the forefront of change to ensure that the Marlborough community is best served.

### *Consumption and Demand*

The current levels of demand for services and consumption of services and functions provided by Council have been used to forecast for the next ten years. Clearly changes to consumption patterns or activity within the District will impact on the functions carried out by Council. In the event of infrastructure planning, increases to demand associated with population growth have been incorporated.

### *Subsidies*

It has been assumed that subsidies received by Council for carrying out Bovine Tb control will continue unchanged. The level of Transfund subsidy for roading functions has been reduced from 50% to 47% over the next three years.

### *Reserves*

Reserves established for infrastructure will not be drawn upon within the ten year period. Of note are flood damage reserves for river control re-instatement, storm damage reserves for roading re-instatement and general infrastructure disaster reserves for reinstatement in the event of a significant natural disaster (most likely threat is a earthquake).

## Disclosures

### *Loss of Service Potential /Depreciation*

Council provides for the future replacement of its assets by providing for depreciation and loss of service potential for its fixed assets. In the case of infrastructure assets a provision for the loss of service potential is calculated using the relevant asset management plan. By legislation Council is required to fund the provision for future asset replacement. The purpose of this is to ensure that the generations that use the assets pay for the wear and tear on them.

Council in preparing this plan has reviewed its asset management plans and has recalculated the provisions made. The impact on some communities of having to fund the loss of service potential causes significant financial burden and generates an



unfair charge against the residents using the service today.

The Havelock sewerage scheme predominantly funded by way of lump sum contributions in the past would have to also fund its replacement in the future. Council believes that the requirement for the Havelock community to fund the provisions made in the account create an unfair charge against the residents who have established the scheme to date. Council has not funded the loss of service potential for this scheme within the plan.

The Wairau Valley water supply was similarly funded by previous generations and Council has not funded the provision for its future replacement within this plan.

#### ***Contingencies and Commitments***

There are no significant commitments other than those represented in the plans.

There are no significant contingencies that have not been represented within the plan.

## **Compliance**

### **ENTITY STATEMENT**

This Annual Plan covers the activities of the Marlborough District Council. The Council is a unitary authority established under the Local Government Act 1974. A unitary authority has the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act.

This Annual Plan also covers the activities of the following subsidiary entities of the Marlborough District Council:

1. MDC Holdings Limited (100% owned by Council).
2. Port Marlborough New Zealand Limited (100% owned by MDC Holdings Limited).
3. Marlborough Airport Company (100% owned by Port Marlborough New Zealand Limited).
4. Marlborough Regional Forestry (88.62% owned by Council).

The 2002/2003 Annual Plan has been published incorporating the requirements of the Local Government Act.

#### ***Marlborough District Council Funding Policy***

(adopted pursuant to Section 122N of the Local Government Act). Section 223D(3)(a) of the Local Government Act requires Council to publish an outline of the adopted funding policy within the Annual Plan. It is Council's intention that the outline provided in this document constitutes compliance with Section 223D.

#### ***Marlborough District Council Long Term Financial Strategy***

(adopted pursuant to Section 122K of the Local Government Act). Section 223D(3)(d) of the Local Government Act requires Council to publish an outline of the adopted Long Term Financial Strategy within the Annual Plan. It is Council's intention that the outline provided in this document constitutes compliance with Section 223D.

### ***Annual Plan 2002/2003***

This document is intended to constitute compliance with all other aspects of Section 223D of the Local Government Act.

## **LEGAL REQUIREMENTS**

### ***Legislation***

The principal statutes that the Marlborough District Council is required to follow are:

- Local Government Act 1974
- Local Government Official Information and Meetings Act 1987
- Local Authorities (Members' Interests) Act 1968
- Resource Management Act 1991
- Harbours Act 1950
- Biosecurity Act 1993a
- Reserves Act 1977
- Soil Conservation and Rivers Control Act 1941
- Rating Powers Act 1988

A requirement under the statutes is for Council to prepare a number of plans e.g. resource management plans, regional policy statement, Biosecurity plans, annual plan, long term financial strategy, infrastructure asset management plans etc. These are available for inspection at the Council offices.

### ***Bylaws***

With the amalgamation of the three local authorities in Marlborough, the Marlborough District Council inherited a vast number of bylaws, many of which are no longer required. A review of the bylaws has been carried out with the intent of incorporating all Council bylaws into one document. For any enquiries please contact Mr Tony Quirk, District Secretary with regard to official information and Mr Mike Porter, Democratic Co-ordinator for Council's bylaws.

## **EQUAL EMPLOYMENT OPPORTUNITIES POLICY**

The following is a summary of Council's Equal Employment Opportunities Policy.

### ***Reason for Policy***

An Equal Employment Opportunities Policy is a planned, result orientated management programme designed to achieve equal opportunity in the work place. The Policy involves the identification and elimination of the policies, procedures and other institutional barriers that cause or perpetuate inequality.

### ***Objectives of Policy***

The goal of an Equal Employment Opportunities Policy is to ensure that for any given position the best available person for the job gets the job regardless of their gender, race, religion, disability, or any other irrelevant factor. Specific objectives the Council strives to achieve are:

**Objective One:** To operate EEO policies in the Council's recruitment and promotion process to ensure that the best person available for the job is selected.

**Objective Two:** To ensure EEO policies are incorporated in the

review procedures for all staff for the purposes of regular performance appraisal and assessment of potential for staff development and promotion.

**Objective Three:** To promote the Council's image as an EEO organisation. The main target groups which this Equal Employment Opportunities programme is aimed at are women, Maori, Pacific Island and ethnic minority groups and the disabled.

Council's Human Resources Co-ordinator is responsible for ensuring that any recruitment carried out by the Marlborough District Council follows the objectives and guidelines set out above. It is the co-ordinator's responsibility to ensure management and staff involved in the recruitment process have had the training that incorporates an awareness of equal employment opportunities.

# RATES AND CHARGES

## 2002-2003

Total Rates and Charges are estimated at \$27,398,161 (GST exclusive), which is \$912,021 (3.44%) more than the 2001-2002 levy. The increase principally relates to the following activities:

Roads, Streets and Bridges	<b>\$229,450</b>	Reduction in Transfund Subsidy (\$53,000), New Works (\$93,766). Loan funding of underground power reticulation (\$82,684)
Environmental Policy Development	<b>\$150,000</b>	Increased funding to meet community expectations for environmental issues.
Emergency Management	<b>\$144,485</b>	Emergency management issues in relation to planning and management procedures for fire protection and disaster events.
Public Conveniences	<b>\$33,316</b>	New Public Conveniences - Blenheim Railway Station, Queen Street, and Picton Carpark.
Community Development	<b>\$35,648</b>	Maintain Financial assistance Grants at \$100,000 p.a. - 2001-02 budget was part funded from previous year's unspent budget.
Bovine Tb	<b>\$74,749</b>	Additional rating requirement as a result of the Bovine Tb programme increasing by \$1.37 million, offset by the Animal Health Board subsidy increasing by \$1.295 million.
Picton Parking	<b>\$24,363</b>	Loan repayments to meet debt-servicing costs by Picton Ratepayers, for the new Picton car park and its development cost.
Waste Management	<b>\$40,000</b>	New recycling initiatives.
Blenheim Sewerage	<b>\$167,588</b>	Loan repayments to meet debt servicing costs by Blenheim ratepayers for pipeline and pump station upgrades.
Picton Sewerage	<b>\$15,570</b>	Increase in Sewerage Charges to compensate for reduction in trade waste revenue.
Grants	<b>\$63,854</b>	Grants to various organisations.
Tyntesfield Road Charge	<b>\$8,800</b>	New charge for upgrading and sealing the Tyntesfield Road.
Okiwi Bay Stormwater Charge	<b>\$14,222</b>	New charge for stream protection and stormwater.
Blenheim Rooding Loans	<b>-\$47,705</b>	Reduction in Blenheim Consolidated Loan Rate as a result of loans being fully repaid.
Separate Rooding Charges	<b>-\$30,492</b>	The cessation of the Sandy Bay Road Charge, and a reduction in the Moutapu Bay Road Charge.

## 2003-2004

Total rates and charges are estimated at \$27,699,401 (GST exclusive), which is \$301,240 “more” than that estimated for 2002/03. The increase is principally attributable to the following movements:

• Picton Water Treatment Plant Upgrade (increase)	\$55,100
• Blenheim Sewerage Upgrades (increase)	\$272,921
• Blenheim Water Upgrades (increase)	\$241,150
• Proposed Renwick Sewerage Scheme (increase)	\$151,679
• Bovine TB (increase)	\$66,839
• Resource Management Control (increase)	\$59,662
• Environmental Health (increase)	\$12,887
• Public Conveniences (increase)	\$12,458
• Wairau River Control Works (decrease)	(\$431,018)
• Blenheim Consolidated Loan Rate (decrease)	(\$87,850)
• Grants to organisations (decrease)	(\$43,854)

## 2004-2005

Total rates and charges are estimated at \$27,861,423 (GST exclusive), which is \$162,022 “more” than that estimated for 2003/04. The increase is principally attributable to the following movements:

• Roads, Streets and Bridges (decrease)	(\$24,109)
• Cost of Democracy (increase)	\$46,464
• Blenheim Water Upgrades (increase)	\$48,906
• Regional Pest Management (increase)	\$25,191
• Blenheim Sewerage Upgrades (increase)	\$10,908
• Spring Creek Sewerage (increase)	\$20,102
• Havelock Water (increase)	\$19,638
• Wairau Valley Water (increase)	\$13,749

## 2005-2012

The following rates and charges are estimated:

• 2005-2006	\$28,146,818
• 2006-2007	\$28,204,822
• 2007-2008	\$28,281,187
• 2008-2009	\$28,441,613
• 2009-2010	\$28,897,990
• 2010-2011	\$29,002,593
• 2011-2012	\$29,293,403

## INDICATIVE RATING IMPACT ON BENCHMARK PROPERTIES (No provision for inflation)

	Land Value	Capital Value	01/02 ACTUAL	02/03 BUDGET	03/04 BUDGET	04/05 BUDGET	05/06 BUDGET	06/07 BUDGET	07/08 BUDGET	08/09 BUDGET	09/10 BUDGET	10/11 BUDGET	11/12 BUDGET
Blenheim Residential	55,500	146,000	1,311	1,361	1,414	1,399	1,407	1,413	1,414	1,414	1,435	1,434	1,452
Blenheim Residential	48,500	140,000	1,299	1,344	1,392	1,370	1,376	1,383	1,384	1,383	1,403	1,401	1,417
Blenheim Residential	62,000	216,000	1,413	1,466	1,525	1,506	1,514	1,518	1,521	1,520	1,545	1,543	1,561
Blenheim Vacant Section	60,000	60,000	1,160	1,210	1,265	1,256	1,264	1,265	1,272	1,269	1,294	1,292	1,307
Blenheim Commercial	51,000	208,000	2,459	2,500	2,534	2,524	2,532	2,542	2,527	2,552	2,591	2,600	2,614
Blenheim Commercial	136,000	385,500	5,243	5,330	5,411	5,417	5,431	5,443	5,410	5,476	5,582	5,606	5,631
Picton Residential Note 1	42,500	137,000	1,513	1,561	1,588	1,590	1,594	1,619	1,626	1,625	1,661	1,709	1,718
Picton Residential Note 2	42,500	137,000	1,393	1,445	1,472	1,474	1,478	1,503	1,510	1,509	1,545	1,593	1,602
Picton Residential Note 1	55,000	147,000	1,705	1,755	1,791	1,792	1,797	1,831	1,839	1,836	1,882	1,930	1,940
Picton Residential Note 2	55,000	147,000	1,550	1,604	1,640	1,641	1,646	1,680	1,688	1,685	1,731	1,779	1,789
Picton Vacant Section Note 1	43,000	43,000	1,231	1,275	1,307	1,308	1,313	1,341	1,348	1,346	1,384	1,405	1,413
Picton Commercial Note 1	96,000	152,000	3,047	3,149	3,214	3,215	3,221	3,282	3,292	3,291	3,370	3,414	3,434
Picton Motels (12 units) Note 2	100,000	452,000	3,485	3,603	3,671	3,671	3,690	3,754	3,765	3,763	3,845	3,888	3,948
Blenheim Vicinity	363,000	658,000	2,951	3,073	3,091	2,947	2,953	2,931	2,940	2,936	2,968	2,963	3,000
Blenheim Vicinity	413,000	813,000	3,419	3,557	3,577	3,400	3,407	3,382	3,392	3,387	3,423	3,419	3,460
Blenheim Vicinity	4,785,000	5,250,000	29,167	30,738	30,964	29,777	29,813	29,499	29,572	29,551	29,940	29,949	30,396
Blenheim Vicinity	920,000	1,960,000	7,457	7,762	7,806	7,378	7,388	7,329	7,346	7,340	7,416	7,414	7,502
Blenheim Vicinity	979,000	2,081,000	7,896	8,220	8,267	7,814	7,825	7,763	7,781	7,774	7,855	7,853	7,946
Renwick Residential Note 3	42,000	148,000	842	860	1,299	1,272	1,406	1,398	1,398	1,398	1,420	1,415	1,424
Spring Creek Residential	30,000	118,000	900	918	921	1,031	1,047	1,047	1,052	1,048	1,055	1,048	1,057
Rarangi Residential	48,000	128,000	600	619	623	618	622	621	626	623	628	623	631
Picton Vicinity	477,000	567,000	3,315	3,533	3,577	3,513	3,521	3,481	3,492	3,488	3,540	3,533	3,600
Ngakuta Bay - bach	50,000	194,000	560	595	603	606	613	611	616	613	621	618	629
General Rural - no water	637,000	882,000	3,515	3,789	3,853	3,857	3,860	3,814	3,830	3,828	3,902	3,893	3,965
General Rural - Awatere Water	360,000	520,000	3,529	3,686	3,722	3,725	4,695	4,670	4,681	4,679	4,925	4,922	4,961
Havelock Residential	39,500	169,000	1,029	1,064	1,073	1,162	1,217	1,267	1,270	1,266	1,275	1,277	1,281
Seddon Residential	10,000	93,000	683	691	692	694	782	785	787	785	805	808	813
Admin Rural - farm	775,000	1,160,000	2,326	2,491	2,520	2,525	2,530	2,525	2,533	2,531	2,543	2,547	2,563
Admin Rural - bach	66,000	151,000	359	377	381	383	387	390	394	391	393	395	401
Admin Rural - bach	64,000	158,000	354	371	375	377	381	384	388	385	387	389	394

\*1 These properties pay the Sewer Treatment Loan Rate because they did not make a lump sum payment

\*2 These properties made a Sewer Treatment Lump Sum payment

\*3 Proposed Sewer Scheme increases rates in 2003/04

## GENERAL TYPE RATES AND CHARGES

Although general-type rates and charges have increased overall by 4.66%, there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas.

e.g. The general rural geographic area funds the majority of the funding requirements for Bovine TB and Fire Protection.

### **District-wide General Rates (\$3,777,362 GST inclusive)**

This rate funds the “District-wide component” of various activity rate requirements.

e.g. 11% of the Cemeteries rating requirement is funded from the District-wide General Rate.

*There is an overall 15.26% increase in this rate, which produces an additional \$444,417 (GST exclusive). This increase is principally attributable to increased expenditure on Harbour Control, Environmental Policy, Emergency Management, Public Conveniences, and Grants.*

### **District-wide Uniform Annual General Charge (\$2,371,833 GST inclusive)**

The District-wide uniform annual general charge applies to every property in the district and funds the Cost of Democracy (includes the cost of elected members, public consultation and policy advice); 60% of Environmental Health; and 18% of Recreation and Events.

*The uniform charge remains unchanged at \$118.*

### **Geographic Area General Works and Services Rates (\$9,702,372 GST inclusive)**

These rates fund the “Geographic Area Component” of various activity rate requirements.

e.g. 89% of the Cemeteries rating requirement is funded from Geographic Area Works and Services rates.

*There is an overall 2.74% increase in the geographic area rates which results from Roads, Streets and Bridges; Stormwater; Parking; Fire Protection and Bovine Tb funding movements.*

General Works and Services amounts levied in each geographic area are as follows:

• Blenheim	\$4,538,376
• Blenheim Vicinity	\$1,750,835
• Picton	\$1,065,834
• Picton Vicinity	\$198,034
• General Rural	\$2,026,358
• Administrative Rural	\$122,935

### **Geographic Area Uniform Annual Charges (\$4,037,130 GST inclusive)**

These charges fund the respective area’s share of the following activities:

- Reserves and Parks
- Libraries
- Waste Management
- Swimming Pools
- Civil Defence
- Community Development
- Recreation and Events (82% portion)
- Parking (Picton only)
- Environmental Health ((40% portion)

*There is an overall 4.66% increase in geographic area charges which results from increased expenditure for Community Development, Emergency Management, Grants, Waste Management and Picton Parking.*

General Works and Services amounts levied in each geographic area are as follows:

• Blenheim	\$2,188,625
• Blenheim Vicinity	\$646,466
• Picton	\$589,077
• Picton Vicinity	\$66,006
• General Rural	\$471,493
• Administrative Rural	\$75,463

## DEBT SERVICING RATES AND CHARGES

### **Blenheim Consolidated Loan Rate (\$318,803 GST inclusive)**

The Blenheim Consolidated Loan Rate funds loan repayments for the District Administration Building, Parking Areas, Public Conveniences and Rooding Loans relating to the former Blenheim Borough Council. It is levied on a land value basis.

*The 14.79% decrease in this rate for 2002-03 is mainly the result of reductions in Rooding loan repayments. On a property with a land value of \$55,500, the rate will “decrease” from \$43.29 to \$36.94 (\$6.35 decrease).*

### **Picton Sewerage Treatment Loan Rate (\$169,899 GST inclusive)**

This rate is levied on the land value of all properties in the sewerage district, which did not fund their share of the treatment plant costs by way of lump sum contribution.

*A 5.05% reduction has occurred as a result of value movements. On a property with a land value of \$55,000, the rate will “decrease” from \$155.49 to \$150.72 (\$4.77 decrease).*

### **Picton Consolidated Loan Rate (\$30,989 GST inclusive)**

The Picton Consolidated Loan Rate is levied on land value and funds loan repayments for minor loans relating to the former Picton Borough Council.

*A 4.08% reduction has occurred as a result of some loans having been repaid. On a property with a land value of \$55,000, the rate will “decrease” from \$15.85 to \$15.22 (\$0.63 decrease).*



### **Miscellaneous Loan Rates/Charges (\$3,418 GST inclusive)**

These rates and charges relate to separate rating areas where lump sum payments were not made.

• Havelock Sewerage Loan Rate	\$619
• Spring Creek Sewerage Loan Rate	\$433
• Tuamarina Water Charge	\$1,464
• Wairau Valley Water Loan Charge	\$902

The rates are levied on a land value basis – the charges are uniform.

*No increases have occurred.*

## **ROADING RATES AND CHARGES**

### **Okiwa Bay Jetty Charge (\$260 GST inclusive)**

This charge is levied to fund expenditure incurred on replacing the former Okiwa Bay jetty. The charge will be discontinued after 2010-11.

*No increase has occurred.*

### **Kenepuru Road Rate (\$34,602 GST inclusive)**

This rate is levied on a capital value basis to provide roading improvements in the Kenepuru area.

*No increase has occurred.*

### **Wakaretu Road Charge (\$4,000 GST inclusive)**

This charge is funding the cost of sealing the road into Wakaretu Bay, and ceases in 2002-03.

*The charge for 2002-03 remains unchanged at \$250 per property.*

### **Archers Road Charge (\$19,296 GST inclusive)**

A poll of affected ratepayers is being held to determine whether any further sealing works are to be carried out.

*If further works are to proceed, the charge of \$268 per property will remain unchanged.*

### **French Pass Road Charge (\$24,347 GST inclusive)**

This charge is funding the cost of sealing between Matapehe Hill and French Pass.

*The charge of \$97.00 per property will continue until 2014-15.*

### **Moetapu Bay Seal Extension Charge (\$11,223 GST inclusive)**

Funding of the local share of this seal extension ceases in 2002-03.

*The Moetapu Bay road charge will be \$129 per annum (60.3% reduction).*

### **Tyntesfield Road Charge (\$9,900 GST inclusive)**

At a meeting of Tyntesfield ratepayers in November 2001, Marlborough Roads was requested to estimate the cost of upgrading and sealing the Tyntesfield Road, and Council staff were requested to provide various funding options.

The cost estimate and funding options were provided to the Residents Committee on 20 December 2001 to ascertain whether the proposal should proceed, and if so, how it should be funded.

*A poll of affected ratepayers was carried out, prior to the closing of Annual Plan submissions, to determine whether a majority of ratepayers supported the proposal for a uniform annual charge for a three year period.*

## **SEWERAGE RATES AND CHARGES**

### **Blenheim Sewerage (Total \$1,899,438 GST inclusive)**

*An overall increase of \$188,503 (GST exclusive) will occur.*

#### **Capital Sewerage Rate (\$777,564 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs. There is a 26.75% increase in this rate to meet debt servicing costs on new loans raised for pipelines and pump stations.

*On a property with a land value of \$55,500 the rate will increase from \$66.59 to \$84.29 (\$17.70 increase).*

#### **Sewerage Charge (\$1,121,874 GST inclusive)**

*Increased operating costs will necessitate a \$3 increase in the charge for connected properties and a \$1.50 increase for unconnected properties.*

*This charge funds the balance of expenditure and will increase to \$113 per connected property and \$56.50 per unconnected property. Properties with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic property, will be levied an additional trade waste charge.*

### **Havelock Sewerage (Total \$81,664 GST inclusive)**

*An overall increase of \$2,281 (GST exclusive) will occur.*

#### **Capital Sewerage Rate (\$17,792 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

*On a property with a land value of \$39,500 the rate will remain unchanged at \$52.95.*

#### **Sewerage Charge (\$63,872 GST inclusive)**

*Increased operating costs will necessitate a \$14 increase in the charge for connected properties and a \$7 increase for unconnected properties.*

*This charge funds the balance of expenditure and will increase to \$237 per connected property and \$118.50 per unconnected property.*

### **Picton Sewerage (Total \$553,662 GST inclusive)**

*An overall increase of \$16,374 (GST exclusive) will occur.*

#### **Capital Sewerage Rate (\$22,444 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

*There is a \$729 increase in the funding requirement.*

*On a property with a land value of \$55,000 the rate will increase from \$10.47 to \$10.87 (\$0.40 increase).*

#### **Sewerage Charge (\$531,218 GST inclusive)**

*This charge funds the balance of expenditure. An increase is necessary to compensate for reduced trade waste revenue and results in charges of \$235 per connected property and \$117.50 per unconnected property. ( Properties with sewerage discharges where the quantity or the strength of the effluent is greater than an average domestic property, will be levied an additional trade waste charge.)*

**Seddon Sewerage (Total \$56,915 GST inclusive)**

There is no change in the overall rates.

**Capital Sewerage Rate (\$14,264 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

On a property with a land value of \$10,000 the rate will remain unchanged at \$56.26.

**Sewerage Charge (\$42,651 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$197 per connected property and \$98.50 per unconnected property.

**Spring Creek Sewerage (Total \$44,431 GST inclusive)**

An overall increase of \$820 will occur.

**Capital Sewerage Rate (\$4,192 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

There is an \$820 increase in the funding requirement.

On a property with a land value of \$30,000 the rate will increase from \$18.39 to \$23.29 (\$4.90 increase).

**Sewerage Charge (\$40,239 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$263 per connected property and \$131.50 per unconnected property.

## REFUSE COLLECTION CHARGES

**Blenheim Refuse Collection Charge (\$606,660 GST inclusive)**

The collection charge remains unchanged at \$60 per service.

**Picton Refuse Collection Charge (\$182,250 GST inclusive)**

The collection charge remains unchanged at \$81 per service.

## WATER SUPPLY RATES AND CHARGES

**Awatere Water Supply (\$257,069 GST inclusive)**

Although there is an increase in the overall rate requirement of \$3,323 (GST exclusive), it is anticipated that increased consumption will compensate for this movement.

The uniform charge of \$25.00 per meter and consumption charge of 45 cents per cubic metre will remain unchanged.

**Blenheim Water Supply (Total \$2,252,059 GST inclusive)**

The overall rates remain unchanged.

**Capital Water Rate (\$636,698 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

On a property with a land value of \$55,500 the rate will remain unchanged at \$69.08.

**Water Supply Charge (\$1,615,361 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$144 per connected property and \$72 per unconnected property. Metered consumers will pay \$0.44 per cubic metre with a minimum quarterly charge of \$36.00.

**Havelock Water Supply (Total \$133,710 GST inclusive)**

The overall rates remain unchanged.

**Capital Water Rate (\$38,750 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

On a property with a land value of \$39,500 the rate will remain unchanged at \$109.36.

**Water Supply Charge (\$94,960 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$211 per connected property and \$105.50 per unconnected property. Metered consumers will pay \$1.20 per cubic metre with a minimum quarterly charge of \$52.75.

**Picton Water Supply (Total \$793,938 GST inclusive)**

The overall rates remain unchanged.

**Capital Water Rate (\$265,993 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

On a property with a land value of \$55,000 the rate will remain at \$126.33

**Water Supply Charge (\$527,945 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$191 per connected property and \$95.50 per unconnected property.

Ordinary metered consumers will pay \$0.6455 per cubic metre with a minimum quarterly charge of \$47.75.

Koromiko Special Agreement Consumers will pay \$0.5164 per cubic metre.

Consumers on-selling water will pay \$0.7161 per cubic metre with a minimum quarterly charge of \$47.75.

**Renwick Water Supply (Total \$157,401 GST inclusive)**

An overall increase of \$441 will occur.

**Capital Water Rate (\$36,749 GST inclusive)**

This rate is levied on land value and funds Capital Expenditure, Loan Repayments and Debt Servicing costs.

On a property with a land value of \$42,000 the rate will increase from \$45.34 to \$45.94 (\$0.60 increase).

**Water Supply Charge (\$120,652 GST inclusive)**

This charge funds the balance of expenditure and is unchanged at \$159 per connected property and \$79.50 per unconnected property. Metered consumers will pay \$0.474 per cubic metre with a minimum quarterly charge of \$39.75.

### **Riverlands Water Supply (\$71,325 GST inclusive)**

*There is no increase in the charges.*

### **Wairau Valley Water Supply (\$15,136 GST inclusive)**

*There is no increase in the charges.*

## **WAIRAU VALLEY RIVER RATES**

### **Wairau Valley River Works Rates (\$3,178,481 GST inclusive)**

These rates cover activities associated with river control and drainage in the Wairau Valley Rating Area and are levied differentially on a Capital Value basis on all properties in the Wairau Catchment.

*There are no increases in these rates.*

The following is a schedule of the rates in the dollar are levied on the capital values in each group: (In brackets is the levy amount for each \$10,000 of Capital Value).

Rural A Properties	0.195822	(\$19.58)
Rural B Properties	0.166405	(\$16.64)
Rural C Properties	0.117493	(\$11.75)
Rural D Properties	0.029373	(\$2.94)
Blenheim Urban 1 Properties	0.130329	(\$13.03)
Blenheim Urban 2 Properties	0.092031	(\$9.20)
Blenheim Urban 3 Properties	0.061361	(\$6.14)
Blenheim Urban 4 Properties	0.046020	(\$4.60)
Other Urban 1 Properties in Wairau Catchment	0.137079	(\$13.71)
Other Urban 2 Properties in Wairau Catchment	0.088119	(\$8.81)

## **OTHER RATES AND CHARGES**

### **Rarangi Works and Service Charge (\$6,180 GST inclusive)**

*The \$30 Uniform charge, which is levied for the Rarangi Volunteer Fire Brigade and other community purposes, remains unchanged.*

### **Tuamarina/Waikakaho Recreation Charge (\$1,210 GST inclusive)**

This charge is levied on behalf of the Tuamarina Hall Committee to assist with replacement insurance costs for the Tuamarina/Waikakaho Hall.

*The \$10 Uniform Charge remains unchanged.*

### **Okiwi Bay Stormwater Charge (\$16,000 GST inclusive)**

At the Annual General Meeting of the Okiwi Bay Residents' Association, a presentation was made on a proposed stormwater and stream protection scheme.

There was an indication from the meeting that a uniform charge of \$100 per annum would be acceptable, however, staff were requested to prepare alternative funding options for ratepayers' consideration.

*A poll of affected ratepayers was carried out, prior to the closing of Annual Plan submissions, to determine whether a majority of ratepayers supported the proposal.*

## **TIMETABLED ACTION - RATE ASSESSMENTS**

	<b>Post-Out Date</b>	<b>Last Date Before Penalty</b>
1 <sup>st</sup> Rate Instalment	26 July 2002	12 September 2002
2 <sup>nd</sup> Rate Instalment	25 October 2002	12 December 2002
3 <sup>rd</sup> Rate Instalment	24 January 2003	12 March 2003
4 <sup>th</sup> Rate Instalment	25 April 2003	12 June 2003



# FUNDING POLICY

1. The decision-making process underlying Council's funding policy follows the "three step process" outlined in the Local Government Act 1974.

*In essence the three step process involves:*

- Determining the benefits and beneficiaries of each Council function, and allocating the costs associated with each function to the beneficiaries in proportion to the benefit.  
  
(This allocation is based on economic principles and results in an "economically efficient funding allocation").
  - Adjusting the economically efficient funding allocation to take account of "considerations" which Council determined on reasonable grounds to be relevant to those expenditure needs.
  - Determining a practical funding mechanism to achieve the allocation that resulted from step two.
2. Council's Funding Policy deals with the allocation of costs and funding mechanisms at a "Function" level.

*Functions are a sub-set of Significant Activities eg: One of Council's "Significant Activities" is Community, Recreation, Culture and Heritage, and Libraries is one "function" of that significant activity.*

*The following is a summary of Council's Funding Policy as it applies to various functions:*

## Community, Recreation, Culture and Heritage

### Libraries

User charges for priority bookings, fiction books, overdue returns and other miscellaneous services.

Residual funded 50% by geographic areas' works and services uniform annual charges and 50% by district-wide general rate.

### Swimming Pools

User charges are set by the contractor or local community that manages the pool.

Picton and Seddon residuals are funded 97% by geographic areas' works and services uniform annual charges and 3% from the district-wide general rate.

### Aquatic Centre Complex

A funding arrangement is in place for the on-going maintenance and improvement of the asset. The maintenance and operations grant and debt servicing costs for the Aquatic Centre are funded 89% from the geographic areas' works and services uniform annual charges, and 11% from district-wide general rates.

### Reserves and Walkways

Reserves are classified into four groupings and apart from recoveries from organised events, the residual amount is funded as follows:

#### *Local/Neighbourhood Reserves and Walkways*

Residual funded 99% by geographic areas' works and services uniform annual charges and 1% from the district-wide general rate.

#### *District High Use Reserves*

Residual funded from 60% to 95.5% by geographic areas' works and services uniform annual charges and from 4.5% to 40% from the district-wide general rate.

#### *District Leased Reserves*

User charges normally meet 100% of the costs. Any residual is met from the district-wide general rate.

#### *District Low Use Passive Reserves*

Residual funded 71% by geographic areas' works and services uniform annual charges and 29% from the district-wide general rate.

#### *Cemeteries*

One payment is made by the family of the deceased or the deceased's estate, recognising the costs of the burial and the capital cost of the plot.

Residual funded 89% from geographic areas' works and services rates and 11% from the district-wide general rate.

#### *Public Conveniences*

Residual funded 100% from district-wide general rate.

#### *Recreation and Events*

Residual funded 82% by geographic areas' works and services uniform annual charges and 18% from the district-wide uniform annual general charge.

#### *Community Grants - Heritage*

Residual funded 100% from district-wide general rate.

#### *Community Grants - Other*

Residual funded 52% by geographic areas' works and services uniform annual charges and 48% from the district-wide general rate.

## Halls and Museums

Halls and Museums are administered and maintained by local community groups.

There are three classifications for the function. The Council grant for rates and indemnity insurance is funded as follows:

#### *Local Use Halls*

Residual funded 99% by the geographic areas' works and services rates and 1% from the district-wide general rate.

#### *Wider Benefit Halls*

Residual funded 95% by the geographic areas' works and services rates and 5% from the district-wide general rate.

### ***Museums***

Residual funded 50% by the geographic areas' works and services rates and 50% from the district-wide general rate.

## **Civil Defence**

Residual funded 60% by geographic areas' works and services uniform annual charges and 40% from the district-wide general rate.

## **Memorials**

### ***District Memorials***

Residual funded 100% by district-wide general rate.

### ***Locality Specific Memorials***

Residual funded 80% by the geographic areas' works and services rates and 20% from the district-wide general rate.

## **Economic Development**

### ***Tourism***

Residual funded 93% from geographic areas' works and services rate (commercial/industrial ratepayers only) and 7% from the district-wide general rate.

### ***Development Initiatives***

Residual funded 100% by district-wide general rate.

### ***Research Centre Grant***

Residual funded 52% by geographic areas' works and services uniform annual charges and 48% from the district-wide general rate.

## **Land Transport**

### ***Non-carriage***

Residual funded 100% from geographic areas' works and services rates.

### ***Extraordinary Use***

User pay charges/rate for funding over and above that for which the road was originally designed where the use generates extraordinary heavy traffic loading and frequencies.

### ***Other Roads, Streets and Bridges***

Residual funded 100% from geographic areas' works and services rates.

## **Rivers and Land Drainage**

### ***Wairau Valley Scheme***

Funded 100% by rate on property capital values using differentials to reflect benefit.

### ***Other Schemes***

Residual funded 99% from the geographic areas' works and services rates and 1% from the district-wide general rate for river management; and 100% user charges on the area being drained.

## **Sewerage**

### ***Blenheim Sewerage***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge, or a Trade Waste Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Picton Sewerage***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge, or a Trade Waste Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Havelock Sewerage***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Seddon Sewerage***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Spring Creek Sewerage***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

## **Stormwater**

### ***Blenheim Stormwater***

Residual funded 71% from commercial geographic area works and services rate and 29% from residential geographic area works and services rate.

### ***Other Stormwater***

Residual funded by geographic areas' works and services rates in the appropriate locality.

## **Waste Management**

### ***Refuse Collection***

Uniform annual charge per service.

### ***Other Waste Management***

User charges are set at a level which encourages use and discourages illegal dumping. Residual is funded from geographic areas' works and services uniform annual charges.

## **Water Supplies**

### ***Awatere Water***

The rating requirement is funded by a Uniform Annual Charge for each meter, with the residual being funded by a metered charge to reflect consumption.

### ***Blenheim Water***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge on each separately used or inhabited portion, or by a Metered Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Picton Water***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge on each separately used or inhabited portion, or by a Metered Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Havelock Water***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge on each separately used or inhabited portion, or by a Metered Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Renwick Water***

Operating costs are recovered from all properties connected to the system by way of a Uniform Annual Charge on each separately used or inhabited portion, or by a Metered Charge. Non-connected properties in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all properties within the area of service by way of a land value rate.

### ***Riverlands Water***

All users are charged a metered charge to reflect consumption.

### ***Wairau Valley Water***

All properties connected to the system are charged a Uniform Annual Charge. Non-connected properties in the area of service are levied half the connected charge.

### ***Fire Protection***

Exacerbator pays for fire fighting. Residual funded 99% by geographic areas' works and services rates and 1% from the district-wide general rate.

## **Democratic Process**

Residual funded from district-wide uniform annual general charge.

## **Parking**

### ***Parking (Blenheim)***

Debt servicing charges funded by Blenheim Parking Loan Rate. Opportunity cost of land set aside for parking (8% of the land value) is funded by Blenheim Commercial Works and Services rate.

### ***Parking Loans (Picton)***

Funded by Picton Works and Services charge.

## **Animal Control**

Residual funded 100% by user charges.

## **Animal and Plant Pest Control**

Residual funded 75% from geographic areas' works and services rates and 25% from the district-wide general rate.

## **Consents and Compliance**

### ***Resource Management Control***

Residual after user charges funded from geographic areas' works and services rates.

### ***Resource Consent Hearings***

Residual funded from district-wide uniform annual general charge.

### ***Building Control***

Residual after user charges funded from geographic areas' works and services rates.

### ***Environmental Health, and Liquor***

Residual after user charges funded 60% from district-wide uniform annual general charge and 40% from geographic areas' works and services uniform annual charges.

## **Environment**

### ***Environmental Reviews***

Residual funded 66.06% from geographic areas' works and services rates and 33.94% from the district-wide general rate.

### ***Environmental Policy***

Residual funded 100% from the district-wide general rates.

## **Harbour Control**

Residual after user charges funded from the district-wide general rate.

# TREASURY MANAGEMENT POLICY

## 1. Philosophy

The Marlborough District Council has a diversified portfolio of investments ranging from trading enterprises within the Marlborough region (ie; land, ports, airport and forestry) to cash used in the day to day operations of Council.

The Council borrows funds for capital projects where the Council activity provides benefits over a number of years. It is felt that the capital cost (ie; principal and associated interest) of these projects should be met in the years in which benefits are enjoyed.

Council faces similar investment and borrowing risks to those faced by the public. The Council seeks to minimise the risks associated with:

- Investments by having a diversified portfolio of low risk investments.
- Interest rates by working within proven guidelines which do not seek to anticipate the fluctuations of the financial markets.
- The level of borrowings by maintaining prudent levels of security and debt servicing ability.
- Liquidity by ensuring that there is sufficient funds to meet its day to day operations. This is achieved with prudent budgeting and daily cash management.

In meeting the above objectives Council is a risk averse entity and does not wish to seek risk from its treasury activities. Interest rate risk, liquidity risk and credit risk are risks Council seeks to manage. Accordingly activity which may be construed as speculative in nature is expressly forbidden.

## 2. Investment Policy

The objective of Council is to ensure firstly that its investments are secure and secondly to maximise its return on investment.

Council's investments include:

- Equity investments
  - MDC Holdings Limited which owns Port Marlborough NZ Limited which owns Marlborough Airport Limited.
  - Marlborough Regional Forestry.
- Property
  - Council owned property held for strategic reasons.
  - Council owned property providing community benefits.
- Loans and Advances provided to:
  - MDC Holdings Limited
  - Community groups
  - Other
- Treasury Investments

These investments comprise:

- Special funds, sinking funds and reserves.
- Funds set aside for approved future expenditures.
- Asset sale proceeds; and
- Temporary surpluses and working capital funds.

These investments are held for a variety of purposes and are subject to a variety of risks. An outline of how those risks are managed for each type of investment is as follows:

### *Equity Investments*

Council reviews the performance of the trading enterprises regularly to ensure that strategic and financial objectives set are being achieved. In particular the Council reviews the financial returns and the present and future values of these investments.

Significant dispositions and acquisitions require Council approval.

All income is reflected in the consolidated Council accounts with dividend income reflected in the Council accounts as revenue.

It is not contemplated that Council will make any future equity investments; to do so would require a specific Council resolution.

### *Property*

All property investments are reviewed to ensure that the aims of holding the property are still valid. The varying reasons for holding property are outlined above. All property investments are required to achieve a commercial return on the capital invested with the exception of some property held for community benefits eg; reserves.

### *Loans and Advances*

Loans to trading enterprises are made at arm's length and in accordance with normal commercial practice. Council sets the criteria to apply for any other loans or advances as they are granted. It is normal that Council secures loans and advances against the assets of the organisation and obtains personal guarantees. Council as a rule is not a lender of money. Interest and principal repayments are monitored to ensure they comply with loan agreements.

### *Treasury Investments*

Council has contracted Bancorp Treasury Services Limited (Bancorp) to manage its monetary investments. Council has established investment criteria that Bancorp are authorised to operate within. Council criteria only allows risk free and low risk monetary investments. These criteria can only be altered by way of Council resolution. Council will review the criteria annually.

Risks Associated with Investment are:

#### ***Interest Rate Risk***

Interest rate risk management is about minimising Council's exposure to market conditions prevailing at any one time.

To minimise interest rate risk in the investment or borrowing context it is necessary to "hedge" against adverse movements. This is often achieved by spreading the maturity dates of investment or debt, as the case may be, in order that they mature at different times so that you do not have all your eggs in one basket. Alternatively, various hedging instruments can be used to "lock in" to today's rates because adverse movements are expected in the future.

#### ***Liquidity Risk***

Forecasting and regular cash management ensure that the Council's liquidity risk is minimised. Investments are made in accordance with forecast requirements but may be broken should unforeseen events cause temporary liquidity problems.

#### ***Credit Exposure and Security***

Credit risk is minimised by limiting the authorised institutions in which funds can be invested. Council selects only institutions which have achieved an appropriate minimum formal credit rating or better. In addition a diversified portfolio is achieved by placing maximum percentage investment limits to each authorised rating class.

#### ***Settlement Risk***

Council selects organisations only of high standing and good reputation to arrange their financial transactions.

### **3. Borrowing Policy**

Council's objective is to minimise interest rate risk by managing its borrowings in a manner that does not try to anticipate or leave it at the mercy of financial market fluctuations. Council also seeks to maintain prudent levels of security and debt servicing for its borrowings.

Council has a wholly owned subsidiary, MDC Holdings Limited (MDCH). This company has access to borrowing facilities within the financial markets and where appropriate any external borrowing by Council is undertaken through MDCH. In the event that Council borrowed externally it would do so in accordance with MDCH policy and with the specific approval of Council.

#### ***Desired Weighted Average Term or Debt***

Council uses the average term of the New Zealand Government debt portfolio as a benchmark.

#### ***Liquidity Policy***

This is achieved by managing the debt maturity profile and ensuring that this will meet the requirements that are identified in long term financial forecasts. Funds flow monitoring will ensure the Council is able to service its debt on time.

#### ***Debt Repayment Policy***

Council manages its funds as a consolidated pool. Internal mechanisms have been established so that activities fund principal repayments in accordance with the useful life of the asset to a maximum period of 20 years.

#### ***Specified Borrowing Limits***

- Gross interest expense is not to be greater than 10% of total operating revenues.
- Gross interest expense is not to exceed 20% of total rates revenues.

#### ***Security***

Council provides security to its lenders by way of a charge over rates. In particular circumstances, approved by Council, other assets may be used as security (this is considered extremely unlikely).

#### ***Authorised Instruments***

The following interest rate risk management instruments may be used for interest rate risk management:

- Forward Rate Agreements (FRA's)
- Interest Rate Swaps (Swaps)
- Interest Rate Options (Options)

### **4. Foreign Exchange Policy**

Council may have foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.

Generally all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts are used by Council.

The use of other foreign exchange risk management products is not permitted.



# GLOSSARY OF TERMS

*Here are the definitions for some of the terms you will find in the information relating to the Annual Plan, Financial Statements and Proposed Rates and Charges.*

## **Accruals**

These are similar to accounts payable in that they are expenses incurred during the current year for which payment has not been made and invoices have not yet been recovered.

## **Allocated Overheads**

Overhead accounts are used to allocate revenues and expenses that relate to various managerial operations (such as general management, general administration, reception and office management and information systems management) and are currently allocated on an annual basis.

## **Asset Sales**

Refers to the sale of MDC assets e.g. cars, property.

## **Borrowings**

Refers to the raising of loans for capital items, such as the sewage scheme.

## **Charge**

A charge is levied as a uniform amount on every property.

## **CV**

Capital Value.

## **Infrastructural Assets**

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

## **Decline in Service Potential (DISP)**

In lieu of Depreciation, Council is required to fund Decline in Service Potential (DISP), as part of its operating costs. DISP is the cost of maintaining the service potential (or the value of assets) in their current condition. DISP is calculated from the Capital Renewal Programme contained in the Asset Management Plans and has to be recalculated from time to time to reflect movements in renewal costs. DISP therefore provides the necessary funds for asset renewal.

## **District Wide**

Applies to every property in the District.

## **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 Administrative Rural.

## **LV**

Land Value.

## **Operational Assets**

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

## **Other Revenue**

Revenue received for the activity that is not related to the use of services e.g., interest.

## **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**

This is the amount of borrowed funds that the MDC owes to external parties. The net public debt is the public debt minus the sinking funds held, and the mortgage advances for which the MDC has borrowed funds i.e. rural housing loans.

## **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**

A Rate is levied as cents in the dollar of property value. The term Rates refers to all rates, including general type rates, separate rates and uniform charges.

## **Sinking Funds**

These are investment accounts funded by annual instalments to repay the principal components of loans.

## **Statement of Cash Flows**

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

## **Statement of Financial Performance**

This can also be referred to as the Profit and Loss Statement, the Income 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**

This shows the financial state of affairs at a particular point in time. It can also be referred to as the Balance Sheet.

## **Subsidies**

Amounts received from other agencies for the provision of services e.g. Transfund roading subsidies.

## **User Charges**

The charges levied for use of MDC services e.g. building consent fees, health inspections.

## **Transfer to/from Reserves**

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

## **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.